

MANAGEMENT PRACTICE SUPPORTING
SUSTAINED DEVELOPMENT IN THE GERMAN ART
COLLECTION

Thesis submitted for the degree of
Doctor of Philosophy
University of Leicester

by

Louisa Krämer-Weidenhaupt
School of Museum Studies
University of Leicester

April 2020

ABSTRACT

MANAGEMENT PRACTICE SUPPORTING SUSTAINED DEVELOPMENT IN THE GERMAN ART COLLECTION

Louisa Krämer-Weidenhaupt

The focus of this thesis lies on understanding how approaches to management can support sustained development in German art museums. This is achieved by identifying best practices in the context of sustainable outcomes, examining how historical, political and cultural trajectories shape current approaches to management in Germany, through developing an understanding of how institutions are confronting challenges in their contemporary environment and to what effect their methods align with the established best practices.

Using a mixed methods approach, in the form of a comparative collective case study, interview insight as well as a quantitative assessment of indicators across a sample group of arts institutions in Germany, a range of management practices and their relationship with both the social and economic dimension of sustainability is systematically considered in contexts relevant to the German art museum. This thesis thereby explores discussions surrounding management practice and sustainability but also examines the conceptual ambivalence and tensions that arise at the intersection of the arts and theories of value within a German art museum context. By taking into account the amalgamation of political, historical and cultural undercurrents informing management, policy decisions and practice, this research is able to gain an understanding of the systemic interactions affecting the potential for sustainable development as well as limiting factors shaping management practice such as the discursive formations which shape the ways in which professionals operate. This research finds that the interactions between systems understood by key agents as incompatible or competing act as a barrier to the implementation of best practices. Through presenting four concepts that can facilitate the alignment of such systems, this research contributes new perspectives on holistic approaches to management enabling more sustainable development. The insight generated hereby can help German art museums to better serve the communities they operate within.

ACKNOWLEDGEMENTS

I would like to thank my mother for her support throughout my research and writing process.

I would also like to thank my supervisors Prof. Lisanne Gibson and Dr. Isobel Whitelegg as well as those who participated in my research for their time and commitment: Antonella Sbarra, Annamaria Englebert, Adrienne Horn, Bianca Knall, Lisa Schade and Frank Schellenberg.

CONTENTS

1. Introduction	12 - 35
1.1 Research Objectives	13 - 14
1.2. Sustainable Development in the Art Museum	15 - 19
1.3 Understanding Systemic Issues and the Potential for Sustainable Development	20 - 26
1.4 Research Context: The German Art Museum Then and Now	27 - 33
1.4.1 Museums as Tools for Unification and National Representation	28 - 30
1.4.2 The Weimar Republic, the Third Reich and Postwar Germany	30 - 33
1.5 Dissertation Structure	34 - 35
2. Methodology	36 - 55
2.1 Research Design and Methodological Considerations	37 - 44
2.1.1 Assessing Structures and Operations in German Art Institutions	39 - 41
2.1.2 Collective Comparative Case Study	41 - 43
2.1.3 Interviews	43 - 44
2.2 Data Processing, Analysis and Theory Generation	45 - 50
2.2.1 Statistical Analysis and SPSS	46 - 47
2.2.2 Case Study Analysis and Cross-Case Synthesis	47 - 49
2.2.3 Interview Analysis and Coding	49 - 50
2.3 Limitations and Implications	51 - 56
2.3.1 Validity, Representativeness and Reliability	51 - 53
2.3.2 Data Availability and Accountability	53 - 55

3. The Triangular Exchange Shaping German Art Museum Identity and Behaviour	56 - 95
3.1 Cultural Consumption, Art and Entertainment in German-Speaking Europe	58 - 60
3.2 A Question of Responsibility	61 - 82
3.2.1 A Slow Transition	64 - 69
3.2.2 Responsibility in Practice	70 - 79
3.2.3 Interpretations of Independence Shaping Museum Behaviour	80 - 82
3.3 The Political Nature of Museums	83 - 90
3.3.1 Cultural Policy, Power and Instrumentality in Postwar Germany	85 - 90
3.4 Conclusion: Ideology in the German Kulturnation	91 - 95
 4. The Economics of the Art Museum	 96 - 121
4.1 Funding the Arts and Theories of Value in the Context of the Art Museum	98 - 119
4.1.1 Institutional Outcomes	105 - 112
4.1.2 The Anti-Market Mentality	113 - 119
4.2 Conclusion: Pragmatism versus Principle	120 - 121
 5. Management Practice in the Art Museum	 122 - 161
5.1 Museum Management Guidance and Concerns through a Sustainability Lens	124 - 158
5.1.1 Assets, Accounting and Financial Planning	124 - 130
5.1.2 Earned Income and Commercial Activity	131 - 143
5.1.3 Marketing and Audiences	143 - 149
5.1.4 Sponsorship and Patronage	150 - 158
5.2 Conclusion: Ideal and Reality	159 - 161

6. Accountability and Performance Management	162 - 185
6.1 Defining and Measuring Output	166 - 175
6.1.1 Approaches to Performance Measurement and Management	170 - 175
6.2 New Public Management and Systems of Accountability	176 - 184
6.2.1 New Public Management in German Public Institutions	179 - 184
6.3 Conclusion: Efficiency versus Identity	185
7. Aligning Competing Systems	186 - 231
7.1 Sustainability and the Social Enterprise	188 - 197
7.1.1 Social Enterprise in Art Museums in Practice	193 - 197
7.2 Organisational Culture, Learning and Development	198 - 208
7.2.1 Professional Identity	200 - 205
7.2.2 Dual Leadership	205 - 208
7.3 Multiple Internal Logics and Hybrid Organisations	209 - 215
7.3.1 Functional Differentiation – Reconciling Identities and Making it Work	212 - 215
7.4 New Museum Ethics, Public Trust, Credibility and Mission	216 - 226
7.4.1 Audit, NPM, and Accountability	219 - 226
7.5 Conclusion: Sustainability Awareness, Alignment and Holistic Approaches	227 - 231
8. Conclusion	232 - 244
8.1 Management Practices Supporting Sustainable Development and Factors Affecting their Implementation	234 - 241
8.2 Contribution and Implications	242 - 244

LIST OF FIGURES

Figure 1. The Performance Pyramid (p. 48)

Figure 2. Period during which collections institutions studied originate from (p. 64)

Figure 3. Operational categories among institutions studied (p. 65)

Figure 4. Breakdown of legal form of institutions studied (p.66)

Figure 5. Affiliated support networks of institutions studied (p. 68)

Figure 6. Social Enterprise Sustainability Equilibrium (p. 212)

LIST OF ABBREVIATIONS AND TERMINOLOGY

ACCA - Association of Chartered Certified Accountants

Anstalt des öffentlichen Rechts - legal entity and independent administrative body governed by constitutional and administrative law

Anteilsfinanzierung - partial funding

Bestandsgarantie - guarantee of existence

Bewilligungsbehörde - authorisation authority

Berzirksregierung - district government

Bildung - German tradition of self-cultivation (as related to the German term for creation, image, shape), wherein philosophy and education are linked in a manner that refers to a process of both personal and cultural maturation. This maturation is described as a harmonization of the mind and heart and in a unification of selfhood and identity within broader society.¹

Bildungspolitischer Auftrag - educational political objective

BSGS / Bayrische Staatsgemälde Sammlung - Art Collection of federal state of Bavaria

¹ Wilhelm von Humboldt, 'Theory of Bildung' in Ian Westbury, Stefan Hopman, Kurt Riquarts, *Teaching As A Reflective Practice: The German Didaktik Tradition* (Mahwah: Lawrence Erlbaum Associates Inc., 2000), pp. 57 – 62.

Bundes / Kommunalte Trägerschaft - National or Commune Operated

Bundesregierung - national government

BPB / Bundeszentrale für Politische Bildung - Federal Agency for Civic Education

DCMS - (UK) Department of Digital, Culture, Media and Sport

DDR / Deutsche Demokratische Republik - German Democratic Republic

Dezemberfieber - December fever: behaviour defined by recklessly increasing spending of available resources at the end of the year to avoid funding being reduced in the subsequent years

DMB / Deutscher Museums Bund - German Museums Association

Doppik - double entry bookkeeping

e.V. / eingetragener Verein - registered association

Fehlbedarfsfinanzierung - uncovered demand funding

Festbetragsfinanzierung - predetermined amount funding

Freundeskreis - association in which private persons or corporate entities provide financial support through contributions and membership fees

Förderinstitution - Foundation

Förderverein - association in which private persons or corporate entities provide financial support through contributions and membership fees

Gemeindeordnung - municipal code

Gesamtdeckungsprinzip - budgeting principle in public administrative structures according to which all income incurred is used to cover all expenses, due to it not being tied to a particular purpose.

gGmbH / gemeinnützige GmbH - non-profit limited liability company

GmbH / Gesellschaft mit beschränkter Haftung - limited liability company

Gründerzeit - economic phase in nineteenth century Germany and Austria before the great stock market crash of 1873

Hauptausschuss - main committee

Haushaltsausschuss - budget committee

Haushaltsgrundsatzgesetz - law governing budgeting principles

ICOM - International Council of Museums

Kommune - municipality

Kulturausschuss - cultural affairs committee

Kulturdezernent - Council of Cultural Affairs

KGSG / Kulturgutschutzgesetz - law for the protection of cultural artifacts

Kulturförderung - cultural funding

Kulturnation - cultural nation

Kulturpflege - cultural maintenance

Kulturstaat - cultural state

Kulturstaatliche Staatszielbestimmung - objective of creating a cultural state

Kulturstaatlichkeit - pursuit of national policy goal in which the government supports and protects Bildung, the arts and cultural institutions

Kultusministerium - Ministry of Education and Cultural Affairs

Kunstfreiheit - artistic freedom

Kunstverein - arts association

Kunstvermittlung - educational and pedagogical function within museum

Länder - federal states

Landesamt - state agency

Landesrechnungshof - audit office of the federal state

Landes/Kommunale Trägerschaft - Federal State or Commune Operated

Leitkultur – core or guiding culture

MFKJKS / Ministerium für Familie, Kinder, Jugend, Kultur und Sport - Ministry for Family, Children, Youth, Culture and Sports

Ministerium der Finanzen des Landes Nordrhein-Westfalen - Ministry of Finance of the Federal State of NRW

Ministerium für Kultur und Wissenschaft des Landes Nordrhein-Westfalen - ministry of culture and research of the federal state of NRW

MMK / Museum für Moderne Kunst - Museum for Modern Art (in Frankfurt)

Museumsverein - Museums Association

NPM - New Public Management

Öffentlich-rechtliche Stiftung - public law foundation

Öffentliches Haushaltsrecht - public budgeting law

PPP - Public Private Partnership in which both public and private entities enter into a cooperative arrangement

Privat-rechtliche Stiftung – private law foundation / trust

Rechtsstaat - constitutional state

Regiebetrieb - operational form in which the institution is embedded within city infrastructure, both in terms of management and also with regards to funding

Reichsgründung - founding of the German empire

Reichskulturkammer - Reich chamber of culture

Reichsministerium für Volksaufklärung und Propaganda - Reich Ministry of Public Enlightenment and Propaganda; government agency to enforce Nazi ideology.

SE - social enterprise

SKD / Staatliche Kunstsammlung Dresden - Collection of the federal state of Dresden

Staatsziel Kultur - culture as state aim

SMB / Staatliche Museen zu Berlin - Federal state museums of Berlin operated by the Stiftung Preussischer Kulturbesitz

Städtetag - Association of German Cities and Towns

Statistisches Bundesamt - Federal Office of Statistics

Statistisches Jahrbuch der Bundesrepublik Deutschland - German National Annual Abstract of Statistics

Stifter - benefactor

Stiftung – foundation / trust

Stiftung bürgerlichen Rechts - private law foundation / trust

Stiftung öffentlichen Rechts - public law foundation / trust

Stuttgarter Richtlinien - cultural policy guidelines for cultural maintenance

Treuhändische Stiftung - trust-held foundation / trust

Verfassungs- und Verwaltungsrecht - constitutional and administrative law

Volkserziehung - civil education

Volkspädagogisch - civil cultural pedagogy

Zuständigkeitsordnung - code of responsibility

The terms *Kunstsammlung* and *Kunstsammlung NRW* in the text refer to the museum *Stiftung Kunstsammlung Nordrhein-Westfalen*.

MANAGEMENT PRACTICE SUPPORTING SUSTAINED DEVELOPMENT IN THE GERMAN ART COLLECTION

1. INTRODUCTION

Museums within a global context are under increasing pressure to adjust to changing environments and to re-evaluate their place within larger societal systems while faced with declining public support, introducing the subject of sustainability into discourse surrounding museum management.

The art museum in particular finds itself in the process of renegotiating its identity under the additional perceived threat of a commercialisation of culture, demarcating its unique situation. German art museums specifically are faced with uniquely complex deliberations as politically mandated behaviours must coexist with economically motivated changes to their operational framework, calling for a shift in perspective. This is in constant conflict with a system that is in opposition to many of the elements regarded as instrumental to achieving perspectives for sustained development, creating a moral dilemma for institutions. This thesis therefore not only explores discussions surrounding management practice and sustainability but also examines the conceptual ambivalence at the intersection of competing systems German art museum identity and behaviour is embedded in.

1.1 RESEARCH OBJECTIVES

The focus of this thesis lies on how approaches to art museum management can support sustained development in German institutions. Here, a plural definition of sustainability – defined by both an economic and and social dimension - is considered.

The objectives therefore entail:

- Developing an understanding of how management practices - including those drawn from non-museum or arts-related fields - contribute to sustained development.
- Examining how historical, political and cultural trajectories shape current practices in Germany through understanding their impact on museum identity and behaviour.
- Establishing how German art museums are dealing with the challenges they confront in their contemporary environment, and to what extent their methods align with established best practices associated with supporting sustainable futures.

These objectives are achieved through a systematic examination of sustainability and management practice in a variety of contexts relevant to the German art museum, taking into account the amalgamation of political, historical and cultural undercurrents informing management, policy decisions and practice in Germany. This examination is conducted in an effort to understand interactions between potential for sustained development as well as limiting factors shaping management practice. With museum management supporting social and economic operational sustainability as the ultimate bottom line, uncovering the means by which this can be achieved is at the centre of the investigation.

In doing so, this thesis also explores the general directionality of German art museums with regards to management practice that supports sustainability on an economic and social level in order to understand which behaviours may actively prohibit achieving positive institutional outcomes. Therefore, the objective is not only to describe deficits but also to provide a deeper understanding of strategies for improvement as part of a two-step process: reconciling positions that may seem at variance by appeal to a superordinate principle and propose a new point of view. This does not entail devising any type of system to measure or evaluate sustainability nor is it the aim to provide a practical solution to the issues discussed.

Rather, through developing an in-depth understanding of relevant systems, new perspectives derived from this may benefit the institutions in being able to better serve their communities.

This thesis does not intend to attack the competence of those managing the institutions studied. It is much rather focused on understanding the systemic constraints they are operating within, examining these parameters through the lens of sustainability. The aim is to explore the discursive formation, which shapes the ways in which professionals operate. With regards to precautions taken against likely sources of bias, it is important to acknowledge that a level of subjectivity influences the perspective from which the subject of study is approached. This research explores how management practice can be leveraged for the benefit of German art collections, based on a predisposition to question whether any influence from unrelated fields poses not only a perceived but tangible threat. It therefore informs the premise of the investigation.

Situated at the intersection of museum management and systems theory, this research is informed by the aim to support institutions in their mission to continually create social value. Rooted in the distinct historical, cultural and political makeup of the country and unique position arts institutions in particular find themselves in, a discussion of management practice often occurs in the form of a moral deliberation. This research therefore redirects the discourse to one examined through a sustainability lens without implicit moral judgement instead. Through capturing the essential characteristics of a system and outlining a trajectory of improvement of system functions, the research supports the reduction of damaging factors threatening its sustainability. It does so by identifying potential for change while considering the idiosyncrasies of the particular context it is rooted in. It also supplies insight into conceptual frameworks for museum management within a German context to bridge ideas with other disciplines and provide ways by which tensions at the intersection of competing systems can be overcome.

1.2 SUSTAINED DEVELOPMENT IN THE ART MUSEUM

After defining the objectives of this thesis as building an understanding of how management practice and environmental factors interact with sustained development in the German art museum, this section will establish definitions of management dimensions of sustainability – also within the context of a museum - which are considered in order to substantiate the central concerns of this research. In doing so, all analysis presented in subsequent chapters will relate findings to the principles defined here, enabling the exploration of ways in which management methods as well as environmental aspects interact with and impact sustained development² in the art museum. The definitions of sustained development within an art museum context examined here do not refer to the Sustainable Development Goals defined by the United Nations.³

Hak et. al. define sustainability as the capacity of any human, social or economic system or process to maintain itself indefinitely.⁴ Among the many other definitions of sustainability within an organisational context, there is one that defines sustainable behaviour as something that requires a treatment of the present and the future that places a positive value on long term planning.⁵ Business sustainability more specifically can be, according to Molthan-Hill, understood as 'meeting the needs of the firm's direct and indirect stakeholders, without compromising its ability to meet the needs of future stakeholders as well'.⁶ Another important element which commonly features in the context of an organisation is the so called 'triple bottom line', a concept according to which sustainability consists of a social, environmental and economic dimension, which

² Dan V. Caprar and Benjamin A. Neville, "Norming" and "Conforming": Integrating Cultural and Institutional Explanations for Sustainability Adoption in Business', *Journal of Business Ethics*, Vol. 110, 2 (2012), pp. 231-245.

³ United Nations Website, *Sustainable Development*, (n.d.), [accessed July 11, 2020].

⁴ Tomas Hak, Bedrich Moldan, Arthur Lyon Dahl, *Sustainability Indicators: A Scientific Assessment* (Washington, Covelo, London: Island Press, 2007), p.2.

⁵ Larry Litten, 'Measuring and Reporting Institutional Sustainability' presented at the Annual Forum of the Association for Institutional Research, San Diego, California, June 1st, 2005.

⁶ Petra Molthan-Hill, *The Business Student's Guide to Sustainability Management: Principles and Practice* (Sheffield: Greenleaf Publishing Ltd., 2014), p.32.

are fundamentally linked with each other,⁷ where each subsystem is complex, non-linear and self-organising.⁸

Sustainability applies to the viability of a business model in that Drucker set out the idea that each business is based upon a business model located within a broader structure or system, which must be revised regularly, to ensure that the assumptions their value creation process is based upon are still valid.⁹ The broader meaning of sustainability in organisations includes, therefore, the systemic consequences of activities in a holistic sense.¹⁰ Correspondingly, part of what constitutes sustainability is understood as a framework to foresee changes and take appropriate action,¹¹ with adaptability and responsiveness acting as central components.¹² Monitoring indicators plays a central role herein. The sustainability awards developed by the *Association of Chartered Certified Accountants* (ACCA) in Europe, North America and Asia for example consider categories within an organisation such as reporting and accounting policies, vision and strategy, governance structure and management systems¹³ - stressing the importance of entrepreneurialism and innovation, adaptive management and organisational learning and systems of performance assessment, thereby underlining their crucial role in supporting a sustainable operation. When looking at variability in sustainability performance, organisational culture appears as another contextual factor acting via multiple mechanisms in influencing sustainability adoption. Caprar and Neville aim to provide a foundation for understanding the role of culture in the norming of and conforming to institutional pressures for sustainability. Cultural values do not act independently, but in interaction with each other, and a configurational approach whereby concomitant cultural effects are considered, further increases the ability to explain and predict sustainability adoption.¹⁴

⁷ Seraphina Brown and Adilla Dharmasmita, 'Integrating the three pillars of sustainability: social, environmental and economic' in Petra Molthan-Hill, *The Business Student's Guide to Sustainability Management: Principles and Practice* (Sheffield: Greenleaf Publishing Ltd., 2014), pp. 42 - 82. Tomas Hak et. al. *Sustainability Indicators*), p.2. Asoka Bandarage, *Sustainability and Well-Being: The Middle Path to Environment, Society and the Economy* (Palgrave MacMillan, 2013), p.7. Peter A.C. Smith, 'Elements of Organizational Sustainability'. *The Learning Organization*. Vol.18, 1 (2011), pp. 5-9.

⁸ Joachim H. Spangenberg, 'Institutional Sustainability Indicators: An Analysis of the Institutions in Agenda 21 and a Draft set of Indicators for Monitoring their Effectivity', *Sustainable Development*, Vol.10 (2002), pp.103-115.

⁹ Petra Molthan-Hill, *The Business Student's Guide to Sustainability Management: Principles and Practice* (Sheffield: Greenleaf Publishing Ltd., 2014), p.32.

¹⁰ Ibid. p.33.

¹¹ Seraphina Brown and Adilla Dharmasmita, 'Integrating the three pillars of sustainability'.

¹² Tomas Hak et. al., *Sustainability Indicators*, p.3.

¹³ Larry Litten, 'Measuring and Reporting Institutional Sustainability'.

¹⁴ Dan V. Caprar, Benjamin A. Neville, "'Norming" and "Conforming"'.

The areas which have thus been identified as crucial determinants of the sustained development within an organisation are entrepreneurialism and innovation linked to management practices which place a premium on adaptability and responsiveness as well as practices which monitor present practices to improve processes and reduce future risks (systems of accountability and performance assessment).

Furthermore, organisational learning and culture plays a critical role in the ability of any organisation to successfully leverage these practices.

In a review of resources specifically focusing on a museum context, these same components can be identified in alignment with the elements established within a general business and organisational context, as the subsequent review illustrates.

The UK *Museums Association* drafted a checklist of principles for sustainability which included the following key objectives: building long-term relationships with a range of audiences; responding to changing political, social, environmental and economic contexts and having a clear long-term purpose that reflects society's expectations of museums; taking full account of sustainable development in all activities and policies and working within available resources.¹⁵ It also encourages museums to take a holistic view of sustainability through the lens of the 'triple bottom line'. Museums need to be willing to adapt to change and be more realistic about what they can and cannot deliver with available resources, based on what society actually wants and needs.¹⁶ This forces a re-evaluation of assumptions made about the core functions and identity of the institution, in a way similar to the revision of the value creation process described previously as Moltan-Hill cites Drucker.¹⁷

The UK *Museums Association* describes a scenario in which many museums consume more resources than is justified, as the scale of activity outstrips the funding to sustain it. Long-term thinking is therefore essential to sustainability, yet few museums plan ahead sufficiently.¹⁸ Furthermore, traditional sources of funding are being eroded while museums are expected to achieve more on a declining budget. If an organisation's finances collapse, it is unable to serve its present and future community – demonstrating the interconnectivity of both subsystems (social and economic) constituting the sustainability bottom line inherent in the definition considered. Diversifying sources of

¹⁵ The Museums Association, *Principles for sustainable museums*, 2017.

¹⁶ Maurice Davies, Helen Wilkinson, The Museums Association, *Sustainability and Museums: Your Chance to Make a Difference* (London, 2008).

¹⁷ See p.162 for definition of core functions. Petra Molthan-Hill, *The Business Student's Guide to Sustainability Management*, p.32.

¹⁸ The Museums Association, *Sustainability and Museums: Report on consultation* (London, 2009).

income to avoid over-reliance on a single source of public funding is seen as one way to address such issues, moving away from short-term budgets and on to a long-term vision around purpose – adapting strategies to attract and retain visitors.

Sustainability is furthermore described as 'efficiency with a conscience' and a key aspect of sustainable operation is to use the limited resources that are available efficiently in order to achieve the maximum possible impact.¹⁹

Given this context, managerial models are becoming more business-like, embracing strategies that ensure cultural and financial goals are met.²⁰ Similarly, Pop and Borza state that the use of practices that contribute to sustainability enhancement is regarded as an obligation of museums if they want to have sufficient resources available to survive, also citing the 'triple bottom line' that must be considered and maintained in a state of equilibrium. As defined by the *International Council of Museums (ICOM)*, an indicator for measuring a museum's potential for sustainability is its financial autonomy along with the proportion of earned income in total revenues to estimate the level of cultural entrepreneurship. In addition to this, sustainability is also closely connected with management and marketing strategies, impacting a museum's capacity to innovate, improve the quality of its service offering and generate income.²¹

According to Janes, museums of all kinds are finding sustainability to be a primary concern²² as a result of decreased financial support for the cultural sector and an increase in control over policies and operations.²³ It is more often than not only a detrimental, external, monetary shock that spurs institutional change in museums,²⁴ due to their conservative nature and resistance to change.²⁵ Their non-profit organisation results in the lack of an incentive to find ways to 'beat the market'. This apathy is rooted in the fact that the work of museums is rarely geared towards an end that is indispensable to the public.²⁶ As museums put themselves at risk by thinking in an insular fashion, the foundation of what was believed to be constant for museums has, and will, continue to be challenged.²⁷

¹⁹ Maurice Davies, Helen Wilkinson, *Sustainability and Museums*.

²⁰ Eva Vicente, Carmen Camarero, 'Insights into Innovation in European Museums', *Public Management Review*, Vol.14 (2012), pp.649-679.

²¹ Izabela Luiza Pop and Anca Borza, 'Factors Influencing Museum Sustainability and Indicators for Museum Sustainability Measurement', *Sustainability*, Vol. 8, 1 (2016), pp. 2 - 22.

²² Robert R. Janes, *Museums and the Paradox of Change: A case study in urgent adaptation* (London, New York: Routledge, 2013), p.i.

^{1b} Ibid. p.4.

²⁴ Ibid. p.xvi.

²⁵ Ibid. p.5.

²⁶ Ibid. p.xv.

²⁷ Ibid. p.192.

Janes references the 'non-profit starvation cycle', describing it as an acute phenomenon in museums, where staff are 'so in need of decent infrastructure that their organizational performance is marginal at best',²⁸ highlighting the importance of organisational learning and development as well as providing staff with appropriate education to carry out management practice to the highest level.

Janes goes on to state that in the face of declining public support, museums must rethink their fundamental purposes,²⁹ and that a hybrid model, which challenges the separation between the commercial and social sectors - declaring that the independence of social value and commercial revenue creation is a myth - may offer a solution.³⁰

The presented definitions and concepts emphasise the importance of the ability to adapt to change, efficiency and as a bottom line financial health - alongside creating social value - in order to maintain all functions of the museum, underlining how even though core museum activities are not thought of as adjacent to secondary management-related activities, they are inextricably linked and the first depend on the latter. This thesis bases its interpretive approach on the points established here, while acknowledging the different contexts within which German art museums operate. It thus sets out to illustrate how the core issues driving sustainability concerns are equally relevant for German institutions throughout its examination of the interaction of sustained development with management and environmental factors. The thesis therein examines the dynamic described by Janes, based on the objective to not only determine what elements contribute to sustainable management practice but also to understand which factors affect their implementation within a German art museum context. The thesis therein investigates the social, cultural, political and historical factors contributing to behaviours in German museums, which interact with management practices and thereby also impact sustainability potential. Furthermore, it considers how approaches to aligning competing internal logics within an organisation, akin to the hybrid model outlined by Janes³¹, affect this potential.

²⁸ Ibid. p.336.

²⁹ Ibid. p.337.

³⁰ Ibid. p.339.

³¹ Robert R. Janes, *Museums and the Paradox of Change*, p.339.

1.3 UNDERSTANDING SYSTEMIC ISSUES AND THE POTENTIAL FOR SUSTAINED DEVELOPMENT

The previous section established the following principles centred on sustained development within the museum, on which the research objectives and subsequent examination are based:

- Sustained development describes the capacity for the museum to maintain itself and core activities indefinitely, through placing a positive value on long term planning and meeting different stakeholder needs under consideration of multiple social and economic bottom lines.
- Doing so requires the museum to acknowledge that its sustainability is a systemic consequence of its activities within a broader structure, which must be revised regularly, to ensure that the assumptions the value creation process is based upon are still valid. Its mission and role within the community it serves must reflect society's expectations and requirements of the museum.
- A museum's potential for sustainability is impacted by its financial autonomy along with the proportion of earned income through diversifying sources of income to avoid over-reliance on a single source of (public) funding. Given this context, managerial models that are adjacent to business-management approaches, ensure that not only cultural but also financial goals are met.
- Practices associated with supporting sustainability are centered on adaptability, responsiveness and sensitivity to environmental trends. This is achieved through some level of entrepreneurialism and innovation, impacting a museum's capacity to improve the quality of its service offering to attract and retain visitors.
- In addition to this, museums are obliged to use public funding efficiently and work within available resources. For this reason, approaches that monitor and improve processes through systems of accountability and performance assessment, reporting and accounting policies, are also contributing elements.
- Furthermore, organizational learning and culture plays a critical role in the ability of any organization to successfully leverage these practices.

In light of this understanding of sustained development in an art museum context, the research makes one central argument which is broken down thematically in the subsequent paragraph: there is a set of management practices which support sustainability in an art museum context. The implementation of these practices can however become impaired by a range of environmental factors, causing conflict when competing systems interact – those required for the successful application of supporting practices and those governing the system within which the German art museum operates and has rooted its identity in. In order to overcome this conflict and achieve a successful application of practices, methods designed to align competing systems can provide support.

The arguments around which this exploration is constructed can be presented in three segments. First, the research identifies major historical, cultural, political and economic trajectories shaping German art museum behaviour, policy and economic action in terms of the implementation of management practice associated with supporting sustained development. Herein a triangular exchange is described, occurring between a rigid attribution of responsibility for funding the arts, equally rigid notions of what constitutes independence from outside corruption for an arts institution and an inconsistent classification of external influence into acceptable and unacceptable interference. If German institutions so clearly locate responsibility and thereby the capacity for proactive management in external bodies, this produces passive behaviour, which will result in dysfunction through static positions, unwilling to adapt to changing demands. The way in which the promotion of policy ambitions has become woven into the fabric of the German art museum through the value judgment required to accept this form of interference as inherently unproblematic, has cultivated a complacent attitude of receiving. Through externalizing responsibility, institutions have trapped themselves in a position that mandates passive approaches to management. This further reinforces the incompatibility of other systems perceived as foreign, which would potentially benefit the institution. This interaction is primarily driven by ideologically grounded concepts of art museum identity and mental cultural components. This results in a multitude of adjacent or overlapping systems, which compete with or cancel out behaviours required to implement best practices. Understanding this dynamic constitutes the first step to understanding how historical, political and cultural trajectories shape management practice in Germany and consequently sustainability potential.

This thesis argues that there is a common perception of how economic thinking and action is alien to the fragile universe of artistic creation. Culture, in the German conception, is

the antithesis to the economy. What is fostered is a mentality that is solely focused on receiving and not earning as a moral obligation. Museums maintain that their existence is removed from the commercial art world due to their non-profit nature, regardless of the fact that they are increasingly working in hybridised forms of the cultural economy that rely on public support, as well as income through other channels.

This thesis also argues that there is a tendency to allow and even encourage ideology – similarly rooted in ideas about how civilised society must relate to art and self-concept – to shape policy decisions. This involves questioning the belief that commerciality is at the root of corruption of artistic freedom and the tenet that nothing is to interfere with the core function of the museum. This notion encourages a structural conservatism centred on self-preservation, in which institutions do not direct resources to achieving potential. By not taking on a more holistic and dynamic approach, inefficiencies and inflexibility occur – ultimately at odds with behaviours defined as conducive to sustainable management practice.

These arguments are based on a review of historical factors impacting the existing paradigm of a distinct differentiation between art and entertainment³² and other areas of life – central to understanding this difficulty to ideologically reconcile systems when needed. The question whether the German art museum is fit to deal with the increasingly complex demands of its contemporary environment³³ as public museums are forced to answer to the economics of efficiency, is mirrored in demands for greater autonomy and entrepreneurial thinking. This is positioned against the sentiment that museums ought to be a space protecting art from the indignities of entertainment and commerce,³⁴ forming the basis of two deeply conflicting agendas: what is required of the modern museum to ensure its survival and the ideological values it is modelled on.

There is the argument that a contemporary economic philosophy, exogenous to traditional structures, is harming the art world, through its dismissal of all that is not profit-oriented,³⁵

³² Karin A. Wurst, *Fabricating pleasure: fashion, entertainment, and cultural consumption in Germany, 1780 -1830* (Detroit: Wayne State University Press, 2005), p.13.

³³ Walter Grasskamp, *Das Kunstmuseum: Eine erfolgreiche Fehlkonstruktion* (München: C.H. Beck Verlag, 2016), p.13.

³⁴ James J. Sheehan, *Museums in the German Art World: From the End of the Old Regime to the Rise of Modernism* (New York, Oxford University Press, 2000), p.9. Ibid. p. 48.

³⁵ Peter Bendixen, Bernd Weikl, *Einführung in die Kultur- und Kunstökonomie* (Wiesbaden: VS Verlag für Sozialwissenschaften, 2011), p.35. Andreas Grosz, *Die Kultur-AG: neue Allianzen zwischen Wirtschaft und Kultur* (München: Hanser, 1999), p.35. Konrad Liessmann, Thomas Schlee, *Grenzen (in) der Kunst - Vom Wert der Kunst für die Gesellschaft* (Klagenfurt: Wieser Verlag GmbH, 2014), p.7.

while there are those that make the case that the art market is a market like any other.³⁶ This research establishes that a familiarisation with public funding as the default³⁷ has contributed to museum's conception of themselves as unchallengeable institutions outside the realm of the market.³⁸ With any form of commercial activity being thought of as conflicting with the core function of the museum, no effort is made to fully leverage opportunities to become financially more self-sufficient. Anti-entrepreneurial attitudes have in the past discouraged or actively de-incentivised economically minded behaviour and inhibited the reshaping of operating structures to become more independent and support long-term sustainability.³⁹ German cultural policy has been referred to as elitist and out of touch with reality⁴⁰, raising questions of intrinsic versus instrumental value. As museums move from a political sphere to a more economic one, the relationship between art and market mechanisms correspondingly is not without prejudice, reflected in criticisms of a contemporary economic 'mega philosophy' dominating the art world.⁴¹ What results is a non-negotiable notion of public bodies being responsible for arts funding leaving the institutions themselves inactive. These in turn are – in the pursuit of perceived independence of corrupting forces driven by the commercial sphere – rendered incapable of taking a more active approach to achieve financial stability. Simultaneously public influence over content and practice is classified as the only acceptable form of intervention, unlike its equivalent in the commercial sphere. When compounding difficulties associated with relating to audiences in order to survive, self-conception of art museums and professional identity of arts administrators, one is presented with an assembly of forces, embodied in the aforementioned triangular exchange, that shape German art museum identity, behaviour and consequently management practice.

The second set of arguments made by this thesis pertains to management practice itself. While art museums are not designed to operate as commercial entities, this research endorses the concept that business problem-solving strategies should not be conflated with an encroachment on the curatorial or conservational ambitions of museums. Rather

³⁶ Eric M. Bernhard, *Kunst als Kapitalanlage: Kunstmarktfonds als Verbindung zwischen Kunst und Kapitalmärkten* (Wiesbaden: Deutscher Universitäts Verlag / GWV Fachverlage GmbH, 2005), p.19.

³⁷ Barbara Marx, *Sammeln als Institution: von der fürstlichen Wunderkammer zum Mäzenatentum des Staates* (München: Deutscher Kunstverlag, 2006), p.219.

³⁸ Walter Grasskamp, *Das Kunstmuseum*, p.64.

³⁹ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.56. Lisa Becker, *Kulturfinanzierung in Großbritannien und Deutschland: ein Vergleich*, (München: Ifo-Inst. für Wirtschaftsforschung, 1996), p.24.

⁴⁰ Walter Grasskamp, *Das Kunstmuseum*, p.13.

⁴¹ Markus Metz, Georg Seeßlen, Ute Richter, *Geld frisst Kunst - Kunst frisst Geld: ein Pamphlet* (Berlin: Suhrkamp, 2014), p.16.

an abandonment of prejudice against such strategies in the museum context can be helpful. This is based on the premise that placing a greater emphasis on earned income to combat dependencies and accepting that the museum is integrated into a wider economy offsets the precarious correlation between greater availability of and reliance on public funding. This inevitably results in moving towards a more business-like operating model, a development that must not impact the quality of the work and integrity of the institution. It is established that the behaviours examined in German arts institutions diverge strongly from identified best practices. Financial support through leveraging the market, audiences and commercial activity – central to the economic dimension of institutional sustainability – is foregone in order to preserve ideological yet economically redundant moral hierarchies. In light of this, as well as the institutional outcomes observed, this thesis argues that competing systems impairing the implementation of best practices can have a negative impact on the institution in the multiple dimensions of sustainability that are considered.

Even though there have been figures in the past who took on a market-oriented, entrepreneurial strategy to art museum management during times of instability⁴², the overall attitude towards such practices remains defensive. When in the past the appropriate interpretation of value was one related to cultural criteria, there has been a shift towards an economic orientation. These two adverse interpretations create uncertainties when it comes to the core question of what values should count,⁴³ which also feature prominently in a range of management discussions specific to the German institutions. Furthermore, as institutions are required to perform a broader range of economic functions, there is the concern that credibility and authority is eroded as market driven management systems threaten to subject them to trivialisation.⁴⁴ And while some doubt the appropriateness of methods devised to define and measure art museum output, others deliver very practical approaches to apply within a museum context.⁴⁵ This in turn is supported by the data collected for this thesis, demonstrating the institutional outcomes in relation to adherence to or absence of what is identified as best practice.

⁴² James J. Sheehan, *Museums in the German Art World*, pp.154 - 155. Maike Steinkamp, *Werke und Werte, Über das Handeln und Sammeln von Kunst im Nationalsozialismus*, Schriften der Forschungsstelle >>Entartete Kunst<< Band V, (Berlin: Akademie Verlag, 2010), p.173.

⁴³ David Throsby, *The Economics of Cultural Policy* (Cambridge: Cambridge University Press, 2010), p.18.

⁴⁴ Annika Hampel, *Der Museumsshop als Schnittstelle von Konsum und Kultur: Kommerzialisierung der Kultur oder Kulturalisierung des Konsums?* (Hamburg: Diplomica Verlag GmbH, 2009), p.68.

⁴⁵ Anja Wollenson, *Die Balanced Scorecard als Instrument der strategischen Steuerung und Qualitätsentwicklung von Museen: ein Methodentest, unter besonderer Berücksichtigung der Anforderungen an zeitgemäße Freizeit- und Tourismuseinrichtungen* (Frankfurt am Main: P. Lang, 2012), p.25. Andrea Hausmann, *Besucherorientierung von Museen unter Einsatz des Benchmarking* (Bielefeld: Transcript Verlag, 2001), p.20.

Lastly, this thesis argues that there are ways of achieving an alignment of competing and conflicting systems for the benefit of implementing best practices supporting sustainability. This is found within social enterprise, organisational development, hybrid organising as well as a commitment to mission and public trust. The research thus challenges the separation of arts and entrepreneurial approaches to management, presenting arguments supporting the benefits of the amalgamation of the two. It furthermore stresses the importance of financial bottom lines. This balance is represented in the 'triple bottom line' introduced in the previous section and is based on theories presented by key figures in the realm of cultural entrepreneurship.

The more distinctively entrepreneurial elements in the management of a cultural institution are, the more sustainable its success is. Haagort's concepts of management and entrepreneurship adapted for the cultural sphere based on the work of Drucker illustrate the importance of searching for ways to exploit change as an opportunity and of organisations being receptive to external developments. Dees stipulates that it is the goal of the social entrepreneur to find new and better ways to create social value, facilitated through performance measurement and accountability and Konrad argues that entrepreneurial attitudes, the quality and flexibility of management concepts as well as the efficiency of resource allocation are important impact variables to the success of a cultural institution.⁴⁶ The concept of hybrid organising - defined as the activities, structures and processes by which organisations combine aspects of multiple organisational forms and align conflicting goals⁴⁷ - offers a perspective for alignment in the interactions between the described systems, subsystems and their environments.

Research examining hybrid functioning, institutional complexity and multiple internal logics outlines processes and conditions through which integrated activities are constructed.⁴⁸ In line with this is the belief that arts management must not be

⁴⁶ Peter F. Drucker, *Innovation and Entrepreneurship: practice and principles*, (New York: Harper & Row, 1985). Giep Hagoort, *Art management: entrepreneurial style* (Delft: Eburon, 2000). Ruth Rentschler, *The Entrepreneurial Arts Leader: Cultural Policy, Change and Reinvention* (University of Queensland Press, 2008). Gregory Dees, *Strategic tools for social entrepreneurs: enhancing the performance of your enterprising nonprofit* (New York: Wiley, 2002). Elmar D. Konrad, *Unternehmertum und Führungsverhalten im Kulturbereich* (Münster: Waxmann, 2006).

⁴⁷ Sarah Sutton, 'Systems thinking in museums - theory and practice', *Museum Management and Curatorship*, Vol. 33, 3 (2018), pp.297-300.

⁴⁸ R. Greenwood, A.M. Diaz, S.X. Li, J.C. Lorente, 'The multiplicity of institutional logics and the heterogeneity of organizational responses', *Organization Science*, Vol.21, 2 (2010), pp. 521-539.

Matthew S. Kraatz, Emily S. Block, 'Organizational implications of institutional pluralism. in R. Greenwood', C. Oliver, K. Sahlin, R. Suddaby (eds) *The Sage handbook of organizational institutionalism* (Thousand Oaks: Sage, 2008), pp. 243-275. Julie Battilana, Matthew Lee, 'Advancing Research on Hybrid Organizing – Insights from the Study of Social Enterprises', *The Academy of Management Annals*, Vol, 8, 1 (2014), pp. 397-441. Marya L. Besharov, Wendy K. Smith, 'Multiple institutional logics in organizations:

compartmentalised and viewed in opposition to the art itself. Instead a process of de-differentiation, in which art and economy are not separate fields within the organisation,⁴⁹ contributes to the potential for sustained development.

The arguments presented are based on Luhman's systems theory cited by Koch et. al., according to which the complexity of reality is reduced to a systemic binary code, creating an interior – the system – and an exterior – the systemic environment:

The information selected and processed through the binary code critically upholds the identity and meaning of the system of any society, or subsystems such as law, the economy, politics, or religion, without any consideration of distinctions critical to a higher system or to other subsystems in the environment of modern functionally differentiated societies. The museum as a system purchases, selects, displays, and communicates objects as carriers of information, according to its own code, not according to the rules governing the system from which it takes the information and thus remains alien, maybe even antagonistic, to the other system.⁵⁰

This represents a main source of conflict impacting the subject of the study, as higher systems, subsystems or the systemic environment - such as outside economic pressures or visitor expectations - are shut out, while they simultaneously have very real effect on the interior system. The issues discussed are all defined by the inability to reconcile certain belief systems and principles that have been defined as opposed to one another, impacting museum behaviour, management practice and consequently the ability to implement the identified best practices.

Explaining their varied nature and implications', *Academy of Management Review*, Vol. 39, 3 (2014), pp. 364 - 381.

⁴⁹ Ivonne Kuesters, 'Arts Managers as Liaisons between Finance and Art: A Qualitative Study Inspired by the Theory of Functional Differentiation', *The Journal of Arts Management, Law, and Society*, Vol. 40 1 (2010), pp.43–57. Bard Kleppe, 'Managing Autonomy: Analyzing Arts Management and Artistic Autonomy through the Theory of Justification', *The Journal of Arts Management, Law and Society*, Vol. 48, 3 (2018), pp.191 - 205.

⁵⁰ Anne Koch, Christian Meyer, Petra Tillessen, Annette Wilke, Katharina Wilkens, 'Museums in Context', *Journal of Religion in Europe*, Vol. 4 (2011) pp. 71-101.

1.4 RESEARCH CONTEXT: THE GERMAN ART MUSEUM THEN AND NOW

With the aim of understanding the determinants that have been instrumental in creating the circumstances examined in subsequent chapters, this historical review of the development of the public art museum in Germany provides a basis for the investigation. It establishes the foundational elements for the administrative fragmentation, strong familiarization with public funding and ever-present instrumentalisation of the arts and museums relevant to ensuing discussions. Throughout history, the purpose and ways in which the arts and museums have been instrumentalised, has shifted and changed continuously. This thesis makes a point to specifically highlight this, as the question of what the true purpose of the museum is, resurfaces in discussions surrounding management and directionality, policy decisions, mission and museum ethics. Furthermore, it lays out the basis for the paradoxical dynamics surrounding the fear of external interference versus the general acceptability of public intervention as an exception to the rule, shaping existing concepts of identity, mission, organisation and practice among art museums, informing conflicts between perceptions of art and entrepreneurial action.

In his historical analysis of the role of museums in the development of modern civic society Bennett outlines how the public museum exemplified the development of a new governmental relation to culture in which works of high culture were treated as instruments aimed at reshaping general norms of social behaviour.⁵¹ Before the prevalence of public museums, objects were collected in private, royal or religious collections. This changed with the inception of the educational function of museums,⁵² acquiring their modern form during the late eighteenth and early nineteenth centuries⁵³ as the culmination of humanism, enlightenment and democracy. It is then, according to Bennett, in the view of high culture as a resource used to regulate social behaviour that the field of culture and modern forms of government 'most characteristically interrelate'.⁵⁴ Prior to their usage as a means of civilising the population, they were instrumentalised in an elaborate performance of power before the courtly society - and only then secondarily before the populace - thus in culture's early involvement with the symbolisation of power,

⁵¹ Tony Bennett, *The Birth of the Museum: History, Theory, Politics*, (London: Routledge, 1995), p.6.

⁵² Anne Koch, et. al. 'Museums in Context'. Edward P. Alexander, Mary Alexander, *Museums in Motion, An Introduction to the History and Functions of Museums*, 2nd Ed. (Lanham: AltaMira Press, 2008), p.5.

⁵³ Tony Bennett, *The Birth of the Museum*, p.19.

⁵⁴ Ibid. p.20.

the principal role of the popular classes was as spectators of a display to which they remained external.⁵⁵ A new function of museums was therefore the formation of a bourgeois class, permitting a governance of the masses.⁵⁶ With this development arose the endeavour to redefine the museum as a social space and the need to detach it from its earlier restrictive forms of sociality,⁵⁷ a process characterised by the proscription of behaviours which had initially served to distinguish members of the bourgeois classes from the broader masses, but with the museum's new conception, treated as a way through which the general populace was to model their conduct on the middle-class etiquette to which museum attendance would expose them.⁵⁸ While formally accessible to everyone, barriers to participation were largely cultural.⁵⁹ The democratising changes brought about by both a political and industrial revolution were accompanied by a steady growth of public art museums⁶⁰ in which efforts aimed at breaking down said perceived barriers to participation were made.⁶¹ This goes to show that the purpose and identity of the museum has continually shifted and changed over time. The following sections will illustrate adjacent relevant dynamics that resurface in discussion of identity and instrumentalisation in subsequent chapters.

1.4.1 MUSEUMS AS TOOLS FOR UNIFICATION AND NATIONAL REPRESENTATION IN GERMANY

German-speaking Europe went through a similar development with regards to private collections becoming publicly accessible and taking on a new social and political function. This section provides an overview of the development within Germany, for the purpose of demonstrating that the instrumentalisation of the German (art) museum underwent numerous incarnations throughout time – a fact at the centre of many of the discussions of mission and intervention that are to follow.

The German development is largely characterised by a chaotic history of fast-changing political and geographical boundaries and dramatic incisions in governance, creating a unique developmental trajectory. Major societal shifts became the impetus for the founding of museums between the sixteenth and nineteenth century, the correspondence of museums with political occurrences becoming particularly apparent in relation to

⁵⁵ Ibid. p.21.

⁵⁶ Anne Koch, Christian Meyer, Petra Tillessen, Annette Wilke, Katharina Wilkens, 'Museums in Context'.

⁵⁷ Tony Bennett, *The Birth of the Museum*, p.24.

⁵⁸ Tony Bennett, Ibid. p.28.

⁵⁹ Ibid. p.104.

⁶⁰ Edward P. Alexander, Mary Alexander, *Museums in Motion*, p.32.

⁶¹ Ibid. p.281.

social reform, as museums took on key roles in national self-reflection.⁶² Unlike in Republican France, direct initiatives to found public art museums were not the immediate consequence of enlightenment in Germany. This changed during the reform-era after the defeat of the Prussian armies at the hands of Napoleonic forces in 1806, when those in positions of power, who held new beliefs in the significance of art for state and society,⁶³ refashioned museums as tools to promote national identity, with hopes of at least achieving German unity in art⁶⁴ - in conjunction with the prevailing sense of national enthusiasm after the wars of liberation.⁶⁵ Manifestations of this are found in the Germanisches Nationalmuseum - established in Nürnberg in 1852 - before the founding of the nation state in 1871, to expedite the unification of German territories and promote statehood among the population,⁶⁶ as well as the Berliner Nationalgalerie - which had already been designed in 1865, suggesting that the unification of Germany as a nation took place in the museum years before it became a political reality in the founding of the German empire (*Reichsgründung*) in 1871.⁶⁷ Upon elevating Berlin to its capital, the royal museums became the most important representative bodies of the new empire and developed the ambition to compete with museum complexes in London and Paris⁶⁸ - describing the political momentum of the *Gründerzeit* (period before 1873).⁶⁹

Similar to developments across Europe, nineteenth century museums in Germany also had the aspiration to contribute to the *Bildung* of wide audiences.⁷⁰ A stronger focus on audiences began to emerge, integrating museums firmly into a society in which during industrialisation, the population had grown exponentially in urban centres⁷¹ bringing to

⁶² Hildegard Vieregg, *Vorgeschichte der Museumspädagogik: dargestellt an der Museumsentwicklung in den Städten Berlin, Dresden, München und Hamburg bis zum Beginn der Weimarer Republik* (Münster/Hamburg: Lit Verlag, 1991), p.298.

⁶³ Olaf Hartung, *Kleine deutsche Museumsgeschichte, von der Aufklärung bis zum frühen 20. Jahrhundert* (Köln/Weimar/Wien: Böhlau Verlag GmbH & Cie, 2010), p.28.

⁶⁴ Ibid. p.32.

⁶⁵ Hans Ottomeyer, 'History and Museums in Germany', *Seminari Arqueologia i Ensenyament Barcelona*, IV, Treballs d'Arqueologia 8, (14 - 16 November, 2002).

⁶⁶ Bernhard Graf, Hanno Möbius, *Zur Geschichte der Museen im 19. Jahrhundert: 1789-1918*, Institut für Museumsforschung, Staatliche Museen zu Berlin - Preußischer Kulturbesitz (Berlin: G+H Verlag, 2006), p.11.

⁶⁷ Ibid. p.31.

⁶⁸ Alexis Joachimedes, *Die Museumsreformbewegung in Deutschland und die Entstehung des modernen Museums 1880-1940* (Dresden: Verlag der Kunst Dresden, 2001), p.53.

⁶⁹ Ibid. p.54.

⁷⁰ Bernhard Graf and Hanno Möbius, *Zur Geschichte der Museen im 19. Jahrhundert*, p.18. Alexis Joachimedes, *Die Museumsreformbewegung in Deutschland und die Entstehung des modernen Museums 1880-1940*, p.21. Gottfried Semper, 'Ideales Museum', in Kristina Kratz-Kessemeier, Andrea Meyer and Benedicte Savoy, *Museumsgeschichte, Kommentierte Quellentexte 1750-1950* (Berlin: Dietrich Reimer Verlag GmbH, 2010), pp. 36 - 43.

⁷¹ Bernhard Graf and Hanno Möbius, *Zur Geschichte der Museen im 19. Jahrhundert*, p.19.

the forefront the concept of *Bildung*.⁷² With the discovery of the museum as a tool for social reform, opening up institutions of bourgeois culture to the working-class was seen as an appropriate means of alleviating social deficiencies, believed to have originated in neglectful *Volkserziehung* (civil education), as collections gradually began being assessed by their cultural pedagogy (*Volkspädagogisch*) value. This caused the focus of museum directors to shift from collection related issues to mediating between the institution and a wide audience.⁷³ Nevertheless *Bildung* manifested the tension between universality and exclusiveness - between the aspiration for institutions to be open to everyone and the structural inequalities that made them inaccessible to all but a minority.⁷⁴ Most museums did not live up to their populist aspirations with formal restrictions discouraging visitors.⁷⁵ The endeavour to make museums accessible to people with lower levels of education eventually accelerated their formal democratisation.⁷⁶

In addition to the ever-evolving identity and instrumentalisation of the museum in Germany, this review also illustrates how the public museum in Germany was predominantly and repeatedly shaped by the endeavour to provide some form of value to the public, which would ultimately serve a political agenda.

It also acts as preface to discussions surrounding the significant impact ideological factors have on policy decisions and thus museum behaviour. This pertains to discussions of value and correspondingly debates about museum behaviour and approaches to management.

1.4.2 THE WEIMAR REPUBLIC, THIRD REICH AND POST WAR GERMANY

A review of the historical development of museums in Germany during the Weimar Republic and Third Reich sheds light on the at times paradoxical relationship between governing bodies, public trust and notions of responsibility, separation of the arts from other systems and perceptions of acceptable interventions. As discussed in section 1.3 this relationship holds the cornerstones of the formative elements of museum behaviour and consequently approaches to management supporting sustainability.

Hartung describes how the trauma of the First World War struck down the hopes of many regarding a collective culture contributing to national unity, causing demands for *Bildung*

⁷² Alexis Joachimedes, *Die Museumsreformbewegung in Deutschland und die Entstehung des modernen Museums 1880-1940*, p.252.

⁷³ Olaf Hartung, *Kleine deutsche Museumsgeschichte, von der Aufklärung bis zum frühen 20. Jahrhundert*, p.14. Ibid. p.108.

⁷⁴ James J. Sheehan, *Museums in the German Art World*, p.115.

⁷⁵ Ibid. p. 118.

⁷⁶ Olaf Hartung, *Kleine deutsche Museumsgeschichte*, p.15.

to radicalise.⁷⁷ The desire to renew the perceived elitist museums reached its peak during the Weimar Republic, with the demand to dissolve the alleged conflict between every day life and high-culture⁷⁸ and for a further-reaching democratisation of cultural policy⁷⁹ at its forefront.

Museums were used to cultivate ideology and impact consciousness:⁸⁰ after the establishment of the *Reichskulturkammer* (Reich Chamber of Culture) in 1933,⁸¹ when the national socialist party gained power in 1933. The *DMB* (*Deutscher Museums Bund* – German Museums Association) was a firmly established body that could not easily be integrated into the totalitarian structures of the NS-state.⁸² After the enforced political conformity of all organisations, the *DMB* officially signalled its willingness to adapt;⁸³ soon after the prospect of cooperation with the NS-regime and a unified organisation of museums emerged.⁸⁴

Baensch et. al. describe a manifestation of a new museum policy, which was predominantly concerned with reshaping established institutions.⁸⁵ Considering this slow subversion of established systems through state sanctioned political protagonists, the trust the wider public placed in public intervention in museum activity in post-war Germany can be viewed as remarkable. This is central to later discussions surrounding responsibility, notions of independence, involvement of the museum with various stakeholders, credibility and thus approaches to management.

As people returned to the ruins of their cities, places that had held their cultural identity since the nineteenth century, including many museums, had been destroyed.⁸⁶ The immediate post-war period in both German states was, according to Gohr, characterised by an 'backward fixation on the Weimar Republic'⁸⁷ and subsequent developments can be seen as a correction of what had happened during the Third Reich by beginning a restoration

⁷⁷ Ibid. p.109.

⁷⁸ Ibid. p.110.

⁷⁹ Ibid. p.111.

⁸⁰ Peter McIsaac, *Museums of the Mind: German Modernity and the Dynamics of Collecting* (Pennsylvania: Pennsylvania State University Press, 2007), p. 200.

⁸¹ Hildegard Viereggs, *Geschichte des Museums: Eine Einführung* (München: Wilhelm Fink Verlag, 2008), p.53.

⁸² Tanja Baensch, Kristina Kratz-Kessemeier and Dorothee Wimmer, *Museen im Nationalsozialismus: Akteure-Orte-Politik*, Veröffentlichungen der Richard-Schöne-Gesellschaft für Museumsgeschichte e.V. (Köln/Weimar/Wien: Böhlau Verlag GmbH & Cie, 2016), p.23.

⁸³ Ibid. p.25.

⁸⁴ Ibid. p.24.

⁸⁵ Ibid. p.99.

⁸⁶ Siegfried Gohr, *Das Museum zwischen Traum und Bedrängnis in der deutschen Kulturgeschichte* (Köln: König, 1995), p.7.

⁸⁷ 'Die unmittelbaren Nachkriegsjahre zeigten für beide deutsche Staaten eine fast zwanghaft rückwärtsgewandte Fixierung auf die Weimarer Republik'. (author's translation) Siegfried Gohr, *Das Museum zwischen Traum und Bedrängnis in der deutschen Kulturgeschichte*, p.9.

of a past avant-garde in the 1960s.⁸⁸ Signifying this shift in policy were extensive plans for new museum construction throughout West Germany.⁸⁹ As a reaction to the abuse of cultural policy by the National Socialists, the authors of West Germany's constitution had placed the stewardship of historical consciousness in the hands of the federal states (*Länder*) in 1949, thus strengthening state-level authority. In 1987 the *Länder* accepted the national government's claim to partial authority in matters of historical consciousness, on the condition that the national government would not hold more than fifty per cent of the votes on any museum's supervisory board, and, moreover, that it would provide all initial funds.⁹⁰ The uniqueness of the German historical development becomes apparent in the high level of state involvement in all arenas in art museum management and the simultaneous restrictions to decision-making executive power. The *DMB* specifies that museums in Germany at this point in time all differ in their financing models as a result of historically developed structures and cultural federalism.⁹¹

The concept of the state as a patron of the arts significantly shaped the development of cultural policy in postwar Germany⁹² and is amplified when after 1945 the idea of a *Kulturstaat* (cultural state) enabled a deliberate dissociation from the Third Reich.⁹³ The constitution articulates the freedom of art, science and education as a fundamental cultural right, which the Federal Constitutional Court declared as normative in 1974 in a modern *Kulturstaat*.⁹⁴ Guidelines such as the *Stuttgarter Richtlinien* (cultural policy guidelines for cultural maintenance) provided a framework for the cultural mission cities would embark on, with the traditional concept of *Kulturpflege* (cultural maintenance) being continually superimposed with sociopolitical aims during the 1960s and 1970s to the hermetic sphere in which culture resides, in order to be more inclusive,⁹⁵ with public cultural institutions being regarded as part of governmental responsibility.⁹⁶ In the meantime *DDR* (German Democratic Republic) education and pedagogy was an integral task of museums, to support the development of 'socialist personalities'.⁹⁷ As a result of both regimes, Marx concludes that perhaps no other European country experienced such

⁸⁸ Ibid. p.36.

⁸⁹ Ibid. p.41.

⁹⁰ Hans Ottomeyer, 'History and Museums in Germany'.

⁹¹ Deutscher Museumsbund website, *Das Museum: Strukturen* (n.d.), [accessed November 10, 2016].

⁹² Eric M. Bernhard, *Kunst als Kapitalanlage*, p.63.

⁹³ Ibid. pp. 62, 63.

⁹⁴ Ibid. p.62.

⁹⁵ Ibid. p.63.

⁹⁶ Ibid. p.64.

⁹⁷ Ruth Göres, 'Museumpädagogik an den Staatlichen Museen zu Berlin', *Forschungen und Berichte, Kunsthistorische und volkshundliche Beiträge*, Vol.19 (1979), pp.31-35.

as strong familiarisation with state-operated art museums,⁹⁸ creating a strong dependence regardless of the pressure on public budgets.⁹⁹ After the economic boom of the post-war years, it became increasingly difficult to support the associated cost through public funding as of the 1990s.¹⁰⁰

The on the one hand deliberate distribution of power in the aftermath of the Third Reich, fixation on pre-war ideals and at the same time reinforced exertion of influence through political bodies on the museum to rebuild the nation are important determinants, whose effects this research considers in management discussions. This review demonstrates that museums in Germany have always been used as a means to an end. This evidence is used to challenge the ideal introduced in chapter three of the separation of the arts from any other system. It also calls into question the inconsistent moral hierarchy with regards to what is perceived as acceptable intervention through public administrative bodies - a key issue in discussions surrounding approaches to funding, management and consequently sustainable practice.

⁹⁸ Barbara Marx, *Sammeln als Institution*, p.219.

⁹⁹ Walter Grasskamp, *Das Kunstmuseum*, p.83.

¹⁰⁰ *Ibid.* p.13.

1.5 DISSERTATION STRUCTURE

Akin to the way in which the arguments are presented in section 1.3, this thesis is structured into three divisions. After providing the foundations of which this research is embedded in both historically and with regards to key arguments made, chapter two discusses the chosen methodology. It describes research design and methods selected, addressing parameters, variables, sample selection as well as means of data collection, processing and analysis and limitations and establishes how literature and theoretical frameworks informed the choice of the method. Chapters three and four address arguments, analysis and evidence surrounding the presented concept of competing systems, while chapters five and six focus on the relationship between management practice, outcomes and the influencing environmental factors identified in the two previous chapters. Chapter seven concerns itself with arguments surrounding perspectives for creating balance and equilibrium between the conflicts uncovered throughout the examination and chapter eight presents the conclusion to this thesis.

This entails that chapter three examines the cultural and socio-political economic environment of the German art museum. Through articulations and theories surrounding cultural consumption, art and entertainment in Germany and the philosophical study of aesthetic responses, the chapter first establishes the ideological undercurrents shaping present day attitudes towards a distinct differentiation between the arts and other systems in Germany. Next, an examination of the resulting political parameters within which art museums operate, further illustrates the key points made surrounding ideas of independence, notions of responsibility as well as a perceived threat of outside interference. The chapter explores how this antagonistic relationship ultimately shapes museum behaviour and the ability of institutions to reconcile practices supporting sustained development with an established identity. Chapter four places a focus on the economics of the art museum and explores the non-commercial directionality of German arts institutions and the economic realities museums are faced with. Theories of public finance and value formation are considered in the examination of the economic and moral dilemma German art museums face.

Chapter five explores key areas of management practice: through investigating how practices observed in institutions align with best practices - as well as through understanding their effect on institutional outcomes - it provides evidence for the arguments this thesis makes pertaining to the impact of management practice on sustainability.

The analysis considers the dynamics of competing systems explored in chapters three and four, illustrating their effect on museum behaviour and by extension ability to achieve sustainable outcomes. Chapter six does this by focusing exclusively on systems of performance management and accountability as an identified central component of management supporting sustained development.

Chapter seven pertains to the arguments surrounding perspectives for aligning competing systems and achieving favourable institutional outcomes in relation to organisational sustainability. It does so through an examination of the social enterprise, hybrid organising and infrastructures allowing for organisational learning and development. The chapter thereby demonstrates that there are approaches, which can facilitate the de-differentiation between governing systems and subsystems responsible for inefficiencies at their interactions occurring. It further presents an investigation of how new museum ethics, public trust, credibility and mission - all of which are significantly impacted by changes in management practice - factor into a holistic view of organisational sustainability, taking into account both social and economic dimensions. The concluding chapter eight summarizes key arguments and findings with regards to how different systems interact and what the implications and perspectives are for management and sustainability. It furthermore addresses the limitations of the research and also situates the contribution within the field of study.

2. METHODOLOGY

The questions at the centre of this research are: how can management practice contribute to sustained development in the German art museum and what in turn informs approaches to management in this respect? To answer this, a sequence of consecutive steps is taken. This thesis:

- Reviews key arguments made in relation to sustainability and art museums as well as other relevant related concepts in order to build a contextual framework.
- Employs a range of data collection methods to understand organisational structures and management practices of art institutions in Germany and internationally.
- Analyses and contextualises these findings using the framework developed in the first step, examining how individual factors support or impair sustainability in an institutional context.

This allows an understanding of systems, interactions and key elements shaping the German art museum management and provides the basis for drawing conclusions as to which approaches support sustainable organisational outcomes. This thesis investigates the general directionality of German art museums with regards to management practices that support sustainability on an economic and social level and develops an understanding of which behaviours may actively prohibit achieving sustainable outcomes. In doing so, it is possible to identify strategies, which can improve developmental perspectives by drawing from other contexts and describing models to facilitate the implementation of these strategies as a natural conclusion to all preceding findings. There are a number of assumptions the research is questioning and concepts it is interrogating (see 1.2 and 1.3) which inform the selected method for the investigation. Based on the premise that sustained development is the bottom line for art museums and best practices supporting more entrepreneurial approaches are identified as contributors to achieving said sustained development, the research seeks to illustrate how these elements are affected by interactions between different environments and systems and what the implications are for the German art museum specifically. The following section will discuss the chosen method designed to fulfil the stated objectives.

2.1 RESEARCH DESIGN AND METHODOLOGICAL CONSIDERATIONS

The selected methods of data collection are used to develop an understanding of relevant structures, practices and attitudes and the resulting issues and outcomes in relation to the sustainability development of institutions - which are contextualised through secondary sources and discourse. The methodological approach taken by the research project is - in its conception - an explanatory sequential design - in that it begins with a quantitative method followed by qualitative methods designed to explain the quantitative findings in more depth.¹⁰¹ However, given that in sequential designs the collection and analysis of one form of data informs the second method of data collection and analysis, the design selected here can be classified as more convergent, given that a plan for how to enact both quantitative and qualitative methods was determined in advance of data collection.¹⁰² A mixed methods approach, combining both quantitative and qualitative methodologies - comprised of a quantitative assessment of art institutions in Germany, a comparative-collective case study, as well as a series of semi-structured interviews - is selected for the study. The focus of this thesis is approached via several different means of investigation, allowing the findings to compliment and support each other.

In an awareness of the criticism¹⁰³ directed towards a mixed methods approach – encapsulated in terms such as the Paradigm Wars and the Incompatibility Thesis¹⁰⁴ - a re-conceptualisation of qualitative and quantitative methods, as described by Bergman, is considered. Specific data collection and analysis techniques must be connected directly and explicitly to a research focus, allowing the design to detach itself from a notion of pragmatism and inconsistency. Bergman does however point out, that the justification should not be simply to produce a fuller picture of the domain under study¹⁰⁵ and while the proposed methodology is intended to yield greater analytic density, it is primarily designed to collect a different quality and nature of data through each method employed, each revealing different dimensions of a phenomenon, seeking points where findings converge. Conceptual research is employed with the objective of defining and relating concepts into larger systems that allow a better understanding of the object of research,

¹⁰¹ Patricia Leavy, *Research design: quantitative, qualitative, mixed methods, arts-based and community-based participatory research approaches* (New York, London: Guilford Press, 2017), p.173.

¹⁰² Ibid. p.175.

¹⁰³ Ibid. p.12.

¹⁰⁴ Manfred Max Bergman, *Advances in Mixed Methods Research* (London: SAGE Publications Ltd., 2008), p.11.

¹⁰⁵ Ibid. p.18.

while empirical research seeks data evidence to support or disconfirm the established theories and generate new ones.¹⁰⁶ In practice, the quantitative assessment provides empirical data through a cross-sectional study, while the comparative method in the case study is used to identify causal explanations for the presence and also absence¹⁰⁷ of certain practices as well as the consequences thereof, contributing to a contextual application of knowledge.¹⁰⁸ The interviews provide direct attitudinal, targeted insight. The outcome is the sum of all methods and does not rest on any singular approach employed.

The selection of methods is strongly informed by the key elements identified as relevant to sustainable management practice during the literature review process. It is important to note that the method is equally informed by the fact that it does not aim to test a hypothesis or develop a model, but rather explore theories to answer the question of how management practice can support sustained development within the (German) art museum. This is based on the assumption that while the theoretical framework introduces descriptive and correlational hypotheses - variables occur together without implying that one causes the other -¹⁰⁹ the focus lies firmly on a theory, made up of systematically interrelated concepts that are advanced to explain phenomena.¹¹⁰ And while a model can act as a representation of a system with the purpose to increase understanding, prediction and control of the complexities of the studied environment,¹¹¹ the data does not allow for its development. This is further addressed in section 2.3.

¹⁰⁶ Sandra Hale, Jemima Napier, *Research Methods in Interpreting: A Practical Resource* (London, New Delhi, New York, Sydney: Bloomsbury, 2013).

¹⁰⁷ Patrick McNeill, Steve Chapman, *Research Methods* (London: Routledge, 2005), p.88.

¹⁰⁸ Ruth Rentschler, *The Entrepreneurial Arts Leader: Cultural Policy, Change and Reinvention* (University of Queensland Press, 2008), p.7.

¹⁰⁹ Donald Cooper, Pamela Schindler, *Business Research Methods*, 11 Ed., (Boston: McGraw-Hill, 2011), p.63.

¹¹⁰ Ibid. p.66.

¹¹¹ Ibid. p.67.

2.1.1 ASSESSING STRUCTURES AND OPERATIONS IN GERMAN ART INSTITUTIONS

To develop an understanding of the organisational structures and operational methods of art museums in Germany and to be able to examine how key elements interact in more detail,¹¹² this research assessed a total of eighty-seven institutions.

There was a conscious effort to include a wide variety of institutions in varied geographic locations in the sample. This means that institutions showcasing art and/or design objects of any historical period in the form of a publicly accessible presentation were considered. This includes organisational forms that operate a physical exhibition space in the form of a *Stiftung* (foundation) or *Kunstverein* (arts association), which are not a museum per definition but have a similar function. The sample was primarily compiled based on availability of data - with around fifteen institutions having to be excluded from the sample due to limited availability or quality of data. All data, unless indicated otherwise, is recorded for the time period of 2017. In some cases, older data has been included, the oldest being from 2015. The data recorded was sourced from the website of the respective institution, printed materials, reports, publications as well as other sources such as public administration websites, databases and newspaper articles and published interviews. Data collection took place between November 2017 and April 2018. This research acknowledges that the result represents a snapshot of a specific period in time but given the timeframe for the completion for this thesis, this representation is nonetheless able to provide relevant insight as a basis for supporting discussion. While the data collected does not account for minor developments, such as a different executive staff member being appointed – it is assumed that no major developments such as a complete structural overhaul of an institution would occur within any given institution within the next years which would dramatically alter institutional outcomes. With the intention of developing an understanding of structures and causal connections, the data can support findings that are relevant within the near future.

While Pop and Borza argue that sustainability is influenced by a series of factors which are independent of the management of a museum - a statement contrary to all findings made in my research - they present a theoretical framework in which a museum can assess itself either by comparing the evolution of the values recorded over time or via the average or maximum indicators recorded in the museum sector. This framework to some

¹¹² Tomas Hak et. al., *Sustainability indicators*, p.3.

extent shapes the approach taken during the assessment. In this way, the maximum level of sustainability will be represented by the best performances recorded by a museum.¹¹³ The data collected not only addresses sustainability on an economic level but also incorporates a social dimension, corresponding with the multiple articulations of organisational sustainability presented in chapter one. In practice, this encompasses recorded data on the structural circumstances that shape the institution such as legal form, founding period, the presence or absence of certain functions, ratio of core- versus non-core related activities, relationships with supporting bodies, output and measures taken to support accountability – all elements identified through theory and discourse as contributing factors to the capacity of an institution for sustained development. Each institution is unique and cannot be reduced to a point where variables are minimised. However, through the sample selection and by taking into account the nature of the museum, findings of this quantitative exploration provide insight into the current state and practice of art museum management in German institutions on a general scale.

Indicators are defined as symbolic representations, designed to communicate a property or trend in a complex system or entity.¹¹⁴ Indicators of sustainability should measure characteristics or processes that ensure its continuity and functionality far into the future.¹¹⁵ Therefore, the elements that are examined in the selected institutions correspond to those identified as best practices in chapter one. Key indicators capture issues quantitatively and qualitatively.¹¹⁶ With too many indicators potentially resulting in assessment ambiguity,¹¹⁷ this research focuses on a smaller selection of safe indicators to obtain reliable data. The quality is judged on a number of methodological dimensions including the purpose and appropriateness in accuracy, measurability, representation of the phenomenon concerned as well as reliability. With another constraint being the availability of relevant and reliable data, most indicators are constructed on the basis of existing data.¹¹⁸

This investigation therefore makes use of composite indicators, combining various aspects of a given phenomenon into a single number with a common unit.¹¹⁹ Detailed

¹¹³ Izabela Luiza Pop, Anca Borza, 'Factors Influencing Museum Sustainability and Indicators for Museum Sustainability Measurement'.

¹¹⁴ Tomas Hak et. al., *Sustainability indicators*, p.1.

¹¹⁵ Ibid. p.3.

¹¹⁶ Kuno Schedler, Isabelle Proeller, *New Public Management*, 5th Ed. (Bern: Haupt Verlag, 2011), p.194.

¹¹⁷ Salvatore Schiavo-Campo, *Government budgeting and expenditure management: principles and international practice* (New York: Routledge, 2017), p.277.

¹¹⁸ Tomas Hak et. al., *Sustainability indicators*, p.10.

¹¹⁹ Ibid. p.11.

category descriptions of all data points recorded with definitions of what the data describes as well as exclusion criteria, and the period during which data was recorded was compiled during the data collection process. This supports transparency with regards to assessing the validity of the data.

2.1.2 COLLECTIVE COMPARATIVE CASE STUDY

Aside from understanding the structural framework German institutions operate within and establishing the extent to which certain approaches to management are being employed, another research objective is to determine the impact this has on key markers of capacity for sustainability, also in an international context. This allows for a highlighting of differences in German institutions as well as illustrating how sustainability and management dimensions correlate. A comparative-collective case study is used to identify causal explanations for the presence and absence¹²⁰ of certain practices and the consequences thereof in terms of sustainable management practice, contributing to a contextual application of knowledge.

As outlined by Stake - several cases are used to form a collective understanding of the subject of study,¹²¹ allowing for a comparison between select German institutions and others to understand how management approaches can be seen to impact institutional outcomes. The approach is based on Yin's logic of replication in multiple case study design,¹²² employing cross-case synthesis¹²³ to construct theory based on findings from secondary sources, leading to an eventual theory of the case,¹²⁴ which can in turn be correlated with other findings. The Performance Pyramid based on the Lynch/Cross Model (1995) – a tool devised to assess organisational performance - was considered as a basic framework informing the examination of each institution. The holistic approach taken to incorporate multiple dimensions impacting an organisation acts as a starting point from which the study design draws. The model looks at how the mission of an organisation relates to secondary factors such as the market, finances, customer satisfaction, flexibility, productivity, quality, processes and value chains, execution as well as external effectiveness and internal efficiency.¹²⁵ A modified version of this

¹²⁰ Patrick McNeill, Steve Chapman, *Research Methods*, p.88.

¹²¹ Helen Simons, *Case Study Research in Practice* (London: SAGE Publications Ltd., 2009), p.21.

¹²² John W. Creswell, Cheryl N. Poth, *Qualitative inquiry and research design: choosing among five approaches* (Los Angeles: SAGE Publications Ltd, 2013), p.99.

¹²³ Peter Swanborn, *Case Study Research: What, why and how?* (London: SAGE Publications Ltd., 2010), p.117.

¹²⁴ Helen Simons, *Case Study Research in Practice*, p.22.

¹²⁵ Dennis Hilgers, *Performance Management, Leistungserfassung und Leistungssteuerung in Unternehmen und öffentlichen Verwaltungen* (Wiesbaden: Gabler Edition Wissenschaft, 2008), p.65.

provides the outline for how individual cases were approached. This entailed an examination of the organisational structure and educational/professional background of executive staff, the funding structure of an institution, as well as economic and social output. In order to establish objective items to be measured items such as income or various adjacent indicators are used.¹²⁶ Both economic and social impact dimensions act as indicators.¹²⁷ A model adapted to account for the use of resources in the public sector is one in which performance is measured against quantitative indicators.¹²⁸ The social impact dimension is visible in items such as the number of visitors to the museum or educational programmes offered.¹²⁹ The results are appropriate for examination and discussion within the established framework, to determine how closely practice aligns with the established theory and illustrating the impact certain practices have on the sustainability of the institution and how unique configurations and structures inform approaches to management. Case study research was completed between January 2018 and September 2018.

The institutions examined were the Museum Ludwig (Cologne), Stiftung Kunstsammlung NRW (Düsseldorf), Tate (UK), MoMA (New York City) and Solomon R. Guggenheim Foundation. This purposeful sampling decision¹³⁰ is mainly based on the size and reach of the institution in terms of national and international relevance, scale as well as availability of data. The sampling methods can be located at the intersection of 5 of 8 of Michael Quinn Patton's categories of purposeful samples - which involves selecting information-rich cases for study in depth as compared to empirical generalizations¹³¹ - namely comparison-focused sampling, group characteristics sampling, theory-focused and concept sampling and instrumental-use multiple case sampling.¹³² The selection of cases does not require typicality based on the assumption that this will have greater potential for transferability of findings to other contexts,¹³³ as no claim to complete representativeness is made,¹³⁴ and statistical generalisation cannot

¹²⁶ Elmar Konrad, 'Cultural Entrepreneurship: The Impact of Social Networking on Success', *Creativity and Innovation Management*, Vol.22, 3 (2013) pp.307-319.

¹²⁷ Izabela Luiza Pop, Anca Borza, 'Factors Influencing Museum Sustainability and Indicators for Museum Sustainability Measurement'.

¹²⁸ Richard Sandell, *Museum management and marketing*, (London: Routledge, 2007), p.181.

¹²⁹ Ibid. p.182.

¹³⁰ Patricia Leavy, *Research design*, p.79.

¹³¹ Michael Quinn Patton, 'Purposeful Sampling' in Sandra Mathison (ed), *Encyclopedia of Evaluation* (n.d.), [accessed November 19, 2019].

¹³² Ibid. p.80.

¹³³ Helen Simons, *Case Study Research in Practice*, p.30.

¹³⁴ Patrick McNeill, Steve Chapman, *Research Methods*, p.120. Helen Simons, *Case Study Research in Practice*, p.19.

be applied.¹³⁵ However, in instances where phenomena can be isolated from contextual influences, results can be generalised to a different domain.¹³⁶ This is further addressed in section 2.3.2. Analysis of the cases employs analytic induction, as outlined by Robinson, in which an initial definition of an issue is followed by the examination of appropriate cases and a hypothetical explanation is formulated, establishing how well the collected data fits.¹³⁷

Regarding the selection of dependent variables, there is the option of selecting success stories or best practices. However, as Swanborn points out, without variance of the dependent variable this design is not useful in terms of causal analysis. It is unknown whether the same conditions that characterise success stories would be present in the less successful cases. A comparison group is absent.¹³⁸ In setting apart successful cases and failure cases, one constructs two sets that are contrasting on several independent variables simultaneously. The result is that causes cannot be disentangled. There is no way to gain insight into the relative strengths of each of these independent variables, and into their correlations and interactions.¹³⁹ Therefore German cases are compared to international cases, where the variables are history, policy and context that impact management practice, while the institutions themselves are successful by a local standard.

2.1.3 INTERVIEWS

A series of interviews, employing deductive approaches aimed at substantiating theory and generating concepts,¹⁴⁰ was conducted between May 2018 and August 2018. The approach was designed to provide insight into how specific attitudes manifest in practice for theory formation through both factual and attitudinal insight. Here contrasting viewpoints and idiosyncrasies within the responses of participants are demonstrated, underlining the complexity the discussion is rooted in. The interviews provide insight from those at the core of the investigation, museum professionals and management professionals, offering a deeper understanding of the motivations for certain behaviours - highlight how attitudes discussed in primary and secondary contexts manifest in practice in terms of mental cultural components.

A total of six, sixty-minute interviews were conducted in a semi-structured manner, recorded and transcribed, with participants receiving a list of questions in preparation for

¹³⁵ Peter Swanborn, *Case Study Research*, p.68.

¹³⁶ Ibid. p.69.

¹³⁷ Robert G. Burgess, Alan Bryman, *Analyzing Qualitative Data* (London: Routledge, 1994), p.3.

¹³⁸ Peter Swanborn, *Case Study Research*, p.57.

¹³⁹ Ibid. p.59.

¹⁴⁰ Patricia Leavy, *Research design*, p.9.

the interview. This was achieved by preparing a more comprehensive catalogue (see appendix 3), which was then adapted accordingly to the respective participant and their professional profile. Interviewees were selected based on their role within an organisation, in that they could provide competent and relevant insight through their work experience. Furthermore, language was a determining factor, as interviews were conducted in either German or English. Availability also determined whether an interview was conducted. Interviewees were contacted via email. Special attention was paid to the interview process with regards to honouring a commitment to ethical research practice and working in accordance with data protection regulations. All participants were provided with comprehensive information about the purpose and intent of the research and the way in which any data will be used. Participants were also encouraged to seek approval by any responsible authority before taking part in the research and indicating whether this approval was granted. They then provided their consent using an informed consent form and were given the ability to review, edit or withdraw the interview transcript before it is included in further analysis (see appendix 1 and 2). The University of Leicester approved the research design for the interviews through a process of review. The resulting conversations were similar in structure, allowing for coding to be used during analysis¹⁴¹ (see 2.2.3). Stark differences between participants' responses, when confronted with the same question, enabled their responses to be categorised. Questions were open-ended.¹⁴² It was possible to document the interviewee's perspective with an inherent flexibility that offered a change in direction to pursue emergent issues,¹⁴³ confirming theories but also providing the opportunity for learning.¹⁴⁴ The questions asked during the interview focused on the most pertinent issues addressed during theoretical discussion, asking participants to provide their evaluation of key points in the discourse surrounding sustained development in the art museum.

¹⁴¹ Johnny Saldana, *The Coding Manual*, 2nd Ed. (Sage: 2009).

¹⁴² Patrick McNeill, Steve Chapman, *Research Methods*, p.56.

¹⁴³ Helen Simons, *Case Study Research in Practice*, p.43.

¹⁴⁴ University of Leicester, 'Module Three: Approaching Qualitative Research', UNIT 1: *Qualitative Research Design*, University of Leicester, 2012.

2.2 DATA PROCESSING, ANALYSIS AND THEORY GENERATION

This research employs a combination of different approaches to accomplish the objectives outlined in section 2.1 during data analysis and theory generation. As defined by Hammersley and Atkinson, the underlying principle informing approaches to analysis, is to generate new concepts and relate observations to pre-existing notions, while remaining sensitive to inconsistencies.¹⁴⁵ During the conceptualisation of any social phenomenon, it is – according to Bergmann - necessary to address its historical, structural and cultural dimensions in order to achieve a full account of all relevant factors.¹⁴⁶ A theoretical starting point is instrumental for developing an interpretive framework for results.¹⁴⁷ Thus, throughout the course of the investigation, multiple overlapping and equally relevant fields are thematically examined. By approaching the presentation, analysis and discussion of the data in a thematic manner, placed into direct relation with the corresponding discourse in the literature reviewed, this research presents interactions and findings in a holistic and integrated way, allowing for theory generation throughout the course of the review and discussion in each chapter.

The methodology uses extant theory to understand and describe a phenomenon,¹⁴⁸ while considering the multiple contexts that bear upon the issue examined, using cross-validation and complementarity.¹⁴⁹ As outlined in 2.1, empirical research seeks data evidence to explore theories while conceptual research is employed with the objective of defining and relating concepts into larger systems. Quantitative research using deductive approaches explores existing theories and causal relationships between variables. Qualitative research is used to build knowledge¹⁵⁰ and to generate concepts and interpretations, which in turn feed back into theory formation.¹⁵¹ Through continually comparing emerging theories, this research also takes on a grounded theory approach.¹⁵²

Considering the complexity of integrating the results of different sets of quantitative and qualitative data¹⁵³ - and also factoring in different sample sizes¹⁵⁴ - this research does not

¹⁴⁵ Robert G. Burgess, Alan Bryman, *Analyzing Qualitative Data*, p.5.

¹⁴⁶ Manfred Max Bergman, *Advances in Mixed Methods Research*, p.42.

¹⁴⁷ Peter Swanborn, *Case Study Research*, p.77.

¹⁴⁸ Ibid. p.76.

¹⁴⁹ Manfred Max Bergman, *Advances in Mixed Methods Research*, p.18.

¹⁵⁰ Patricia Leavy, *Research design*, p.9.

¹⁵¹ Robert G. Burgess, Alan Bryman, *Analyzing Qualitative Data*, p.218.

¹⁵² Manfred Max Bergman, *Advances in Mixed Methods Research*, p.72.

¹⁵³ Ibid. p.72.

¹⁵⁴ Ibid. p.74.

merge datasets during analysis but relates them to one another, hence the thematic approach to both reviewing discourse and secondary data found in conjunction with a discussion of primary findings. Methods for integration include corroboration - where one set of findings is confirmed by the other -, expansion - where one type of data analysis contributes to the understanding gained by another - and complementarity, in that qualitative and quantitative findings generate complementary insights and produce a more comprehensive understanding.¹⁵⁵ This is done using a thematic literature review format to develop a family of related themes for the exposition of a central narrative. This allows for the thesis to establish connections between consensus in literature and practical observation or to present a counterargument.

As addressed in the previous chapter, eliminating subjectivity fully is not achievable,¹⁵⁶ as it is inherent in the judgements made even during the process of formulating a research objective, based on a set of philosophical assumptions. This research is able to actively incorporate these assumptions into the investigation by formulating arguments, which it seeks to further explore.¹⁵⁷ Through recognising that all knowledge is value-laden, the research reflects upon the significance of values implicit in theory and integrates this into the discussion.¹⁵⁸

2.2.1 STATISTICAL ANALYSIS AND SPSS

Statistical methods were used to analyse data collected during the assessment of art institutions in Germany. Based on the research objectives as well as the required manipulations to examine the data in a way that detects interactions between identified as best practices, SPSS provided an appropriate means of supporting this analysis.

The basic framework through which the data collected on art institutions in Germany was analysed can be broken down into objective-based steps. In a first line of enquiry, the aim was to understand some of the general conditions within the sample.

This includes data collected on basic configurations such as a segmentation of legal form. Similar methods are used to describe the organisational structures found within institutions or the presence or absence of certain key functions. This is achieved through

¹⁵⁵ Patricia Leavy, *Research design*, p.181.

¹⁵⁶ Helen Simons, *Case Study Research in Practice*, p.163.

¹⁵⁷ John W. Creswell, Cheryl N. Poth, *Qualitative inquiry and research design*, p.15.

¹⁵⁸ University of Leicester, 'Module Three: Approaching Qualitative Research', UNIT 1: *Qualitative Research Design*, University of Leicester, 2012.

using descriptive statistics.¹⁵⁹ Additionally, statistical measures such as frequencies are used to provide further insight¹⁶⁰ into similarities and differences between populations. Next, different statistical methods are used to examine how a selection of determining factors impact key aspects and how certain characteristics correlate with the organisation, operation and output of an institution. This includes studying how elements such as legal form impact the ratio of staff employed in core versus non-core roles for example.

A focus of this investigation lies in describing relationships among variables, thus many of the techniques the research employs are based on correlation, used in non-experimental research designs in which variables are not deliberately manipulated or controlled but variables described as they exist naturally.¹⁶¹ Based on the assumption that many statistical methods require continuous variables, a number of categorical variables were transformed into continuous variables; this includes calculating a score for each institution indicating the functions present associated with best practices - and for the sake of simplicity some data was collapsed into fewer groups.¹⁶²

Findings are discussed and contextualised with relevant literature and arguments.

2.2.2 CASE STUDY ANALYSIS AND CROSS-CASE SYNTHESIS

By basing the general design of the case study on the Lynch/Cross Pyramid (see section 2.1.2 for more detail on how the model informed method and design), this investigation was able to examine how the mission of the institution relates to factors such as finances, processes as well as external effectiveness and internal efficiency. The pyramid examines performance across nine dimensions, assessing objectives for both external effectiveness and internal efficiency. These measures are seen to interact with each other both horizontally at each level, and vertically across the levels in the pyramid.¹⁶³ The cases additionally allow analysis of elements such as history, policy and other relevant external elements influencing these respective factors.

¹⁵⁹Julie Pallant, *SPSS Survival Manual: A Step by Step Guide to using IBM SPSS*, 6th Ed. (McGraw-Hill, 2016), p. 53.

¹⁶⁰ Ibid. p.55.

¹⁶¹ Ibid. p.212.

¹⁶² Ibid. pp.83, 91.

¹⁶³ Shane Johnson, *The pyramids and pitfalls of performance measurement*, Acca, September 1, 2005.

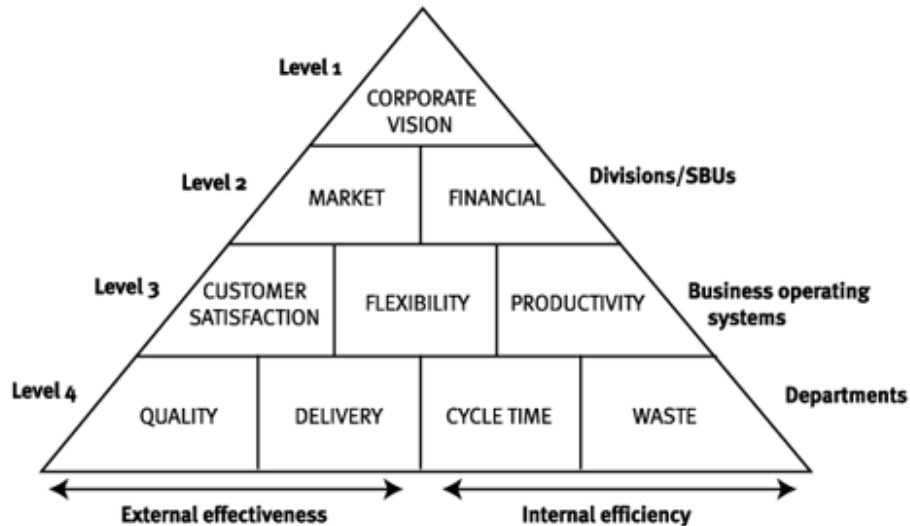


Figure 1. The Performance Pyramid showing the model developed by Lynch and Cross, including a hierarchy of financial and non-financial performance measures. The diagram shows actions to assist in the achievement of corporate vision through different levels, illustrating the link between strategy and day-to-day operations.¹⁶⁴

Correspondingly, the case study was able to establish how different factors interact within each institution and as a whole contribute to the organisation, structure, operations and outcomes. These observations were then viewed in relation to and contextualised with the discussion set out by secondary sources.

The case studies are particularistic and heuristic and rely on inductive reasoning in handling multiple data sources.¹⁶⁵ Based on Yin's method of multiple case study design, the research uses the logic of replication, in which the inquirer replicates the procedures for each case,¹⁶⁶ also employing cross-case synthesis.¹⁶⁷ The findings are then used to construct theory from the data itself and other interpretive lenses, leading to an eventual theory of the case.¹⁶⁸ The findings from the collective-comparative case study make no claim to representativeness on a broad level¹⁶⁹ and since statistical generalisation cannot be applied,¹⁷⁰ results can be generalised to a different domain based on the homogeneity

¹⁶⁴ Kaplan Financial Knowledge Bank, *The Performance Pyramid*, (n.d.), [accessed November 19, 2019].

¹⁶⁵ Peter Swanborn, *Case Study Research*, p.20.

¹⁶⁶ John W. Creswell, Cheryl N. Poth, *Qualitative inquiry and research design*, p.99.

¹⁶⁷ Peter Swanborn, *Case Study Research*, p.117.

¹⁶⁸ Helen Simons, *Case Study Research in Practice*, p.22.

¹⁶⁹ Patrick McNeill, Steve Chapman, *Research Methods*, p.120. Helen Simons, *Case Study Research in Practice*, p.19.

¹⁷⁰ Peter Swanborn, *Case Study Research*, p.68.

of results over the cases studied, the internal or causal validity of the results observed, the success or failure of ruling out alternative causal interpretations and the ability to isolate phenomena from contextual influences and the similarity of relevant variables between the studied case and other domains.¹⁷¹

2.2.3 INTERVIEW ANALYSIS AND CODING

Interview data was organised into clusters and themes¹⁷² and coding was used to classify,¹⁷³ summarise and organise observations made.¹⁷⁴ Categorising, in which related codes are grouped together into themes,¹⁷⁵ occurred in a next step. Even though the sample of participants was too small for some coding methods and the research objective did not mandate any specific approach, the interviews were similar enough structurally and in terms of content. Therefore, coding was used to understand the very complex body of data generated from a small number of participants, without using a formal coding frame. This research used coding as a means of translating data by attributing interpreted meaning for later purposes of pattern detection and theory building.¹⁷⁶ Data was characterised by cognitive aspects and meanings (ideologies, rules, self-concepts, identities),¹⁷⁷ to develop a sense of categorical, thematic, conceptual, and/or theoretical organisation.¹⁷⁸ Therefore, the research employed an amalgamation of descriptive coding - in which basic labels are assigned to data to provide an inventory of topics ¹⁷⁹ - and concept coding, which extracts and labels big picture ideas suggested by the data.¹⁸⁰ Much of this was based on a provisional and predetermined list of codes established prior to data collection, facilitated by the fact that participants had requested a provisional catalogue of questions (appendix 3) in preparation for their interview, which required a categorisation of themes, arguments and hypotheses.

Pre-established sociological theories can inform, if not drive the initial coding process itself. The development of an original theory is not always a necessary outcome for qualitative inquiry, but it is important to acknowledge that pre-existing theories drive the

¹⁷¹ Peter Swanborn, *Ibid.* p.69.

¹⁷² Helen Simons, *Case Study Research in Practice*, p.120.

¹⁷³ Patricia Leavy, *Research design*, p.151.

¹⁷⁴ Robert G. Burgess, Alan Bryman, *Analyzing Qualitative Data*, p.4.

¹⁷⁵ Patricia Leavy, *Research design*, p.152.

¹⁷⁶ Johnny Saldana, *The Coding Manual*, 2nd Ed. (London: SAGE, 2009), p.9.

¹⁷⁷ *Ibid.* p.16.

¹⁷⁸ *Ibid.* p.234.

¹⁷⁹ *Ibid.* p.78.

¹⁸⁰ *Ibid.* p.97.

entire research enterprise, whether this is intentional or not.¹⁸¹ The research design impacting the data collected and means of analysis was informed by arguments and assumptions described by the research objective and rationale. Furthermore, the research acknowledges a common criticism of coding - that it is a reductionist practice.¹⁸² As a result, the research approached the data as well through only using coding as means of organising and structuring data, not as a method of analysis in itself, hence the use of manual coding methods. Similarly, analysis is based on the understanding that the data does not allow for consolidated meaning or generating averages etc.¹⁸³ As recommended by Harding, a code shared by approximately one-fourth of the study's participants merits consideration in the analysis and a possible contribution to the research findings, while around three-fourths of the total number of participants should share a similar code between them for a commonality to be established, such as a category or theme.¹⁸⁴ Bearing in mind the sample size, nature of the data and research objective, the research again foregoes any use of coding for transforming data into a quantitative format¹⁸⁵ and considers the data generated by each participant on an individual basis.

¹⁸¹ Ibid. p.15.

¹⁸² Ibid. p.40.

¹⁸³ Ibid. p.10.

¹⁸⁴ Ibid. p.25.

¹⁸⁵ Ibid. p.26.

2.3 LIMITATIONS AND IMPLICATIONS

Throughout the research process, limitations informed methodology and analysis, requiring some adjustment but also ultimately highlighting new approaches to fulfilling research objectives. The following section addresses these limitations and how the research accounts for them.

In terms of scope, the interview participants do not include policy makers. This is due to differing legal and policy frameworks based on the allocation of responsibility and executive power, which varies on a case-by-case basis. While insight from a professional standpoint into the philosophical considerations which inform policy would have been relevant to the subject of study, this research instead chooses to focus on insight centered around management concerns, while examining larger superordinate policy structures and how it impacts their work in a less direct manner. This research aims to understand the baseline ideas and formative elements that shape relevant policy but does not, in order to maintain greater focus, conduct primary research with administrative bodies.

2.3.1 VALIDITY, REPRESENTATIVENESS AND RELIABILITY

With validity referring to whether the data collected is a true picture of what is being studied, a problem arises when the data collected seems to be a product of the research method used rather than of what is being studied.¹⁸⁶ Considering different types of validity, including content, internal and statistical validity,¹⁸⁷ the research intends to meet the criteria for these various concepts by using triangulation strategy.¹⁸⁸ This allows for the validity of an interpretation based on a single source of data to be verified by recourse to at least one further source that is of a strategically different type. By drawing data from sources that have very different potential threats to validity, it is possible to reduce the chances of reaching false conclusions.¹⁸⁹ This is also in accordance with triangulation as outlined by Erzberger and Kelle: by using different methods to investigate a certain domain of social reality, the different view-points yield a more complete picture of the phenomenon studied.¹⁹⁰

¹⁸⁶ Ibid., p.9.

¹⁸⁷ Sandra Hale, Jemima Napier, *Research Methods in Interpreting*, chapter 6.4.2 Validity, paragraph 1-8. Patricia Leavy, *Research design*, p.115.

¹⁸⁸ John W. Creswell, Cheryl N. Poth, *Qualitative inquiry and research design*, p.251. Peter Swanborn, *Case Study Research*, p.108.

¹⁸⁹ Manfred Max Bergman, *Advances in Mixed Methods Research*, p.23. Patricia Leavy, *Research design*, p.153.

¹⁹⁰ Manfred Max Bergman, *Advances in Mixed Methods Research*, p.28.

Additionally, based on Campbell's conceptualisation aimed at revealing not only connections between knowledge from different sources but to seek the truth of given relationships in those connections,¹⁹¹ the research considers and discusses these as well. Triangulation for convergent validation, as it is used in this study, does not preclude the idea that different methods reveal different dimensions of a phenomenon, even if its main purpose is to seek points where findings converge, producing multi-factored accounts with each factor accounting for different amounts of variance rather than identifying a single causal factor.¹⁹²

Representativeness, regarding the ability to generalise findings from the sample studied to a broader scale,¹⁹³ is not the overarching objective of this research. However, through cross-case generalisation, where interconnecting themes are identified - it is possible for general propositions to be derived across the number of cases studied. While this is a degree of abstraction, it is not a formal propositional generalisation to a wider population. The meaning is grounded in these particular cases. Naturalistic generalisation - in which similarities and details to cases or situations are recognised – is possible to a small degree, allowing the identification of specific aspects of the case, which can be generalised to another context. The issue at hand is explored from various angles with the aim to understand systemic mechanisms as well as provide perspectives for improvement, which does not require for the findings to be treated as fully representative for all institutions.

In terms of reliability, the data was screened for errors, ensuring that no cases fall outside of possible ranges.¹⁹⁴ Furthermore, prior to conducting any statistical analyses, the research considered whether assumptions required for a specific method were being violated. The statistical techniques used, assume that the distribution of scores on the dependent variable is normal. With reasonably large samples, the risk of skewness and kurtosis resulting in a substantive difference in the analysis is reduced.¹⁹⁵

Pallant however states that especially within the social sciences, it is not uncommon for variables to not be normally distributed.¹⁹⁶ In line with the research objectives, the results represent what was recorded for this very particular subset of institutions in Germany.

¹⁹¹ Ibid. p.38.

¹⁹² Ibid. p.39.

¹⁹³ Patrick McNeill, Steve Chapman, *Research Methods*, p.10.

¹⁹⁴ Julie Pallant, *SPSS Survival Manual*, p.44.

¹⁹⁵ Barbara Tabachnick, Linda Fidell, *Using Multivariate Statistics*, 5 Ed. (Boston: Pearson, 2007), p.80. Julie Pallant, *SPSS Survival Manual*, p.57.

¹⁹⁶ Ibid. p.68.

Another way the research addressed the distribution of the data is by using non-parametric approaches. While these may be less sensitive in detecting a relationship or difference among groups,¹⁹⁷ it is not necessary to transform variables in a way that distributions appear more normal by modifying scores.¹⁹⁸

2.3.2 DATA AVAILABILITY AND ACCOUNTABILITY

A major limiting factor was the lack of availability of financial data for German institutions – especially in contrast to institutions based in other countries reviewed during case study research, which was easily accessible and comprehensive. The research is therefore unable to produce a clear picture of the funding structure of most institutions studied. As a result, accountability and transparency moved further into the centre of the investigation. This resulted in the findings not only being comprised of actual data collected but also the relative absence of data and the contributing factors supporting this. Most institutions assessed (or responsible governing bodies) do not make a report containing comprehensive financial data readily available. Those that do produce a report of some sort often do not include complete data on all funding received but only list isolated budget positions. Institutions may however receive funding for specific projects, not included in the report but mentioned in other sources. It is therefore not possible to reliably reconstruct the total amount of funding that was received by an institution, as donations, special grants and other contributions are not recorded with reliable consistency. Respective data points were consequently excluded from the study. Another key factor shaping the investigation is that a significant number of institutions are managed collectively by a state or city and present combined financial information. Often these institutions have individual histories, audiences, sponsors etc. but share public funding sources.

An example of this is the Bayrische Staatsgemälde Sammlung (BSGS), the Staatliche Kunstsammlung Dresden (SKD) and the Staatliche Museen zu Berlin (SMB). The Stiftung Preussischer Kulturbesitz, a public foundation, operates the SMB.

The foundation publishes some financial information but provides no breakdown by institution. Due to numerous libraries, archives and educational facilities being funded by the foundation in addition to museums, understanding the financial mechanics in greater detail based on this information is not reliable. As many institutions pool financial data,

¹⁹⁷ Non-parametric refers to methods used to analyze smaller samples where population does not have to meet certain parameters of distributions. An example are descriptive statistics. Ibid. p.112.

¹⁹⁸ Ibid. p.92.

combined with the absence of transparency of how finances are accounted for in many cases, the respective institutions were removed from analysis.

In search of reliable financial data, the *Museumsstatistik*, an annual statistical report on museums in Germany, commissioned by the *Deutscher Museumsbund* (DMB) and produced by the *Institut für Museumsforschung* - operated by the Stiftung Preussischer Kulturbesitz - was consulted as a resource. However, while detailed visitor data and educational aspects are collected, the institute explicitly states that it refrains from collecting and presenting any financial or administrative data. The report is considered the most comprehensive and reliable source of data on museums in Germany, also used by the *Statistisches Bundesamt*, (Federal Office of Statistics), published in the *Statistisches Jahrbuch der Bundesrepublik Deutschland* (German National Annual Abstract of Statistics) and is also supplied to administrative bodies (*Landesämter*) for statistical evaluation.¹⁹⁹ Members of specialist audience groups may request data after providing a justification for their inquiry. The report is not made available in regular libraries.²⁰⁰ This research considers the fact that a widely respected authority in the realm of statistical evaluation of museums in Germany consciously chooses not to assess financial and administrative data - while also restricting public access to the data presented - noteworthy and for the purpose of accounting for data validity and reliability, is deliberately making mention of this here. This further shifted the focus of the investigation onto accountability, ethics and credibility - especially in relation to performance management in institutions.

What resulted from this was that data collection for this thesis recorded any evidence related to issues of transparency, performance measurement and monitoring (reports on financial difficulties, impending closures, accusations of mismanagement, external audits, public investigations and government mandated reviews of institutions and their management practice - with findings pertaining to inefficient management of funds or lack of transparency - action plans/interventions produced by business consultancies commissioned by governing/funding bodies as well as published responses and statements issued by the respective institutions). This evidence is evaluated in conjunction with the discourse surrounding best practices and more specifically ethical considerations.

¹⁹⁹ Staatliche Museen zu Berlin website, *Museumsstatistik*, (n.d.), [accessed February 20, 2018].

²⁰⁰ Institut für Museumsforschung, *Museumsstatistik 2016, 2017* (Institut für Museumsforschung: Berlin, 2017).

Another reoccurring issue associated with examining the German art museum sector is the complexity of its administrative structures. While the legal form is represented in broader categories in the assessment of German institutions, other aspects cannot be accurately recorded, due to the fact that legal form does not mandate the proportion of decision making power each responsible party holds or shares with other authorities and public or private involved entities or indicate the full breakdown of funding sources supporting an institution. This information can, to a degree, be reconstructed based on reports, articles and other sources. While this obstructs the analysis of reliable data in this realm, it does at the same time illustrate the heterogeneity among the structures institutions have evolved, which pertains to arguments made in the discussion of transparency. Another aspect connected to this is the complex network of supporting bodies orbiting any single institution - with most German institutions not operating in a vertically integrated manner - as the exact level of support each body provides again remains mostly undisclosed. This research records these relationships and considers the complex networks of support and responsibility each institution entertains in order to develop an understanding of structural parameters but beyond this again actively incorporates the lack of data availability into the discussion. Thus, the lack of availability of reliable data provided a crucial building block to fulfilling the research objective, albeit via an unforeseen route.

3. THE TRIANGULAR EXCHANGE SHAPING GERMAN ART MUSEUM IDENTITY AND BEHAVIOUR

This research asks how approaches to management can support sustained development within the German art museum. One of the research objectives designed to answer to this question is to understand how historical, political and cultural trajectories shape current practices in Germany which in turn allows for a further exploration of what can facilitate or impair the implementation of practices identified as conducive to institutional sustainability. This chapter will therefore examine cultural and political discourse surrounding the art museum and its interactions with its environment in Germany. It therein identifies and describes a triangular exchange between the attribution of responsibility for funding the arts, notions of what constitutes independence from outside corruption for arts institutions and an inconsistent classification of external influence into acceptable and unacceptable interference. The dynamic this culminates in is emblematic of the interactions taking place at the intersection of the various systems the German art museum is embedded within - shaping museum behaviour, identity, approaches to management and ultimately organisational sustainability. This occurs on the basis of the central argument this thesis makes, which is that there is a set of best practices and their implementation can become impaired when competing systems interact – those required for their successful application and those governing the system within which the German art museum operates and has rooted its identity in.

The first section of the chapter focuses on existing concepts of identity and social pretensions surrounding art museums in German-speaking Europe as well as their historical precursors shaping present-day conflicts between perceptions of art museums and other external systems. This entails the study of historical articulations and the philosophical study of aesthetic responses - central to the identity of German art museums to this day. Next, section 3.2 addresses questions concerning responsibility for the museum and outlines the slow diversification of responsibility within practice through gradual structural changes to legal and organisational form as an indicator of an unsustainable default position. It furthermore examines discussions surrounding notions of independence in relation to this transition and their effect on ideology and museum behaviour. Section 3.3 subsequently conducts an analysis of the governmental

relationship to culture and the inherent contradictory functions embodied in cultural policy. Through highlighting the various incarnations of instrumentalisation of the art museum through political actors, arguments surrounding acceptable and unacceptable interference are next examined, providing a preface for later discussions of performance measurement, accountability and ethics, underlining the powerful ideological forces formative attitudes are rooted in, exemplified in cultural policy discussions, summarised in section 3.4.

This chapter contributes an understanding of the external determinants that have been instrumental in creating current museum management discussions pertaining to issues of financial health, social impact and sustainability. It does this through defining the titular triangular exchange as the baseline impetus governing museum behaviour, which analysis of management practice in subsequent chapters is based on. Within the overall trajectory of the research, it therefore addresses fundamental formative processes of the social and cultural contexts these discussions are embedded in as well as the key elements shaping German art museum's rationale regarding their identity and activity.

3.1 CULTURAL CONSUMPTION, ART AND ENTERTAINMENT IN GERMAN-SPEAKING EUROPE

The concept that the arts exist in a realm removed from other systems is at the core of the issues this thesis considers: systems that are governed by rules whose logic prescribes that the arts cannot exist within their defined space and simultaneously exist in another realm such as the market or as a lever to achieve policy ambitions, which are in turn governed by another distinct set of rules. This scenario is disqualified on the basis of incompatibility. A hierarchy is constructed in which the presumed hermetic space the arts inhabit - and the art museum acts as a protector in – dominates other systems with varying levels of perceived worthiness. This is neither reflective of reality nor sustainable. This paradigm informs all interactions of the museum with its external environment and thus affects management practice, by acting as what can be described as a moral barrier to best practices. This is also a pivotal element to the challenges faced by institutions as they attempt to meet the demands and evolving expectations of their contemporary environments. It ignites conflict surrounding identity, value, funding, responsibility and subsequently impacts attitudes towards entrepreneurialism, shapes organisational culture and the capacity for organisational learning and also affects mission and understanding of museum ethics. This section examines this through the lens of cultural consumption in a German context.

Both Sheehan and Gohr address how concepts of identity shaping current conflicts between perceptions of art and entrepreneurial action, articulations and theories surrounding cultural consumption, as well as ideas about how the public must relate to works of art, are found at the root of present day attitudes towards a distinct differentiation between art and other disciplines in Germany.²⁰¹ Graf and Möbius characterise this antagonistic relationship with the saying that the 'museum is always its opposite, subsisting on attendance and withdrawal, giving culture-pessimists an opportunity to speak of the downfall of the museum, either case warranting its closure'²⁰² – as though to introduce the idea that competing systems are causing inefficiencies. Further illuminating

²⁰¹ James J. Sheehan, *Museums in the German Art World*. Siegfried Gohr, *Das Museum zwischen Traum und Bedrängnis in der deutschen Kulturgeschichte*. Krzysztof Pomian, *Der Ursprung des Museums: Vom Sammeln* (Berlin: Wagenbach, 1988).

²⁰² 'Das Museum ist immer auch sein Gegenteil. Es liebt den melancholischen Einzelgänger ebenso, wie es schamlos publikumssüchtig ist. Es lebt vom Zulauf ebenso wie vom Rückzug. Beides gibt Kulturpessimisten dann Gelegenheit, wieder einmal von Niedergang des Museums zu sprechen. Entweder kommen nur wenigem, dann kann man das Museum schließen, oder alles wird zum Ereignis, dann sollte man das Museum ebenfalls schließen, weil die richtige Andacht und Vertiefung fehle'. (author's translation). Bernhard Graf and Hanno Möbius, *Zur Geschichte der Museen im 19. Jahrhundert*, p.31.

this paradox, Wurst outlines how in eighteenth and nineteenth century Germany, unlike other European countries, modern consumer culture was more closely associated with education and that a critical disinterest in the connection between culture and consumption are particular to the German development.²⁰³ She explains that a 'devaluation of sensory experience in knowledge formation in favour of abstract cognition contributed to the disinterest in the affective disposition we call pleasure as it manifests itself in entertainment'.²⁰⁴ The 'self-definition of the German middle class as the architects of the *Kultur*nation' is cited as another key element to understanding this distinctive system of cultural consumption²⁰⁵ and marks the origin of contributing pretensions that separate the realm of the arts with anything other than education and high culture. Expanding on this, it becomes apparent that such articulations²⁰⁶ shaped the institutional art world in German-speaking Europe within which museums were built. Sheehan outlines a number of these articulations, referring to how Kant dismissed art whose only aim was mere enjoyment, not infused with any variation of a moral idea, rendering it distasteful,²⁰⁷ to how Wilhelm Wackenroder states his conviction that art and religion are similar enterprises and that art galleries therefore 'ought to be temples where, in peaceful and silent humility'²⁰⁸ art would reside and to how August Wilhelm Schlegel demanded a new kind of art world in which the artist is not restrained by either patronage or markets.²⁰⁹ He also points to how Humboldt in 1792 went as far as to say that neither art nor scholarship was to be directed by the state in order to 'advance knowledge, encourage morality and deepen culture'.²¹⁰ Consequently, when in the twentieth century statistics on visitor numbers, the effects of museums on tourism and ancillary services emerged, it culminated in what Adorno disparagingly referred to as 'cultural industry'²¹¹ demanding that art remain at a distance from the material conditions of everyday life.²¹² Wurst also cites Marcuse's theory on affirmative culture, according to which for the modernist, entertainment cannot be part of high culture because the pleasure it provides is associated with bourgeois manners, morals, and habits - thus the modernist was repelled by 'consumer-oriented and comfortable' art. She also cites the Frankfurt school's concept of

²⁰³ Karin A. Wurst, *Fabricating pleasure*, p.13.

²⁰⁴ Ibid. p.xiii.

²⁰⁵ Ibid. p.29.

²⁰⁶ James J. Sheehan, *Museums in the German Art World*, p.5.

²⁰⁷ Ibid.p.9.

²⁰⁸ Ibid. p. 48.

²⁰⁹ Ibid. p. 49.

²¹⁰ Ibid. p.57.

²¹¹ Siegfried Gohr, *Das Museum zwischen Traum und Bedrängnis in der deutschen Kulturgeschichte*, p.44.

²¹² Karin A. Wurst, *Fabricating pleasure*, p.6. Siegfried Gohr, *Das Museum zwischen Traum und Bedrängnis in der deutschen Kulturgeschichte*, p.44.

high art in which the pleasure associated with entertainment had no *raison d'être*, explaining that in the early 18th century the emphasis on self-discipline created a system in which leisure, entertainment, and pleasure were 'at best marginal concepts and at worst vilified as part of nobility's lifestyle'.²¹³ These articulations all describe the historically value-laden status the art museum inhabits within German society and culture. The different narratives are all unified by the rule that art and the art museum is to be maintained within an almost sacred space, uninterrupted by any interference from another system.

Wurst describes how, despite a practical engagement with the visual arts within the context of sociability being present for much of history, the sentiment that museums ought to be a space protecting art from the 'indignities of entertainment and commerce' was equally prevalent.²¹⁴ This conflict of what is required of the museum to persist and the value it is modelled on emerges at the centre of the discussion of every aspect of management practice throughout the examination, it is reflected in the opinions of professionals interviewed and its implications are visible in the data presented. No other system is to interfere with the arts within a museum, while at the same time the museum is driven to welcome other governing forces in and operate alongside them. This establishes how the first element making up the ideological contentions that create obstacles to sustained development is rooted in residual elements of extant belief systems.

²¹³ Karin A. Wurst, *Fabricating pleasure*, p.7.

²¹⁴ *Ibid.* p.215.

3.2 A QUESTION OF RESPONSIBILITY

Museum funding is at the centre of the economic dimension of organisational sustainability. This section examines discussions surrounding responsibility for the art museum, which significantly impacts funding structures. It does so by reviewing how responsibility for art collections within German-speaking Europe has shifted back and forth dramatically between different constituencies over time. This is contrasted with the presently firmly anchored notion of responsibility for art collections lying solely with public funding bodies in both the public perception and also within institutions themselves. This thesis makes the argument that if German institutions so definitively locate responsibility in external bodies, this produces passive behaviour, which will result in dysfunction through static positions, which are in direct opposition to best practices. Simultaneously, this research observes that a discreet transfer of responsibility on a legal, financial and administrative level has begun to occur at a broader scale, while corresponding and outwardly visible behavioural adaptations to a changing environment remain largely absent. This leads to the assumption that ideological forces tied to the identity of the museum and the separation of other and thus also economic systems from the arts play a key role in this disconnect, which in turn affects potential for achieving sustainable outcomes.

Beyond historically rooted beliefs cementing the rule that no other system must interfere with the arts, it is equally relevant to understand how governmental protagonists have inserted themselves into these deliberations, creating the foundational components of many later examined elements related to funding and policy impacting management practice.

As touched upon in the introduction, the institution of the museum evolved from a private demonstration of power into a tool used to directly exercise power through 'civilising' the population, to then later become a more welcoming social and public space with fewer barriers to participation. Governmental programmes aimed at reshaping social behaviour²¹⁵ and the later educational function of museums for the public,²¹⁶ designed as capacities for self-monitoring for the population by the government,²¹⁷ provide a range of examples of these shifts in purpose and responsibility, corresponding to wider social developments.

²¹⁵ Tony Bennett, *The Birth of the Museum*, p.6.

²¹⁶ Anne Koch, Christian Meyer, Petra Tillessen, Annette Wilke, Katharina Wilkens, 'Museums in Context'. Edward P. Alexander, Mary Alexander, *Museums in Motion*, p.5. Tony Bennett, *The Birth of the Museum*, p.19.

²¹⁷ Ibid. p.20.

During the old regime, most objects in public galleries and museums were part of the aristocracy's personal property. In the course of the eighteenth century these dynastic art collections began to be referred to as national possessions, because even though their legal status had not changed,²¹⁸ the desire of the owners to have their collections publicly recognised grew.²¹⁹ During the revolution the German population was both outraged and impressed by the French looting of Europe's art and presentation as a victory monument to the public,²²⁰ further pushing forward the idea of national responsibility with regards to art collecting.²²¹ As a result innovative ideas formulated in the 1790s about art's social role as part of a larger process of political renewal.²²² These monarchical museum institutions were built and financed by a restored German state, housing collections presented as those of the king, thereby reinterpreting French museum organisation.²²³ Despite the reform government's efforts to establish a clear differentiation between dynastic and public property, it remained indistinct and equally contentious in most German states. The Saxon constitution of 1831 for example converted most dynastic properties into state property. The state administered the collections, but the royal family retained a say in their disposition.²²⁴ Some combination of monarchical, bureaucratic and parliamentary influence on artistic policies could be found in other states as well,²²⁵ indicative of transfer of responsibility to more modern forms of government.

At the same time, private collections without monarchical heritage formed during the 19th century in many larger German cities as private citizens donated collections or financed the building of museums²²⁶ and museums in turn institutionalised these relationships through *Museumsvereine* (Museums Associations) in the effort to secure the support of elites,²²⁷ with state responsibility for collecting art not driving this development.

German national socialists later enforced the widespread centralisation of cultural institutions and in the case of art collections - with the exception of private collections - a forcible-coordination took place; collecting art was consequently declared the responsibility of state under the supervision of the *Reichsministerium für Volksaufklärung*

²¹⁸ James J. Sheehan, *Museums in the German Art World*, p.101.

²¹⁹ Ibid. p.24.

²²⁰ Ibid. p. 51.

²²¹ Barbara Marx, *Sammeln als Institution*, p.214.

²²² James J. Sheehan, *Museums in the German Art World*, p. 43.

²²³ Barbara Marx, *Sammeln als Institution*, p.215.

²²⁴ James J. Sheehan, *Museums in the German Art World*, p.102.

²²⁵ Ibid. p.103.

²²⁶ Barbara Marx, *Sammeln als Institution*. p.216.

²²⁷ James J. Sheehan, *Museums in the German Art World*, p.155.

und Propaganda (Reich Ministry of Public Enlightenment and Propaganda). In the *DDR* art formerly in the property of the aristocracy remained also public property, as it had been during the NS-regime. As stated in the introduction, Marx concludes that consequently the familiarisation with state-run art museums in both post-war West Germany and the *DDR* created a strong dependence on the state as a default circumstance for German institutions - more so than in other European countries,²²⁸ regardless of the diverse origins of many collections. This finds a continuation in the previously addressed *Stuttgarter Richtlinien* or the concept of '*Kulturpflege*' of the 1960s and 1970s,²²⁹ with public cultural institutions being regarded as part of governmental responsibility.²³⁰ Marx observed that as financing through state, federal and communal sources reached the limits of its capacity in the twentieth century, museums have begun to call methods of income generation into question. This became apparent in the *Städtetag* (Association of German Cities and Towns) recommending that cultural institutions - programmed with a mentality of receiving during past regimes - must act more independently again. Marx describes how nevertheless museum professionals and lawmakers maintain that the government cannot be relieved entirely of its liability when it comes to financing museums and that it should remain primarily in its responsibility,²³¹ a sentiment reflected in the findings discussed in this chapter, again indicating that practical considerations and economic realities of sustainable income generation clash with deep-rooted cultural beliefs and ideals.

²²⁸ Barbara Marx, *Sammeln als Institution*, p.219.

²²⁹ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.63.

²³⁰ *Ibid.* p.64.

²³¹ Barbara Marx, *Sammeln als Institution*, p.220.

3.2.1 A SLOW TRANSITION

The histories outlined in the previous section are visible in the data collected in this investigation on German arts institutions and their historical origin, representing the structures and shared and shifting responsibilities, which make up the majority of the heritages of assessed institutions. Data shows that while a significant portion of institutions were founded in the first half of the twentieth century, many collections originated during an earlier period, with a change in ownership and thereby responsibility taking place in their histories.²³²

19th Century or earlier	Before WWII	Post-War
42.5%	14%	42.5%

Figure 2. Period during which collections institutions studied (87 in total) originate from

These complexities create some uncertainty when it comes to questions of who should be funding institutions and making decisions on their behalf, further illuminated through case study data presented in the next sections, as these transfers of responsibility have in many instances resulted in a convoluted infrastructure of connected funding, governing and supporting bodies with varying degrees of influence and liability. Furthermore, data shows that private initiatives laid the foundation for a significant portion of arts institutions in Germany today, with many legal forms originating from privately built collections that underwent changes in governance, affiliation and support. Here only the attached support networks remain as evidence of their private origins. An overview of the recorded responsibilities and affiliations observed within the sample studied for this research is presented in this section. It not only illustrates the diverse composition of the division of responsibilities within the organisations studied but also indicates that a transition moving responsibility away from purely public administration is occurring, through creating new legal and organisational forms that better accommodate private support.

²³² See figure 3.

Data shows that a majority of institutions in the sample (69%) have public status, while only 18.4 % are classed as private and a total of 12.6% originate from a *PPP* (Public Private Partnership), even though the level of involvement for each party may vary drastically each fiscal year.

Public	Private	PPP
69%	18.4%	12.6%

Figure 3. Operational categories among institutions studied (87 in total)

Holzmann outlines how within the German museum sphere, public institutions may be organised in both a public-law or private-law form, the differentiation between public and private law having less of an impact on the operations of the institution while the individual configuration of responsible bodies is of greater relevance here.²³³ The prevalence of public governing bodies is also reflected in the legal form of institutions evident in the data collected in this study. While a majority is classed as public, the legal make-up often contains private elements, which again accommodate other forms of support, but allow for compromise in terms of administrative responsibility.

²³³ Katrin Louise Holzmann, *Sammler und Museen: Kooperationsformen der Einbindung von privaten zeitgenössischen Kunstsammlungen in die deutsche Museumslandschaften* (Heidelberg: Springer, 2015), chapter 3.3, pp. 60 – 114.

Legal Form	Proportion of institutions studied
Landes/Kommunale Trägerschaft	47.1%
Stiftung öffentlichen Rechts	4.6%
Bundes/Kommunale Trägerschaft & Stiftung öffentlichen Rechts	9.2%
Stiftung bürgerlichen Rechts & Landes/Kommunale Trägerschaft	2.3%
gGmbH/GmbH & Landes/Kommunale Trägerschaft	1.1%
e.V. & Landes/Kommunale Trägerschaft	2.3%
e.V. & treuhändische Stiftung	1.1%
Stiftung bürgerlichen Rechts	11.5%
e.V.	9.2%
gGmbH/GmbH	11.5%

Figure 4. Breakdown of legal form among institutions studied (87 in total)

A large number of institutions fit into more traditional types of organisational forms: *landes-* or *Kommunale Trägerschaft* (Federal State or Commune Operated) (47%), *öffentlich-rechtliche Stiftung* (public law foundation) (4.6%) and a combination thereof (*bundes-* or *kommunale Trägerschaft* (National or Commune Operated) paired with *Stiftung öffentlichen Rechts* (öffentlich-rechtliche Stiftung) 9.2%). A public authority holds responsibility for these institutional forms on both a financial and organisational level. The *Anstalt des öffentlichen Rechts* describes a legal entity and independent administrative body governed by constitutional and administrative law (*Verfassungs- und Verwaltungsrecht*). It possesses a high level of internal flexibility due to its legal capacity and allows for some freedom with regards to tailoring internal management structures to desired outcomes. Resources are provided by a public administrative body while the institution remains independent on a budgetary level and operates its own accounting cycle using a business accounting method.

This form is considered an indirect part of the public administration and is therefore influenced and controlled by public authorities.²³⁴

²³⁴ Ibid, chapter 3.3, pp. 60 – 114.

The *öffentlich-rechtliche Stiftung* is an organisational and legal form, which many institutions took on after the mid-1990s, marking a shift towards a structural modernisation in Germany after its re-unification. It is a legal entity outfitted with capital and assets, exercising public administrative tasks. This organisational form provides public institutions with stability and funding security while also operating with relative flexibility in terms of internal organisational aspects. The public body does technically - in formulating the constitution of the foundation and thereby detailing its purpose and structure - exercise control over the institution. Aside from this and if not specified otherwise, the foundation's board is entitled to all decision-making privileges. Regardless of the flexibility the institution enjoys on a management level, it receives regular funding based on public budgets, with only small parts of its funding structure being made up of donations or earned income - meaning that financial independence does not match operational autonomy. An example of this organisational form is the *Stiftung Preußischer Kulturbesitz*.²³⁵

When considering the way executive power is organised, the data collected demonstrates the strong propensity towards public bodies being formally responsible for a majority of institutions. It however also reflects the aforementioned development that different legal forms - especially visible in younger institutions – have shifted towards incorporating more varied forms of support and those established more recently have a greater propensity to take on a private legal form. Public museums, as Holzmann further describes, that have a private-law institutional form, have directors that are responsible for the management and decision-making within the institution, but may be nonetheless connected to a public governing body in some form. Public museums with a private-law organisational form are situated within the third sector, a space in-between the public and private sector. The most commonly encountered forms of this type are: *e.V.*, (*eingetragener Verein*/registered association), *GmbH* (*Gesellschaft mit beschränkter Haftung*/ limited liability company) and *privat-rechtliche Stiftung* (private-law trust). The *GmbH* is a legal and organisational form describing a legal entity governed by private law, which holds commercial legal capacity as well as being a capital company.²³⁶ It represents a further step in this more market-centric directionality and is therefore of particular interest and is discussed further when examining the case of the *Stiftung Kunstsammlung NRW*. Figure 4 again demonstrates the complexity of structures present

²³⁵ Stiftung Preussischer Kulturbesitz website, *Über uns*, (n.d.), [accessed February 19, 2018].

²³⁶ Ibid, chapter 3.3, pp. 60 – 114.

among institutions and the myriad of ways in which responsibility and executive power is distributed. The displayed categorisations are used to simplify and summarise structures for the purpose of study and each institution may treat decision-making and funding responsibilities differently.

Overall it can be seen that a majority of institutions in Germany have a high level of public involvement and thereby responsibility, the effects of which - with regards to approaches to management practice, funding structure and organisational structure - are discussed in the ensuing sections and chapters. Even though institutions take on a multitude of legal and organisational forms, all with varying degrees of autonomy, they legally remain largely the responsibility of a public funding body. Only fully private institutions – which may also benefit from public funding – possess a greater level of financial and administrative independence. While the legal form does not give insight into the exact distribution of financial support received from each funding body, this strong public involvement represents not only a reliance on public monies as identified by Marx²³⁷, but also generally more rigid, less flexible management frameworks, based on the explanations provided by Holzmann, which can pose a threat to sustainability – the extent of this addressed in greater detail in chapter six.

At the same time, the residual influence of private support as well as some newfound support through formalised private networks is found in the high prevalence of supporting bodies (figure 5) - with most public institutions benefitting from a combination of these supporting bodies and only private institutions having fewer such ties.²³⁸

Own Stiftung/Verein	Affiliated Freundes/Förderkreis	Mean number of affiliated external supporting bodies
65.5%	90.8%	3.42

Figure 5. Affiliated support networks of institutions studied (87 in total)

While there is evidently a strong familiarisation with public funding, other sources of support also make up a significant element in the systems institutions operate within. This can in part be traced back to the historical origins of many institutions - strongly shaped

²³⁷ Barbara Marx, *Sammeln als Institution*, p.219.

²³⁸ Katrin Louise Holzmann, *Sammler und Museen*, chapter 3.3, pp. 60 – 114.

by private initiative, as well as a redistribution of financial burden. This can be viewed as a transitory state representing a growing awareness of the benefits of more flexible administrative structures and more diversified funding structures while at the same time reflecting the desire to – through creating compromise and composite solutions of private and public responsibility – maintain old structures. Here, the first clear incidence of the perplexing relationship German arts institutions have with responsibility and independence becomes clear. Throughout the subsequent discussions, this research explores how dependence on public support is valued over private support, the former being perceived as neutral. The effect, which these perceptions and attitudes have on museum behaviour, consequently management practice and ultimately the ability of institution to implement practices supporting sustained development, is discussed in chapter five and six.

3.2.2 RESPONSIBILITY IN PRACTICE

This section is constructed around the argument that views of responsibility and consequently the independence from and dependency on specific types of support impact the operation and behaviour of an institution. It demonstrates through case study and interview data, how this dynamic unfolds in practice. The structures laid out here are relevant to the subsequent analysis of management practice and subsequently potential for sustained development.

Toeplitz provides a helpful summary of the structural discrepancies in levels of public involvement and corresponding attitudes observed between German and international institutions in a comparison of arts funding systems in Germany and the US which this thesis presents as a preface to the analysis. It underlines how ideological, cultural and political dimensions shape management practice within a national context. According to Toeplitz, the difference in attitude is grounded therein that while the state in Germany inherited funding responsibilities of feudal collections, the US cultivated a private initiative led system of arts funding, where any intervention of the state was unwelcome. With many Americans having left Europe for religious or economic reasons, caused by repressive feudal structures, they viewed the British state in the new world merely as a tax collector.²³⁹ He identifies this, paired with the puritan ideal of a self-administrating society removed from state paternalism,²⁴⁰ as one of the driving forces behind the formation of this system. The tradition and legitimacy of public patronage of the arts that was established in Europe by aristocratic and clerical patrons is therefore not only absent from the American context, it is at variance with democratic principles.²⁴¹ The author emphasises the importance and focus on earned income in US institutions.²⁴² He describes this system as a dependence of cultural institutions on the individual willingness to provide funding, impacting its way of operating, in that absent public subsidy makes business success a requirement for survival.²⁴³ Independence from public funding bodies is interestingly not part of this assessment. It is also noteworthy how the author does address that adopting more entrepreneurial attitudes must not automatically represent a decrease in cultural value created, in an almost generous gesture pointing to the arts in the UK and US,²⁴⁴ with his last point serving as a demonstration of how the outcome is

²³⁹ Stefan Toeplitz, *Kulturfinanzierung: Ein Vergleich USA – Deutschland* (Gabler, 1991), p.9.

²⁴⁰ Ibid. p.9.

²⁴¹ Ibid. p.10.

²⁴² Ibid. p.50.

²⁴³ Ibid. p.51.

²⁴⁴ Ibid. p.63.

not at the centre of the debate but rather the moral and theoretical implications of how any given outcome is achieved, with ideology and value discussions taking precedence over more practical deliberations of how institutions can best serve their communities. This again underlines the argument presented throughout this analysis: notions of incompatible systems may undermine best practices for sustainability management.

The Ludwig family founded the Museum Ludwig in 1976 in an agreement with the City of Cologne: the city built a museum to house the collection donated by the family.²⁴⁵ Legally, the museum is run by the City of Cologne (*Landes/Kommunale Trägerschaft*) and is classified as a *Regiebetrieb*. It is embedded within city infrastructure, both in terms of management and funding, the *Gemeindeordnung* (municipal code) of the state of NRW and the *Zuständigkeitsordnung* (code of responsibility) of the City of Cologne forming the legal basis while the city council is the primary managing body. The director of the museum reports to the *Kulturdezernent* (Council of Cultural Affairs) who can exercise direct political influence on the operations of the museum. This means that the director of the museum makes programmatic decisions, while the *Kulturdezernent* makes decisions concerning budgeting and staff. A benefit of this organisational form is - according to Holzmann - the financial security given by the *Bestandsgarantie* (guarantee of existence) informing funding decisions, which however also brings with it drawn-out decision-making processes and a rigid and inflexible framework for the institution to operate within.²⁴⁶

The history of the Museum Ludwig is - though a fully public museum - closely tied up with private patronage from its' founding and throughout its existence, with large parts of the collection comprised of donated works from private sources.²⁴⁷ Lisa Schade, Director of Fundraising at the Museum Ludwig, points out that paradoxically this strong private tradition shaping the history of the museums was at its founding, even more so than today, perceived as highly unusual.

²⁴⁵ Museum Ludwig website, *History of the Museum Ludwig from 1976 to the Present*, (n.d.), [accessed April 9. 2018].

²⁴⁶ Katrin Louise Holzmann, *Sammler und Museen*, chapter 3.3, pp. 60 – 114.

²⁴⁷ Museum Ludwig website, *The Permanent Collection at the Museum Ludwig*, (n.d.), [accessed April 9. 2018].

'When the City of Cologne built the museum for their (the Ludwig family) collection, there was huge public uproar. People were shocked by the museum being named after the donor family and generally concerned about a private person giving their collection to the city. Today the Ludwig family would have probably built the museum themselves'.²⁴⁸

This makes the Museum Ludwig an interesting model of the distribution of responsibility on both a financial and organisational level, for which a public body is officially responsible, built on a foundation of private support it still benefits from today. In practice this means that a budget is prepared by the museum, which is then presented to the *Kulturausschuss* (cultural affairs committee) and City Council for approval,²⁴⁹ based on which the city funds operating costs.²⁵⁰ Furthermore, the City of Cologne provides all its museums with a subsidy per visitor,²⁵¹ spending € 29,76 per visitor for the Museum Ludwig in 2017.²⁵² As stated by Marx and reflected in ensuing discussions, there is a strong reliance on public funding to supplement operations. On the other hand, the museum receives support from a number of corporate partners (see 6.1.4). Furthermore a range of associated bodies supports the museum financially such as Die Freunde des Wallraf-Richartz-Museum und des Museum Ludwig,²⁵³ the Peter und Irene Ludwig Stiftung²⁵⁴ and the Gesellschaft Für Moderne Kunst am Museum Ludwig.²⁵⁵ Other public foundations such as the Kunststiftung NRW,²⁵⁶ and Bundeskulturstiftung²⁵⁷ also provide support as well as the Junge Kunstfreunde and Kunststiftung im Museum Ludwig.²⁵⁸ This wide array of supporting bodies, comprised to a large part of private financial resources managed by public governing bodies, illustrates the degree to which supplementation of public funding occurs and is also required. It also emphasises that responsibility or rather the way in which it is presented publicly is about legitimacy.

²⁴⁸ Lisa Schade, Leitung Kooperationen und Fundraising, Museum Ludwig, interview by Louisa Krämer, telephone and voice recording, June 18, 2018.

²⁴⁹ Lisa Schade interview.

²⁵⁰ 'Zuwendungen für Museum Ludwig gesichert', *Bergischer Volksbote*, December 23, 2017, [accessed December 27, 2017]. 'Museum Ludwig: Mehr Sicherheit für alle', *Kölner Stadtanzeiger*, December 5, 2017, [accessed December 27, 2017]. 'Museum Ludwig: Finanzen für drei Jahre gesichert', *Radio Köln*, December 20, 2017, [accessed December 27, 2017].

²⁵¹ Chris Merting, 'Millionen-Subvention: So viel kostet ein Besuch im Museum den Kölner Steuerzahler', *Express*, January 25, 2018, [accessed April 9, 2018].

²⁵² Stadt Köln website, *Museum Ludwig*, (n.d.), accessed December 27, 2017].

²⁵³ Museumsfreunde Köln website, (n.d.), [accessed December 27, 2017].

²⁵⁴ Peter und Irene Ludwig Stiftung website, (n.d.), [accessed December 27, 2017].

²⁵⁵ Gesellschaft für Moderne Kunst am Museum Ludwig website, (n.d.), [accessed April 11, 2018].

²⁵⁶ Kunststiftung NRW Website, (n.d.), [accessed December 27, 2017].

²⁵⁷ 'Museum Ludwig: Yilmaz Dziewior plant neue Leitungsstelle', *Kölner Stadtanzeiger*, February 8, 2018, [accessed April 11, 2018]. Kulturstiftung des Bundes website, (n.d.), [accessed December 27, 2017].

²⁵⁸ Museum Ludwig website, *Partner und Förderer*, (n.d.), [accessed December 27, 2017].

The transition of – especially financial – responsibility outlined in the previous section can also be seen here. The responsibility lies with a public body to cater to expectations surrounding legitimacy, regardless of whether the financial burden is to a large extent shared with private bodies. It illustrates an area in which two systems - namely economic realities and historically constructed frameworks surrounding state patronage for the arts - collide and necessitate such compromise.

The Stiftung Kunstsammlung NRW provides another example of a very different German institution in terms of distribution of responsibility. The basis for the federal state gallery, founded in 1961 as a *privatrechtliche Stiftung* wholly operated by the federal state of Nordrhein-Westfalen (NRW),²⁵⁹ was the private collection of American steel manufacturer David Thompson, subsequently acquired by the state of NRW.²⁶⁰ A major driver of its founding were aspirations of identity politics (*identitätspolitische Bestreben*), aiming to provide the state with a stronger cultural profile,²⁶¹ mirroring the nation building and unification efforts addressed in the introduction.²⁶²

The Stiftung Kunstsammlung NRW is fully supported by the state of NRW and secures additional funds through third party public and private support and self-generated income.²⁶³ Organisationally a *privatrechtliche Stiftung* under federal state/communal stewardship, the museum takes on a legal form that has substantial freedom with regards to its organisation and an executive board responsible for its management. The capital is provided by the founder while the foundation will typically also receive public funding to support museum operations, thus in the case of the Kunstsammlung the State of NRW is responsible for both. A *privatrechtliche Stiftung* can also hold responsibility for the capital of a *GmbH* or *gGmbH*,²⁶⁴ representing a practical format to conduct business activities, as it may be advantageous to separate certain commercial activities from non-profit activities for tax purposes.²⁶⁵

²⁵⁹ Katrin Louise Holzman, *Sammler und Museen*, chapter 3.3.1.2. Stefan Toepler, *Kulturfinanzierung*, p.33.

²⁶⁰ Stiftung Kunstsammlung NRW website, *Geschichte*, (n.d.), [accessed February 3, 2018].

²⁶¹ Karl Ditt, 'Die Entwicklung des Raumbewusstseins in Rheinland und Westfalen, im Ruhrgebiet und in Nordrhein-Westfalen im 19. und 20. Jahrhundert: Charakteristika und Konkurrenzen' in: Karl Ditt, Klaus Tenfelde, *Das Ruhrgebiet in Rheinland und Westfalen: Koexistenz und Konkurrenz des Raumbewusstseins im 19. und 20. Jahrhundert* (Paderborn: Verlag Ferdinand Schöningh, 2007), p. 462.

²⁶² Kunstsammlung NRW website, *Geschichte*.

²⁶³ 'Dr. Hagen W. Lippe-Weissenfeld, ehemaliger Kaufmännischer Direktor und Vorstand Stiftung Kunstsammlung Nordrhein-Westfalen im Interview mit Causales', *Jahrbuch Kulturmarken*, 2014, [accessed February 7, 2018].

²⁶⁴ The GmbH can also be transformed into a gemeinnützige (non-profit) GmbH (gGmbH) with corresponding tax benefits. Katrin Louise Holzmann, *Sammler und Museen*, chapter 3.3, pp. 60 – 114.

²⁶⁵ Katrin Louise Holzman, *Sammler und Museen*, chapter 3.3, pp. 60 – 114.

The Kunstsammlung NRW operates the ArtPartner Relations GmbH as a means of revenue generation.²⁶⁶ The *Landesrechnungshof* (audit office of the federal state), together with the finance ministry, reviews the accounts of the Kunstsammlung to inform the parliament, the federal state government and the public (*EPOS.NRW* programme).²⁶⁷ The review is conducted in collaboration with the *MFJKJS* (*Ministerium für Familie, Kinder, Jugend, Kultur und Sport* /Ministry for Family, Children, Youth, Culture and Sports) and the *Bewilligungsbehörde* (authorisation authority). The *Bezirksregierung* is responsible for approving public grants to the Kunstsammlung. The state government is represented in the board of trustees of the museum. A responsible body additionally supervises activities of the Kunstsammlung, in that financially significant decisions are made only after *MFJKJS* and Kunstsammlung consult each other.²⁶⁸

As with the Museum Ludwig, the research will not present a comprehensive breakdown of income sources, due to uncertainty over the reliability of the data. Some information can however be used to extrapolate the most plausible makeup of the funding structure and proportions of support received from various sources. According to one source, the Kunstsammlung received € 14,412,200 in 2015,²⁶⁹ comprised of € 2,995,200 in self-generated income, € 570,000 in donations and sponsor funds and € 10,849,000 in federal state funding.²⁷⁰ The museum also has several other affiliations and permanent collaborations to help raise money: the Gesellschaft der Freunde der Kunstsammlung Nordrhein-Westfalen e.V.,²⁷¹ Junge Freunde²⁷² and Pro Kunstsammlung.²⁷³ ArtPartner Relations GmbH, which receives commission for brokering sponsorship and rental agreements for the Kunstsammlung.²⁷⁴

²⁶⁶ Ibid, chapter 3.3, pp. 60 – 114.

²⁶⁷ Landesrechnungshof Nordrhein-Westfalen, *Jahresbericht 2017 über das Ergebnis der Prüfungen im Geschäftsjahr 2016: (Art. 86 Abs. 2 LV, § 97 LHO)*, (n.p.l), 2017, p.13.

²⁶⁸ Landesrechnungshof Nordrhein-Westfalen, *Jahresbericht 2017 über das Ergebnis der Prüfungen im Geschäftsjahr 2016*, p.206.

²⁶⁹ 'Dr. Hagen W. Lippe-Weißfeld, ehemaliger Kaufmännischer Direktor und Vorstand Stiftung Kunstsammlung Nordrhein-Westfalen im Interview mit Causales', *Jahrbuch Kulturmarken*.

²⁷⁰ Ministerium der Finanzen des Landes Nordrhein-Westfalen, *Haushalt*, Kapitel 07 050 Kulturförderung, (n.p.l), 2016, p.77.

²⁷¹ Stiftung Kunstsammlung NRW website, *Freundeskreis*, (n.d.), [accessed February 7, 2018].

Stiftung Kunstsammlung NRW website, *Ankäufe*, (n.d.), [accessed February 7, 2018].

²⁷² Stiftung Kunstsammlung NRW website, *Freundeskreis*.

²⁷³ Stiftung Kunstsammlung NRW website, *Pro-Kunstsammlung*, (n.d.), [accessed February 7, 2018].

²⁷⁴ Landesrechnungshof Nordrhein-Westfalen, *Jahresbericht 2017 über das Ergebnis der Prüfungen im Geschäftsjahr 2016*, p.210.

While this data indicates that the Kunsammlung - despite being the official responsibility of the state of NRW - significantly benefits from private and commercial resources, the public perception and conception is once again in line with the ideal of the state as patron of the arts.

Bianca Knall, Business Director of the Stiftung Kunstsammlung NRW, states in the interview that 'the museum is in a more privileged position than an institution which is fully integrated into the budget of a city of commune' - such as the Museum Ludwig - with regards to financial hardship and reliance on funding.²⁷⁵ Similarly, Antonella Sbarra, ArtPartner Relations (Stiftung Kunstsammlung NRW) Project Manager, states that 'as an institution primarily funded by the federal state, dependency on other sources is a non-issue',²⁷⁶ clearly indicating that the perceived responsibility for the museum lies with its public founding body, regardless of the extent to which others provide this support, re-enforcing the arguments made pertaining to responsibility, independence, perception and reality.

A comparison with institutions of varying legal forms operating within different international frameworks - Tate, MoMA and the Guggenheim Foundation - helps distil how questions of responsibility are addressed differently, illustrating the impact of ideological and not purely practical motivations, as well as emphasising how again certain competing systems are shaping organisational structure and consequently management approaches. All three institutions take on differing approaches to responsibility and with it to management through varying degrees of acceptance of systems external to the museums. The institutional outcomes in all three cases studied and varying degrees of alignment with best practices, discussed in subsequent chapters, suggest that this acceptance has a strong impact on overall sustainability and is therefore considered in further discussions of German art museum identity and behaviour.

²⁷⁵ Bianca Knall, Business Director, Stiftung Kunstsammlung NRW, interview by Louisa Krämer, telephone and voice recording, May 23, 2018.

²⁷⁶ Antonella Sbarra, Projektmanager ArtPartner Relations GmbH, interview by Louisa Krämer, telephone and voice recording, June 1, 2018.

In the case of Tate, its foundations were laid by British sugar magnate Henry Tate in 1889, who offered his collection to the nation and provided funding for the first Tate Gallery.²⁷⁷ Structurally, Tate is an executive non-departmental public body and an exempt charity,²⁷⁸ governed by a Board of Trustees.

The Board of Trustees determines policy and, together with senior staff, sets the strategic direction for Tate, manages resource allocations, monitors performance against objectives and targets and ensures the stewardship of public funds.²⁷⁹ The *DCMS* (Department of Digital, Culture, Media and Sport) provides funding based on the requirements laid out in the management agreement. Tate supplements the grant it receives through admissions, fundraising and commercial activities, resulting in around 70% of income raised from non-government sources.²⁸⁰ It works to generate a significant proportion of its resources through alternative means in a strategic effort to build a funding model that is increasingly capable of supporting the activities of the museum in a more self-sufficient manner²⁸¹ (see 5.1.2) through a variety of revenue earning approaches and means to efficiently manage resources.²⁸² This goes to show that even though Tate is a public institution, firmly intertwined with public funding bodies and governing structures, it has taken responsibility for financial and organizational aspects and has created a framework, which proactively works towards sustainable operation.

Situated within an entirely different legal and organisational framework, the Museum of Modern Art (MoMA) in New York City provides a stark contrast in its interpretation of responsibility and interaction with funding. The mechanics and also ethics of management approaches used by MoMA (addressed in the ensuing chapters) demonstrate an approach which fully leverages methods more closely aligned with that of any commercial enterprise.

It is important to establish this as a baseline for discussion to preface all subsequent analysis of management practice, as the markedly different interpretation of responsibility mirrors the equally different approach to management.

²⁷⁷ Tate website, *History*, (n.d.), [accessed April 3, 2018].

²⁷⁸ Tate website, *About us*, (n.d.), [accessed April 3, 2018].

²⁷⁹ Tate website, *Board of trustees*, (n.d.), [accessed April 3, 2018].

²⁸⁰ Tate website, *Governance*, (n.d.), [accessed April 3, 2018]. Ruth Findlay, Samuel Jones, *Tate annual report 2016/17*, (London: published by order of the Tate Trustees by Tate Publishing, a division of Tate Enterprises Ltd.), 2017, p.80.

²⁸¹ *The Board of Trustees of the Tate Gallery Annual Accounts 2016 - 2017, Presented to Parliament pursuant to section 9(8) of the Museums and Galleries Act 1992*, (n.p.l.) July 12, 2017, p.20.

²⁸² *Ibid.* pp.21, 9, 10.

Established in 1929 by a group of prominent art world figures,²⁸³ the museum, which merged with MoMA PS1 in 2000,²⁸⁴ is a private non-profit organisation eschewing public funding. Aside from the employed financial management methods approach (discussed in 5.1.1),²⁸⁵ this difference is clearly visible in the way MoMA enlists the support of a network of figures inside and outside of the arts. In 2016, the museum's \$ 400,000,000 expansion plan was reportedly aided by a \$100,000,000 gift from David Geffen as well as an endowment approaching \$ 1 billion.²⁸⁶ Similarly the 2017 exhibition *Être Moderne: Le MoMA à Paris*, which brought together 200 works exhibited at the Fondation Louis Vuitton, again demonstrated the museum leveraging its ties to the market and philanthropic figures without much controversy, in this case working with LVMH, also the single patron of MoMA's Richard Serra retrospective, with Jean-Paul Claverie - advisor to Bernard Arnault - stating that there is nothing 'opportunistic about this exhibition' and that LVMH and MoMA had shared complicity as two private institutions, based on private patronage.²⁸⁷ This type of close cooperation with the market, as discussions in subsequent chapters illustrate, is treated with much greater disdain in Germany. However, this pursuit of support has also caused the museum to be subject to criticism. Director Lowry is by some held accountable for the museum's 'corporate and out of touch image'. Saltz writes in *New York Magazine* that the expansion plan 'irretrievably dooms MoMA to being a business-driven carnival'.²⁸⁸ The case of the MoMA does not serve as a blueprint for other institutions to model their behaviour on but does represent a drastically different archetype in its approach to management practice in relation to responsibility, in that it welcomes exogenous systems into its internal system and thereby stands in direct opposition to the behaviour of the German cases studied.

²⁸³ MoMA website, *History*, (n.d.), [accessed December 27, 2017].

²⁸⁴ MoMA website, *Who we are*, (n.d.), [accessed December 27, 2017].

²⁸⁵ The Museum of Modern Art, *Consolidated Financial Statements*, June 30, 2017.

²⁸⁶ Robert Ekelund, *More money, more problems*, *The Washington Post*, August 4, 2016.

²⁸⁷ Claudia Barbieri Childs, *How MoMA Chose Which Treasures to Send to Paris for Its Biggest Loan Show Ever*, *ArtNet News*, September 8, 2017.

²⁸⁸ Randy Kennedy, *MoMA's Expansion and Director Draw Critics*, *The New York Times*, April 21, 2014.

The Solomon R. Guggenheim Foundation on the other hand provides another unique case for analysis, in that it operates using a method, which very deliberately distributes responsibility to various entities and public bodies in terms of governance and funding across its locations. With its origins in American industrialist Solomon R. Guggenheim's collection, it was established as a museum in New York City in 1959.²⁸⁹ The foundation has, throughout the years, benefitted from numerous collections donated by private estates and individuals,²⁹⁰ also underlining the long-standing tradition of engaging and leveraging private support and patronage. Legally the foundation is a private non-profit organisation, exempt from federal income taxes.²⁹¹ It has in the past been part of several less sustainable expansion ventures²⁹² and the successful Bilbao venture in what is described as an internationalisation strategy.²⁹³ It transferred financial responsibility for the Guggenheim Museum in Bilbao to the Basque administration, which fully funded the \$100 million construction as well as making annual contributions to the operating budget, while taking on responsibility on an administrative and curatorial level.²⁹⁴ Throughout its history the foundation has leveraged local administrative structures as a resource to integrate into the cultural landscape, partnering with host country governments who provide financing and conforming to their legal parameters.²⁹⁵ The Guggenheim Museum Bilbao is operated via a combined public/private management model.²⁹⁶ The foundation, according to the published financial statement for 2016/2017, incurred a total operating support and revenue in 2017 of \$ 60,508,172,²⁹⁷ with the Bilbao museum in 2017 earning € 17,700,702 in self-generated income,²⁹⁸ and throughout its history managing to consistently cover approximately 70% of its own funding needs.²⁹⁹ Even with a patchy record in terms of its expansion ventures the unique approach taken by the foundation to leveraging its power as an institution in exchange for governments instrumentalising its

²⁸⁹ The Solomon R. Guggenheim Foundation website, *The Foundation*, (n.d.), [accessed April 7, 2018].

²⁹⁰ The Solomon R. Guggenheim Foundation website, *The Collection*, (n.d.), [accessed April 7, 2018].

²⁹¹ The Solomon R. Guggenheim Foundation, *Financial Statements, December 31, 2017 and 2016* (New York, NY: June 27, 2018), p. 12.

²⁹² The Solomon R. Guggenheim Foundation website, *About Us*, (n.d.), [accessed April 7, 2018]. The Solomon R. Guggenheim Foundation website, *Initiatives*, (n.d.), [accessed April 7, 2018]. Michael Wise, *Rethinking the Guggenheim Helsinki*, Artnews, August 25, 2014, [accessed September 7, 2018].

²⁹³ Carlotta Borelli, 'The Solomon Robert Guggenheim Foundation as the pioneer of the internationalization strategy in the museum sector: An analysis of its business strategy through its successes and failures' (LUISS, Department of Business and Management, 2016).

²⁹⁴ The Solomon R. Guggenheim Foundation website, *The Foundation*.

²⁹⁵ The Solomon R. Guggenheim Foundation, *The Solomon R. Guggenheim Foundation Collections Management Policy: Approved by the Board of Trustees on October 3, 2017*, (2017).

²⁹⁶ Guggenheim Museum Bilbao Foundation, *Annual Report Guggenheim Museum Bilbao 2016*, 2017.

²⁹⁷ The Solomon R. Guggenheim Foundation, *Financial Statements, December 31, 2017*, (2018).

²⁹⁸ Guggenheim Museum Bilbao Foundation, *Economic-Financial Information 2017*, (2018).

²⁹⁹ Guggenheim Museum Bilbao Foundation, *Annual Report Guggenheim Museum Bilbao 2016*, 2017.

draw to achieve policy ambitions - as the Bilbao example demonstrates – the case of the Guggenheim Foundation again contributes valuable insight with regards to how attitude and values interact with the market, the economics of the art museum and approaches to management.

While the German institutions studied locate responsibility in the public administrative and funding body, even in the face of changes in the amount of available funding, the international cases considered display a higher level of self-sufficiency in that they openly take greater responsibility for developing solutions to external developments. They have created more diversified support systems through leveraging external systems and prioritised institutional outcomes over the ideological and moral debates over how these outcomes can be achieved. Furthermore, the different value that is assigned to dependency on public versus private support also emerges as a central element of this discussion. While in some cases this is the result of a different policy framework within which the institutions – namely MoMA and the Guggenheim Foundation – operate, a public institution such as Tate also demonstrates how a museum might react to limited availability of funding, regardless of whether it exists within a context that has a long standing tradition of the state as patron of the arts. In the German institutions studied, independence from alternative sources of income to public funding is a desired state, while dependence on public funding is a natural feature and therefore does not require critical consideration. In the cases examined in the UK and US, this more diversified system of support carries less negative connotations - indicated in the fact that institutions point to the level of alternative income incurred in publicly available annual reports while this information is virtually absent from all materials reviewed in the case of German institutions. At the same time however, the important role that private supporting bodies take on for German institutions, indicates that this diversification of financial burden is not uncommon but less acknowledged. Public funding is seen as a perennial and reliable constant, rather than conversely a form of dependence. It is seen as neutral, regardless of whether this is actually the case and thus encourages passive behaviours, thereby impacting management practice.

3.2.3 INTERPRETATIONS OF INDEPENDENCE SHAPING MUSEUM BEHAVIOUR

What stands out in Toepfler's introduction to the study of questions of responsibility is the different interpretation of independence in relation to outside supporting bodies in German and US museums. The tendency among German professionals to assign greater value to independence from private over public resources is not only reflected in the case study data but also in interview statements. When asked about the potential pitfalls of a lack of pragmatism present in German museums in comparison to institutions in other countries, Frank Schellenberg, Director of *actori*, a management consultancy specialised in the German cultural sector, notes how

'In the UK and US, there is an obvious difference in the approach to management, evident in performance monitoring, budgets and proportion of self-generated income and the commercialisation resulting from this (...) while German museums focus more strongly on curatorial or scholarly criteria, as the dependency on the visitor is less drastic'.

According to Schellenberg, German museums are in the advantageous position of being able 'to maintain an independent position, especially in light of the funding discussions taking place within a US context and the consequences this has for museum work when all of a sudden museums are short of millions in funding'.³⁰⁰ The fact that this independence is government funded, constituting another form of dependency, albeit involving a different entity, is evidently not considered in his evaluation. This leads to the assumption that - based on the foundational cultural principles outlined in the preceding section - public responsibility is viewed as a separate species from any other funding model and possibly a superior one. Other German professionals that were interviewed, reflected this distinction between types of support in terms of independence: Annamaria Englebert, Global Head of Marketing and Communications at *Axa XL Art & Lifestyle* – explains during an interview that while

'Museum directors have understood that there is a necessity to re-evaluate current practices, the point at which this realisation translates into action is still possibly 20 or 30 years removed. This is demonstrated in the dramatic divergence between what is expected of public funding bodies from museums and the level of support they are capable of providing. It takes time until this is widely accepted and museums start viewing things through a more economic lens. At the same time support through *Museumsvereine* is growing in its significance'.³⁰¹

³⁰⁰ Frank Schellenberg, Director *actori* Unternehmensberatung, interview by Louisa Krämer, telephone and voice recording, June 12, 2018.

³⁰¹ Annamaria Englebert, Head of Marketing & Communications AXA XL Art & Lifestyle, interview by Louisa Krämer, personal conversation and voice recording, May 11, 2018.

Here again, it appears that the traditional reliance on public funding cemented into the minds of professionals is only reluctantly making way for a more pragmatic approach. Englebert suggests that this 'may be the root cause for seemingly flat learning curves, in that there is a common perception of efforts expended for an institution not having to prostitute itself', knowing that public funding will resolve any financial issues, thereby granting the institutions their ability to maintain a perceived independence.³⁰² Knall also emphasises in an interview the importance of public museums being able to maintain their independence - from supporters other than the public responsible one - in the context of the lengths museums must go to in order to secure funding. 'It starts with artists only presenting work through galleries. It's a difficult field, making it even more important for public institutions to maintain their financial independence'.³⁰³ Sbarra, having stated that 'the *Kunstsammlung*, as a federal institution, will always remain predominantly funded through federal resources, does not regard the issue of balancing public and alternative funding sources as particularly pertinent. This would allow the museum to forgo any compromise necessary to obtain extra resources'.³⁰⁴ 'Other sources of income, aside from public funding, take on a less central role for many German institutions in contrast to those in other countries'.³⁰⁵ This extends to any endeavours to secure alternative income sources being disregarded as irrelevant, with absolute trust placed in the state meeting its financial responsibilities. Schade - similar to Toepfler's analysis - explains in the interview that this disparity in attitude in terms of responsibility in Germany compared to English speaking countries is very real: 'There is a big difference between museums in Germany and those in English speaking countries. Maybe British museums are more orientated towards the US. Culture is definitely conceived of as something very elevated in Germany'. She also refers to commonly found funding models in German institutions and lack of financial autonomy as a 'fortunate position to be in, receiving steady and sufficient public funding', crediting this as the primary factor responsible for this difference in attitude and characterising a hands-on approach as somewhat of an American tradition, while Germans in contrast 'like to think of themselves as a nation of Dichter und Denker' (German idiom describing national character: a nation of poets and philosophers) evoking notions of the *Kulturnation*.³⁰⁶

³⁰² Annamaria Englebert interview.

³⁰³ Bianca Knall interview.

³⁰⁴ Antonella Sbarra interview.

³⁰⁵ Ibid.

³⁰⁶ Lisa Schade interview.

In contrast, when questioned as to how US administrative structures may encourage museums to be more self-sufficient, Adrienne Horn, President of Museum Management Consultants, explains that a decrease in public support has been the impetus for US museums to seek other means of funding:

'That's how grants started to happen, earned income, charging visitors, having a gift shop etc. (...) One museum I know of did something truly unique: the director got tired of government constantly cutting back. She examined the capacity of the museum to not accept any public funding and to become a private museum. The museum went on to do exactly that 3-5 years ago and it has been tremendously successful. (...) Other museums are not trying to operate without public funding, but they do realise that it is a source that is not dependable and that cutbacks affect them directly. So leaders are trying to figure out ways to add that entrepreneurial side'.³⁰⁷

This demonstrates a strong divergence in the definition of independence.

While the legal, political and economic framework in other countries may be less accommodating towards passive funding approaches than in Germany, the difference in reactions to perceived threats, which is present in both contexts - as museums are faced with budget cuts - is emblematic of how the responsibility and independence dimension of the titular triangular exchange impact German museum behaviour. In a context within which the perception of public funding inversely is as a form of dependency and risk factor associated with vulnerability to budgetary changes, it is viewed as more sustainable to be able to exercise control over income generation, even if this entails allowing commercial imperatives and exogenous systems to permeate the museum, achieving greater alignment with best practices.

³⁰⁷ Adrienne Horn interview.

3.3 THE POLITICAL NATURE OF MUSEUMS

Following the discussion of responsibility and independence, this next section addresses the third element that makes up the triangular relationship this thesis uses to describe the combination of forces creating the dynamic of competing and incompatible systems shaping museum behaviour in Germany: acceptable versus unacceptable interference.

This section analyses how the instrumentalisation of the German art museum through policy makers to achieve social outcomes is perceived as a non-threatening form of interference, while other systems such as the market, economic realities and even systems of performance monitoring - tied to achieving said policy ambitions and also established best practices – are viewed more critically. This emphasises the importance and the power of ideological forces shaping museum behaviour that the analysis and discussion of management practice addresses.³⁰⁸

By examining the political nature of museums, this section serves to illustrate how government involvement in the arts is - though perceived as neutral - not neutral, by highlighting inherent agendas and instrumentalisation. Furthermore, this section presents an analysis of works detailing the development of governmental relation to culture with a focus on policy creation, before examining how cultural policy infrastructures and inherent values further impact art museum practice.³⁰⁹ Through connecting concepts of identity and ideology with legal and political frameworks, it provides another key element to understanding management approaches and developmental perspectives with regards to sustainable practice.

³⁰⁸ Justin Lewis, Toby Miller, *Critical Cultural Policy Studies: a Reader* ((n.p.l.)John Wiley & Sons: 2008). Paul Kirchhof, *Die Garantie der Kunstfreiheit im Steuerstaat des Grundgesetzes in Kunstförderung - Steuerstaat und Ökonomie, Colloquium der Robert Bosch Stiftung und der Stiftung Preußischer Kulturbesitz* (Gerlingen: Bleicher Verlag, 1987). Ingeborg Cleve, *Geschmack, Kunst und Konsum, Kulturpolitik als Wirtschaftspolitik in Frankreich und Württemberg (1805 - 1845)* (Göttingen: Vandenhoeck & Ruprecht, 1996). Simone Wesner, 'Cultural fingerprints – the legacy of cultural values in the current cultural policy agenda in Germany', *International Journal of Cultural Policy*, Vol.16, (2010), pp.433-448. Henrike Weiden, 'Kulturgutschutzgesetz: deutsche Bilder nicht mehr handelbar?', *Gewerblicher Rechtsschutz und Urheberrecht (GRUR)*, C.H. Beck (2015), pp. 1085-1086. Jonas P. Elmenhorst, 'Sinnloser Behördenaufwand oder drängende Notwendigkeit?', *Zeitschrift für Rechtspolitik (ZRP)*, C.H. Beck, (2016), pp. 15-17. Henrike Strobl, 'Die Bedeutung des neuen Kulturgutschutzgesetzes für Handel und Museen', *Der Sachverständiger*, Vol.5, (2016), pp.101-105.

³⁰⁹ Wolfgang Lipp, Hans-Georg Wehling, *Kulturpolitik* (Stuttgart: Kohlhammer, 1989). Konrad Heimo, *Museumsmanagement und Kulturpolitik am Beispiel der ausgegliederten Bundesmuseen* (Wien: Facultas Verlags- und Buchhandels AG, 2008).

Paquette defines cultural policy in the context of most European nations as a specific area of state intervention tasked with the regulation of cultural affairs.³¹⁰ Heimo outlines it as a regulatory framework that provides the prerequisites for the participation of the creative industries in the economic and social infrastructure.³¹¹ Gray describes an inescapable political nature in museums.³¹² This becomes apparent in the issue of funding where it is implied that political actors may make decisions for reasons unrelated to the interests of the museological community. In practice, 'external political actors do not actively need to exercise control over museums as implicit and indirect means of power are already in operation at the level of ideas', impacting museum content and practice.³¹³ According to Gray there is an 'inevitable politicisation of museums and no clear distinction between 'independent museum policy choices' and choices in response to demands of political actors.³¹⁴ Correspondingly, this thesis follows this approach in that it aims to understand how this politicisation of the outlined belief systems with regards to responsibility, funding, values and purpose takes place in order to deconstruct the foundations of the framework within which institutions in Germany operate.

Bell and Oakley state that underlying the administrative and legal surface of any state cultural policy, there exists a mixture of historical trajectories, tactical choices, economic premises and the unique cultural features of its national target areas, a reflection of national character: 'to understand national cultural policy, one must understand the nation whose culture is being made a policy target.'³¹⁵ One approach to unravel cultural policy from national culture is through classificatory frameworks. In Chartrand and McCaughey's typology of arts patronage, Germany is classed as leaning towards being a patron state, with the federal government restricted in its ability to control the arts, although the arm's length principle is not explicitly expressed.³¹⁶

A clear attribution, given the varying degree of involvement of the federal states on a financial, ideological and pedagogical level, is difficult. Adding to the complexity of the

³¹⁰ Johnathan Paquette, *Cultural Policy, Work & Identity: The Creation, Renewal and Negotiation of Professional Subjectivities* (Farnham: Ashgate Publishing Limited, 2012), p.145.

³¹¹ Konrad Heimo, *Museumsmanagement und Kulturpolitik am Beispiel der ausgliederten Bundesmuseen*, p.30.

³¹² Clive Gray, *The Politics of Museums - New Directions in Cultural Policy Research* (London: Palgrave MacMillan, 2015), p.26.

³¹³ Ibid. p.79.

³¹⁴ Ibid. p.100.

³¹⁵ David Bell, Kate Oakley, *Cultural Policy* (London: Routledge, 2015), p. 114.

³¹⁶ Harry Hillman Chartrand & Claire McCaughey 'The Arm's Length Principle and the Arts: An International Perspective - Past, Present and Future' in M.C. Cummings Jr & J. Mark Davidson Schuster (eds.) *Who's to Pay? for the Arts: The International Search for Models of Support*, (American Council for the Arts, N.Y.C, 1989). Jennifer Craik, *Re-Visioning Arts and Cultural Policy, Current Impasses and Future Directions* (Canberra: ANU Press, 2007), p.2.

mixture of funding forms present in German institutions made up of public grants and subsidies, are private donations, earned income as supplemental support through a network of private bodies and foundations,³¹⁷ as well as other intermediary organisations distributing funds at arms-length,³¹⁸ highlighted in the cases examined. This complexity - which Schellenberg in the interview fittingly describes as 'extremely heterogeneous, defying typologies and broader classification'³¹⁹ - that can be observed at a federal level in German administrative structures - represents a major limitation, which the research acknowledges here, in its ability to make broader observation across different federal states. The ensuing sections will base discussion and analysis on an examination of policy on a national level.

3.3.1 CULTURAL POLICY, POWER AND INSTRUMENTALITY IN POSTWAR GERMANY

This section presents evidence that the extent of influence exercised on arts institutions by policy makers in Germany is neither subtle nor insignificant, substantially impacting museum activity and identity. This thesis makes the argument that the way in which this has become woven into the fabric of the art museum has through the value judgment required to accept this form of interference as inherently unproblematic, cultivated a complacent and passive attitude of receiving. It is also an extension of the way in which German arts institutions - through placing responsibility for their stability in a realm clearly external to themselves - have trapped themselves in a position that mandates passive approaches to management. At the same time, this further reinforces the incompatibility of other systems perceived as external - such as entrepreneurial management practice to diversify income structure - which may ultimately benefit the institution, creating insufficiencies and presenting a threat to institutional sustainability. Simultaneously, discussions surrounding the intrinsic versus instrumental nature of the art museum also surface within the German context. This section examines how instrumentalization of the art museum is nothing new and how the belief that the museum exists at the merit of its intrinsic value creates conflict with the economic realities and methods of monitoring output, examined in chapters four and six.

Both are directly linked to a holistic and multidimensional understanding of sustainability within an institution.

³¹⁷ Rita Gerlach-March, *Kulturfinanzierung* (Wiesbaden: Verlag für Sozialwissenschaften, 2010), p.12.

³¹⁸ Ibid. p.18.

³¹⁹ Frank Schellenberg interview.

Reflective of the discussion of articulations surrounding cultural consumption, Lewis and Miller identify the instrumental nature of cultural policy as a site for the production of rationales for particular types of conduct.³²⁰ When cultural policies are theorised as such, most developed countries tend to adopt one of two rhetorical positions: the first offers the market as a system for identifying and allocating public preferences for culture, meaning that the state regulates resources; the second identifies certain artefacts as laden with value but vulnerable to the public's 'inability to remain transcendental in its tastes'. It encourages a dirigiste role of the state to coerce the public into an aesthetic - a policy frequently derided as an elitist model in which a privileged group designates 'one set of cultural practices as worthy and another as banal'.³²¹ As the government intervenes in order to guarantee the quality of and respect for art, it is understood that it simultaneously determines the content of cultural institutions via its bureaucratic interventions.³²² Another conclusion to be drawn from this is that cultural policy inherently creates a system in which the arts are therefore funded for their instrumental and not only intrinsic value.

Gibson challenges the historical accuracy of claims that instrumentality is a recent threat to the management and funding of culture. In an analysis of the terms of the 'instrumentalisation debate' Gibson argues that the instrumental/intrinsic dichotomy is too simplistic to allow grounded critical engagement with the real complexities of cultural institutions and programmes, pointing out the absence of analyses seeking to follow up the criticisms of instrumentalisation with alternative, democratic and accountable proposals for ways of thinking about culture and its administration, leaving an open space for elite and exclusionary policies characterising cultural administration. She poses the question whether seemingly contradictory programmes such as access for low-income visitors to expensive art works are merely a tactic to secure funding or if this is rather evidence of a complex institution 'that accommodates connoisseurship and populism, exclusivity and diversity, incongruity and contradiction'.³²³ Furthermore, according to Gray 'all policy is instrumental in one form or another' and museums are 'subject to a range of endogenously and exogenously created policy pressures' as a result of multiple forms of involvement ranging from the symbolic, the social to the economic.³²⁴

³²⁰ Justin Lewis, Toby Miller, *Critical Cultural Policy Studies*, p.1.

³²¹ Ibid. p.4.

³²² Bruno Frey, Werner W. Pommerehne, *Muses and Markets: Explorations in the Economics of the Arts* (Oxford: Basil Blackwell Ltd., 1989), p.16.

³²³ Lisanne Gibson, 'In defense of Instrumentality', *Cultural Trends*, Vol. 17, 4, (2008), pp. 247-257.

³²⁴ Clive Gray, *The Politics of Museums*, p.102.

Within the German museum, it can be observed that similar struggles related to the issues raised in the literature considered are present. Providing resources to institutions does not occur on the basis of 'vulgar democracy' but rather as an elitist process of selection,³²⁵ where funding threatens to corrupt artistic singularity.³²⁶ Expanding on this ideological clash is the argument that there is a growing disconnect between the societal mission of the museum and the public funds intended to achieve this, along with, - according to Grasskamp - the increasing patronisation through bureaucracy, referring to Helmut Börsch's *Kunstmuseen in der Krise* (Art Museums in Crisis) from 1933 - demonstrating that these deliberations are a permanent feature of the discourse.³²⁷ An example of this is given by Knall, who states in the interview that she hopes there is 'the potential that funding can be secured by addressing issues that are of relevance to policy makers'.³²⁸ On the other hand, there is a strong desire to protect what is described as artistic freedom and independence, evident in her also stating that there may be 'relevant exhibitions that are not of any interest to a wider public'.³²⁹ The emphasis of the intrinsic value of the exhibition and the rejection of the notion of creating programming to appeal to a higher level political or economic agenda merely to support the operations of the museum, may be partially responsible for the ideological barriers erected to safeguard concepts of artistic freedom, which are perceived as being eroded by an ever growing need to make space for other determining factors. This presents a situation in which public funding is perceived as neutral and superior to any other type of support, while simultaneously any instrumentalisation initiated by a public body is also rejected as another infringement upon the freedom and independence that is to be protected. At the same time the historical and political systems from which public institutions originate, are defined by some level of instrumental use of cultural institutions. The inconsistency in expectations that becomes apparent at this stage is found in the concept of *Kulturstaatlichkeit* (pursuit of national policy goal in which the government supports and protects *Bildung*, the arts and cultural institutions) as the desired ideal for the museum professional, with any educational or political agenda removed from it. This thesis however argues that when *Kulturstaatlichkeit* is prioritised over systems that have proven to provide the economic support required, ideology stands in the way of a sustainable operating model.

³²⁵ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.72. Paul Kirchhof, 'Die Garantie der Kunstfreiheit im Steuerstaat des Grundgesetzes', p.12. 'Kunstförderung', in *Steuerstaat und Ökonomie, Colloquium der Robert Bosch Stiftung und der Stiftung Preußischer Kulturbesitz*, p.36.

³²⁶ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.16.

³²⁷ Walter Grasskamp, *Das Kunstmuseum*, p.13.

³²⁸ Bianca Knall interview.

³²⁹ Ibid.

An explanation for why the state and the arts in Germany – and consequently notions of responsibility and also the understanding of public intervention through instrumentalisation being acceptable intervention – are so deeply intertwined, can be found in the constitutionally defined, *Kulturstaat* (Cultural State).³³⁰ The concept of the state as a patron and conservator of the arts significantly shaped the development of cultural policy in post-war Germany³³¹ and is amplified when after 1945 the idea of the *Kulturnation* generated some attention as Bernhard argues, enabling a deliberate dissociation from the Third Reich as well as the opportunity to craft a new identity.³³² The significance of the German *Kulturnation* as an agent for unification of Germany as a nation state has been credited for a cultural nationalism, causing - as Georg Bollenbeck points out - the cultural ideals of the educated civil society to become a substitute for religion. When this once led to a German nation state having to deal with major tensions brought upon by a pressure for secularisation and the strict Prussian regime,³³³ remnants of this may be found today in the severity with which the concept of the *Kulturnation* governs the arts and administrative structures associated with it. Guidelines such as the *Stuttgarter Richtlinien* and the concept of *Kulturpflege*³³⁴ are manifestations of this. The *Kultusministerium* (Ministry of Education and Cultural Affairs) plays a key role in enforcing the emphasis on *Bildung* within institutions, overriding individual administrators.³³⁵ The value placed on educational aspects therefore does not only exist in the minds of decision makers but has been woven into the political fabric and framework German institutions are operating within, resulting in conflict when it comes to the dirigiste role the state takes on and the sanctimonious status of *Kunstfreiheit* (artistic freedom) but also cultural significance of *Bildung*. Simultaneously, the same level of influence being exerted from any other private entity or protagonist representing the market, would – as is evidenced in chapter four - cause greater resistance. Government intervention is tolerated in exchange for arts funding along with an outward rejection of other means of support. This is accompanied by a consensus regarding the government's responsibility to protect artistic freedom challenged by its inability to financially do so to a sufficient degree.

³³⁰ Barbara Marx, *Sammeln als Institution*, p.219.

³³¹ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.63.

³³² Ibid. pp.62, 63.

³³³ Tobias Knoblich, *Kunst- und Kulturförderung im föderativen System*, Bundeszentrale für Politische Bildung November 24, 2004.

³³⁴ Eric M. Bernhard, *Kunst als Kapitalanlage*, pp.63, 64.

³³⁵ Thomas E. Schmidt, 'Diesen Mut muss man haben', *Die Zeit*, Nr. 40/2015, 15 October 2015.

Today, the effect of influence, instrumentalization and conditional and not neutral support is best observed in the many programmes and services institutions offer. Data this research collected on the large sample of arts institutions throughout Germany shows that institutions provide around fifteen programmes or educational services on average³³⁶ with there being no significant difference in the number of programmes among institutions of different legal forms among public institutions. Private institutions also provide an average of 14 programmes. This can be understood as an indication that the origin of the resources used and the presence or absence of the obligation created through policy related to social objectives does not necessarily determine museum output. While Alexander and Alexander suggest that exhibitions and education for some may only be rationalisations to justify the basic collecting passion,³³⁷ the private institutions nevertheless choose to engage in such value creation.

In the case of the Museum Ludwig in 2017 the museum offered a range of educational programmes and services (11) such as tours,³³⁸ workshops,³³⁹ activities for children,³⁴⁰ learning kits³⁴¹ as well as educational resources for schools and educators.³⁴² Associated supporting bodies or sponsors fund some lectures.³⁴³ There were also a range of special events (Langer Donnerstag,³⁴⁴ kunst:dialoge,³⁴⁵ Kölner Museumsnacht³⁴⁶ Museumsfest)³⁴⁷ which are also hosted or supported by associated bodies. The Kunstsammlung NRW provides 27 programmes and services.

This includes regular talks, free KPGM-Kunstabende sponsored by the eponymous corporation, tours and events as well as family-themed daytime activities and workshops. The online platform MUSENKUSS supports arts education in Düsseldorf in collaboration with local institutes and the *Kulturamt* and Kulturstiftung der Länder.³⁴⁸ The museum also offers various activities for children, partnering with local schools.³⁴⁹

³³⁶ Mean of 14.68 programmes

³³⁷ Edward P. Alexander, Mary Alexander, *Museums in Motion*, p.8.

³³⁸ Museum Ludwig website, *Führungen* (n.d.), [accessed December 27, 2017]. Museum Ludwig website, *Familienführungen*, (n.d.), [accessed December 27, 2017].

³³⁹ Museum Ludwig website, *Ateliers für Erwachsene*, (n.d.), [accessed December 27, 2017].

³⁴⁰ Museum Ludwig website, *Programm für Kinder*, (n.d.), [accessed December 27, 2017]. Museum Ludwig website, *Ferienprogramm*, (n.d.), [accessed December 27, 2017]. Museum Ludwig website, *Kindergeburtstage*, (n.d.), [accessed December 27, 2017].

³⁴¹ Museum Ludwig website, *Familienkoffer*, (n.d.), [accessed December 27, 2017].

³⁴² Museum Ludwig website, *Museum und Schule*, (n.d.), [accessed December 27, 2017].

³⁴³ Museum Ludwig website, *Vorträge*, (n.d.), [accessed December 27, 2017].

³⁴⁴ Museum Ludwig website, *Langer Donnerstag*, (n.d.), [accessed December 27, 2017].

³⁴⁵ Museum Ludwig website, *Kunstdialoge*, (n.d.), [accessed December 27, 2017].

³⁴⁶ Museumsnacht Köln website, *Kölner Museumsnacht*, (n.d.), [accessed December 27, 2017].

³⁴⁷ Museum Ludwig website, *Kölner Museumsfest*, (n.d.), [accessed December 27, 2017].

³⁴⁸ Stiftung Kunstsammlung NRW website, *Veranstaltungen*, (n.d.), [accessed February 7, 2018].

³⁴⁹ Stiftung Kunstsammlung NRW website, *Teilnehmen*, (n.d.), [accessed February 13, 2018].

This data shows two public institutions engaging in a variety of activities outside of their core tasks, responding to expectations and responsibility to contribute to *Bildung* - a manifestation of the much maligned instrumentalisation of such institutions through public administrative bodies. At the same time, some of the services offered by public institutions are supported by entities other than the primary public funding body, including many private entities. This and the fact that some services are not free of charge, demonstrates that while expected of public institutions, the purportedly public funding bodies do not automatically provide the necessary resources to support these services, again harkening back to the perplexing perception versus reality concerning questions of responsibility and also independence and perceived neutrality of certain income sources compared to others. Overall this demonstrates how ideals do not necessarily correspond with economic and political realities in that independence from both funding and instrumentalisation is rare or even unachievable yet much heralded. The dichotomy that emerges here between acceptable and unacceptable support in conjunction with intervention holds implications for sustainability. Financial support through leveraging the market, audiences and commercial activity through embracing entrepreneurial approaches to management – central to the economic dimension of institutional sustainability – is foregone in order to preserve ideological yet redundant moral hierarchies.

3.4 CONCLUSION: IDEOLOGY IN THE GERMAN KULTURNATION

In 1974 Glaser published *Das Unbehagen an der Kulturpolitik* (The Sense of Unease or Discontent with Cultural Policy) in which he critiques the way in which cultural policy at the time was based purely on the ideals of all that is true, beautiful and good, in a manner which he referred to as elitist, antiquated, narrow-minded and out of touch with reality.³⁵⁰ Decades later Grasskamp repeatedly calls into question whether German cultural policy and the art museum are fit to deal with a modern world.³⁵¹ Both criticisms introduced here are representative of a greater argument the research repeatedly touches upon in this chapter: the interaction of principles and theoretical frameworks institutions operate within - often based on historically defined hierarchies of values - and the very real, fast-changing contemporary environment driven by mainly practical concerns, the resulting disparities as well as the consequences for the sustained development of institutions.

An environment defined by a strong reliance on public funding and a tendency to equate public responsibility with legitimacy, as section 3.1 explores, underlines the complex identity of the German art museum and the way in which public administrators interpret these articulations. Subsequently, such deep-rooted belief systems pose a challenge to arguments driven by purely tactical considerations. The interactions discussed in this chapter uncover the important role ideology takes on within museum behaviour and subsequently management decisions. With an identity constructed in a way that characterises elements essential to organizational sustainability as exogenous to the art museum and an antithetical understanding of independence and harmful outside intervention – discussed in the previous section - rejecting systems that may benefit the institution but are defined as incompatible, the triangular dynamic this chapter describes creates disruption and dysfunction on all levels relevant to sustainability.

Wesner explores the historical roots of cultural values as a prerequisite for German cultural policy, arguing that the preoccupation with values is imprinted in the understanding of cultural policy. Policy and the politics of culture are intertwined, and cultural policy discourse reflects this. She also addresses how the concepts of *Leitkultur* (core or guiding culture), *Kulturnation* and *Staatsziel Kultur* (culture as state aim) are linked as they are built upon the assumption that culture is essential and that cultural

³⁵⁰ *Kulturpolitik*, p.109.

³⁵¹ Walter Grasskamp, *Das Kunstmuseum*. Walter Grasskamp, *Museumsgründer und Museumsstürmer: zur Sozialgeschichte des Kunstmuseums* (München: C.H. Beck, 1981).

achievements are valued above all else.³⁵² Section 3.2 demonstrates how ideological values are interwoven with the fabric of cultural policy framework German institutions are embedded in, led by the cultural significance of the *Kulturstaat* and *Bildung* and the degree to which an instrumentalisation of institutions takes place based on established value systems. The museum has been and is currently instrumentalised in some form by government - outlined in section 3.3 - and it appears to reject intervention but exists on the very basis of it. It is required to cooperate to receive support but places a premium on the intrinsic value of its content and activities, creating resistance. It furthermore discourages proactive, agile and entrepreneurial behaviour associated with best practices. This is revealed in the fact that discussions - which at surface level address the conduct of institutions - quickly devolve into arguments surrounding identity and morality.

The discussion surrounding the *KGSG (Kulturgutschutzgesetz)* exemplifies this in an illustrative case study of the dynamic explored, acting as a summary of the impact of ideology on the operational framework of the museum: the opportunity to leverage the market for the benefit of the museum is cancelled out with the aim of preserving ideologically cemented notions of identity, impacting the potential for sustained development within its economic dimension, a chain of behaviours which can be observed in management analysis in subsequent chapters. This is based on the reasoning that if the art museum requires the market to function and policy undermines the mutually beneficial relationship with competing systems being rejected at the expense of sustainable futures. This also demonstrates how such ideology is not only tolerated in otherwise rational discussions but also encouraged by a moral consciousness.

When the German government in 2016 put changes to the law (*KGSG*) into action for the protection of cultural artifacts, a heated debate erupted. The law, according to the *Bundesregierung* (national government), was issued in order to more comprehensively protect art objects, combat illegal trade and also to strengthen the German art market through clear regulation. The *Bundesregierung* emphasised its responsibility to 'secure and maintain cultural goods - not only of national importance but also relevant to the cultural heritage of humanity - for future generations'.³⁵³ It goes on to state that art is not a commodity, as it does not only have a price but also an idealistic value that reflects the history and identity of a country, referencing the moral obligation of the *Kulturnation* to honour its cultural heritage as specified in the constitution as a primary aim of cultural policy. Furthermore the *Bundesregierung* - describing the law as 'relevant to our identity

³⁵² Simone Wesner, 'Cultural fingerprints'.

³⁵³ Bundesregierung website, *Kulturgutschutzgesetz*, 2016, [accessed December 2, 2016].

as a *Kulturnation*' - outlines that cultural policy which favours the price of art over its value, thereby degrading it to a decorative luxury, must be rejected and instead a model based on the idea that art has a non quantifiable idealistic value for humanity, must be pursued, to which the new *KGSG* contributes.³⁵⁴ Several changes to export regulation were implemented.³⁵⁵

While the *Bundesregierung* defended its decisions, stressing that art owners are not disadvantaged by the reform³⁵⁶ and that concerns are unsubstantiated,³⁵⁷ some argued that while it is apparent that a compromise was sought between public and private interests, this does not distract from how overall stricter regulation will take a toll on museums and art dealers based in Germany.³⁵⁸ Journalists confronted the primary responsible politician Monika Grütters with the resulting drawbacks - such as anticipated negative price developments for sales restricted to the German market,³⁵⁹ claims that collectors are threatening to move their collections abroad and questions as to why the law does not make it easier for private collectors to support public institutions through tax breaks, and that similar incentives in the past on a federal state level have caused collections to move within Germany. Grütters in response stressed that the state must protect the interests of the public against private interests³⁶⁰ as well as the cultural value of art being more relevant than its monetary value.³⁶¹ Thomas E. Schmidt published a commentary in *Die ZEIT*, calling the amendment a deep incision into German civil society,³⁶² in an attempt to dictate how the public and society should relate to art. He criticised how the *KGSG* may in fact be a means of governmental marketing and international self-display, hammering home its values,³⁶³ with others supporting this viewpoint.³⁶⁴ Critics addressed the conflict with constitutional law regarding the property rights of private collectors,³⁶⁵

³⁵⁴ Bundesregierung, *Zusammengefasst: Fragen und Antworten zum neuen Kulturgutschutzgesetz*, 22 August 2016, [accessed December 2, 2016].

³⁵⁵ Ibid.

³⁵⁶ Ibid.

³⁵⁷ Bundesregierung, *Statement: Geplantes Kulturgutschutzgesetz, Bedenken sind unbegründet*, 3 August 2015, [accessed December 2, 2016].

³⁵⁸ Henrike Strobl, 'Die Bedeutung des neuen Kulturgutschutzgesetzes für Handel und Museen'.

³⁵⁹ Ulrike Knöfel, *Der deutsche Staat enteignet keine Kunst*, Der SPIEGEL, 18 July 2015, [accessed February 20, 2018].

³⁶⁰ Swantje Karich, Cornelius Tittel, *Was ist los in Deutschland?*, Welt am Sonntag, 31 May 2015, [accessed February 20, 2018].

³⁶¹ Henrike Weiden, 'Kulturgutschutzgesetz'.

³⁶² Thomas E. Schmidt, *Kulturgutschutzgesetz: Die Kunst wird als Regierungsmarketing missbraucht*, Die ZEIT, 24 June 2016, [accessed February 20, 2018].

³⁶³ Ibid.

³⁶⁴ Christiana Habermalz, *Kulturgutschutzgesetz zur Abstimmung: Kunst hat einen Wert, nicht nur einen Preis*, Deutschlandfunk, 23 June 2016, [accessed February 20, 2018].

³⁶⁵ Jonas P. Elmenhorst, 'Sinnloser Behördenaufwand oder drängende Notwendigkeit?', [accessed April 9, 2018].

speculating that this is to enable the public sector to be able to acquire works at a lower cost,³⁶⁶ even likening it to the way in which the *DDR* interfered with culture as well as Nazi-era expropriation practices.³⁶⁷ Grütters stated that an artificially induced market distortion was an intended effect of the reform, given that German museums can no longer compete in the international art world as acquisition budgets shrink and prices rise,³⁶⁸ pointing out that cultural protection subject to budgetary circumstance is unacceptable.³⁶⁹ Opposing viewpoints fed by the stereotype of the parasitic art collector³⁷⁰ have called their identity as a patron into question. With collectors loaning works to the public incentivised by tax breaks ³⁷¹ - the intent of such legislation being to enable museums with limited acquisition budgets to display relevant art³⁷² - the honour of being celebrated as a patron of the arts had become secondary, while the collector transfers all associated costs to the museum and simultaneously increases the value of the work.³⁷³

While the law has undergone further amendment since, the debate that took place upon its issuing still serves to illustrate a key argument this chapter makes by providing a summary of how ideology creates the mythology of competing, conflicting systems this thesis describes and holds accountable for affecting the implementation of management practices supporting sustainability. The debate reveals that the discussion surrounding museum conduct is not so much about the specificities of export regulation but much more about ideology, values and identity and the status of art as something removed from other systems such as the market, pointing to some of the most significant cornerstones determining cultural policy and its shortcomings. It serves to illustrate that ideology is placed above what is practical and beneficial to an institution on a more tangible level while disregarding economic realities which the institution is not exempt from. The debate also touches upon connected issues of value and the economics of the art museum and its relationship with the market and commercial activity, which will be examined in the next chapter, constituting another component relevant to management practice and the economic dimension of sustainability.

³⁶⁶ Henrike Weiden, 'Kulturutschutzgesetz'.

³⁶⁷ Christiana Habermalz, *Kulturutschutzgesetz zur Abstimmung*. Ulrike Knöfel, *Der deutsche Staat enteignet keine Kunst*.

³⁶⁸ Jörg Häntzschel, *Umstrittenes Kulturschutzgesetz: Warum Georg Baselitz seine Kunstwerke aus deutschen Museen entfernt*, *Süddeutsche Zeitung*, 12 July 2015, [accessed April 11, 2017].

³⁶⁹ Henrike Weiden, 'Kulturutschutzgesetz'.

³⁷⁰ Walter Grasskamp, *Das Kunstmuseum*, p.72.

³⁷¹ Brigitte Werneburg, *Umstrittenes Kulturutschutzgesetz: Der Sammler als Anlagestrategie*, *Taz*, 11. August 2015, [accessed February 20, 2018].

³⁷² Walter Grasskamp, *Das Kunstmuseum*, p.72.

³⁷³ Brigitte Werneburg, *Umstrittenes Kulturutschutzgesetz*.

It also demonstrates the rigidity of museum identity that should be subject to constant re-evaluation in the process of value creation – part of the social dimension of sustainability. Building on this, the next chapter delves deeper into theories of value formation in the context of funding models for the arts, examining how the ideological separation between systems bears upon management practice and subsequently impacts the ability to maintain a sustainable operating model.

4. THE ECONOMICS OF THE ART MUSEUM

Pertaining to the objective of examining how historical, political and cultural trajectories shape museum management practices in Germany, this chapter addresses the economics of the art museum. It focuses specifically on how the embeddedness of the museum into a wider economic system and how the principles that form the basis of this concept are characterised as incompatible with the museum identity established in the previous chapter. Central to this investigation is therefore Janes' theory according to which a hybrid model that challenges the separation between the commercial and social sectors may offer a solution to museums³⁷⁴ when faced with scarce resources. This occurs on the basis of the following arguments laid out in chapter one: a museum's potential for sustainability is impacted by its financial autonomy along with the proportion of earned income through diversifying sources of income. Managerial models that are adjacent to business-management approaches ensure that economic bottom lines are met. These would support sustained development but are among those methods cast as incompatible with museum identity.

This chapter - through examining how economic thinking and action are defined as opposite to the art museum and culture in the German conception as the antithesis to the economy - deconstructs how this separation creates obstacles to the successful implementation of said best practices. The first section conducts an analysis of factors shaping arts funding and also interpretations of value formation both in a general context³⁷⁵ and the arts,³⁷⁶ a deconstruction of theory within a public finance discourse and conflicts in the marketplace³⁷⁷ and the art museum.³⁷⁸

³⁷⁴ Robert R. Janes, *Museums and the Paradox of Change*, p.339.

³⁷⁵ Richard A. Musgrave, *The Theory of Public Finance: A Study of Public Economy* (Tübingen: J.C.B. Mohr, 1959).

³⁷⁶ Eleonora Belfiore, *Humanities in the Twenty-First Century Beyond Utility and Markets* (Palgrave Macmillan, 2013). Michael Findlay, *Vom Wert der Kunst: Ein Insider Erzählt* (Prestel Verlag, Munich: 2012). Tony Bennett, 'The Historical Universal: The Role of Cultural Value in The Historical Sociology of Pierre Bourdieu', *The British Journal of Sociology*, Vol. 56, 1(2005), pp.141 - 164. Dave O'Brien, *Cultural Policy: Management, Value and Modernity in the Creative Industries* (London: Routledge, 2013). Ruth Towse, *Advanced introduction to cultural economics* (Cheltenham: Elgar, 2014).

³⁷⁷ Raymonde Moulin, 'The Museum and the Marketplace', *International Journal of Political Economy*, Vol. 25, 2 (1995), pp.33-62.

³⁷⁸ Victor Ginsburg, Pierre-Michel Menger, *Economics of the arts: selected essays* (Elsevier Science B.V., Amsterdam: 1996). Willi Bongard, *Kunst und Kommerz: Zwischen Passion und Spekulation* (Oldenburg: Gerhard Stalling Verlag, 1967). Gregor Bräutigam, *Kulturökonomie, Kulturgenerierung - Kulturanalyse – Kulturkontakt: Wie gesellschaftliche Verfahrensmuster die Ausprägung des Humankapitals beeinflussen* (Aachen: Shaker Verlag, 2006). Otto Hans Ressler, *Der Wer der Kunst* (Böhlau, Weimar: 2007). Olaf Zimmermann, Gabriele Schulz, Stefanie Ernst, *Zukunft Kulturwirtschaft: Zwischen Künstlertum und Kreativwirtschaft* (Essen: Klartext Verlag, 2009).

The next section examines how these theoretical underpinnings translate into funding models within German arts institutions and the institutional outcomes thereof, connecting findings to the presented triangular exchange governing much of museum behaviour. The examination in the subsequent section further develops the understanding of how the notion that the museum must protect art from entertainment and commerce³⁷⁹ forms the basis of deeply conflicting agendas at the centre of sustainability concerns. Furthermore, the associated dilemmas incumbent in a more economically focused approach to management³⁸⁰ and the so-called 'anti-market mentality'³⁸¹ are introduced in this last section.

This chapter thereby highlights how both systemic components but also cultural values shape the behaviour of museum professionals, museum identity and consequently the ability of an institution to implement best practices supporting sustainability. The chapter therein, expanding on the examination staged in chapter three concerned with museum identity, provides foundational context for the discussion of management practices in subsequent chapters.

³⁷⁹ James J. Sheehan, *Museums in the German Art World*, p.9. Ibid. p. 48.

³⁸⁰ Karla Fohrbeck, *Renaissance der Mäzene: Interessenvielfalt in der privaten Kulturförderung* (Köln: DuMont, 1989).

³⁸¹ Bruno S.Frey, *Arts & Economics: Analysis and Cultural Policy*, 2. Ed. (Berlin: Springer, 2003). W.D. Grampp, *Pricing the Priceless: Art, Artists and Economics* (New York: Basic Books, 1989). Judith Benhamou-Huet, *The Worth of Art: Pricing the Priceless* (New York: Assouline, 2001). Olav Velthuis, *Talking Prices: Symbolic Meanings of Prices on the Market for Contemporary Art* (Princeton: Princeton University Press, 2005). Alessia Zorloni, *The Economics of Contemporary Art, Markets, Strategies and Stardom* (Berlin: Springer, 2013).

4.1 FUNDING THE ARTS AND THEORIES OF VALUE IN THE CONTEXT OF THE ART MUSEUM

Chapter one establishes that sustained development within an organization is dependent on both social and economic bottom lines. This section examines the impact theories of value have on arts funding and the economics of the art museum. In doing so, it is able to uncover how powerful ideological forces shaping funding infrastructures intercept the aforementioned directionality relevant to a museum's potential for sustainability. At the same time, it demonstrates how philosophically opposed viewpoints create obstacles to the implementation of these practices. Under consideration of the tenet that the efficient use of public funds is tied to monitoring and performance management processes, these same theories of value formation create an impediment to the adherence to this element of best practices. The dynamics explored in this section are therein also relevant to the discussions of accountability and monitoring performance in chapter six.

The deliberate diversification of administrative structures and therein varying levels of support by different protagonists makes it difficult to pinpoint one representative 'German model'.³⁸² Alternatively it is possible to make a number of observations of common configurations, starting with an examination of theoretical foundations of value and public goods. Concepts of value - underlying consideration of policy in any area of public concern - can be examined on three levels: cultural vs. economic value, intrinsic vs. instrumental value and in relation to the so-called 'anti-market mentality' referring to a conflict between art museums and their interactions with the market.

Frey and Pommerehne explain that the question of how the arts should be supported by the government is often the subject of public finance discussions.³⁸³ The efficiency of resource allocation is ideally assessed within the context of given policy objectives, which may include welfare maximisation, museum profits, visitor numbers or scholarly output, demonstrating how - according to Pearce - economic must not be synonymous with commercial or profit-making.³⁸⁴ Throsby explains that when in the past the appropriate interpretation of value was one related to artistic or cultural criteria, there has been a shift towards an economic orientation.³⁸⁵

³⁸² Rita Gerlach-March, *Kulturfinanzierung*, p.15.

³⁸³ Bruno S. Frey, Werner W. Pommerehne, *Muses and Markets*, p.3.

³⁸⁴ Susan M. Pearce, *Museum economics and the community* (London: A&C Black, 1991), p.5.

³⁸⁵ David Throsby, *The Economics of Cultural Policy*, p.17.

The distinction between economic value and cultural value creates a dilemma for the process of valuation of cultural goods as the circumscribed principles of economic evaluation lead to what appear to be unambiguous estimates, whilst on the other hand cultural value systems seem to resist objective means of assessment. These two adverse interpretations create uncertainties when it comes to the core question of what values should count,³⁸⁶ especially when funded with public resources. According to Kotler, before the public ever perceives value in museum offerings, the museum has to persuade the public that such value exists.³⁸⁷ Adam Smith's paradox of value describes a divergence of intrinsic value and price as a measure of value - an issue resurfacing in concepts of policy-making.³⁸⁸ This also brings up the twin concepts of cultural³⁸⁹ and economic value. For the purpose of this research, the means for which the art museum is instrumentalised as well as the aspects making up the social dimension of sustainability are considered adjacent to the concept of cultural value. Within the neo-classical paradigm, the concept of utility is assumed to underlie consumers' formation of value, reflected in equilibrium prices that emerge in competitive markets. In contrast to this well-defined concept of economic value, the interpretation of cultural value is less clear-cut.³⁹⁰ This is also evident in many of the reservations museum professionals have towards output orientation and systems of accountability. Considering this opaque nature of cultural value in the context of public funding, Musgrave delivers principles which tie into the preceding discussion surrounding responsibility: the theory of public finance mandates that the market constructs itself around the exchange of property rights; such an exchange-mechanism cannot take place with public goods where the satisfaction of needs is not directly associated with monetary value,³⁹¹ making it difficult to determine how financial resources must be allocated.³⁹² Public funding for the arts, according to Bernhard, is often justified with observations of market failure and economic inefficiency.³⁹³ An often-cited reason for this is the fact that a museum visit can be classed as a meritorious good,³⁹⁴ available at a price that does not reflect its cost.³⁹⁵ The category of meritorious goods is characterised by the fact that public funds ensure they are provided, regardless of whether

³⁸⁶ Ibid. p.18.

³⁸⁷ Neil G. Kotler, Philip Kotler, Wendy I. Kotler, *Museum marketing and strategy: designing missions, building audiences, generating revenue and resources* (San Francisco: Jossey-Bass, 2008), p.410.

³⁸⁸ Ruth Towse, *Advanced introduction to cultural economics*, p.5.

³⁸⁹ Tony Bennett, 'The Historical Universal'.

³⁹⁰ David Throsby, *The Economics of Cultural Policy*, p.18.

³⁹¹ Richard A. Musgrave, *The Theory of Public Finance*, p. 10.

³⁹² Ibid. p.11.

³⁹³ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.36.

³⁹⁴ Ibid. p.37.

³⁹⁵ Ibid. p.38.

the market can support this.³⁹⁶ In terms of the value and role of the arts in relation to the legitimisation of receiving public funding, the arts are a meritorious good - according to Baumol and Bowen as well as Musgrave - justifying public subsidisation.³⁹⁷ On the other hand a proposition of neoliberal economics is that governments ideally confine their intervention to ensuring that markets work as freely and efficiently as possible.³⁹⁸ However, given the public-good characteristics of arts and culture, overall output will, according to the competitive model of supply and demand, be less than the social optimum, providing a justification for government intervention to boost supply,³⁹⁹ however distasteful, Blaug argues, such subsidising may seem,⁴⁰⁰ also in terms of cultural paternalism - based on the premise that the government must intervene in an assertion of imposed value judgements designed to give the public not what it wants but what it ought to have.⁴⁰¹

The philosophical convictions outlined here are not only reflected in the policy dimension examined in the previous chapter but also take shape in funding models that support museums in passive behaviours. It is noteworthy that Holzmann, in her points to how many museums in their strong dependency on public support, are limited in their freedom of action. The financial parameters are defined by the respective cultural budgets of the federal state or municipality and decisions regarding the extent to which arts funding can be provided is based on public budgeting law (*öffentliches Haushaltsrecht*). *Anteilsfinanzierung* (partial funding) provides an institution with a fixed percentage of funding to cover its total cost, which never exceeds a maximum determined amount. As with *Festbetragsfinanzierung* (predetermined amount funding), the museum is responsible for staying within budget and its ability to cover the other portion of required financial resources as well as any additional incurred costs. *Fehlbedarfsfinanzierung* (uncovered demand funding) works by subsidising the amount of funding required to maintain operations, which the museums itself was unable to produce.⁴⁰²

³⁹⁶ Richard A. Musgrave, *The Theory of Public Finance*, p.15.

³⁹⁷ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.38.

³⁹⁸ David Throsby, *The Economics of Cultural Policy*, p.34.

³⁹⁹ Ibid. p.35.

⁴⁰⁰ Alan Peacock, C. Godfrey, 'The Economics of Museums and Galleries' in Mark Blaug, *The Economics of the Arts*, (Aldershot, 1976), chapter c.11.

⁴⁰¹ Alan Peacock, 'Welfare Economics and Public Subsidies to the Arts' in Mark Blaug, *The Economics of the Arts*, chapter a.4.

⁴⁰² Katrin Louise Holzmann, *Sammler und Museen*, chapter 3.4.

All models are designed in a way to provide what is necessary but not to encourage achieving what may be regarded as optimal in terms of output and efficiency in somewhat de-incentivising ways.

The outlined theories of public finance mandate that the art museum must be supported outside of regular market mechanisms, and that public administration must intervene in the economic exchange taking place in accordance with policy objectives, due to their difficult to define value and inability to function in the same way as other goods. This same theory however also provides a basis for the argument that art museums should earn any support within the bounds of supply and demand. When viewed within the context of the findings made in chapter three, it appears that the behaviour observed in the German art museum in its expectation of unconditional support on an ideological basis, not only conforms to the political but also philosophical parameters which inform funding structures. These are by design contrarian to previously defined sustainable management practice, which calls for greater financial independence and earned, diversified income. Thus, it is this combination of theory of public finance as well as political ideology which shapes not only arts funding structures but also museum identity, expectations and behaviour, which in turn obstructs the application of principles associated with sustainable management practice.

Expanding on the discussion of the utilisation of the museum for instrumental purposes or simply recognising it for its intrinsic qualities within a society, this review considers Colm Hogan's argument that the value created by cultural organisations can take the form of intrinsic value and instrumental value, created for public policy purposes. The intrinsic value⁴⁰³ is based on the idea of the autonomy of the arts and rejection of instrumentality, according to which the arts might well have educational, cognitive, humanising or other powers, but that their value resides firmly in the aesthetic sphere.⁴⁰⁴ Dealing with abstract concepts of enjoyment or beauty is notoriously difficult to define, whereas tangible benefits by contrast are objective and measurable.⁴⁰⁵ Both definitions feature prominently within the collective perception of German museum professionals and policy makers, while at the same time the associated expedient economic considerations are morally reprehensible and incompatible with both definitions of value.

⁴⁰³ Patric Colm Hogan, 'Art and Value: An Essay in Three Voices', *SubStance: A Review of Theory and Literary Criticism*, Vol. 42, 2 (2013), pp.61-79.

⁴⁰⁴ E. Belfiore, O. Bennett, *The Social Impact of the Arts: an Intellectual History* (Basingstoke: Palgrave Macmillan, 2008), p.176.

⁴⁰⁵ Robert Hewison, *Cultural Leadership* (Farnham: Ashgate Publishing Ltd., 2012), p.84.

Instrumental value is at the basis of arts funding yet there is some animosity towards recognition of this, with a premium placed on the intrinsic value of art museum activities. Both Hewison and O'Brien argue that there is no single bottom line and arguing that culture is not connected to economics and that culture is only worth supporting for its economic and social effects, is equally simplistic and inappropriate: the different types of values should be considered together.⁴⁰⁶ This is in line with triple-bottom-line definition of sustainability supported or two dimensions of organisational sustainability: economic and social. This holistic view is relevant to the discussion presented in chapter seven, in which methods to achieve alignment between both dimensions are presented as a perspective for development, also in accordance with the hybrid model presented by Janes, declaring that the independence of social value and commercial revenue creation is a myth.⁴⁰⁷

Chapter three established the long history of instrumentalisation of museums to achieve policy ambitions. This review will consider the economic reasoning related to the latest incarnation of this phenomenon in relation to theories of value. Outlining this relationship is essential to understanding the conflict arising in the domain of performance management. Eschewing the notion of funding based on public good, successive iterations of public sector reform – viewed here within a context not specific to Germany – have progressively required museums to prove that they are worthy of public support, increasingly tied to the achievement of government policy and enforced through funding agreements. However, unease over the imbalance created by what is perceived to be an overly 'instrumental' approach to assessing the role of museums, has generated growing criticism and a parallel conversation about intrinsic value. Thus, argues Scott, funding has become what connects museums to the achievement of government policy.⁴⁰⁸ Scott outlines how the meaning of the museum for society is becoming increasingly more important in this discussion.⁴⁰⁹ Correspondingly, Collins states that despite pressures from boards to focus more attention on the financial bottom line rather than on mission-related performance, there is evidence that the public agrees with such mission related modes of evaluation.⁴¹⁰ Again, this argumentation is considered when examining approaches to

⁴⁰⁶ Robert Hewison, *Cultural Leadership*, p.84. Dave O'Brien, *Cultural Policy*, p.112.

⁴⁰⁷ Robert R. Janes, *Museums and the Paradox of Change*, p.339.

⁴⁰⁸ Carol Scott, 'Museums: Impact and value' *Cultural Trends*, Vol. 15, 1 (2006), pp. 45-75.

⁴⁰⁹ Carol Scott, *Museums and Public Value: Creating sustainable futures* (Farnham: Ashgate, 2013), p.46.

⁴¹⁰ Ibid. p.46.

management practice as well as - in chapter seven - an evaluation of the changing ethical implications of certain practices.

Another aspect featuring in the discussion of value and arts funding is the question of whether public funding can decrease incentives for institutions to act economically and thereby even be harmful. Thompson refers to the 'hidden cost of rewards' which may reduce intrinsic motivation in museums through government grants.⁴¹¹ He outlines how in the case of government subsidy, the methods often reflect political expediency rather than any sensible economic analysis,⁴¹² illustrating how government intervention in the arts, based on ideology, may even distort the market, whereas reintroducing market governing principles to the cultural sphere may help correct it. While this does not fully represent the mechanisms shaping approaches to management in German institutions, a high level of reliance on and familiarisation with public funding point towards decreased incentives to act in ways that prioritise economic considerations - a factor likely to have contributed to overall management practice. However, it is important to maintain that the discussion is precisely not purely economic in nature but rather informed by an amalgamation of trajectories. Grasskamp fittingly describes how such dependence on public funding as the default has contributed to museum's conception of themselves as unchallengeable institutions outside of the realm of the market, a status upheld by a codified intergenerational contract in which the political guarantee of existence is 'more habitual than anything else'.⁴¹³ He refers to art museums as a two-fold phenomenon of prosperity: the result of extreme wealth and also dependant on the expectation of increasing wealth,⁴¹⁴ tying into the viewpoint that spending on the arts is a decadent luxury.⁴¹⁵ Public expenditures for the arts are perhaps not considered a luxury, but they are also not given priority status, with some arguing that the money destined to support the arts should be earned in the market first, given that subsidies are tax funded - a line of reasoning referred to by Bendixen as factually wrong and pointless.⁴¹⁶ Acknowledging the much deeper-rooted tradition of German *Kulturstaatlichkeit*, it becomes apparent how this is relevant when aiming to understand attitudes towards public funding.

⁴¹¹ Don Thompson, *The \$12 Million Stuffed Shark: The Curious Economics of Contemporary Art*, (New York: Palgrave Macmillan, 2008), p.198.

⁴¹² Don Thompson, *The \$12 Million Stuffed Shark*, p.199.

⁴¹³ Walter Grasskamp, *Das Kunstmuseum*, p.64.

⁴¹⁴ Ibid. p.35.

⁴¹⁵ Wolfgang Lipp, Hans-Georg Wehling, *Kulturpolitik*, p.117.

⁴¹⁶ Peter Bendixen, Bernd Weikl, *Einführung in die Kultur- und Kunstökonomie*, p.158.

Even though museums in Germany receive the overwhelming majority of their financial resources from public funding,⁴¹⁷ there is no explicit obligation for the state to support the arts. However, article 5 of the constitution is interpreted very broadly as such, in alignment with the German identity of the *Kulturstaat*.⁴¹⁸ The interpretation of Art 5. Abs. 3 GG as *kulturstaatliche Staatszielbestimmung* (objective of creating a cultural state) is disputed, as the article does not contain any actual obligation of this sort. Rather, such obligations are found in the individual regulatory frameworks of each federal state. This in turn cumulatively shapes *Kulturstaatlichkeit* on a national level. While the state is not formally obligated to fund the arts, being tasked with providing the public access to it, is interpreted as such.⁴¹⁹

Grasskamp however argues that shrinking budgets appear to have undercut moral obligations⁴²⁰ as public cultural bodies must enter into an economic system, they disapprove of in order to survive. Austerity measures beginning in the 1990s, encouraging museums to act more economically⁴²¹ as well as justify their *raison d'être*,⁴²² forced institutions to shift their exclusive focus from collecting, conservation and research.⁴²³ The gradual downsizing of the state's role in arts funding, supported by a historical conceptualisation of state involvement under which it would originally provide the means to build a cultural environment but nothing more, is compatible with the conception of a *Kulturstaat*,⁴²⁴ when interpreted in a less generous manner. The subsequent section examines how this development manifests in German institutions in practice.

⁴¹⁷ Lisa Becker, *Kulturfinanzierung in Großbritannien und Deutschland*, p.6. Rita Gerlach-March, *Kulturfinanzierung*, p.11.

⁴¹⁸ Lisa Becker, *Kulturfinanzierung in Großbritannien und Deutschland*, p.7. Rita Gerlach-March, *Kulturfinanzierung*, p.17.

⁴¹⁹ Katrin Louise Holzmann, *Sammler und Museen: Kooperationsformen der Einbindung von privaten zeitgenössischen Kunstsammlungen in die deutsche Museumslandschaften* (Heidelberg: Springer, 2015).

⁴²⁰ Walter Grasskamp, *Das Kunstmuseum*, p.84.

⁴²¹ Annika Hampel, *Der Museumsshop als Schnittstelle von Konsum und Kultur*, p.49. Ibid. p.51.

⁴²² Andrea Hausmann, *Besucherorientierung von Museen unter Einsatz des Benchmarking*, p.30.

⁴²³ Annika Hampel, *Der Museumsshop als Schnittstelle von Konsum und Kultur*, p.52.

⁴²⁴ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.268.

4.1.1 INSTITUTIONAL OUTCOMES

This section presents the data collected in both the comparative-collective case study as well as the assessment of German institutions on a national level in relation to their economic environment and related interactions. It also presents economic outcomes of current management approaches. These are considered in the examination of management practices in the ensuing chapters and then analysed in relation to the interaction between the formative elements laid out in this and the previous chapter. This also entails the discrepancy between cultural and economic capital and tension between the consumption of economic resources and culturally valuable production - along with approaches to practice and thus provides evidence of the impact certain practices have on the ability of an institution to create sustainable outcomes.

Case study data shows that in 2014 it was reported that the Museum Ludwig had - for several consecutive years - been close to declaring bankruptcy. During the same year the museum received an additional €1,330,000 in funding from the City of Cologne to cover expenses. A newspaper report stated that what at surface level appears to be the result of poor financial planning by the museum, is in fact a consequence of the City of Cologne having not adjusted its funding to rising operating costs. Since 2010 museum expenses exceeded the available budget by €6,000,000 each year and there was an awareness that income generated through admission is not nearly sufficient to cover operating costs, resulting in the City of Cologne subsidising each visitor admitted. Ticket prices were increased to little effect. The article suggests greater transparency in the budgeting process may offer a solution, as well as using money from other budgets to bolster museum resources.⁴²⁵ This coverage provides an example of a discussion that centres on increasing admission fees rather than the museum working to actively build other income streams (see 5.1.2) with the debate circling back to the argument that the funding body should simply increase grants, representing some of the core beliefs examined.

In 2013, the Boston Consulting Group published a pro bono report, commissioned by the responsible *Kulturdezernat*, proposing that budgets should be set for a three-year period and that a service company would replace convoluted decision-making structures within governing bodies.⁴²⁶ A more flexible organisation and long-term financial planning reflect aspects identified as conducive to organisational sustainability.

⁴²⁵ Andreas Damm, *Museum Ludwig, Regelmäßig droht die Pleite*, Kölner Stadtanzeiger, November 11, 2014.

⁴²⁶ Hartmut Wilmes, *Eigenbetriebe: Geheimpapier schreckt Kölns Museen auf*, Kölner Stadt-Anzeiger, March 7, 2013, [accessed April 9, 2018].

Museum officials responded by stating that the outlined strategy will not be further considered. Subsequently *Kulturdezernent* Georg Quander ordered a review and optimisation of the administrative structures within museums, to counteract a mismanagement of budgets.⁴²⁷ A similar proposal city mayor Henriette Reker put forward in 2016 was also rejected.⁴²⁸ The concept of establishing a separate company to manage museums was again met with scepticism,⁴²⁹ illustrating an aversion towards creating a more corporate, albeit perhaps more efficient structure for the city's institutions. There is no evidence suggesting that the statements the museums made in response to this proposal were not accompanied by arguments that current practices associated with inefficiencies were superior to the proposed restructuring, suggesting that ideological factors are superimposed onto strategic considerations.

In 2017 it was reported that a contractual agreement had been made that sets out the amount of public funding from the City of Cologne and the Peter and Irene Ludwig Stiftung the museum is to receive for the next three years.⁴³⁰ This data summarises dynamic, which can be observed on a broader scale, presenting a situation that is starkly opposed to the optimal conditions for sustained development defined. It also emphasises that as a result of all discussions being had, the only consensus reached is that funding bodies must increase resources, when alternatively a consequence could be that the museum aims to develop a more sustainable means of supporting itself or re-evaluates its organisational structure for efficiency. It also illustrates the consequences of the presented triangular exchange, demonstrating the perceived neutrality of public funding while alternatives are not considered – leading the museum to act in a way that is not in line with identified best practices for sustainability.

⁴²⁷ Ibid.

⁴²⁸ Hartmut Wilmes, „Kultur kontrovers“ am 5. Dezember, *Rundschau-Diskussion zur Lage der Kölner Museen*, Kölner Stadt-Anzeiger, November 21, 2017, [accessed April 9, 2018].

⁴²⁹ Matthias Hendorf, *Rundschau-Reihe „Kultur kontrovers“ Diskussion um die Kölner Museen und Ihre Notlage*.

⁴³⁰ *Zuwendungen für Museum Ludwig Gesichert*, Bergischer Volksbote, December 23, 2017, [accessed December 27, 2017]. *Museum Ludwig: Mehr Sicherheit für alle*, Kölner Stadtanzeiger, December 5, 2017, [accessed December 27, 2017]. *Museum Ludwig: Finanzen für drei Jahre gesichert*, Radio Köln, December 20, 2017, [accessed December 27, 2017].

In a similar fashion, assessment data showed that there are several other instances in which museums such as the Museum für Moderne Kunst Frankfurt,⁴³¹ Haus der Kunst in Munich⁴³² and the Sprengel Museum Hannover⁴³³ have reportedly encountered financial difficulty, only to automatically demand increased funding, while there was no discussion of ways in which the museum could increase its agency and become less vulnerable to insufficient public resources.

Case study data collected on the Stiftung Kunstsammlung NRW presents a similar dynamic. In a 2014 interview, former Business Director Hagen Lippe-Weißfeld describes a 'comparatively comfortable and stable financial situation' due to NRW cultural policy - referring to the fact that most other institutions in NRW are led by *Kommunen* (communes and municipalities), who are under much greater financial strain. He also addresses rising operating costs,⁴³⁴ thus acknowledging a major challenge to the institutions' sustainability. Moving forward, the *Landungsrechnungshof* published a report in September 2017, criticising the management of the Stiftung⁴³⁵ - with former director Marion Ackermann rejecting these reprisals as defamatory. In a newspaper interview she addressed all reproaches related to museum programming, stating that these matters should be of no concern to the *Landesrechnungshof*. Ackermann and Hagen Lippe-Weißfeld addressed the claim that the museum had been managed with 'poor economic efficiency' by arguing that the Kunstsammlung's funding model is regarded as exemplary on a national level. Ackermann met the demand made by the Landesrechnungshof, that the state of NRW must negotiate target objectives, with the statement that this is already the case in three-year financial plans, among other points addressed.⁴³⁶ In 2017 new Director of the Kunstsammlung Susanne Gaensheimer - who has been lauded for her past efforts at the MMK (Museum für Moderne Kunst) in Frankfurt and has expressed admiration for the transformation Tate Modern underwent,

⁴³¹ Claus-Jürgen Göpfert, *Mehr Geld für Museen*, Frankfurter Rundschau, March 9, 2017, [accessed December 16, 2017].

⁴³² *Das "Haus der Kunst" trübt die Bilanz*, OVB Online, January 23, 2018, [accessed April 17, 2018]. Susanne Hermanski, *Das Haus der Kunst kommt nicht zur Ruhe*, Süddeutsche Zeitung, January 16, 2018, [accessed April 17, 2018]. Susanne Hermanski, *Das Haus der Kunst steckt offenbar in finanzieller Schieflage*, Süddeutsche Zeitung, July 5, 2017, [accessed April 17, 2018].

⁴³³ Daniel Alexander Schacht, *Sprengel-Museum soll Geld von Stadt bekommen*, Hannoversche Allgemeine Zeitung, July 9, 2016, [accessed April 17, 2018]. Daniel Alexander Schacht, *Direktor sieht Sprengel-Museum in Gefahr*, Hannoversche Allgemeine Zeitung, May 18, 2017, [accessed April 17, 2018].

⁴³⁴ Dr. Hagen W. Lippe-Weißfeld, *ehemaliger Kaufmännischer Direktor und Vorstand Stiftung Kunstsammlung Nordrhein-Westfalen im Interview mit Causales*, Jahrbuch Kulturmarken.

⁴³⁵ *Rechnungshof vermisst Konzept bei der Kunstsammlung NRW*, Süddeutsche Zeitung, September 12, 2017, [accessed February 2, 2018].

⁴³⁶ Betram Müller, *Ackermann attackiert Rechnungshof*, Rheinische Post, September 14, 2017, [accessed February 14, 2018].

in that the exhibition of art is just one of many of its functions⁴³⁷ - stated that the MMK in Frankfurt, in comparison to the Kunstsammlung, had been financially more self-sufficient, generating most of its operating and acquisitions budget by itself, also describing the position of the Kunstsammlung as privileged. She further mentions how several projects had only come to fruition through private sponsor involvement, stating that she hopes the City of Frankfurt will in future provide more support.⁴³⁸ Interestingly, while Gaensheimer endorses Tate's transformation efforts, which are also tied to self-generated income through commercial activity (see 5.1.2) and recognises that the MMK had achieved some success in generating a greater proportion of its funding, she does not extrapolate from this that the Kunstsammlung must attempt to achieve a similar feat but that conversely, the public funding body of the MMK should have increased the level of support to create an equal outcome. This reinforces that passively receiving income is viewed as a privilege and not a liability and that self-generated income is seen as a necessity not an opportunity, resulting in little effort being expended to transform income structures.

What becomes evident in this interaction – in which the report, subsequent response and also comments by Gaensheimer can be regarded as an institutional and economic outcome of management practice – is again not only the puzzling tendency to reject intervention, deny measures of accountability and to expect financial support regardless. Aware of economic stresses, the institution outwardly projects a stance that is unconcerned with such issues, all on the basis of the philosophical articulations of value presented in the previous section, facilitated through policy. The unease encountered in relation to the prospect of a more proactive involvement in creating a diverse and resilient funding structure is in direct opposition to the best practices identified.

Data from the nationwide assessment of German arts institutions showed that among the instances in which institutions had reportedly encountered issues related to their management, financial difficulty of some sort was at the centre of the coverage in most cases.⁴³⁹ A range of other issues was connected to this to varying degrees.

⁴³⁷ Annette Bosetti, *Kunstsammlung NRW will sich öffnen*, Rheinische Post, September 1, 2017, [accessed February 12, 2018].

⁴³⁸ *Interview mit Susanne Gaensheimer: Das MMK wird zu klein gehalten*, Frankfurter Neue Presse, June 19, 2017, [accessed February 12, 2018].

⁴³⁹ There are numerous news reports concerning a range of the institutions studied concerning the financial difficulty these institutions had experienced as well as the associated public deficits and inability of funding bodies to adequately support the museums in question - to the extent that – in some cases – discussions surrounding closures had begun.

Institutions such as the Schirn Kunsthalle, often cited as an example of innovation in museum management, have not been immune to deficits requiring additional support.⁴⁴⁰ Other institutions however have been threatened by impending closure such as the Kunstmuseum Bochum⁴⁴¹ or Schloss Morsbroich,⁴⁴² whereas accusations of financial mismanagement were among the most common issue encountered.⁴⁴³

Carsten Heil, *Bielefelder Kunsthalle macht weiterhin Sorgen*, May 24, 2018, [accessed June 6, 2018]. Stefan Brams, *Bielefelder Kunsthalle in finanziellen Schwierigkeiten*, Neue Westfälische, March 17, 2018, [accessed April 17, 2018]. Thomas Schmitt, *Kunstmuseum Bochum steht vor dem Aus*, WAZ, January 10, 2012, [accessed December 15, 2017]. Stefan Lüddemann, *Zukunft der Kunsthalle Emden*, NOZ, November 8, 2018, [accessed December 15, 2018]. *Noch kein Geld vom Land für die Kunsthalle Emden*, Emdener Zeitung, June 23, 2014, [accessed December 15, 2017]. Stefan Lüddemann, *Kunst und Geld: Ausstellungen unter Druck*, NOZ, May 28, 2018, [accessed June 17, 2018]. Anne Horstmeier, *Kuratortrium kündigt Lehmbruck-Direktor Raimund Stecker*, Der Westen, December 21, 2012, [accessed February 12, 2018]. *100.000 Euro für das Lehmbruck*, Stadt Panorama, December 28, 2015, [accessed February 21, 2018]. Detlef Färber, *Land verklagt Halle: Stadt muss eine halbe Million Euro für Kunstmuseum Moritzburg nachzahlen*, Mitteldeutsche Zeitung, March 16, 2017, [accessed Februar 7, 2018]. Stefan Grund, *Kunsthalle Hamburg rutscht tiefer ins Minus*, Die Welt, September 5, 2018, [accessed October 17, 2018]. Adrienne Braun, *Ohne Privatsammler geht es Künftig nicht mehr*, Stuttgarter Zeitung, August 1, 2017, [accessed April 17, 2018]. Monika Werner-Staude, *Wuppertal: Eine Gefahr für die Marke von der Heydt*, Rheinische Post, February 9, 2018, [accessed April 7, 2018]. Ilka Wiese and Monika Willer, *Museum für Gegenwartskunst Siegen nun Zukunftsfest*, Westfalenpost, March 2, 2017, [accessed December 27, 2017]. Andreas Damm, *Museum Ludwig, Regelmäßig droht die Pleite*, Kölner Stadtanzeiger, November 11, 2014, [accessed December 27, 2017]. Alexander Albrecht, *Auf Euphorie folgt teurer Knatsch*, Rhein-Neckar Zeitung, July 13, 2018, [accessed October 17, 2018]. Ingo Plaschke, *Die Auszeichnung 'Museum des Jahres' wird uns helfen*, NRZ, December 28, 2016, [accessed April 7, 2018]. Stefan Lüddemann, *Kunsthalle Bremen fehlen 500.000 Euro*, Osnabrücker Zeitung, August 5, 2014, [accessed April 7, 2018]. Rechnungshof Baden-Württemberg, *Staatliche Kunsthalle Baden-Baden (Beitrag 27)*, 2009, [accessed April 19, 2018]. Rüdiger Schaper and Birgit Rieger, *Rückgang und Renaissance*, Der Tagesspiegel, February 16, 2015, [accessed April 17, 2018]. Daniel Alexander Schacht, *Sprengel-Museum soll Geld von Stadt bekommen*, Hannoversche Allgemeine Zeitung, July 9, 2016, [accessed April 17, 2018]. Daniel Alexander Schacht, *Direktor sieht Sprengel-Museum in Gefahr*, Hannoversche Allgemeine Zeitung, May 18, 2017, [accessed April 17, 2018].

⁴⁴⁰ Stadt Frankfurt, *Anlage: Wirtschaftsplan und Wiedergabe der Beihilfemaßnahme gemäß Art.11 AGVO für die Schirn Kunsthalle Frankfurt am Main GmbH*, 2018, [accessed September 15, 2018].

⁴⁴¹ Closure of the Kunstmuseum Bochum was suggested by 2022. Thomas Schmitt, *Kunstmuseum Bochum steht vor dem Aus*, WAZ, January 10, 2012, [accessed December 15, 2017].

⁴⁴² Bert-Christoph Gerhards, *Schloss Morsbroich, Heinzelmann verlässt das Museum*, Kölner Stadtanzeiger, March 01, 2018, [accessed April 19, 2018]. *Wie Museen Betriebswirtschaftlich ausradiert werden*, Saarbrücker Zeitung, February 25, 2016, [accessed April 19, 2018]. *Wirtschaftsprüfer schlagen Alarm: Museum Morsbroich droht das Aus*, Kölnische Rundschau, February 23, 2016, [accessed April 7, 2018]. Stephan Hermsen, *Eiskalt berechnet: Ein Museum rentiert sich nicht*, Der Westen, June 20, 2016, [accessed February 8, 2018].

⁴⁴³ There are various news reports on a number of the institutions studied concerned with accusations of (financial) mismanagement, the ensuing discussions between the accused professional responsible and the claims made by – often – the funding or responsible administrative body and sometimes also ensuing investigations and legal proceedings. *Bundeskunsthalle Bonn: Intendant Fleck schneidet vorzeitig aus*, Kölnische Rundschau, July 11, 2012, [accessed December 27, 2017]. Swantje Karich, *Bundeskunsthalle Bonn: Von Tiefpunkt zu Tiefpunkt*, FAZ, June 24, 2012, [accessed February 20, 2018]. *Kritik an Geldverschwendung im Museum Brandhorst*, Die Welt, March 24, 2015, [accessed March 13, 2018]. Bert-Christoph Gerhards, *Schloss Morsbroich, Heinzelmann verlässt das Museum*. *Wie Museen Betriebswirtschaftlich ausradiert werden*. *Wirtschaftsprüfer schlagen Alarm: Museum Morsbroich droht das Aus*. Stephan Hermsen, *Eiskalt berechnet: Ein Museum rentiert sich nicht*. Petra Pluwatsch, *Adele Schlombs: NRW lehnt unsere Anträge stets ab*, Kölner Stadtanzeiger, March 27, 2015, [accessed December 16, 2017]. Betram Müller, *Ackermann attackiert Rechnungshof*, Rheinische Post, September 14, 2017, [accessed February 14, 2018].

In five institutions there had been coverage of directors or business directors resigning or being let go as a result.⁴⁴⁴ Often times, in line with the established perceptions of responsibility, the consequence of such issues is an explicit demand for an increase in public funding.⁴⁴⁵ There are some examples of a demonstrably passive approach to leveraging market potential - in order to build other means of support in response to financial difficulty: the Museum Schloss Wilhelmshöhe was criticised heavily for failing to leverage the potential of Documenta in terms of marketing and attracting visitors.⁴⁴⁶ The Museum für Angewandte Kunst in Cologne closed its shop while the owner was described as unwilling to adapt to changing customer demands for online retail in news coverage.⁴⁴⁷

This is one of the more blatant examples of a lack of adaptability, one key feature identified as contributing to sustained development and in this case its lack leading to the

Rechnungshof vermisst Konzept bei der Kunstsammlung NRW, Süddeutsche Zeitung, September 12, 2017, [accessed February 2, 2018]. Hans Riebsamen, "Kreative Buchführung" und schlechtes Controlling, FAZ, July 7, 2003, [accessed December 27, 2017]. Lucas Elmenhorst, *Museum Folkwang: Bilanzierungsmethoden sollen vor Gericht*, Handelsblatt, March 11, 2015, [accessed April 9, 2018]. Anne Horstmeier, *Kuratotrium kündigt Lehmbruck-Direktor Raimund Stecker*, Der Westen, December 21, 2012, [accessed February 12, 2018]. *100.000 Euro für das Lehmbruck*, Stadt Panorama. Matthias Gretzschel, *Kunstverein kann Gehälter nicht mehr zahlen*, Hamburger Abendblatt, August 29, 2011, [accessed January 18, 2018]. Annette Bosetti, *Der Kunstlotse vom Ehrenhof geht*, Rheinische Post, September 6, 2017, [accessed February 12, 2018]. *Museum Kunstpallast arbeitet sich aus den roten Zahlen*, Rheinische Post, January 21, 2014, [accessed April 7, 2018]. Dorothea Hülsmeier, *Der Manager und die Kunst des Sparens*, Die Welt, March 30, 2013, [accessed February 12, 2018]. Renate Freyeisen, *Nicht provinziell genug für Schweinfurt*, Bayrische Staatszeitung, July 20, 2014, [accessed February 7, 2018]. Mike Schier, *Das Haus der Kunst trübt die Bilanz*, OVB, January 23, 2018, [accessed February 7, 2018]. Susanne Hermanski, *Das Haus der Kunst kommt nicht zur Ruhe*, Süddeutsche Zeitung, January 16, 2018, [accessed April 17, 2018]. Susanne Hermanski, *Das Haus der Kunst steckt offenbar in finanzieller Schieflage*, Süddeutsche Zeitung, July 5, 2017, [accessed April 17, 2018]. Rechnungshof Rheinland-Pfalz, *Jahresbericht 2015* (Speyer: Rechnungshof Rheinland-Pfalz, n.d.), pp.152-155.

⁴⁴⁴ As a result of the aforementioned accusations of mismanagement, there have been reports of cases in which the accused person in question has either resigned from their role or been let go. Anne Horstmeier, *Kuratotrium kündigt Lehmbruck-Direktor Raimund Stecker*. *100.000 Euro für das Lehmbruck*. Renate Freyeisen, *Nicht provinziell genug für Schweinfurt*. Bert-Christoph Gerhards, *Schloss Morsbroich, Heinzelmann verlässt das Museum*. *Wie Museen Betriebswirtschaftlich ausradiert werden*. *Wirtschaftsprüfer schlagen Alarm: Museum Morsbroich droht das Aus*. Stephan Hermesen, *Eiskalt berechnet: Ein Museum rentiert sich nicht*. Renate Freyeisen, *Nicht provinziell genug für Schweinfurt*. Mike Schier, *Das Haus der Kunst trübt die Bilanz*. Susanne Hermanski, *Das Haus der Kunst kommt nicht zur Ruhe*. Susanne Hermanski, *Das Haus der Kunst steckt offenbar in finanzieller Schieflage*.

⁴⁴⁵ As in the previously discussed case of the Museum Ludwig, there are several reports of institutions experiencing financial difficulty, in which the conclusion that was reached was not to change approaches to management but to demand more generous funding, thus taking on a decidedly passive position. Stefan Lüddemann, *Zukunft der Kunsthalle Emden. Noch kein Geld vom Land für die Kunsthalle Emden*. Claus-Jürgen Göpfert, *Mehr Geld für Museen*, Frankfurter Rundschau, March 9, 2017, [accessed December 16, 2017]. Mike Schier, *Das Haus der Kunst trübt die Bilanz*. Susanne Hermanski, *Das Haus der Kunst kommt nicht zur Ruhe*. Susanne Hermanski, *Das Haus der Kunst steckt offenbar in finanzieller Schieflage*. Daniel Alexander Schacht, *Sprengel-Museum soll Geld von Stadt bekommen*. Daniel Alexander Schacht, *Direktor sieht Sprengel-Museum in Gefahr*.

⁴⁴⁶ Andreas Hermann, *Heftiger Streit um Museen in Kassel entbrannt*, HNA, July 19, 2017, [accessed April 7, 2018].

⁴⁴⁷ *Falsche Quittungen: Rechnungsprüfer decken Unregelmäßigkeiten bei Kölner Museen auf*, Kölner Stadt Anzeiger, July 4, 2016, [accessed December 27, 2017].

loss of a source of income. The Kaiser Wilhelm Museum Krefeld encountered similar issues with its cafe,⁴⁴⁸ while a steep decline in visitor numbers at the Albertinum in Dresden caused concern for this same reason.⁴⁴⁹ It is however also important to mention that some institutions, such as the Kunsthalle Bremen, in the face of financial difficulty, published an action plan outlining how the institution intends to be more proactive in its approach to management.⁴⁵⁰

In some cases, museums turn to alternative sources of income through simply deaccessioning parts of their collection⁴⁵¹ or auctions and crowdfunding.⁴⁵²

A case which confirmed common fears related to independence from other sources of support was an exhibition at the Von der Heydt Museum which had to be cancelled, due to a sponsor backing out.⁴⁵³ Similarly, the Museum Kunstpalast in Düsseldorf, originating from a PPP with E.ON AG and later also the METRO Group, lost support as corporate partners began to reduce their involvement as a reaction to claims of mismanagement and failure to achieve set goals.⁴⁵⁴

There have also been reports of cases involving issues of transparency, such as the previously discussed case of the Stiftung Kunstsammlung NRW,⁴⁵⁵ the Museum Bahnhof Rolandseck⁴⁵⁶ or the Museum Ostwall, in which discrepancies between number of visitors reported to the city and those counted by third parties led to accusations of deceptive

⁴⁴⁸ Isabel Schneider, *Kaiser-Wilhelm-Museum: Pächter des Cafés ohne Gäste*, July 25, 2018, [accessed September 13, 2018].

⁴⁴⁹ Kolja Reichert, *Was Trump und Pegida mit Museen zu tun haben*, FAZ, March 27, 2017, [accessed April 11, 2018]. *Staatliche Kunstsammlungen erneut mit Besucherschwund*, Monopol Magazin, March 20, 2017, [accessed April 9, 2018].

⁴⁵⁰ Stefan Lüddemann, *Kunsthalle Bremen fehlen 500.000 Euro. Bremer Kunsthalle soll sich selber helfen*, FAZ, March 19, 2002, [accessed April 17, 2018].

⁴⁵¹ Ilka Wiese and Monika Willer, *Museum für Gegenwartskunst Siegen nun Zukunftsfest*. Gudrun Herz, *Pressemitteilung: Kestner Gesellschaft sammelt 274.000 Euro bei Benefiz-Auktion*, (Hannover: Kestner Gesellschaft, 2016).

⁴⁵² Thomas Kliemann, *Aktion 'Ein Bild für für Bonn' soll fehlende 50.000 Euro bringen*, General Anzeiger Bonn, July 18, 2017, [accessed February 11, 2018]. Annette Krämer-Ahlig, *Kunsthalle Darmstadt Direktor Leon Krempel sammelt Geld für seine große Ausstellung Planet 9 auch über ein Crowdfunding*, Echo Online, February 10, 2017, [accessed February 11, 2018].

⁴⁵³ Monika Werner-Staude, *Wuppertal: Eine Gefahr für die Marke von der Heydt. Frankreich-Ausstellung im Von der-Heydt-Museum abgesagt*, Westdeutsche Zeitung, May 14, 2018, [accessed April 9, 2018].

⁴⁵⁴ Annette Bosetti, *Der Kunstlotse vom Ehrenhof geht. Museum Kunstpalast arbeitet sich aus den roten Zahlen*. Dorothea Hülsmeier, *Der Manager und die Kunst des Sparens*.

⁴⁵⁵ Kolja Reichert, *Ackermann attackiert Rechnungshof*, Rheinische Post, September 14, 2017, [accessed April 11, 2018]. *Rechnungshof vermisst Konzept bei der Kunstsammlung NRW*.

⁴⁵⁶ Rechnungshof Rheinland-Pfalz, *Jahresbericht 2015*.

practices.⁴⁵⁷ Along with failure to meet set objectives, inefficiency as a result of bad management practice, was also among the issues reported on in several cases.⁴⁵⁸

The data presented here shows that a significant proportion (51.7%) of the institutions examined have in recent years either been subject to investigation on the grounds of financial mismanagement or had criticism directed towards them for claims of mismanagement. This indicates that there is a disconnect between the realities of arts funding and the economics of the art museum on one hand and more ephemeral idealised perceptions of responsibility and interactions of the museum with outside systems on the other. All cases represent a threat to the sustainability of the respective institution. This underlines the impact museum behaviours and economic factors have on perspectives for sustainable outcomes, along with the previously highlighted political and cultural trajectories shaping this behaviour.

There is some awareness among professionals of the difficulty museums face within contemporary economies, which can be seen in interview data.

Frank Schellenberg, Director of Frankfurt-based cultural industry consultancy *actori*, states that 'there has been an increase in the economic pressure that museums are exposed to but that the way in which museums operate is increasingly oriented alongside economic criteria'.⁴⁵⁹ Bianca Knall, Business Director of the Stiftung Kunstsammlung NRW, also recognises, that 'the amount of public funding available is unlikely to increase, forcing museums to increasingly work towards generating greater proportions of income themselves'.⁴⁶⁰ It is therefore this dissonance between the awareness of external threats and awareness that different approaches to management may offer a solution and the simultaneous rejection of these approaches on the basis of established notions of identity and value formation that inform which actions are taken, impacting institutional sustainability. Part of what creates this dissonance can be seen as a continuation of the ideas presented in the discussion of theories surrounding cultural consumption as part of an anti-market mentality that, at the intersection of art and the market, reacts defensively to the identified best practices.

⁴⁵⁷ Gaby Kolle, *Leere im Dortmunder U vor Ort aber viele Besucher in der Statistik*, Ruhrnachrichten, November 12, 2016, [accessed April 9, 2018].

⁴⁵⁸ Betram Müller, *Ackermann attackiert Rechnungshof* *Rechnungshof vermisst Konzept bei der Kunstsammlung NRW*. Rechnungshof Baden-Württemberg, *Zentrum für Kunst und Medien Karlsruhe (Beitrag 22)*, 2017, [accessed April 19, 2018]. Eric Dewald, *ZKM in der Kritik: Rechnungshof bemängelt zu hohe Ausgaben*, KA News, July 27, 2017, [accessed February 19, 2018].

⁴⁵⁹ Frank Schellenberg, interview.

⁴⁶⁰ Bianca Knall interview.

4.1.2 THE ANTI-MARKET MENTALITY

Based on the argument that within German institutions there is a common perception of how economic thinking and action is alien to the fragile universe of artistic creation, this section aims to further deconstruct how these belief systems occur and what the implications are for approaches to management. In doing so, this section provides an additional layer of understanding to the nature of how institutions, regardless of the fact that they are increasingly working in hybridised forms of the cultural economy, maintain an attitude that is unwelcoming of economic realities and corresponding approaches to management. By forgoing a more holistic approach, major inefficiencies – as the institutional outcomes presented in the previous section demonstrate – occur, ultimately situating the institution at odds with behaviours defined as best practices. This research argues that the museum's conception of themselves as unchallengeable institutions outside of the realm of the market,⁴⁶¹ no effort is made to fully leverage the opportunities presented by becoming financially more self-sufficient, inhibiting the reshaping of operating structures to become more independent and support long-term sustainability.⁴⁶²

Cleve introduces the concept of cultural policy as economic policy through cultivating taste as a means of stimulating the market. She hereby presents a popular political practice of the 19th century in Germany, intended to institutionally ground art and industry, manufacturing and cultural patterns of consumptions at the dawn of the industrial age.⁴⁶³ This same interaction appears to – not limited to Germany - provide much ground for conflict today, as the concept of linking art and economics is a blasphemous notion for some.⁴⁶⁴

Grampp cites an 'anti-market mentality', which - though not specific to the German context - fittingly describes what can be observed in institutions, as this section will elaborate. It is a subdivision of the anti-materialist view of how people ought to behave,⁴⁶⁵ compounded by the already complex moral and philosophical articulations surrounding the art museum. The reason why this so fittingly summarises the German context is the general unease surrounding the interaction of art, economics, value and the market as studied in this chapter. It is therefore unsurprising that tensions are amplified within the context of the art museum, whose entanglements with the market are juxtaposed with a

⁴⁶¹ Walter Grasskamp, *Das Kunstmuseum*, p.64.

⁴⁶² Eric M. Bernhard, *Kunst als Kapitalanlage*, p.56. Lisa Becker, *Kulturfinanzierung in Großbritannien und Deutschland*, p.24.

⁴⁶³ Ingeborg Cleve, *Geschmack, Kunst und Konsum*, p. 345.

⁴⁶⁴ Alessia Zorloni, *The Economics of Contemporary Art, Markets, Strategies and Stardom*, p.1.

⁴⁶⁵ W.D. Grampp, *Pricing the Priceless*, p.9.

seemingly hermetic existence removed from the commercial art world, as Boll describes.⁴⁶⁶ While it is true that the non-profit status of museums does temper the market's influence,⁴⁶⁷ museums are increasingly working in hybridised forms of the cultural economy that rely on both state funding, as well as privatised channels, increasingly punctuated by an exchange economy.⁴⁶⁸ Similar to how in Germany public funding is perceived as neutral while private support is met with some scepticism, art produced within the market context is disqualified as being commercial.⁴⁶⁹ Bernhard however points out that until very recently the market was the principal structure of reception for art before the establishment of a cultural welfare state. Museums are now at an interface where they intervene in all dimensions of the value of a work,⁴⁷⁰ where the demand exerted for a certain work of art is fuelled by art museums themselves.⁴⁷¹ This 'anti-market mentality', which is again not limited to a German context but can be observed within it, can also be understood as an extension of the discussion surrounding value.

Benhamou-Huet explains that 'for pure spirits, the coupling of art and money is abject. Art is antithetical to the market in that the latter apparently reduces something exceptional to a simple commodity'⁴⁷² but that at the same time for a collector, 'putting a price on an artwork simply means assigning a scale of value to his pleasure.'⁴⁷³ The upshot of Adam Smith's analysis of paintings was that the cost of producing them could not account for their selling price. For the same reason Ricardo considers 'rare statues and paintings' an exception to his labor theory of value.⁴⁷⁴

⁴⁶⁶ Dirk Boll, *Art for Sale: A Candid View of the Art Market* (Ostfildern: Hatje Cantz, 2011), p.40.

⁴⁶⁷ W.D. Grampp, *Pricing the Priceless*, p.11.

⁴⁶⁸ Lizette Graden, Tom O'Dell, 'Museums and Heritage Collection in the Cultural Economy: The Challenge of Addressing Wider Audiences and Local Communities', *Museum International*, Vol. 68, 3-4 (2016), pp.48-67.

⁴⁶⁹ Bruno S. Frey, Werner W. Pommerehne, *Muses and Markets*, p.16.

⁴⁷⁰ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.16.

⁴⁷¹ Bruno S. Frey, 'Cultural Economics and Museum Behaviour', *Scottish Journal of Political Economy*, Vol. 41, 3 (1994), pp.325 - 335. Don Thompson, *The \$12 Million Stuffed Shark*, p.233. Ibid. p.238.

⁴⁷² Benhamou-Huet, *The Worth of Art*, p.16.

⁴⁷³ Ibid. p.9.

⁴⁷⁴ Olav Velthuis, *Talking Prices*, p.97.

Grampp - who states that art can be studied with the analytical methods of economics with regards to utility and cost⁴⁷⁵ - understands that the controversy is created by the fact that 'asking whether truth, beauty and goodness are worth what they cost, seems to debase them'.⁴⁷⁶

There appears to be not a single German language publication dealing with the subject of art and economics that is not quick to point out the sensitivity of the subject of viewing the two in combination.⁴⁷⁷ According to Bendixen and Weikl, 'the notion that economic thinking is appropriate as resources are scarce is countered with the argument that this cannot be reconciled with the boundaries of aesthetic creation'.⁴⁷⁸

Culture as the antithesis to the economy is reflected in Beech's statement that a

'historically defined antagonism and prejudice when culture is to be transferred into capital and economic gain is contrasted with a cultural loss of identity is deeply ingrained in political ideology, similar to Marxism's rejection of the vulgarity of economic determinism, of art as mere superstructure determined by the economic and material base'.⁴⁷⁹

Caught up between the idealist image of artistic freedom and reception and an economy that is strictly driven by supply and demand,⁴⁸⁰ culture in Germany is perceived as something more elevated and pure that must not be weighed down by technical or tactical considerations or any relation to functional contexts within society.⁴⁸¹ A piece published by the *BPB* (Bundeszentrale für Politische Bildung/Federal Agency for Civic Education) describes the system of cultural funding in Germany (*Kulturförderung*) as in need of a change in order to defend the cultural sphere against the global tendencies towards a more liberal 'cultural market', clearly positioning itself against interactions of the arts with the market, echoing much of the literature as well as original findings considered in this discussion. It argues that while in Continental Europe the state often acts as the most important patron of the arts, within the Anglo-Saxon cultural sphere, civil society rids the

⁴⁷⁵ W.D. Grampp, *Pricing the Priceless*, p.4.

⁴⁷⁶ Ibid. p.5.

⁴⁷⁷ Peter Bendixen, Bernd Weikl, *Einführung in die Kultur- und Kunstökonomie*, p.31.

⁴⁷⁸ 'Wenn demgegenüber in der Beziehung zwischen Kunst und Wirtschaft der Geltungsanspruch des ökonomischen Denkens als Grundprinzip der Gestaltung künstlerischer Prozesse dominiert, weil nun mal mit knappen Mitteln nicht beliebig verfahren werden kann, dann wird das Kunstschaffen von einer äußeren Normentextur überformt, die mit den Gesetzen der ästhetischen Gestaltung von Inhalten, die als Botschaften über die figurierten Kunstwerke ihren Weg in die Öffentlichkeit finden sollten, nicht ohne Weiteres in Einklang zu bringen ist'. (author's translation) Peter Bendixen, Bernd Weikl, *Einführung in die Kultur- und Kunstökonomie*, p.35.

⁴⁷⁹ Dave Beech, *Art and Value: Art's Economic Exceptionalism in Classical, Neoclassical and Marxist Economics* (Leiden: Brill, 2015), p.218.

⁴⁸⁰ Elmar D. Konrad, *Unternehmertum und Führungsverhalten im Kulturbereich*, p.29.

⁴⁸¹ Armin Klein, 'Wie denkt Kulturmanagement?' in Elmar D. Konrad, *Unternehmertum und Führungsverhalten im Kulturbereich*, p.94.

state of this responsibility.⁴⁸² This again emphasizes the implicit and unambiguous belief systems governing responsibilities, funding and management. The difficult relationship of art, museums and money within the German context is also illustrated in an exemplary way by the statement that

'the obscenity with which the connection between art and money was dragged into the public sphere after the most recent financial crisis allowed for the conclusion to be made that both are intrinsically linked and not only express one another but also are the driving force of democracy and capitalism' in *Geld frisst Kunst - Kunst frisst Geld*.⁴⁸³

More unambiguously, Kuball states in *Kunst? Ökonomie? Ohne Mich! (nicht zusammenfügen, was nicht zusammengehört)* (Art? Market? Without me! Not combining what does not belong together) that the capillaries between the arts and the economy must become less porous, asking whether the avant-garde does not die at the hands of the utilitarian nature of economics.⁴⁸⁴ Schellenberg calls out this permeability of the barrier between the museum and the market and the inherent 'commercialisation', referring to professional overlaps between museum and art market professionals: 'The level of commercialisation in some area of the art world is extreme. If you look at the overlap between directors in museums for contemporary art and commercial galleries, there are some tendencies that need to be looked out for'.⁴⁸⁵ In a similar vein – albeit again not specific to a German context – is Boll's description of art museums as institutions that 'thanks to their scholarship and their authority to define aesthetics' have an influence on the art market, which transcends far beyond their role as buyers, while at the same time considering themselves removed from the commercial art world, wiping out the monetary value of objects by taking them off the market and into their non-commercial space, that does not allow for any 'interaction with the other side'.⁴⁸⁶ Relations between museums and the art market are becoming more tangible.

⁴⁸² Tobias Knoblich, *Kunst- und Kulturförderung im föderativen System*, November 24, 2004.

⁴⁸³ "Die Obszönität, mit der der Geld/Kunst-Zusammenhang nach der Krise in die Öffentlichkeit getragen wird, hat immerhin etwas Gutes: Man wird nicht mehr um die Einsicht herumkommen, dass Geld nicht äußeres Instrument und Belohnung für Kunst, sondern beides essentiell ineinander eingeschrieben ist. (...) Geld und Kunst drücken sich nicht nur gegenseitig aus, die Beziehung von Kunst und Geld ist vielmehr einer der Motoren von Demokratie und Kapitalismus." (author's translation) Markus Metz, Georg Seeßlen, *Ute Richter, Geld frisst Kunst - Kunst frisst Geld*, p.16.

⁴⁸⁴ Andreas Grosz, *Die Kultur-AG*, (München: Hanser, 1999), p.35.

⁴⁸⁵ Frank Schellenberg interview.

⁴⁸⁶ Dirk Boll, *Art for Sale*, p.40.

With increasing regularity museums are calling upon galleries and collectors to finance projects in their mutual interest: market actors in search of institutional visibility in exchange for funding.⁴⁸⁷

Adjacent to this is the contemplation of the art museum from an economic perspective. Grasskamp argues that the grounds for the art museums susceptibility to crisis is found in its very fabric - part of a paradoxical system which cannot be fully grasped by regular economic study. Economic theory assumes that protagonists engage in rational behaviour, with the overriding ambition to fulfil a need and/or make a profit. German art museums on the other hand, have a tendency to engage in what Grasskamp observes as irrational, wasteful, self-destructive and emotional behaviour,⁴⁸⁸ in line with what can be observed when looking at the data presented on cases in which museums faced financial difficulty and their often undiscerning reaction. On a broader scale, some argue that a contemporary economic philosophy, exogenous to traditional structures, is harming the art world, through its dismissal of all that is not profit-oriented,⁴⁸⁹ while others contend that the art market is a market like any other,⁴⁹⁰ and museums are a part of it.⁴⁹¹ And while art museums are not commercial enterprises and should not be judged as such, one might accept that standards of efficiency apply to organisations of all kinds⁴⁹² and that it can be useful to employ economic analysis to elucidate the economic problems of the museum - an approach, as Peacock and Godfrey identify, again outside of a purely German context – that is often encountered with emotional resistance.⁴⁹³ This is due to the concern that as institutions succumb to the inevitability of moving towards a more business-like operating model, they will erode their scholarly and aesthetic role,⁴⁹⁴ the dominance of the economic evolving into the commercial.⁴⁹⁵ However changing economic circumstances have, in the past decades forced cultural organisations to overcome this resistance and adopt business management models,⁴⁹⁶ propelling museums into a world of economics fundamentally foreign to them.

⁴⁸⁷ *New relations between auction houses and museums*, Artprice, February 6, 2018.

⁴⁸⁸ Walter Grasskamp, *Das Kunstmuseum*, p.29.

⁴⁸⁹ Konrad Liessmann, Thomas Schlee, *Grenzen (in) der Kunst*, p.7.

⁴⁹⁰ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.48.

⁴⁹¹ *Ibid.* p.19.

⁴⁹² Victor Ginsburg, Pierre-Michel Menger, *Economics of the arts*, p.247.

⁴⁹³ Alan Peacock, C. Godfrey, 'The Economics of Museums and Galleries' in Mark Blaug, *The Economics of the Arts*, p.198.

⁴⁹⁴ Martin Feldstein, *The Economics of Art Museums* (Chicago: The University of Chicago Press, 1991), p.68.

⁴⁹⁵ Peter Bendixen, Bernd Weikl, *Einführung in die Kultur- und Kunstökonomie*, p.35.

⁴⁹⁶ Neil G. Kotler, Philip Kotler, Wendy I. Kotler, *Museum marketing and strategy*, p.196. Susan M. Pearce, *Museum economics and the community*, p.41.

Sandell describes how museums, subject to theoretical economic analysis,⁴⁹⁷ found that they are required to perform a broader range of economic functions.⁴⁹⁸ Museum managers, argues Feldstein, feel as though they are 'resisting the efforts of the economically mindful who wish to measure museums with financial yardsticks and quantify the arts in terms of their value to consumers' - to not lose sight of conservation and connoisseurship,⁴⁹⁹ at the expense of credibility, authority and distinction.⁵⁰⁰

This can also be observed in the cases studied. Knall for example argues in the interview that while she embraces the idea of museums not charging admission, she understands that 'some institutions rely on admission income', with the Kunstsammlung NRW naturally also incorporating such income into its financial planning, though 'attracting large crowds is never a central focus. (...) Such a strategy could lead to the museums visit to devolve into something resembling too much of a spectacle. One has to be careful not to move too much in this direction'.⁵⁰¹ And while this must not inevitably be the case, her reservations appear to be founded on the beliefs discussed in this and the previous chapter, in which art is to be shielded from other systems. While some institutions take a different approach to income generation, the value generated for their communities is not negatively impacted by the activities outside of their traditional core museum role.

One emblematic symptom of a changing museum landscape is the increasing number of private museums established, with Germany being no exception to this development and the private museum in particular acting as the embodiment of the antithesis to the previously discussed implicit natural responsibility of the state for the arts. In 2016 Germany was third in terms of number of new private museums established.⁵⁰² Martin Roth, former Director of the V&A, after leaving his directorial position at the Staatliche Kunstsammlung in Dresden, stated that an over-pedagogisation, which has a long tradition in Germany - has made things cumbersome.⁵⁰³

Even those criticising the increase of private museums and an exodus of professionals do acknowledge how circumstances and administrative clutter have given rise to such

⁴⁹⁷ Richard Sandell, *Museum management and marketing*, p.294.

⁴⁹⁸ Ibid. p.191.

⁴⁹⁹ Martin Feldstein, *The Economics of Art Museums*, p.68.

⁵⁰⁰ Michelle Wright, *A Question of Resources*, *Arts Professional*, March 2, 2017.

⁵⁰¹ Bianca Knall interview.

⁵⁰² Dörte Hinrichs, *Mäzene, Macht, Millionen*, Deutschlandfunk, June 25, 2016. Claire Bouchara, Max Bossier, Dr. Christine Howald, Shasha Liu, Christoph Noe, Kaisha Woo, Cuiyun Xu, Yingxue Sun, Wen Ren, *Private Art Museum Report*, Larry's List, Modern Arts Publishing, January 2016) p.37.

⁵⁰³ Thomas E. Schmidt, *Diesen Mut muss man haben*.

phenomena, with the success of the private museum partly lying in the relative freedom such institutions enjoy.⁵⁰⁴ While still an anomaly in relation to the wider body of institutions in Germany, the development is indicative of alternatives to long established notions of the state taking full responsibility for the arts emerging, fuelled by economic factors and also a rejection of its intervention as an acceptable force. On a broader scale, this development has been interpreted as the evolving structure of the cultural sphere returning to its former state in a cyclical fashion to a private museum motivated by nation-building efforts⁵⁰⁵ Once again becoming neo-aristocratic institutions that 'don't pretend to have any real connection to the public sphere', Gopnik predicts that private collections may eliminate the only buffer that still exists between contemporary art and its market.⁵⁰⁶ From whichever perspective one examines the interactions of the art museum with the market, it is clear that the points of contact between the art museum and the economic realm are plentiful, significant and an important factor to consider as this research moves on to examine management practice and its ability to support sustainable outcomes. The rejection of management practices respecting the economics of the museum and also the economic dimension of sustainability is therefore the culmination of the factors examined in relation to cultural, political and economic elements informing museum behaviour and can be held accountable for their impact on the ability of institutions in Germany to implement management practices associated organizational sustainability as well as their ability to shape institutional outcomes.

⁵⁰⁴ Julia Voss, *Die Vorzüge des Privatmuseums: Wer jetzt keins hat, baut sich eins*, Frankfurter Allgemeine Zeitung, June 6, 2016.

⁵⁰⁵ Julia Halperin, *Are the Arts Spreading? \$8.45 Billion Was Spent on Building Cultural Institutions Around the World Last Year: More than 101 major cultural facilities opened around the globe in 2016, according to a new report*, Artnet News, November 21, 2017.

⁵⁰⁶ Ben Mauk, *The Rise of the Private Art "Museum"*, The New Yorker, May 28, 2015.

4.2 CONCLUSION: PRAGMATISM VERSUS PRINCIPLE

Based on the presented discussion, this chapter presents evidence that adherence to principle obstructs functioning, acting as an obstacle to best practice, providing an additional layer of understanding for the subsequent discussion of management practice. The effects of mental cultural components override the logic of value formation and consequently shape funding models through enforcing a separation of the arts and other systems (4.1.2), manifest in the anti-market mentality. The counterargument presented by Janes proposing to break down this separation and move systems closer together is met with a resistance informed by the triangular exchange previously introduced. While pragmatism would allow institutions to embrace the market environment they operate within as they abide by its rules of value formation by necessity, principle dictates a rejection thereof, causing inefficiencies.

In *Das Kunstmuseum: Eine erfolgreiche Fehlkonstruktion* (The Art Museum: A Successful yet Faulty Design) Grasskamp poses the question whether the German art museum is fit to deal with the increasingly complex demands of its contemporary environment or whether it is headed towards a crisis, as it is caught up amidst shrinking budgets and conflicting expectations. He touches upon major shifts in the industry such as the progressive 're-feudalisation' of the art collection and how public museums never answered to the economics of efficiency but are now confronted with a consumer ideology.⁵⁰⁷ This is echoed by Martin Roth - who was lauded for reinventing the museum through innovative management but also not holding back when criticising German 'administrative madness',⁵⁰⁸ micromanaging administrative bodies, an aforementioned excessive focus on pedagogy and inflexible operating structures. Contrasting his work experience in Germany and the UK, Roth had called out the strict organisation of the German museum with regards to cultural pedagogy and the long tradition this is rooted in, paired with a lack of attention paid to financial aspects, in comparison to his experiences in the UK. Highlighting the close ties between the museum and state, he demanded greater autonomy and entrepreneurial thinking as he criticises the potency with which the *Kultusministerium* influences management practice.⁵⁰⁹

⁵⁰⁷ Walter Grasskamp, *Das Kunstmuseum*.

⁵⁰⁸ Ulrich Raulff, *Er erfand das Museum neu*, Frankfurter Allgemeine Zeitung, August 6, 2017. Martin Roth ist tot, Die Zeit, August 6, 2017, [accessed September 13, 2017]. Stefan Koldehoff, *Alles andere als konventionell*, Deutschlandfunk, August 7, 2017, [accessed November 25, 2017].

⁵⁰⁹ „Eine Überpädagogisierung macht die Dinge schwerfällig. Deutschland hat in dieser Hinsicht eine lange Tradition.“ (author's translation) Thomas E. Schmidt, 'Diesen Mut muss man haben'.

Both Grasskamp and Roth provide a poignant summary of the different elements discussed up until this point, all of which influence management practice and consequently the sustainability potential of institutions. They also demonstrate that it is pragmatism contested by principle that creates friction in the implementation of management practice, different systems competing and cancelling each other out. In the interview Adrienne Horn, President of US-based Museum Management Consultants shares a pragmatic evaluation of current developments when asked about adapting management practices to meet changing demands versus the fear of having to abandon principles in ways that threaten the quality of curatorial work. She contends that museums do not have to move away from their mission or values by virtue of becoming more entertaining. 'There's a lot to think about, then it comes to figuring out how to stay financially on top of things but at the same time staying tied to your mission and core values.'⁵¹⁰ In contrast, Schellenberg, who acknowledges in the interview that the economic pressure on museums is increasing, states that 'this primacy of economic criteria is less pronounced in German-speaking Europe, which remains more focused on traditional elements related to research, collecting and scholarship, which are of equal if not greater importance'.⁵¹¹ This fundamental difference in attitude demonstrates the two viewpoints introduced, one that is wary of two systems, defined as incompatible, moving closer together, while the other seeks to leverage this development for any potential benefit this might hold, while the interior can remain intact. Certain tenets within value discussions, namely those based on the idea that the arts must be recognised for their intrinsic value and should be under no obligation to justify any support received, introduced in 4.1, also contribute to such attitudes of classifying financial considerations as a mere annoyance or necessary. Disregarding or only begrudgingly accepting that certain environmental changes warrant a re-evaluation of practices, protects the identity and belief systems of the professional and institution but can – as the data presented on institutional outcomes in 4.1.1 – negatively affect organisational sustainability. The ensuing chapters examine how these ideologically grounded formative elements shaping museum behaviour manifest within management practice, reflecting on how the examined practices relate to the established best practices supporting sustained development.

⁵¹⁰ Adrienne Horn interview.

⁵¹¹ Frank Schellenberg interview.

5. MANAGEMENT PRACTICE IN THE ART INSTITUTION

This chapter stages an examination of management practices through the lens of sustainability, based on the best practices identified. It thereby pertains to the third research objective: examining how German art museums are dealing with the challenges they confront in their contemporary environment, and to what effect their methods align with best practices. It therein takes into account the political, historical and cultural undercurrents informing management and policy decisions and practice explored in the two previous chapters.

The analysis is constructed around one of the arguments relating to best practices defined in chapter one: that sustainability is supported through the pursuit of financial health and social value as an organisational bottom line. Each subsection of this chapter examines a different field of management based on the understanding that even though core museum activities are not thought of as connected to secondary management-related activities, they are inextricably linked in that the first depend on the latter. All practices examined here have ability to provide museums with a means to meet economic and social bottom lines. Consequently, this research makes the assumption that the management systems and processes embedded within an organisation would all inherently have an explicit sustainability focus or dimension.⁵¹²

The first subsection of this chapter examines financial planning related management practice, which is closely tied to the outcomes of the policy and value discussions featured in chapter three and four. The next section analyses approaches to earned income and commercial activity, in which findings surrounding the distinct differentiation between the arts and the commercial realm (see 4.1.2) help understand how the anti-market mentality and also a passive attitude among museums with regards to responsibility for funding, prohibit museums from establishing more self-sufficient and financially diversified operating models, hurting their sustainability. The next section focused on marketing and audiences expands on this, examining moral implications of practice based on patterns of cultural consumption in Germany. It illustrates how notions of museum identity and the relationship audiences should have with art, create conflict. The final section, addressing patronage and sponsorship, explores how said passive behaviours and an aversion towards the market have warranted the high prevalence of sponsorship and

⁵¹² Seraphina Brown and Adilla Dharmasasmita, 'Integrating the three pillars of sustainability: social, environmental and economic'.

patronage as a means of financial support. It questions how the nature of this means of income generation is in line with established notions of museum identity, where a proactive pursuit of income would create dissonance.

This chapter assesses the overall directionality of German art museums with regards to management practices that support sustainability on an economic and social level and contributes an understanding of how behaviours affect the implementation of best practices.

5.1 MUSEUM MANAGEMENT GUIDANCE AND CONCERNS THROUGH A SUSTAINABILITY LENS

The Mendoza Review, which proposes a series of recommendations for museums in England to enable a more strategic approach to the application of public funding,⁵¹³ presents practices related to the efficient use of resources, adaptability, growing audiences and developing leaders with appropriate skills⁵¹⁴ - partly through adapting practices from other sectors.⁵¹⁵ Though not focused on German art collections, the report addresses all areas of management, which – as defined in chapter one - very directly impact organisational outcomes and perspectives in terms of sustainability. It provides a structure for the examination staged in this chapter with regards to management disciplines and – in chapters six and seven - in relation to the efficient use of resources, adaptability and professional identity.

5.1.1 ASSETS, ACCOUNTING AND FINANCIAL PLANNING

Chapter one establishes that sustained development describes the capacity of the museum to maintain itself and core activities indefinitely, through placing a positive value on long term planning under consideration of multiple social and economic bottom lines. This is achieved through adaptability and responsiveness, of which agile budgeting and financial management is a part.

In this section, an examination of accounting and financial planning practice provides evidence to support some of the central arguments brought forth in previous chapters: the non-negotiable expectation of public bodies is responsible for arts funding and ideologically infused cultural policy putting German institutions in a position in which they are de-incentivised from aiming to achieve financial stability and self-sufficiency. The subsequent examination demonstrates how practices observed are not in line with best practices and as a consequence, how long-term sustainability is obstructed through legal and process constraints. Viewing financial planning and core museum tasks as opposites and rejecting an assessment of programmatic decisions with financial criteria is unsupportive of the financial health of an institution and as a result to its sustainability. This also illustrates the effect identity and the separation of the arts from any economic consideration has on management practice.

⁵¹³ Neil Mendoza, *The Mendoza Review: an independent review of museums in England* (Department for Digital, Culture, Media & Sport, 2017), p.7.

⁵¹⁴ Ibid. p.30.

⁵¹⁵ Ibid. p.66.

According to Paramasivan, financial management is concerned with the efficient and effective use of capital funds through decision-making that harmonises individual motives and enterprise goals⁵¹⁶ by determining basic objectives regarding profit and wealth maximisation⁵¹⁷ through forecasting financial requirements,⁵¹⁸ financial planning and fund acquisition.⁵¹⁹ Given that a firm's ability to remain sustainable also depends on constant improvements, it is vital for a company to evaluate proposed projects accurately.⁵²⁰ Here, estimating expected cash flows, rate of return⁵²¹ as well as forecasting⁵²² are used. Within a museum, approaching programmatic decisions from this perspective requires an acknowledgement of financial concerns informing such programmatic contemplation.

In the interview, Bianca Knall, Business Director of the Stiftung Kunstsammlung NRW, explains that the Kunstsammlung NRW

'plans with a focus that is financially independent. It can be done differently and perhaps other institutions may not have a choice, the Kunstsammlung NRW makes an effort to keep it this way. Content is prioritised and financial considerations are secondary. We do involve all departments of the museum, include visitor experience, communications, commercial functions and the publications department'.⁵²³

This outward rejection of financial considerations and a substitution with curatorial concerns as a safeguard of said 'independence' reflects the paradox perception of acceptable forms of intervention explored in 3.1.1 and ultimately stands in opposition with the principle of making decisions under consideration of financial benefit. While the Kunstsammlung may be able to afford to take this position when other struggling institutions (4.1.1) are not, their position may be emblematic of a wider phenomenon: directors and policy makers not paying adequate attention to financial considerations or being unwilling to acknowledge that finances may factor into decision-making processes.

⁵¹⁶ C. Paramasivan, T. Subramanian, *Financial Management* (New Delhi: New Age International Publishers, 2009), p.3.

⁵¹⁷ Ibid. p.5.

⁵¹⁸ Ibid. p.8.

⁵¹⁹ Ibid. p.9. Richard Wilson, *Principles of Business: Management* (Ipswich: Salem Press, 2017), p.107.

⁵²⁰ Eugene Brigham, Michael Ehrhardt, *Financial Management: theory & practice* (Boston: Cengage Learning, 2017), p.414.

⁵²¹ Ibid. p.417.

⁵²² Ibid. p.505.

⁵²³ Bianca Knall interview.

Historically grounded and ideologically informed policy and funding models explored in previous chapters, are seen to create a system in which institutions are de-incentivised to develop self-sufficient structures and are therefore hindered in achieving sustainable funding models.⁵²⁴ A major element to the financial management of any institution is the accounting system with which it manages budgets.⁵²⁵ According to Gangwar, a clear objective within an organisation has to be that the accounts reflect the true results of its operation⁵²⁶ and income should be properly matched with the expenses of a given accounting period.⁵²⁷ A comparative study looking at arts funding in Germany and the UK,⁵²⁸ outlines how policy changes by the Thatcher government thrust British museums into a more market-driven system,⁵²⁹ in which they were expected to earn a greater proportion of their income. When before there had been little incentive for museums to increase their income, changes with regards to retaining excess income irrespective of future funding, encouraged more entrepreneurialism and allowed museums to plan further ahead.⁵³⁰ In the case of German museums, a system of courtly cameralistics came with collections that were taken over by public entities from abdicated aristocratic rulers. Budgets are run by several committees (*Kulturausschuss*, *Haushaltsausschuss*, *Hauptausschuss*) (Cultural Affairs Committee, Budget Committee, Main Committee) and different positions within this budget are fixed and cannot be allocated differently. Public subsidies are based on projected deficits after negotiations between the cultural institution and the cultural bureaucracy, subject to an asymmetrical flow of information, where the institution can document and substantiate need where they see fit, without much objection from the other side.⁵³¹ Past deficits are used as a reference for future deficits.⁵³² This system of cameralistic planning causes inefficiencies:⁵³³ it makes institutions inflexible in terms of resource allocation.

More importantly there are no incentives to engage in good business practice as savings would result in budget cuts in the ensuing year, causing museums to spend unnecessarily at the end of the year - a common practice referred to as 'Dezemberfieber' (*December*

⁵²⁴ Maurice Davies, Helen Wilkinson, The Museums Association, *Sustainability and Museums*.

⁵²⁵ C. Paramasivan, T. Subramanian, *Financial Management* (New Delhi: New Age International Publishers, 2009), p.9. Richard Wilson, *Principles of Business*, p.4.

⁵²⁶ Sharda Gangwar, D.K. Gangwar, *Fundamental Principles of Accounting* (Mumbai: Himalaya Publishing House, 2009), p.16.

⁵²⁷ Ibid. p.18.

⁵²⁸ Lisa Becker, *Kulturfinanzierung in Großbritannien und Deutschland*, p.1.

⁵²⁹ Richard Sandell, *Museum management and marketing*, p.403.

⁵³⁰ Martin Feldstein, *The Economics of Art Museums*, p.278.

⁵³¹ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.55.

⁵³² Ibid. p.56.

⁵³³ Lisa Becker, *Kulturfinanzierung in Großbritannien und Deutschland*, p.24.

fever) - and also making long term financial planning impossible, given the prescribed one-year limit of planning. Incentives to maximise profits are naturally also absent, as the '*Gesamtdeckungsprinzip*' redirects excess income and savings into the general public budget, not allowing the institution to use it for their own purposes.⁵³⁴

The accounting system has been recognised as partially responsible for the financial situation of many German museums and there have been measures taken to install a system defined by more economic agency (see chapter six),⁵³⁵ alleviating some of the grievances caused by the bureaucratic paternalism.⁵³⁶ In order to create incentives, policy makers have begun to grant museums their earned surplus as well as defining grants for several consecutive years in advance. Alternatively, grant allocation based on output and performance such as reducing costs or achieving target visitor numbers, has been described as a useful method.⁵³⁷ In spite of their perceived complexity in comparison to established systems, Bernhard assesses such methods as appropriate through their market-oriented allocation.⁵³⁸ Plans to change the current system are all centred around bolstering the independence of art museums, which in consequence leads to a discussion of disincorporating museums from state administration as the most radical consequence of such a reform or transferring them into the third-sector.⁵³⁹ Even if new accounting systems have not been implemented at a greater scale in German institutions, it has become more common for museums to circumvent the restrictions of a cameralistic system (see 6.2.1).⁵⁴⁰

Frank Schellenberg, Director of *actori*, confirms in the interview that while the exact accounting system differs greatly from the administrative structures each institution is embedded in, it is not uncommon for museums to be in a situation 'where excess income cannot be utilised, which can have a demoralising effect and may encourage institutions to focus less acutely on economic efficiency. German administrative structures may not incentivise institutions to act economically'.⁵⁴¹

⁵³⁴ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.56. Lisa Becker, *Kulturfinanzierung in Großbritannien und Deutschland*, p.24.

⁵³⁵ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.57.

⁵³⁶ Walter Grasskamp, *Das Kunstmuseum*, p.19.

⁵³⁷ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.58.

⁵³⁸ *Ibid.* p.74.

⁵³⁹ *Ibid.* p.82.

⁵⁴⁰ *Ibid.* p.58.

⁵⁴¹ Frank Schellenberg interview.

Similarly, Knall recognises the '*December Fever*' phenomenon, where institutions, especially those embedded within a municipal budget, may incur excessive expenses in order to prevent budget cuts resulting from any savings.

'We've all heard of the 300.000 pencils that are bought as the year comes to a close, because there's money left and so that this money will not be cut in the subsequent year. It does encourage some absurd behaviour. Funds that cannot be carried over are not put to optimal use. More flexibility, long-term planning and incentives would be beneficial. The way in which institutions operate is greatly affected by such mechanisms'.⁵⁴²

Case study data shows that in a report by the *Ministerium der Finanzen des Landes Nordrhein-Westfalen* (Ministry of Finance of the Federal State of NRW), which provides a budgetary breakdown for 2015 detailing that the Stiftung received a total of € 10,849,000, shows that it was allowed to retain funds of up to € 1,023,000.⁵⁴³ The Kunstsammlung must use income from donations and fundraising during the current period or year after, as retaining profits is only permitted to a limited extent.⁵⁴⁴ This provides an example of an institution with little incentive to invest greater resources into increasing efficiency and earned income. The inefficiencies these methods create for the museum and the funding body are addressed in an investigation launched by *Landesrechnungshof*, criticising inefficient use of resources.⁵⁴⁵

This is in stark contrast to the methods used by *MoMA*, in which case study data presents an example of how an art museum can, on the basis of different historical and legal parameters, take on an approach which foregrounds financial considerations. Before the crisis of 2008, the *MoMA*'s board of trustees sold its equities in order to move into an all-cash position.⁵⁴⁶ In 2011 Moody's Investors Service noted that *MoMA* had 'superior financial flexibility with over \$ 332,000,000 of unrestricted financial resources'.⁵⁴⁷ That same year the museum reported net assets just over \$ 1 billion,⁵⁴⁸ demonstrating the way in which the museum flexibly manages assets akin to other private sector corporations.

⁵⁴² Bianca Knall interview.

⁵⁴³ Ministerium der Finanzen des Landes Nordrhein-Westfalen, *Haushalt: Kapitel 07 050 Kulturförderung*, (n.p.l: 2016), pp.70 – 121.

⁵⁴⁴ Holzmann, Sammler und Museen, chapter 3.3, pp. 60 – 114.

⁵⁴⁵ Das Große Kollegium des Landesrechnungshofs Nordrhein-Westfalen, *Jahresbericht 2017 über das Ergebnis der Prüfungen im Geschäftsjahr 2016: (Art. 86 Abs. 2 LV, § 97 LHO)*, (Düsseldorf: Brigitte Mandt, Die Präsidentin des Landesrechnungshofs Nordrhein-Westfalen, 2017), p.13.

⁵⁴⁶ Philip Boroff, *Museum of Modern Art's Lowry Earned \$1.32 Million in 2008-2009*, Bloomberg, August 10, 2009, [accessed August 27, 2018].

⁵⁴⁷ Katya Kazakina, *S&P Raises Museum of Modern Art's Debts Rating on Management*, Bloomberg, January 11, 2015, [accessed August 27, 2018].

⁵⁴⁸ Excludes the value of its collection. Arianne Cohen, *A Museum*, New York Magazine, June 3, 2007, [accessed August 27, 2018].

While this does not necessarily have an exemplary function for museums working within other policy frameworks, it shows the long-term outcome vastly different ideological outlooks can have on contemporary practice. Changes to established systems – which encourage behaviours that are in violation of an efficient allocation of resources and long-term financial planning - would require a radical break with the philosophical basis for many of the employed funding models, as well as a re-conceptualisation of the museum as something more detached from the funding body. A possible alternative is explored in *7.1 Sustainability and the Social Entrepreneur*.

A similar display of valuing ideology over financial considerations surfaces within the discussion of the valuation of a museum's collection and de-accessioning. This is based on the argument that the value assigned to art is in conflict with the commercial connotations inherent in classing the collection as assets. According to Ginsburg and Menger, the way in which the value of art is perceived strongly impacts its economic efficiency,⁵⁴⁹ apparent in the fact that collections are often not classed as capital.⁵⁵⁰ Johnson and Thomas argue that museum directors may have an interest in not valuing their stock, as this would make them more vulnerable to external performance appraisal.⁵⁵¹ In line with the anti-market mentality (4.1.2), there is the position that art museums should pursue the conservation and exhibition of art but not monetary dealings, which Frey describes as idealistic and incompatible with reality.⁵⁵² Based on this logic, it can be observed that in German collections, de-accessioning as a means of creating financial leverage is as a taboo. Bernhard explains that the financial misery of many German art museums could be radically alleviated if they only sold a small part of their collection.⁵⁵³ Yet it is seen as a practice that defeats the purpose of the art museum.⁵⁵⁴ Ironically, the idea that an art work is permanently removed from the market when acquired by a museum - as stated by the *DMB* – is according to Grasskamp, incorrect,⁵⁵⁵ as the work does maintain if not increase its value while in the possession of the museum, only to then re-enter the market.

⁵⁴⁹ Victor Ginsburg, Pierre-Michel Menger, *Economics of the arts*, p.221.

⁵⁵⁰ Ibid. p.223.

⁵⁵¹ Peter Johnson, Barry Thomas, 'The Economics of Museums: A Research Perspective', *Journal of Cultural Economics*, Vol.22 (1998), pp. 75-85.

⁵⁵² Bruno S. Frey, 'Cultural Economics and Museum Behaviour'.

⁵⁵³ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.81.

⁵⁵⁴ Walter Grasskamp, *Das Kunstmuseum*, p.44.

⁵⁵⁵ Ibid. p.43.

This dichotomy can be seen as stemming from the historically defined antagonism and prejudice that causes conflict when culture is to be transferred into capital,⁵⁵⁶ where economic gain is contrasted with a cultural loss of identity.⁵⁵⁷ This is further emphasised by the common practice of museums engaging in exchanges⁵⁵⁸ due to the absence of money.⁵⁵⁹

Data collected throughout the course of this thesis shows that in cases in which German art museums have deaccessioned part of their collection out of financial necessity,⁵⁶⁰ the concern surrounding the moral implications of this has been greater than the understanding institutions have received. Similarly, Antonella Sbarra, ArtPartner Relations Project Manager, states in the interview that using money from deaccessioned parts of the collection to cover operating costs has a negative impact on the way the institution is viewed. 'If we were to start selling the entire collection to carry out repairs to the roof of the museum, that would be problematic and would generate a very negative public perception'.⁵⁶¹ Questions of identity, mission and museum ethics emerge in the effort to meet expectations of the public.

The discussion in this section presents arguments that not prioritizing financial concerns in museum decision-making or characterizing them as harmful to the quality of museum work can result in resources being allocated inefficiently. Viewing financial planning and core museum tasks as diametrically opposed, rejecting an assessment of programmatic decisions with financial criteria and budgeting constraints which create passive behaviours, does not support best practices through adaptability, long term financial planning, financial autonomy and the efficient use of resources. Instead this penalizes methods that would help build a more diverse funding and self-sufficiency, which are in turn aligned with best practices for sustained development. While the financial data to draw a definitive conclusion from is not available, one may question whether the diminished ability to support the financial dimension of sustainability is reflected in the institutions (4.1.1), which are dealing with financial issues.

⁵⁵⁶ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.17.

⁵⁵⁷ Ibid. p.19.

⁵⁵⁸ Walter Grasskamp, *Das Kunstmuseum*, p.45.

⁵⁵⁹ Ibid. p.47.

⁵⁶⁰ Ilka Wiese and Monika Willer, *Museum für Gegenwartskunst Siegen nun Zukunftsfest*. Gudrun Herz, *Pressemitteilung: Kestner Gesellschaft sammelt 274.000 Euro bei Benefiz-Auktion*.

⁵⁶¹ Antonella Sbarra interview.

5.1.2 EARNED INCOME AND COMMERCIAL ACTIVITY

The following examination of earned income in the art museum is based on the premise that sustainability is the result of financial autonomy,⁵⁶² financial health, respecting an economic bottom line within an organization and cultivating diversified income.⁵⁶³ It analyses how these components of sustained development are obstructed by the conflict of two systems: museum identity as something removed from the commercial sphere and also the notion of responsibility firmly rooted within an external funding body versus the necessity to engage in an active pursuit of income and develop alternatives to traditional funding structures. The baseline of this conflict was explored in detail in chapters three and four, in which this thesis deconstructed how – based on certain schools of thought – commercial activity is characterized as the root of corruption of the quality of museum work, as a system that is not only foreign but even hostile to the closed system of the art museum. This section establishes that while there is an awareness surrounding the need to redesign approaches to support the museum, there is also a deep mistrust of more proactive approaches to income generation based on a strong anti-commercial directionality and moral condemnation of income that was earned and not received. This conflict raises questions of why more self-sustained management practices are not simply part of best practice, regardless of the availability of public resources.

A pillar of financial support for many museums is admission, powering the discussion surrounding how it can be leveraged optimally – it is however also the only subject of discussions receiving much consideration in the deliberation of how a museum can proactively address financial issues within a German context. The historical basis for the aversion to the commercial imperative of charging admission can be seen in Francois-Xavier de Burtin lamenting the 'shameful' practice of princes in Germany charging an entrance fee to the non-resident visitor in 1808⁵⁶⁴ or Pomian's definition of the public museum, which is first and foremost characterised by its non-commercial directionality. The entrance fee is 'requested with a guilty conscience',⁵⁶⁵ and the price of admission is not the counter value for a service but rather reflects a donation, making this part of a gifting economy and not a market economy.⁵⁶⁶

⁵⁶² Izabela Luiza Pop, Anca Borza, 'Factors Influencing Museum Sustainability and Indicators for Museum Sustainability Measurement'.

⁵⁶³ Maurice Davies, Helen Wilkinson, *Sustainability and Museums*.

⁵⁶⁴ Francois-Xavier de Burtin, 'Galerien im Allgemeinen, ihr Ursprung und ihre Nützlichkeit', in Kristina Kratz-Kessemeier, Andrea Meyer and Benedicte Savoy, *Museumsgeschichte*, pp.73 - 78.

⁵⁶⁵ Krzysztof Pomian, *Der Ursprung des Museums*, p.68.

⁵⁶⁶ Ibid. p.68.

A survey conducted by the *Ifo-Institute for Economic Research and Institute of Museum Studies* found that the feasible margin for increasing admission is very limited,⁵⁶⁷ due to limited price elasticity. Prices above the marginal cost of the last visitor would decrease demand and consequently the supply of cultural offerings, contrarily suggesting lowering admission costs as a feasible practice.⁵⁶⁸ Isabel Pfeiffer-Poensgen, at the time General Secretary of the *Kulturstiftung der Länder* (Cultural Foundation of Federal States) explains that not charging admission cannot work in Germany given that it presents an incentive to create compelling programming. When questioned whether she feels marketing could increase visitor numbers and thereby benefit the museums, she states this would be contrarian to the ideal of the museum - that she may be old-fashioned but believes that a museum should be a space for education and not entertainment.⁵⁶⁹ Coming from a perspective not specific to Germany is Spinks, arguing that 'While the method for keeping the doors of museums open may differ, the top-down idea that access to arts and culture is not just an urban perk but a government-sponsored right does something, I think, to the way we think about culture as a society. Making museums free, it seems, makes people think of museums as something to do'.⁵⁷⁰ Consequently, it is not simply an economic issue but also part of a social debate. If museums see educating the public as part of their mission, increasing access is crucial to achieving this. What creates a conflict is that - in the case of German museums - working to develop income independent from admission fees through leveraging commercial activity to achieve this, is not widely considered, also impacting and impacted by the relationship many museums have with audiences. The ambivalence surrounding the subject, visible in the statement made by Pfeiffer-Poensgen, is reflected in interview data: while Knall holds the position that the museum must not necessarily be a place that charges visitors admission, she does also acknowledge that a certain amount of funding from admission income is a key part of the budget.

Knall then – as cited in the previous chapter - adds that 'the focus should not be on visitor numbers', cautioning that otherwise 'a visit to the museum may resemble too much of spectacle' and that it is 'best avoided to move in this direction'.⁵⁷¹

⁵⁶⁷ Jörg Sikkenga, *Weiterempfehlung im Kulturbereich: eine austauschtheoretische Betrachtung der senderorientierten Weiterempfehlung* (Leipzig: Leipziger Universitäts Verlag, 2016), p.48.

⁵⁶⁸ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.48.

⁵⁶⁹ Robert Hofmann, *Warum Museen in Deutschland nicht kostenlos sind*, *Süddeutsche Zeitung*, March 21, 2016.

⁵⁷⁰ Rosie Spinks, *Free museums don't just draw crowds, they shape culture*, Quartz, January 18, 2018, [accessed July 16, 2018].

⁵⁷¹ Bianca Knall interview.

On the other side of this is a concept nestled between earned-income, admission and utility: because receiving public support draws the attention of policy makers to the economic performance of a museum, economic efficiency would imply that scarce resources should be allocated to maximize social welfare or public value.⁵⁷² Free entry is sometimes justified with the economic efficiency argument that the additional cost of admitting one more visitor is zero. Shorter opening hours and admitting less visitors means excessive fixed costs, due to ignoring opportunity cost,⁵⁷³ as there is a loss of utility⁵⁷⁴ when looking at the entirety of resources invested and the marginal additional cost.⁵⁷⁵ Considering attendance as a measure of output,⁵⁷⁶ museums would fail to achieve economies of scale. The admission charge should be less than the cost per visitor.⁵⁷⁷ Frey outlines that due to falling average costs, which result from high fixed costs being distributed over a larger number of visitors, marginal cost and price are below average, causing a deficit.⁵⁷⁸

Lin expands on this concept by proposing a system resembling an economy of scale. Lin argues that the revenue provided by admission comes at the cost of lost income opportunities elsewhere, for example in the gift shop, café and private donations. Abandoning entry fees may lead to increased income in these areas.⁵⁷⁹ Elaborating more on the presented model and conflicting with both the anti-commercial stance many outlined, as well as exposing the futility of the excessive focus on admission fees, is the fact that the hours when museums are open have no discernible relation to the use of their resources, to the supply and demand of museum services and to their marginal cost and revenue.

By this logic German art museums, given their fixed cost, would be more efficient with longer opening hours,⁵⁸⁰ allowing visitors to spend money to relativize fixed expenditures. When a museum is closed there is a net welfare and utility loss argues Ginsburg.⁵⁸¹

⁵⁷² Bruno S. Frey, 'Pay as you go: a new proposal for museum pricing', *Museum Management and Curatorship*, Vol. 27, 3 (2012), pp. 223-235.

⁵⁷³ Victor Ginsburg, Pierre-Michel Menger, *Economics of the arts*, p.231.

⁵⁷⁴ Ibid. p.232.

⁵⁷⁵ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.47.

⁵⁷⁶ Victor Ginsburg, Pierre-Michel Menger, *Economics of the arts*, p.269.

⁵⁷⁷ Ibid. p.238.

⁵⁷⁸ Bruno S. Frey, 'Pay as you go'.

⁵⁷⁹ Yung-Neng Lin, 'Ethics and challenges of museum marketing' in Janet Marstine (Ed.) *The Routledge Companion to Museum Ethics: Redefining ethics for the twenty-first century museum* (London: Routledge, 2011), p.214.

⁵⁸⁰ Victor Ginsburg, Pierre-Michel Menger, *Economics of the arts*, p.231.

⁵⁸¹ Ibid. p.232.

Bernard and Gräfigen, introducing a German perspective, argue that the variable operating costs that decrease with shorter opening hours pale in comparison to the potential earned income when achieving an economy of scale in terms of visitor numbers. A decrease in admission would in turn encourage more people to spend money on the commercial service offering, having an overall positive effect on income generation while at the same time breaking down barriers to participation. Both Bernhard and Gräfigen call into question why this is not exploited accordingly.⁵⁸²

The reason for this may be rooted both in an ideology-related non-commercial directionality of many institutions as well as the policy framework museums operate within. While belief systems dictating the art museum must be removed from the market are creating an ideological barrier - an example being Knall likening an increased visitor focus to spectacle⁵⁸³ - the constraints put on public institutions with regards to the amount of income that can be retained and utilised flexibly, de-incentivise more economic behaviour. In addition to this, the non-profit status of an institution is dependent on not pursuing any type of economic self-interest.⁵⁸⁴

Frey and Pommerehne observe that in Europe and particularly in Germany, museum directors appear to have been more successful at substituting non-commercial standards for evaluating their work, granting them greater discretionary leeway.⁵⁸⁵ No longer forced to cover costs by its own efforts, commercial activities are carried out only on a small scale, which in turn legitimises the museum's activities by referring to artistic or academic values, making it difficult for public administrators to criticise the directorate competently. When little attention is paid to the profitability of museum shops, restaurants and cafeterias,⁵⁸⁶ this allows museum directors to show only a limited interest in attracting a large stream of visitors.⁵⁸⁷

British curator Peter Cannon-Brookes supports this by arguing that market driven management systems threaten the intellectual integrity of museums as they are forced to search for new mass publics uninterested in their core functions.⁵⁸⁸ This compactly also distils the dynamic surrounding commercial activity and all contributing factors in German arts institutions.

⁵⁸² Eric M. Bernhard, *Kunst als Kapitalanlage*, p.48.

⁵⁸³ Bianca Knall interview.

⁵⁸⁴ Katrin Louise Holzmann, *Sammler und Museen*, chapter 3.3, pp. 60 – 114.

⁵⁸⁵ Bruno S. Frey, Werner W. Pommerehne, *Muses and Markets*, p.71.

⁵⁸⁶ Ibid. p.72.

⁵⁸⁷ Ibid. p.75.

⁵⁸⁸ Victor Ginsburg, Pierre-Michel Menger, *Economics of the arts*, p.255.

Bräutigam and Gerlach theorise that this aversion to commercial activity in German museums may be partially rooted in history and national character,⁵⁸⁹ related to mental cultural components associated with internal expectations of control and self-efficacy.⁵⁹⁰ Hampel describes that as the art museum landscape in post-war Germany underwent a transition from being an inwardly focused 'ivory tower' of a secluded elite, not having to engage in a capitalist system, to having to adapt to the leisure and experience-centric demands of today's consumer society.⁵⁹¹ She does acknowledge that the museum is not inevitably subject to trivialisation⁵⁹² as a result of commercial activities, but at the same time likens the modern museum to a shopping mall,⁵⁹³ aligning her argument with those made by interviewed professionals included in the discussion surrounding the anti-market mentality. In stating that the outcome of the discourse surrounding the so-called commercialisation of culture is largely dependent on whether the concept of culture and commerce is viewed as mutually exclusive rather than there being a recognisable opportunity in the amalgamation of the two,⁵⁹⁴ she argues that as a consequence of Germany up until this point is accustomed to viewing culture as something 'pure' outside of the economic realm,⁵⁹⁵ reflective of the values explored in previous chapters. Overall her perspective however appears to be comparatively circumspect, yet it also embodies the dissonance observed in many of the behaviours discussed. Grasskamp argues that it is not realistic for art museums to be able to support themselves through earned income and that all optimism is misdirected.⁵⁹⁶ There are arguably a number of ways in which German art museums could improve their situation but are failing to do so, meaning that Grasskamp may identify the problem but seems to be overlooking the cause.

When looking at data, it becomes apparent that most museums in Germany (74.7% operate a cafe or restaurant; 87.4 % operate some type of museum shop) have some form of commercial activity. Only 24.1 % percent of institutions studied have a function related specifically to managing commercial activity, indicating the level of priority such activities inhabit.

⁵⁸⁹ Rita Gerlach-March, *Kulturfinanzierung*, p.15.

⁵⁹⁰ Gregor Bräutigam, *Kulturökonomie, Kulturgenerierung - Kulturanalyse - Kulturkontakt*, p.205.

⁵⁹¹ Annika Hampel, *Der Museumsshop als Schnittstelle von Konsum und Kultur*, p.48.

⁵⁹² Ibid. p.54.

⁵⁹³ Ibid. p.68.

⁵⁹⁴ Ibid. p.140.

⁵⁹⁵ Ibid. p.142.

⁵⁹⁶ Walter Grasskamp, *Das Kunstmuseum*, p.20.

This is reflected in both the Museum Ludwig and Stiftung Kunstsammlung NRW only generating a marginal amount⁵⁹⁷ of their overall funding themselves as case study data shows, compared to the international cases studied. It is important to note that since 2010 expenses at the Museum Ludwig exceeded the available budget by € 6,000,000 each year. There has been awareness that income generated through admission is not nearly sufficient to cover operating costs and increasing ticket prices did little to help.⁵⁹⁸ The City of Cologne provides a subsidy of € 9,075,249 to the museum, breaking down to € 29,76 per visitor in 2017.⁵⁹⁹ With limited opening hours,⁶⁰⁰ it becomes apparent that this may resemble the situation described earlier in this section of visitors having little opportunity to spend time and money at the museum independent of exhibitions - to offset the cost of having the space open. Instead of seeking out ways in which income could be substituted through commercial activity to balance out funding deficits, the museum reacted by demanding additional funding from the city⁶⁰¹, demonstrating the effect of established notions of responsibility impacting management practice, limiting the ability to operate in a self-sufficient and sustainable manner. Aside from free educational events and services, the museum offers a range of services at a fee,⁶⁰² and generates between income through membership programmes, corporate partners,⁶⁰³ alongside the Gesellschaft für Moderne Kunst am Museum Ludwig⁶⁰⁴ and Junge Freunde⁶⁰⁵ - all notably passive forms of income.

A bookshop⁶⁰⁶ and a restaurant - though owned by a private company - ⁶⁰⁷ constitute the only forms of overtly commercial activity, mirroring the attitude that passive pursuit of support is in any case morally superior to any proactive endeavour.

⁵⁹⁷ Ministerium der Finanzen des Landes Nordrhein-Westfalen, *Haushalt: Kapitel 07 050 Kulturförderung*, (n.p.l: 2016), pp.70 – 121. Hartmut Wilmes, *Geheimpapier schreckt Kölns Museen auf*.

⁵⁹⁸ Andreas Damm, *Museum Ludwig, Regelmäßig droht die Pleite*.

⁵⁹⁹ Stadt Köln website, *Museum Ludwig*, (n.d.), [accessed December 27, 2017].

⁶⁰⁰ Museum Ludwig website, *Tickets/Öffnungszeiten*, (n.d.), [accessed December 27, 2017].

⁶⁰¹ Andreas Damm, *Museum Ludwig: Regelmäßig droht die Pleite*.

⁶⁰² Museum Ludwig website, *Ateliers für Erwachsene*, (n.d.), [accessed December 27, 2017]. Museum Ludwig website, *Kindergeburtstage*, (n.d.), [accessed December 27, 2017].

⁶⁰³ Freunde des Wallraf-Richartz-Museum und des Museum Ludwig website, *Mitglied Werden*, (n.d.), [accessed April 11, 2018].

⁶⁰⁴ Gesellschaft Museum Ludwig website, *Mitgliedschaft*, (n.d.), [accessed April 11, 2018].

⁶⁰⁵ Stiftung Kunstsammlung NRW website, *Freundeskreis*, (n.d.), [accessed February 7, 2018].

⁶⁰⁶ Museum Ludwig, *Shop*, (n.d.), [accessed December 27, 2017].

⁶⁰⁷ Ludwig im Museum website, (n.d.), [accessed February 7, 2018].

In a similar fashion, the Stiftung Kunstsammlung NRW, aside from some programmes and events that charge a fee - engages in limited commercial activity, with sponsorship and event hire activities being outsourced to the ArtPartner Relations GmbH.⁶⁰⁸

Opening hours are also limited.⁶⁰⁹ Offering visitors with three dining options, two of which are also in operation outside of museum opening hours,⁶¹⁰ both K20 and K21 house a bookstore⁶¹¹ and affiliated online store⁶¹² in addition to selling editions.⁶¹³

Correspondingly, on the subject of being more proactive in terms of income generation, Annamaria Englebert, Head of Marketing & Communications at AXA XL Art & Lifestyle, in the interview attributes the cautious approach taken by many institutions to the lack of a more varied perspective of museum management strategy.

'I think that with traditionally all decisions being made by the museum director, an external viewpoint from say a business director or marketing specialist is missing. It requires some courage. Also, many directors have a background in art history and little business knowledge and are not willing to open up to this perspective and the say 'There is so much more that can be done here' ⁶¹⁴

– such as fully leveraging the potential of an institution based on the logic presented by Lin.⁶¹⁵ 'The shop at the Wallraf-Richartz Museum is awful. I don't enjoy spending time or money there. The Guggenheim in New York however, I think to myself that I'm glad I at least managed to browse through the store, when there is a long queue for the exhibition for example'.⁶¹⁶ Incentivising visitors to spend time and money in the museum, regardless of whether they actually view an exhibition or not, supports the mechanism described by Bernhard and Gräfigen.⁶¹⁷

She attributes this to the very different parameters within which museums operate, 'given that there is the innate assumption in Germany, that a public funding body is responsible for providing all resources, while elsewhere this expectation simply does not exist (...)', referring to this attitude as 'a learned behaviour', 'that the state is mandated to care for

⁶⁰⁸ ArtPartner Relations website, (n.d.), [accessed December 27, 2017].

⁶⁰⁹ Stiftung Kunstsammlung NRW website, *Öffnungszeiten*, (n.d.), [accessed February 7, 2018].

⁶¹⁰ Stiftung Kunstsammlung NRW website, *Gastronomie*, (n.d.), [accessed February 7, 2018].

⁶¹¹ Stiftung Kunstsammlung NRW website, *Museumsshop*, (n.d.), [accessed February 7, 2018].

⁶¹² Stiftung Kunstsammlung NRW website, *Online shop*, (n.d.), [accessed February 7, 2018].

⁶¹³ Stiftung Kunstsammlung NRW website, *Editionen*, (n.d.), [accessed February 7, 2018].

⁶¹⁴ Annamaria Englebert interview.

⁶¹⁵ Yung-Neng Lin, 'Ethics and challenges of museum marketing' in Janet Marstine (Ed.) *The Routledge Companion to Museum Ethics: Redefining ethics for the twenty-first century museum* (London: Routledge, 2011), chapter 13.

⁶¹⁶ Annamaria Englebert interview.

⁶¹⁷ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.48.

us',⁶¹⁸ reflecting the dynamic of passive behaviour and attributions of responsibility examined in previous chapters. In the interview Antonella Sbarra states that 'some commercial activity can be viewed positively in light of it attracting audiences' and that – when asked whether the museum is working towards creating a more diversified funding model through commercial activity - 'this has been considered but that the approach is rather uncommon here and is not being pursued'.⁶¹⁹ In the interview Knall also reflects this more passive perspective and stance towards responsibility for funding, stating that 'this is not a central focus for the Kunstsammlung', before cautioning that a museum visit may devolve into becoming somewhat of a 'spectacle' otherwise.⁶²⁰

The international institutions that were part of the case study provide insight into the variety of methods to generate income supported by more proactive approaches. While these approaches are not understood as templates to be implemented par for par by German institutions operating within different economic and policy frameworks, this thesis does consider the vastly different outcomes and directionalities resulting from them.

Case study data on Tate shows that the museum has taken a number of measures to create a funding structure that places a strong focus on earned income through commercial activity alongside income through admission, donations, sponsorship, patronage and public grants, providing an example of how an institution has leveraged the mechanism outlined by Bernhard and Gräfigen.⁶²¹ This can be traced back to the historical impetus for British museums to become more self-sufficient at the basis of this development. Arts Minister Richard Luce proposed in 1986, in an attempt to 'remove an obstacle to enterprise', changes to policy that would allow the national galleries to fully benefit from their enterprise.

It was stated that: '(...) none of the institutions should have its Grant-in-Aid affected by any extra money it earned from receipts' and that there should be reasonable facility to carry over unspent money at the end of each financial year. The purpose of these proposals was not to replace public by private funding, but to provide an opportunity for a larger growth in total funding available, than would otherwise be possible.⁶²²

⁶¹⁸ Annamaria Englebert interview.

⁶¹⁹ Antonella Sbarra interview.

⁶²⁰ Bianca Knall interview.

⁶²¹ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.48.

⁶²² Tate Gallery London, *Tate Gallery Records (Archives) Accession N° TG17/1/1/4 (Part 1 of 3)*, 'Arts & Libraries 'Richard Luce Proposes Major Boost for National Museums, Press Notice OAL/9 issued by Room

A comparable solution to the inefficiencies caused by the German *Gesamtdeckungsprinzip* (see 5.1.1) has not been implemented in a similarly comprehensive fashion. Soon after 'The Tate Gallery A Review and Forward Plan 1990'⁶²³ detailed how market pay increases had continued to exceed the increase in Grant-in-Aid.⁶²⁴ Expenditure in the financial year 1989 to 1990 exceeded income by £100,000.⁶²⁵ While today much of the income is raised from non-government sources,⁶²⁶ in 1990 it was only 19%. It was projected that by 1993 running costs would need to be met from sources other than Grant-in-Aid, as they were increasing by 2-3 % more each year than Grant-in-Aid increases.⁶²⁷ After embarking on a mission to develop revenue sources, a strong increase in self-generated income was recorded during the period of 2002 to 2004, as *Tate* managed to generate an average of 54% of income itself through trading and the private sector as compared to ten years earlier when 80% of its revenue was from government sources.⁶²⁸

This development continued for Tate, again as a reaction to externally imposed pressures, correlating with rising expenses in relation to support.⁶²⁹ The report states that £74,200,000 was generated through Tate while the *DCMS* provided £35,800,000. When looking at the previous years, the proportion of self-generated income has remained the same in relation to the overall amount of operating income, with it increasing in 2016/2017 from £84,200,000 to £100,000,000.⁶³⁰

The report mentions that in order to meet budgetary requirements, Tate consistently grows income from individual, foundation, public sector and corporate supporters,⁶³¹ demonstrating that the museum is engaged in an on-going, adaptive and prescient process of recalibrating its operations to ensure that core tasks can be executed sustainably.

57A/G Government Offices Great George Street, London SW1P 3AL, 10 February 1986'. Tate Gallery London, *Tate Gallery Records (Archives) Accession N° TG17/1/1/4 (Part 1 of 3)*, 'Letter to A.J. Hastings Esq. Clerk to the Commons, Committee Office, House of Commons, London SW1A 0AA, 21st April 1986'.

⁶²³ Tate Gallery, *Tate Gallery - A Review and Forward Plan 1990*, (n.pl.: Tate Gallery Records, 1990), p.2.

⁶²⁴ *Ibid.*, p. 5.

⁶²⁵ *Ibid.*, p. 9.

⁶²⁶ Tate website, *Governance*, (n.d.), [accessed April 3, 2018].

⁶²⁷ Tate Gallery, *Tate Gallery - A Review and Forward Plan 1990*, p. 54.

⁶²⁸ *Tate Report 2002/04* (Tate Publishing, a division of Tate Enterprises Ltd, Millbank: London, 2004), p.296.

⁶²⁹ Ruth Findlay, Samuel Jones, *Tate annual report 2016/17* (Tate Publishing, a division of Tate Enterprises Ltd.: Millbank, London, 2017), p.77.

⁶³⁰ *Ibid.* p.80.

⁶³¹ *The Board of Trustees of the Tate Gallery Annual Accounts 2016 - 2017, Presented to Parliament pursuant to section 9(8) of the Museums and Galleries Act 1992* (Tate Gallery: London, 2017), p.10.

Even though Tate is a public institution that is supported by a public funding body, it is making strategic effort to build a funding model that is increasingly capable of supporting the activities of the museum in a more self-sufficient and sustainable manner.⁶³²

In practice, the following can be observed: while entry to the collection is free of charge, the price for temporary exhibitions varies. The way in which Tate pursues its income generation strategy is reflected in the use of its spaces: in 2016/17 Tate welcomed 8,448,220 visitors to all of its spaces, with Tate Modern attracting the highest number at 6,395,735.⁶³³ Opening hours of the different spaces correspond directly to the popularity and attendance of the space,⁶³⁴ making the space more effective in terms of income generation through offering a variety of ways for people to engage with the museum space aside from simply visiting exhibitions, reflective of the mechanism presented by Bernhard and Gräfen⁶³⁵ and also Lin.⁶³⁶ The expansion of Tate Modern increased the number of catering and retail outlets and therefore trading income from £24,000,000 to £33,000,000 in 2016-17,⁶³⁷ confirming how the *Blavatnik Building* is designed to provide a space for visitors with many more uses⁶³⁸ than just traditional displays of art objects.⁶³⁹ As for the means of income generation, the strategy employed by Tate resembles a remarkably corporate structure and is unambiguously commercial. It has a number of wholly owned subsidiaries through which it operates its trading activities⁶⁴⁰ with all profits supporting the work of Tate.⁶⁴¹ Within the museum space, visitors have three dining locations at Tate Britain,⁶⁴² 7 locations at Tate Modern⁶⁴³ and a cafe at Tate Liverpool⁶⁴⁴ and Tate St. Ives.⁶⁴⁵ Tate also operates the *Tate Wine Club*,⁶⁴⁶ the *Tate*

⁶³² Alice Hancock, *Museums look to jewellery retail to close funding gap: The Victoria and Albert Museums makes 1 million GBP a year from selling gems*, The Financial Times, November 11, 2017.

⁶³³ Ruth Findlay, Samuel Jones, *Tate annual report 2016/17*, p.80.

⁶³⁴ Tate website, *Plan your visit*, (n.d.), [accessed April 3, 2018].

⁶³⁵ Eric M. Bernhard, *Kunst als Kapitalanlage* p.48.

⁶³⁶ Yung-Neng Lin, 'Ethics and challenges of museum marketing'.

⁶³⁷ *The Board of Trustees of the Tate Gallery Annual Accounts 2016 – 2017*, p. 20. Ruth Findlay, Samuel Jones, *Tate annual report 2016/17*, p.78. *Ibid.* p.79.

⁶³⁸ Tate Gallery, *A record number of people have visited the new Tate Modern*, Press Release, June 20, 2016 (Tate Gallery: London, 2016).

⁶³⁹ Tate website, *About us*, (n.d.), [accessed April 3, 2018].

⁶⁴⁰ Tate website, *Tate Publishing*, (n.d.), [accessed April 8, 2018].

⁶⁴¹ Tate website, *Governance*, (n.d.), [accessed April 3, 2018]. Tate website, *Tate Enterprises*, (n.d.), [accessed April 15, 2018].

⁶⁴² Tate website, *Djanology Cafe*, (n.d.), [accessed April 15, 2018]. Tate website, *Rex Whistler Restaurant*, (n.d.), [accessed April 15, 2018]. Tate website, *Members Room*, (n.d.), [accessed April 15, 2018].

⁶⁴³ Tate website, *Members Bar*, (n.d.), [accessed April 15, 2018]. Tate website, *Granville Grossmann Members Room*, (n.d.), [accessed April 15, 2018]. Tate website, *Kitchen and Bar*, (n.d.), [accessed April 15, 2018]. Tate website, *Terrace Bar*, (n.d.), [accessed April 15, 2018]. Tate Website, *Tate Modern Café*, (n.d.), [accessed April 15, 2018]. Tate Website, *Tate Modern Restaurant*, (n.d.), [accessed April 15, 2018]. Tate website, *Boiler House Espresso Bar*, (n.d.), [accessed April 15, 2018].

⁶⁴⁴ Tate website, *Tate Liverpool Café* (n.d.), [accessed April 15, 2018].

⁶⁴⁵ Tate website, *Tate St.Ives Café* (n.d.), [accessed April 15, 2018].

⁶⁴⁶ Tate website, *Tate Wine List*, (n.d.), [accessed April 15, 2018].

*Roastery*⁶⁴⁷ and *Tate Entertaining*.⁶⁴⁸ In addition to these commercial activities *Tate* generates income through its membership scheme⁶⁴⁹ as well as the *Corporate Partner Scheme or Corporate Member Scheme*⁶⁵⁰ and *Tate Patron* membership scheme.⁶⁵¹

The US cases studied reveal an additional difference in the stronger familiarisation with alternatives to predominantly public support and the moral implications that are projected onto different income sources. This is summarised by Adrienne Horn, President of Museum Management Consultants, in the interview as a preface to the case study data, who describes how from a US perspective, museums are pursuing more earned income than they ever have before. 'The world is changing and museums are realising that they have to change too'. She explains that 'the thing about earned income is that there are no ties to any donor expectations and the museum itself gets to decide what it wants to do with that money as long as it relates to the mission. I am delighted that museums are waking up the fact that earned income really is the way to go'.

This provides a stark contrast in perspective to German professionals who view earned income as somewhat compromised by the associated commercial activity, deeming income that was passively incurred and donated to be less morally conflicting (see 5.1.4 *Sponsorship and Patronage*). 'What is interesting is that many art museums now have yoga classes and a variety of other different activities. It doesn't remove what their mission is, because part of what they want to do is bring their community in; they are at the same time building new audiences. (...) Museums are becoming more experimental and more willing to take a look at the role of earned income'.⁶⁵²

Case study data collected on MoMA shows that as a private non-profit organisation eschewing public funding, the museum subsists on a fragmented budget, pursuing the strategy of never relying too heavily on one income channel and recalibrating annually. 'If we know we aren't going to have the most popular exhibition schedule', says COO James Gara, 'we look at other ways of raising revenue'. Gara states that the museum loses money on admissions. 'It costs about \$ 50 per person who walks in. The \$ 20 ticket price doesn't cover security and utilities, and only 50% of visitors pay the full price anyway'.⁶⁵³

⁶⁴⁷ Tate website, *Coffee by Tate*, (n.d.), [accessed April 15, 2018].

⁶⁴⁸ Tate website, *Tate Entertaining*, (n.d.), [accessed April 15, 2018].

⁶⁴⁹ Tate website, *Membership*, (n.d.), [accessed April 15, 2018].

⁶⁵⁰ Tate website, *Corporate Members*, (n.d.), [accessed April 15, 2018].

⁶⁵¹ Tate website, *Tate Patrons*, (n.d.), [accessed April 15, 2018].

⁶⁵² Adrienne Horn interview.

⁶⁵³ Arianne Cohen, *A Museum*.

Some of the ways in which the museum offsets these costs is museum's publications program⁶⁵⁴ and *Artbook @ MoMA PS1*.⁶⁵⁵ The *MoMA Design Store* operates three locations in New York, one in Tokyo, one in Kyoto as well as a Japanese online store.⁶⁵⁶ The museum offers four dining opportunities⁶⁵⁷ and 21 entertaining and location rental options.⁶⁵⁸ In addition to this, the museum receives funds through sponsorship and a membership scheme.⁶⁵⁹ A financial statement for the 2016-2017 period details the high proportion of income generated through commercial activity within the overall funding structure.⁶⁶⁰

Similarly, case study data on the Guggenheim Foundation shows that with two dining options in New York⁶⁶¹ two in Bilbao⁶⁶² and one in Venice,⁶⁶³ bookstores in all locations and an online store⁶⁶⁴ that the foundation engages in most of the common means of revenue generation. Much support is generated through entertaining and special events and programmes as well as memberships, resulting in income incurred from commercial activity to make up a large proportion of the funding structure.⁶⁶⁵ Though tied to a public funding body, the Guggenheim Bilbao has throughout its history managed to consistently cover approximately 70% of its own funding needs.⁶⁶⁶

While it is necessary to consider that the examined institutions outside of Germany operate on a greater scale and within different output dimensions, this difference should not impact the validity of the comparison that can be made here in terms of management approach. When looking at the educational and associated services provided by all museums, it becomes apparent that more entrepreneurially focused management approaches must not automatically succeed only at the expense of said educational focus.

⁶⁵⁴ MoMA website, *Publications*, (n.d.), [accessed February 8, 2018].

⁶⁵⁵ Artbook website, (n.d.), [accessed February 8, 2018].

⁶⁵⁶ MoMA website, *MoMA Design Store*, (n.d.), [accessed February 8, 2018].

⁶⁵⁷ MoMA website, *Eating*, (n.d.), [accessed February 8, 2018].

⁶⁵⁸ MoMA website, *Entertaining*, (n.d.), [accessed February 8, 2018].

⁶⁵⁹ MoMA website, *Affiliates*, (n.d.), [accessed February 8, 2018].

⁶⁶⁰ The Museum of Modern Art, *The Museum of Modern Art, Consolidated Financial Statements, June 30, 2017 and 2016* (New York: The Museum of Modern Art, 2017).

⁶⁶¹ The Solomon R. Guggenheim Foundation website, *Plan your visit*, (n.d.), [accessed April 19, 2018].

⁶⁶² The Guggenheim Museum Bilbao website, *Restaurant*, (n.d.), [accessed April 19, 2018].

⁶⁶³ The Peggy Guggenheim Collection website, (n.d.), [accessed April 19, 2018].

⁶⁶⁴ The Guggenheim Museum Bilbao website, *Plan your visit*, (n.d.), [accessed April 19, 2018]. The Guggenheim Museum Bilbao website, *Shop*, (n.d.), [accessed April 19, 2018]. The Solomon R. Guggenheim Foundation website, *Publications*, (n.d.), [accessed April 19, 2018].

⁶⁶⁵ The Solomon R. Guggenheim Foundation, *Financial Statements, December 31, 2017 and 2016*.

⁶⁶⁶ Guggenheim Museum Bilbao, *Annual Report: 2016* (Guggenheim Museum Bilbao: Bilbao, 2017). Guggenheim Museum Bilbao, *Economic-Financial Information 2017*, (Guggenheim Museum Bilbao Foundation: Bilbao, 2018).

The examined cases show how institutions, regardless of the level of obligation they have to deliver such services, direct resources towards more traditional mission-related aspects while at the same time being active in generating funds as is outlined in this section. It is a misconception that both are mutually exclusive. Based on the assumption, that all museums have the objective to provide access to art and to provide educational value, the rejection of an active pursuit of income - which in itself is unobtrusive to achieving set objectives - goes to show that the main source of conflict is not a practical one, in that such management approaches infringe upon the quality of the work the museum delivers, but rather that it is again a question of value frameworks. Leveraging earned-income opportunities to offset operating costs and stabilise funding sources conflicts with the established anti-commercial stance many institutions in Germany take.

Deviating from focusing solely on core tasks, challenges established identities. The international cases studied react to changing economic realities through adaptability by creating alternative funding sources (diversified income streams) and a more autonomous funding model (self-sufficiency), adhering to the best practices presented as supporting sustainability. The German institutions studied are bound by policy on a practical level and identity and ideology on a more abstract level from achieving something similar. In any case they engage in commercial activity less proactively. Furthermore, one might argue that developing a sustainable funding model should not be done purely out of financial necessity but with the intention of securing a basis that can provide for consistent quality.

5.1.3 MARKETING AND AUDIENCES

The previous section establishes how – based on the desire to inhabit a space removed from the market – for German institutions admission is the only acceptable form of self-generated income while it is by contrast the form of income cases studied elsewhere rely on the least. It makes the argument that engaging in any other form of income generation through commercial activity would require a different relationship with audiences (spectacle) which the German art museum wants to avoid to maintain its identity, creating a difficult scenario for an institution that positions itself removed from the realm within which such activity takes place, as a space protecting art from it.⁶⁶⁷ This section therefore examines the implications for museums of fully leveraging the potential of earned income with sustainability as the bottom line.

⁶⁶⁷ James J. Sheehan, *Museums in the German Art World*, p.9. Ibid. p. 48.

It also raises questions centred around audience-focus and museum identity in relation to business model viability as a component of sustainability⁶⁶⁸ and how marketing strategies impact a museum's capacity to improve the quality of its service offering and generate income⁶⁶⁹ but also challenge established notions of non-commercial identity.

This section will illustrate how negative connotations surrounding marketing and the fear of alienating audiences through offering 'popular' programming, constructs building broader audiences as an assault on scholarly autonomy and precursor to the downfall of traditional museum activity - reflecting previously examined concerns surrounding a commercialisation of culture.

This occurs on the basis of concepts outlined in chapters three and four which explore how certain philosophical schools have contributed to the demonization of the popular within an art museum context. It presents theories surrounding the resistance towards marketing within the German conception of the art museum and discusses how the function of marketing is treated within German institutions in practice.

There are, according to Blythe, four main measures of corporate success: profitability, growth, shareholder value and customer satisfaction. Marketing contributes to all,⁶⁷⁰ with customer centrality being a key concept.⁶⁷¹ According to this logic, an organisation with a customer-centric orientation will at the same time have a marketing strategy that is closely aligned with its corporate strategy, as its entire approach is centred on the marketplace.⁶⁷² A visitor-centric approach to management decisions is commonly also found in literature geared towards museums, albeit using less of the terminology related to financial concepts. Correspondingly, among the recommendations made by the Mendoza Report, is that museums should understand how to engage audiences to attract funding and income.⁶⁷³ In 1991 Pearce had already established that the nature of visitor experience are vitally important for management planning in terms of analysing demand and forecasting.⁶⁷⁴ Also in 1991, Feldstein however observed, 'museums do little to placate wider audiences, for fear of alienating an existing smaller audiences (...)'.⁶⁷⁵

⁶⁶⁸ Petra Molthan-Hill, *The Business Student's Guide to Sustainability Management*, p.32.

⁶⁶⁹ Izabela Luiza Pop, Anca Borza, 'Factors Influencing Museum Sustainability and Indicators for Museum Sustainability Measurement'.

⁶⁷⁰ Jim Blythe, *Principles & Practice of Marketing*, 3rd Ed. (Los Angeles: Sage, 2014), p.325.

⁶⁷¹ Ibid. p.7.

⁶⁷² Ibid. p.324.

⁶⁷³ Neil Mendoza, *The Mendoza Review: an independent review of museums in England*, p.18.

⁶⁷⁴ Susan M. Pearce, *Museum economics and the community*, p.19.

⁶⁷⁵ Martin Feldstein, *The Economics of Art Museums*, p.333.

He states that in spite of most museums using some form of marketing, the curatorial staff 'does little to understand visitor needs but instead produce what they feel the visitor should see'.⁶⁷⁶ He concludes that the required marketing has a negative image and that there is very limited understanding of its importance or likely impact among professionals.⁶⁷⁷ Mason at the same time observed that one result of a harsher economic climate provoked a serious consideration of what individual cultural organisations exist for. Using the example of the performing arts, the preferences of those who attend performances have assumed increased importance over the wishes of artistic directors - a development described by Mason as the 'arrogant idea that art was more important than audiences' has begun to give way to a welcome recognition that attracting the public is important.⁶⁷⁸ Frey observes that beyond competition between major museums,⁶⁷⁹ institutions aim to provide a 'total experience', which stands in stark contrast to the traditional notion of museum activity.⁶⁸⁰ A prime example of this tension-filled relationship was when the *Victoria and Albert Museum* adopted a marketing campaign in 1988 branding the museum as an 'ace café with quite a nice museum attached', resulting in some museum professionals arguing that marketing had little to do with preservation, exhibition and research while others saw it as a powerful tool for achieving their missions.⁶⁸¹

Bennett illuminates how the public museum was shaped as an apparatus with two deeply contradictory functions⁶⁸² referencing Pierre Bourdieu's understanding of the art gallery as a theoretically public institution that is typically appropriated by social elites as a symbolic site for those performances of distinction through which they may differentiate themselves⁶⁸³ rather than functioning as institutions of homogenisation, as policy intends. This is also visible in the behavioural codes of the museum, reappearing in a heightened manner within the art museum, as outlined in O'Doherty's *Inside the White Cube*: 'by suggesting eternal ratification of a certain sensibility, the white cube suggests the eternal ratification of the claims of the caste or group sharing that

⁶⁷⁶ Ibid. p.336.

⁶⁷⁷ Ibid. p.330.

⁶⁷⁸ Douglas Mason, 'Questioning the unquestionable' in Timothy Ambrose, *Money, Money, Money & Museums* (Edinburgh: Scottish Museums Council, 1991), p.24.

⁶⁷⁹ Bruno S.Frey, *Arts & Economics*, p.57.

⁶⁸⁰ Ibid. p.58.

⁶⁸¹ Yung-Neng Lin, 'Ethics and challenges of museum marketing' in Janet Marstine (Ed.) *The Routledge Companion to Museum Ethics: Redefining ethics for the twenty-first century museum* (London: Routledge, 2011), p.202.

⁶⁸² Tony Bennett, *The Birth of the Museum*, p.89.

⁶⁸³ Ibid. p.11.

sensibility'.⁶⁸⁴ Mirroring these observations is Grasskamp's description of the disappointment with the prognoses that had been formulated in the past decades regarding the new significance of museums for a democratic society, with a central focus on breaking down barriers to participation,⁶⁸⁵ when it becomes obvious that these have not yet been broken down, led by the fear of eroding the scholarly role through adapting more mass appeal. This accurately represents the competing viewpoints – not limited to Germany – in the debate surrounding audience centrality, also ultimately for marketing purposes, which are subsequently discussed.

According to Wollenson, the prerequisite for a sustainable organisational outcomes in museums is consistent marketing combined with comprehensive visitor focus.⁶⁸⁶ Within the German museum sector, Wollenson summarises arguments made against a stronger focus on audiences: that this would entail a standardised offering appealing to populist masses at the expense of aesthetic substance. Visitor-centric thinking is, according to Wollenson, still a foreign concept to many public arts institutions and redirecting focus from the 'primacy of academic criteria based on supply-oriented factors' towards a demand- and audience-centric approach, is perceived somewhat negatively.⁶⁸⁷ Hausmann argues that marketing therefore is equated to an assault on core museum activity,⁶⁸⁸ reflecting fears surrounding a commercialisation of culture. Meiners' case study of a technological museum in Germany stands out here: focused on the professionalisation of internal processes as well as market orientation, it deconstructs marketing strategies in a way that does not characterise an economically-minded approach as a threat to quality.⁶⁸⁹ This again illustrates the unique positioning of art as something elevated from all other systems and concerns in the German conception (see 3.1).

In his comparison between funding models in Germany and the US, Toepfler addresses the resurfacing issue of responsibility, arguing that the German system intends the state to take on risk for cultural institutions, which grants an autonomy to the art from its audience.⁶⁹⁰

⁶⁸⁴ Brian O'Doherty, *Inside the White Cube, The Ideology of the Gallery Space*, (San Francisco: The Lapis Press, 1976), p.9.

⁶⁸⁵ Walter Grasskamp, *Das Kunstmuseum*, p.11.

⁶⁸⁶ Anja Wollenson, *Die Balanced Scorecard als Instrument der strategischen Steuerung und Qualitätsentwicklung von Museen*, p.25.

⁶⁸⁷ Ibid. p.26.

⁶⁸⁸ Andrea Hausmann, *Besucherorientierung von Museen unter Einsatz des Benchmarking*, p.20.

⁶⁸⁹ Reinhard Meiners, *Unternehmen Museum*, (Oldenburg: BIS-Verlag, 2007), p.9.

⁶⁹⁰ Stefan Toepfler, *Kulturfinanzierung*, p.52.

Forcibly transforming the German art museum into a hospitable space, when audience-focus is not a concept and visitors are perceived as intruders more than guests, is a tall order according to Grosz.⁶⁹¹ Furthermore, Geiger, who - in a book aimed at providing marketing guidance to museums - begins the discussion by calling into question the appropriateness of combining culture and business.⁶⁹² Even though he provides some guidance on marketing strategies, he adds the caveat that it is important to reduce the extent to which the museum is viewed as a business, emphasising the educational political objective (*bildungspolitischer Auftrag*) that should remain the priority of the institution. He cautions of likening the museum to an entertainment complex, stating that art should not appeal to the masses.⁶⁹³ Geiger sees marketing and a commitment to mission as a zero-sum game. It is important to consider that this resource - published in 2004 - is not fully reflective of the acceptance the subject of marketing and audience-focus encountered today. It is however indicative of how recent this rejection of audience focus for a marketing purpose is, underlining the impact of ideological factors on management practice.

This is also reflected in the data collected on the prevalence of functions related to marketing and visitor experience within the institutions studied. While there is no shortage of designated positions related to pedagogical aspects (*Kunstvermittlung*), only 32.2% of institutions list roles and departments related to Marketing/PR and 23% visitor experience. The distinction between the function Marketing/PR and *Presse/Öffentlichkeitsarbeit* (71.3% of institutions list this as a function or department) is considered here too, as the latter is interpreted as an attempt at distancing the institution from the commercial connotations of the terms Marketing and PR, substituting similar activities with a more academic and traditional German term. The rejection of audience focus for non-educational purposes is also visible in an interview statement by Knall, in which she equates programming that appeals to wider audiences with 'spectacle'.⁶⁹⁴ Correspondingly, case study data on the Kunstsammlung NRW shows that former director Ackermann stated in an interview that she was not interested in staging 'blockbuster exhibitions' that visitors had 'already seen 1000 times' choosing to exhibit art described as somewhat removed from the market.⁶⁹⁵ In 2017 new director Susanne

⁶⁹¹ Andreas Grosz, *Die Kultur-AG*, p.41.

⁶⁹² Thomas Geiger, *Marktforschungsgestützte Entwicklung von Marketingmaßnahmen für das Museum* (Hamburg: Diplomica Verlag GmbH, 2004), p.1.

⁶⁹³ Ibid. p.3.

⁶⁹⁴ Bianca Knall interview.

⁶⁹⁵ Dorothea Hülsmeier, *Renommierter Museumschefin verlässt Düsseldorf*, *Die Welt*, April 21, 2016, [accessed February 12, 2018].

Gaensheimer revealed her plans for the museum, her focus set on attracting visitors to the *Kunstsammlung* that would normally not visit, with Gaensheimer making reference to old 'elitist' museums,⁶⁹⁶ taking on a different approach with regards to how the *Kunstsammlung* intends to relate to its audiences.

The argument brought forward by Horn in the interview presents a stark contrast, corresponding to other case study data on the level of commercial activity and audience focus in US cases studied. According to her, museums - when interested in increasing attendance - must think about how to - beyond being academic - be entertaining and fun - 'words that museums don't tend to use. (...) Yes you are a museum and you are a very special place but you must not forget that you are a business' ⁶⁹⁷ pertaining to the pragmatic balance, which can be struck between academic concerns and financial objectives and exemplified by the cases examined.

'The artistic side and the business side need to be married together. (...) Curators have a tendency to engage in some navel-gazing, and not be as concerned with the public. (...) You're serving the public, not yourself. (...) Yes, you want it to be highbrow, you want the academic acumen to be there, but you also need to be able to ensure that the public is going to enjoy it too. (...) Today, in the US, smart museums have centrally focused on the visitor. They're not selling themselves short, but they are more concerned with the question of: "will visitors enjoy this?" and at the same time be respectful of the mission'.⁶⁹⁸

Case study data furthermore illustrates the drastic transformation Tate underwent, which stands out as an institution by leveraging the power of branding and building new audiences, outpacing many other public art institutions in doing so at the time. 'The Tate Gallery A Review and Forward Plan 1990' outlines how trustees placed particular importance on developing new ways of engaging audiences and collaborating with others in pursuit of new, broader audiences.⁶⁹⁹ Tate employed a three-stage strategy to engage audiences more strongly: launching a new house style,⁷⁰⁰ reviewing expenditure directed towards paid advertising in accordance with marketing research data as well as the role of advertising agencies and arts council marketing and research.⁷⁰¹ Thirdly, Tate recognised its leveraging power in the field of destination branding.⁷⁰²

⁶⁹⁶ Annette Bosetti, *Kunstsammlung NRW will sich öffnen*, *Rheinische Post*, September 1, 2017, [accessed February 12, 2018].

⁶⁹⁷ Adrienne Horn interview.

⁶⁹⁸ Ibid.

⁶⁹⁹ Tate Gallery, *Tate Gallery - A Review and Forward Plan 1990*, p. 31.

⁷⁰⁰ Ibid., p. 32.

⁷⁰¹ Ibid., p. 33.

⁷⁰² Ibid., p. 34.

It was one of the first major art institutions to embrace branding and launched a new identity in 2000, for the opening of Tate Modern.⁷⁰³ In addition to visual aspects, *Tate* used numerous measures of extension and multiplication to increase presence and visibility bordering on mass-appeal.⁷⁰⁴ The fact that branded museums⁷⁰⁵ or so-called superstar museums,⁷⁰⁶ which have reached a certain level of commercialisation,⁷⁰⁷ are virtually absent in Germany - despite the international significance of many collections - illustrates another facet of a comparatively non-commercial directionality.

The discussion presented in this chapter illustrates that policy does not provide incentives to engage in commercial activity and ideology drives institutions to forgo proactive approaches. At the same time the relationship art museums in Germany have with their audiences is different from what is encouraged by policymakers. Museums work hard to compete for audiences and funds through temporary exhibitions and fundraising,⁷⁰⁸ while at the same time positions observed here are polarized: there are those that welcome the emergence of a leisure industry and those that would rather limit the museum's main focus to its collecting function. Cultural policy decisions and their interpretation of mission impact the way in which museums are able to take on either one of these positions. This takes place within the context of a discussion of what museums identify as their primary function and how this competes with utility. Simultaneously, this discussion distracts from how resistance to cultivating relationships with wider audiences hinders museums in leveraging these relationships – ultimately causing them to not meet both economic and social dimensions of sustainability.

⁷⁰³ Eliza Williams, *Branding the Art World*, Creative Review, September 30, 2011, [accessed July 10, 2018].

⁷⁰⁴ Elliot, R. R., Percy, L. and Pervan, S., *Strategic Brand Management* (Oxford University Press: New York, 2011), p.12.

⁷⁰⁵ Rita Gerlach-March, *Kulturfinanzierung*, p.110.

⁷⁰⁶ Bruno S. Frey, *Arts & Economics*, p.59.

⁷⁰⁷ Ibid. p.53.

⁷⁰⁸ Walter Grasskamp, *Das Kunstmuseum*, p.17.

5.1.4 SPONSORSHIP AND PATRONAGE

Museums are increasingly looking to private sector resources for funding,⁷⁰⁹ most prominently in the form of corporate sponsorship. In Germany one of the most obvious alternative sources of arts funding is similarly found in corporate support,⁷¹⁰ increasing steadily during the past years.⁷¹¹ The discussion of sponsorship is, within the context of this research, viewed as an extension of the discussion of earned income and that surrounding the relationship museums have with their audiences. It is addressed separately in this section, due to its unique positioning as a strategy within the logic established throughout all previous sections.

While it remains to be questioned how modern sponsorship is different from traditional systems of patronage, this section illustrates how sponsorship is viewed as a distinct species among other revenue earning practices and - evident in its widespread use – perceived as less morally compromising and incompatible with established art museum identity. As an important means of diversifying income sources⁷¹² this section deconstructs how it would appear that sponsorship in German institutions is an acceptable - yet reluctantly engaged with – supplement to public funding as a passive form of income generation, even though it is inherently also aligned with commercial elements. It examines the position sponsorship inhabits within the realm of strategies used to create a diversified, self-sufficient income structure with the purpose of meeting economic bottom lines – a best practice for sustained development.

Gerlach observes that corporate sponsorship is subject to economic cycles, providing the basis for concern that museums are only shifting their dependency from public to private, making them equally vulnerable.⁷¹³ The example of the exhibition cancelled at the Von der Heydt Museum in 2018 due to a sponsor withdrawing support, acts as a cautionary tale in public discourse.⁷¹⁴ Fohrbeck, in an article, describes how those opposed to sponsorship are worried that government bodies could neglect their responsibility towards public art institutions due to being 'let off the hook' through private support,⁷¹⁵

⁷⁰⁹ Richard Sandell, *Museum management and marketing*, p.400.

⁷¹⁰ Jörg Sikkenga, *Weiterempfehlung im Kulturbereich*, p.49.

⁷¹¹ Lisa Becker, *Kulturfinanzierung in Großbritannien und Deutschland*, p.24.

⁷¹² Maurice Davies, Helen Wilkinson, *The Museums Association, Sustainability and Museums: Your Chance to Make a Difference*. Izabela Luiza Pop, Anca Borza, 'Factors Influencing Museum Sustainability and Indicators for Museum Sustainability Measurement'.

⁷¹³ Rita Gerlach-March, *Kulturfinanzierung*, p.55.

⁷¹⁴ Monika Werner-Staude, *Wuppertal: Eine Gefahr für die Marke von der Heydt. Frankreich-Ausstellung im Von der-Heydt-Museum abgesagt*.

⁷¹⁵ Karla Fohrbeck, *Renaissance der Mäzene*, p.99.

reflecting the attitudes discussed in relation to responsibility (see 3.2). It was during the recession of the early 1990s, that it became clear that arts funding in Germany would eventually have to be turned over at least in part to private support⁷¹⁶ while corporations recognised the arts as a prosperous opportunity.⁷¹⁷

The criticism with which Metz et.al. summarize the offence taken with this practice ('the grasp of the oligarch tightening on the museum must be cause for concern, even if it is with the best of intentions')⁷¹⁸ is that the so-called 'oligarchy' demands humility and gratitude for what the elite is essentially gifting to itself, in what is referred to as the philistine 'Supermuseum', where market mechanisms are kept in check only by delusions of grandeur.⁷¹⁹ At the same time, privately operated institutions are marginalised as being commercial and devalued as unprofessional.⁷²⁰ Nevertheless, the shift towards increased corporate support in Germany is moving forward at a rapid pace, also evident in the professionalisation via the creation of fundraising and sponsorship departments.⁷²¹

This development is also reflected in the data collected: among the institutions examined, 25.3% have a role dedicated to sponsorship and fundraising activities. Lisa Schade, Director of fundraising at the Museum Ludwig, recalls in the interview that the museum had advertised a role in fundraising and she was the second person to fill this position. Her position was funded by the repurposed budget of a former curatorial position 'if that is any indication of the fact that the museum was becoming more interested in developing this area'.⁷²² Schade explains that the museum is currently making 'a conscious effort to foster greater awareness among staff of the importance of sponsorship' rather than deliberately expanding activities in a non-core activity and 'having more people working in the department', as it currently dedicates two members of staff to this activity.⁷²³ Sbarra explains in the interview that income through donations and sponsorship 'is an important component' to the funding structure of the Kunstsammlung NRW, also evident in the fact

⁷¹⁶ Andreas Grosz, *Die Kultur-AG*, p.39.

⁷¹⁷ Saskia Reither, *Kultur als Unternehmen: Selbstmanagement und unternehmerischer Geist im Kulturbetrieb* (Wiesbaden: Springer VS, 2012), p.14.

⁷¹⁸ "Der Griff der Oligarchen nach den Museen muss selbst dann Misstrauen erwecken, wenn er offensichtlich irgendwie „gut gemeint“ ist." (author's translation) Markus Metz, Georg Seeßlen, Ute Richter, *Geld frisst Kunst - Kunst frisst Geld*, p.328.

⁷¹⁹ Ibid. p.329.

⁷²⁰ Saskia Reither, *Kultur als Unternehmen*, p.26.

⁷²¹ Christiane Fricke, *Schlechte Zeiten für Schöngeister*, Handelsbatt, May 14, 2005, [accessed July 16, 2018].

⁷²² Lisa Schade interview.

⁷²³ Ibid.

that 'the function has been expanded significantly over the years. It used to be curators which worked to support this area, which would today not suffice'.⁷²⁴

Case study data reveals that the Museum Ludwig works with a range of sponsors. The museum addresses potential partners by outlining how their financial support is part of a greater social responsibility.⁷²⁵ Detailed figures about the amount of support received are not available. The Stiftung Kunstsammlung NRW has outsourced such activity to the fully owned *ArtPartner Relations GmbH*⁷²⁶ which lists around 88⁷²⁷ partners on its website, also sharing no direct financial information.⁷²⁸ In comparison with most institutions surveyed, both cases employ a more proactive strategy, possibly due to their size, and many smaller institutions do not dedicate resources to this non-core area.

Aside from fears surrounding a transfer of dependency from public to private support, there is unsurprisingly some concern related to artistic freedom being compromised by corporate interest,⁷²⁹ as well as an imbalance occurring, due to more prominent institutions finding sponsors more easily than niche institutions.⁷³⁰ Grosz points out that corporations are not buying a 'product' but that the corporate sponsor - by being associated with the product - is naturally also concerned with its quality.⁷³¹ Others support this, saying that while in the past generous public funding was synonymous with artistic freedom, today the opposite seems to hold true and that those who mistake freedom with generosity will consequently perceive the withdrawal of government as cultural benefactor as an impingement of freedom.⁷³² This ties back to the paradoxical views of public interference being less morally ambiguous (see 3.2.3). The dirigiste role of the state⁷³³ - characterised as such by Frey and Pommerehne,⁷³⁴ where funding threatens to corrupt artistic liberty and singularity⁷³⁵ - is, based on the arguments presented in 3.2

⁷²⁴ Antonella Sbarra interview.

⁷²⁵ Museum Ludwig, *Partner und Förderer*, (n.d.), [accessed December 27, 2017].

⁷²⁶ ArtPartner Relations website, *About*, (n.d.), [accessed December 27, 2017].

⁷²⁷ ArtPartner Relations website, *References*, (n.d.), [accessed December 27, 2017].

⁷²⁸ ArtPartner Relations website, *Funding*, (n.d.), [accessed December 27, 2017].

⁷²⁹ Jonas P. Elmenhorst, *Strategische Entscheidungen im Kunstsporing* (München: Rainer Hampp Verlag, 2008), p. 26.

⁷³⁰ Rita Gerlach-March, *Kulturfinanzierung*, p.55.

⁷³¹ Andreas Grosz, *Die Kultur-AG*, p.106.

⁷³² 'Kunstförderung', in *Steuerstaat und Ökonomie, Colloquium der Robert Bosch Stiftung und der Stiftung Preußischer Kulturbesitz*, p.36.

⁷³³ Justin Lewis, Toby Miller, *Critical Cultural Policy Studies*, p.4. Eric M. Bernhard, *Kunst als Kapitalanlage*, p.72. Paul Kirchhof, *Die Garantie der Kunstfreiheit im Steuerstaat des Grundgesetzes in Kunstförderung*, p.12. 'Kunstförderung', in *Steuerstaat und Ökonomie, Colloquium der Robert Bosch Stiftung und der Stiftung Preußischer Kulturbesitz*, p.36.

⁷³⁴ Bruno S. Frey, Werner W. Pommerehne, *Muses and Markets*, p.16.

⁷³⁵ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.16.

surrounding questions of responsibility and independence, not perceived as a threat according to the logic presented.

Sponsors affecting art museums in terms of content takes place more indirectly than directly: there appear to be limits to the potential for an expansion of private support in that sponsors may be wary of controversial cultural forms.⁷³⁶ The subtle way in which museums factor potential sponsors into the early stages of planning therefore presents an issue. This has been described by Philippe de Montebello, former Director of the New York Metropolitan Museum of Art, as 'an inherent, insidious, hidden form of censorship, but corporations aren't censoring us - we're censoring ourselves'.⁷³⁷ When asked about museums adapting their programming to appease potential sponsors in an act of self-censorship and the power sponsors may have over museum programming, Sbarra says that she understands why some institutions feel the need to act this way in self-preservation. 'I'm just going to go ahead and say that we have never tried to adapt ourselves in this way.' In order to maintain a balance between financial and academic concerns, the museum is very careful, sometimes rejecting an otherwise lucrative offer, when it does not align with the institution's values. She underlines this point by stating that art and artistic freedom will always take precedence: 'When in doubt, we will always prioritize artistic freedom and do not want to alter ourselves to that degree',⁷³⁸ thereby positioning corporate funding as a plausible adversary to the quality of the museum's work.⁷³⁹ Schade explains in the interview that in order to maintain the balance between academic and financial concerns: 'if we do not find a sponsor interested in a certain exhibition, we can always reach out to foundations (*Förderinstitutionen*) instead', trying to tap into both resources in a balanced way. 'Of course, our curators take into consideration what can be funded. (...) There are some cases where we are better off declining any form of collaboration (...)'.⁷⁴⁰ Schade goes on to emphasise that 'here at the Ludwig we do not follow a very strong commercial imperative', avoiding overly aggressive incorporation of sponsors: 'We have a reputation to uphold and do not want to see it weighed down by any marketing stunt'.

⁷³⁶ Jennifer Chalk, *Re-Visioning Arts and Cultural Policy*, p.4.

⁷³⁷ Richard Sandell, *Museum management and marketing*, p.401.

⁷³⁸ Antonella Sbarra interview.

⁷³⁹ Ibid.

⁷⁴⁰ Lisa Schade interview.

She does however also acknowledge the necessity to both accommodate a critical and intelligent audience while at the same time providing a benefit to sponsors, stressing the need for a subtle incorporation of branded messages:

'Normally our visitors are reasonably open towards sponsor involvement. It's important to find appropriate ways to meet sponsor expectations but still walking that fine line, in order to avoid being perceived negatively. Our visitors are an intelligent and critical audience. Subtle goes a long way here'.⁷⁴¹

Schellenberg confirms in the interview that 'there is a fear in Germany, of becoming dependant on a donor, whether private individual or corporate supporter, forced to act in ways which do not align with the values of the institution', while he also notes that often times these fears are unfounded: 'corporate supporters understand that interfering with the programming or appearing too aggressive does not help their cause'. Interestingly, he again emphasises that the 'dependence on public funding is not as drastic'.⁷⁴²

Englebert explains in the interview that the way in which Axa Art approaches its presence within museums is through a branded research fund, as a means of creating a more organic feeling Corporate Social Responsibility presence as an alternative to traditional sponsorship, is partially also motivated by a greater acceptance through the museum world. 'The Research Fund is more effective than traditional sponsorship, because we collaborate with institutions in their core activities on a long-term basis'⁷⁴³ resulting in less of a commercial appearance due to its focus: scholarship. She believes that 'corporate supporters do not expect to take influence on the collection, they are primarily interested in supporting their own image' and argues that the skepticism held by many professionals may be rooted in the 'German desire to act one one hundred percent proper, which we of course aren't. There is this desire, this independence...which all isn't true...but that seems to be the reason'. 'Us Germans, we often get in the way of ourselves. We want to do everything right. These ambitions are laudable but not realistic', arguing that the reality is often quite different in that museums want sponsor money, but directors are hesitant to acknowledge the sponsor.

⁷⁴¹ Ibid.

⁷⁴² Frank Schellenberg interview.

⁷⁴³ Annamaria Englebert interview.

She recalls an incident from during her time working for Henkel where the company had supported a project of the NRW Forum that due to a lack of funding would have otherwise not been realised.

'Journalists at the press conference made it clear that they would not mention the sponsors, putting the museum in an awkward bind, as the press antagonised the sponsors. That is really telling'.⁷⁴⁴

She calls the brand integration of Uniqlo as it happened at Tate, with the director giving tours in a branded t-shirt 'genius and charming' but also 'inconceivable' in German museums. 'Even if directors here were threatened by immediate closure, they would rather appeal to Berlin to be provided with a bigger budget, before going down that route'.⁷⁴⁵

Once again Englebert addresses the sentiment that professionals in Germany feel that this is a way to maintain artistic freedom and the unease when engaging with corporate support, that 'in Germany there is the belief that the arts must be free and independent, which is in theory true, but it is not realistic',⁷⁴⁶ reflective of the tendency to feel naturally entitled to receive public funding.

When searching for the root cause of such fears, an obvious question that emerges is where the difference lies between sponsorship and more traditional patronage systems that through commissions by the church, state, aristocracy or wealthy individuals drove art world development for centuries.⁷⁴⁷ In theory, there is a clear distinction, with sponsorship being defined by the marketing purpose of the financial support provided, while patronage is, at surface level, generated from altruistic motifs,⁷⁴⁸ even though some argue that commercial and altruistic motivation may sometimes be hard to differentiate.⁷⁴⁹ More recent forms of Corporate Social Responsibility blur the lines to an extent.⁷⁵⁰

⁷⁴⁴ Ibid.

⁷⁴⁵ Ibid.

⁷⁴⁶ Ibid.

⁷⁴⁷ James J. Sheehan, *Museums in the German Art World*, p.154.

⁷⁴⁸ Marlies Hummel, *Kulturfinanzierung durch Unternehmen in Zeiten verschärfter ökonomischer Sachzwänge* (München: Ifo-Inst. für Wirtschaftsforschung, 1995), p.17. Angela Börger, *Corporate Social Responsibility und Kulturförderung - Eine empirische Untersuchung am Beispiel des Staatsballetts Berlin* (Saarbrücken: VDM Verlag Dr. Müller, 2007), p.47. Karla Fohrbeck, *Renaissance der Mäzene*, p.38. Ibid. p.42. Ulrike Pluschke, *Kunstsponsorings: vertragsrechtliche Aspekte*, (Berlin: Schmidt, 2005), p.57. Ibid. p.56.

⁷⁴⁹ Jonas P. Elmenhorst, *Strategische Entscheidungen im Kunstsponsorings*, p. 22.

⁷⁵⁰ Nina Johanna Haltern, *Jenseits des konventionellen Kultursponsorings: Chancen alternativer Kooperationen zwischen Unternehmen und Kulturorganisationen* (Bielefeld: transcript Verlag, 2014), p.64.

From a legal perspective there are clearer distinctions:⁷⁵¹ sponsorship expenditures are classed as operating costs in businesses ⁷⁵² and are fully tax-deductible, if a clear advertising function can be proven. Donations on the other hand are only deductible to a set limitation, should there be somewhat of a marketing ⁷⁵³ purpose present, if there is none it is classed as private expense or so-called hidden profit distribution.⁷⁵⁴ Corporations are becoming more confident in admitting what they hope to achieve through sponsorship.⁷⁵⁵ Fohrbeck argues that patronage today exercises less rather than more control over the art itself. The problem is the corporate nature of the support and that old concepts are either being idealised or stripped of ideology, again exemplifying how money itself is not at the centre of the debate but rather the intersection of money and values.⁷⁵⁶

For those professionals interviewed for this research, the distinction does appear to be informed by the corporate nature of the support, due to the fact that the motif and level of altruism present greater ambiguity: Schade questions whether patronage is 'ever really altruistic', arguing that 'sponsorship is much more openly driven by a marketing purpose', but also that 'if it were just about simply selling a product, there are simpler ways of achieving that. I believe that sponsorship today is a combination of marketing and a company believing in the values transported by the arts.' Sponsorship today can be seen as a 'natural continuation' of traditional systems of patronage.⁷⁵⁷ Englebert asks in the interview whether there ever really was altruistic patronage, stating that perhaps today 'corporate sponsors may even act altruistically, if the endeavor is driven by the passion of a private individual'. Otherwise she feels that it is highly 'unlikely for corporate entities to support the arts without expecting anything in return' valuable to their marketing objectives, but that in the past, the same could have been true for patrons, even though there were no contractual obligations stipulating this. 'Such an interaction without vested interest must have been highly unlikely'.⁷⁵⁸ This leads to the conclusion that the corporate nature of the support punctuates the transactional motivation behind it, whereas patronage enables an interpretation more in line with established identities as a non-commercial entity outside of market mechanisms.

⁷⁵¹ Ulrike Pluschke, *Kunstsponsorship*, p.65.

⁷⁵² Rita Gerlach-March, *Kulturfinanzierung*, p.52.

⁷⁵³ Ulrike Pluschke, *Kunstsponsorship*, p.52.

⁷⁵⁴ Rita Gerlach-March, *Kulturfinanzierung*, p.52.

⁷⁵⁵ Marlies Hummel, *Kulturfinanzierung durch Unternehmen in Zeiten verschärfter ökonomischer Sachzwänge*, p.52.

⁷⁵⁶ Karla Fohrbeck, *Renaissance der Mäzene*, p.38.

⁷⁵⁷ Lisa Schade interview.

⁷⁵⁸ Annamaria Englebert interview.

Under consideration of the discussion and data presented up until this point, case study data on the international institutions studied reveals a vastly different approach to the subject: Tate employs a proactive strategy with regards to corporate sponsors, that has however not been without criticism. EY, a major sponsor of Tate, has been criticised for creating tax avoidance schemes and strategies to lessen workers rights and that Tate cooperating with EY does not align with the organisations ethical standards set forward.⁷⁵⁹ BP ended its 26-year sponsorship of Tate due to the 'extremely challenging business environment' rather than years of protest against the sponsorship.⁷⁶⁰ Tate Modern has named its new extension the Blavatnik Building, after chemicals and oil oligarch Len Blavatnik, who made one of the largest donations in Tate's history, supplementing government grants of £58,000,000 with £260,000,000 to complete the construction project.⁷⁶¹ This demonstrates that Tate, in order to achieve its goals related to core museum tasks, is flexible with regards to sources of financial support. When looking to the US for examples of how sponsorship income may be treated as less controversial, the relative transparency with which the MoMA website details the different levels of financial support received from corporate partners provides a poignant example. More than 300 businesses are in the museum's corporate membership scheme,⁷⁶² with six levels of support ranging from \$3.000 to \$60.000.⁷⁶³ The website lists these businesses by level of support,⁷⁶⁴ allowing for an estimate to be calculated of the income generated through the corporate membership scheme. The fact that the amount of support given is volunteered in a publicly available way again underlines the difference in perception. The website also encourages supporters to sponsor an event⁷⁶⁵ or programme, stating that programme sponsorship 'offers significant philanthropic and marketing opportunities for corporate engagement through our customized and wide-ranging partnership platform'.⁷⁶⁶ Compared to the way in which the Museum Ludwig addresses potential sponsors, this approach is more unapologetic about the transactional nature of the relationship.

⁷⁵⁹ Aditya Chakraborty, *Here's another job for migrant in Britain - taking on the City's greed*, The Guardian, April 18, 2018, [accessed April 25, 2018].

⁷⁶⁰ Nadio Khomami, *BP to end Tate sponsorship after 26 years*, The Guardian, March 11, 2016, [accessed April 20, 2018].

⁷⁶¹ Hannah Ellis-Petersen, *Tate Modern names extension after billionaire Len Blavatnik*, The Guardian, May 4, 2017, [accessed April 20, 2018].

⁷⁶² MoMA Website, *Corporate Membership*, (n.d.), [accessed December 27, 2017].

⁷⁶³ MoMA Website, *Corporate Membership Levels & Benefits*, (n.d.), [accessed December 27, 2017].

⁷⁶⁴ MoMA, *MoMA Corporate Membership*, 2017, [accessed December 27, 2017].

⁷⁶⁵ MoMA Website, *Sponsor an Event*, (n.d.), [accessed December 27, 2017].

⁷⁶⁶ MoMA Website, *Program Sponsorship*, (n.d.), [accessed December 27, 2017].

The Guggenheim Foundation notably drew attention through a number of heavily criticised examples of sponsorship such as the 'The Art of Motorcycle' BMW 1998 tribute exhibition,⁷⁶⁷ providing a case study of sponsors heavily impacting museum content and quality, confirming some of the fears addressed previously.

The discussion presented in this section demonstrates that adopting the stance common in the US - where earned income is viewed as neutral by virtue of incurring donor prerogatives, because private income often carries the burden of donor preferences and pressures⁷⁶⁸ - appears to be difficult to internalise for German museums when commercial activity is more so laden with value judgements. Instead, the fact that institutions were quick to seek out private support as a substitute for public funding instead of actively pursuing means of income generation that fosters independence is another testament to the anti-market mentality in German art museums and importance of maintaining a specific identity by focusing on receiving and not earning, presenting institutions with a unique predicament. While there is a growing awareness of the importance of sponsorship within any funding model and the convenience of this approach trumps associated fears, it is – compared to the international cases studied – not treated with similar transparency. Furthermore, the interaction between notions of independence, responsibility and interference deconstructed in chapter three resurfaces here, as interference from and dependency on public bodies (embedded within policy frameworks) is not perceived as such, while the potential threat of interference through and dependency on private support is seen as an imminent threat. At the same time, sponsorship appears to allow for a relative avoidance of the negative moral implications inherent in other forms of income generation, as it does not require an institution to completely reassess its identity and transfer responsibility from an external locus to within itself to achieve economic bottom lines and consequently sustainable outcomes.

⁷⁶⁷ Peter Dittmar, *Es ist etwas sehr faul im Hause Guggenheim*, Die Welt, April 17, 2008, [accessed September 7, 2018].

⁷⁶⁸ Neil G. Kotler, Philip Kotler, Wendy I. Kotler, *Museum marketing and strategy*, p.205.

5.2 CONCLUSION: IDEAL AND REALITY

The thematic exploration of the various aspects of management practice this chapter conducts, reveals how the formative components shaping German art museum identity and the framework within which they operate, deconstructed in chapter three and four, also impact museum behaviour and management. It sheds light on how within the German art museum, conflicts stemming from the interaction of art, economics, value and the market manifest themselves in the contradictory reactions of museums to outside pressures in approaches to management, resulting in a conflict of systems, of ideal and reality. There are a number of elements central to art museum management that exhibit signs of this, such as an accounting system that not only offers no incentives to actively pursue income, but rather penalises acting economically, as demonstrated in section 5.1. This is informed by long-established beliefs surrounding responsibility and funding models for the arts in Germany as well as the desire to protect the arts from any of the 'lesser' systems threatening to corrupt them. It also affects the relationship with earned income specifically on the level of commercial activity. Section 5.2 illustrates that the concept of the government being responsible for the arts, that receiving financial support passively is preferable and more neutral than engaging in practices to pursue said income and a resistance to view museums as part of the market and exchange economy, make German museums less likely to focus on earned income. With any form of commercial activity to generate earned income being thought of as conflicting with the core function of the museum, no effort is made to fully leverage market opportunities and becoming financially more self-sufficient. While reluctant to pursue income more proactively, it is important to note that most institutions benefit from private support, sponsors and separate bodies. As some institutions take on a decidedly anti-commercial stance, this demonstrates that even though they have found a way of leveraging passive opportunities for support, the unwillingness to acknowledge this, again harkens back to issues of identity, morality and public perception. This also affects relationships with audiences. The historically rooted philosophical articulations of how audiences must relate to art inform the way museums in Germany address their audiences today. Section 5.3 describes this avoidance of creating programming that has mass-appeal, as this is seen to threaten integrity, when at the same time it contradicts part of the original mission of the museum: providing access to the arts.

Similarly, section 5.4 presents the argument that while the fear that shifting dependence from public to private support through seeking out corporate sponsorship is valid, the concern that such sponsorship - with it being a modern and more formalised incarnation of traditional patronage systems, perhaps even exercising less control over the art due to respective corporations being held accountable to the public - interferes with museum content is misdirected, as this interference already occurs at the hands of the government without much criticism. Placing a greater emphasis on earned income to combat such dependencies is in turn hampered by distinctively anti-market attitudes.

In the interview, Adrienne Horn states that museums 'must not forget that (you) they are a business' and act accordingly:

'When you have great ideas and you want to create change, you need to come up with a business plan. You need to ask yourself "If I start doing these new things, what is the potential revenue? When are the expenses? Are we going to be able to make it? We need to study this before we do it'.⁷⁶⁹

At the same time the attitudes observed within a German context are adamantly defending organisations against influence of practices originating from a business context, regardless of whether they may prove beneficial, for fear of compromising elements that are perceived as vital for museum identity. This is reflected in the data in the ratio of core to non-core roles in art museums; with core functions referring to those associated with what – based on the identity of the German art museum outlined in chapter one and three – has been historically constructed as activities closely tied to the “original” and “true” mission of the museum: a place of scholarship dedicated to preserving and displaying objects. This includes functions related to curatorship, research, collection management and conservation. Non-core functions by contrast may be (objectively) essential to the functioning of the museum but, based on the conception of the museum as removed from any system external to this narrowly defined identity, are - again within the (historically defined) context of the German art museum - considered ancillary at best. This includes functions related to the management and operation of an institution such as accounting, visitor services, human resources or marketing. Only 12.15% have 50% or more positions dedicated to non-core functions; 20.74% of all institutions only 20% or less, while the majority – 68.65% - have dedicated less than 50% of all functions to non-core functions) and only modest presence of roles related to non-traditional museum activities associated with sustainable management practice.

⁷⁶⁹ Adrienne Horn interview.

Institutions studied scored an average of 3.43 with regards to the overall presence of associated functions; and 71.62% have less than half of associated functions, suggesting that structures required for the implementation of best practices do not receive significant attention and resources.

It can be observed how the cultural, historical, political and economic forces examined heighten the already convoluted construct of conflicting systems museums in Germany operate within. Social and economic realities are perceived as a threat to the internally established logic and value systems upholding the identity of the art museum, while this incompatibility adds more weight to the negative impact avoidant behaviours have on developing practices, which support sustainable operation. It is important for those in decision-making positions to create space for new and potentially beneficial practices to enter museum management to fill the gaps that are appearing as public funding reaches its limits. The outlined ideological forces however create a resistance that drives a rejection of said practices instead, acting as an obstacle to more sustainable approaches to management. At the same time discussions of how to best apply best practices are avoided while attention is directed towards deliberations of whether to engage in such practices at all, delivering acknowledgements that there is a problem with the current system but not offering any solutions. There is a sustainability component inherent in all management practice, based on the premise that all are designed to meet social and more so economic bottom lines. The analysis in this chapter illustrates that a dissonance between economic reality and cultural and political ideals creates an obstacle to implementing these practices in a way that may supports sustainable outcomes.

6. ACCOUNTABILITY AND MANAGING PERFORMANCE

Part of what constitutes sustainability (see 1.3) is a framework to foresee changes and take appropriate action,⁷⁷⁰ with adaptability and responsiveness acting as central components.⁷⁷¹ This also extends to museums using public funding efficiently and working within available resources.⁷⁷² For this reason, approaches that monitor and improve processes through systems of accountability and performance assessment, are also contributing elements. Sustainability, according to Davies and Wilkinson, entails using limited resources efficiently to achieve the maximum possible impact,⁷⁷³ resulting in management models that place achieving objectives⁷⁷⁴ at the forefront. Monitoring and managing performance in an institution can be understood as instrumental in achieving adaptive management and organisational learning, when only through understanding outcomes, changes can be made for the benefit of both the economic and social dimension of the sustainability definition.⁷⁷⁵

Consequently, this chapter examines the discourse surrounding performance management as well as New Public Management (NPM) both within a museum context and in relation to discussions concerning German public institutions specifically, while considering some of the unique challenges associated with art museum management. In doing so, this chapter adds another layer to the understanding of how management practices contribute to sustainability and also how German art museums are addressing management challenges in their contemporary environment, illustrating the extent to which methods observed in practice align with established best practices. It furthermore also serves to fulfil the research objective of examining how museum identity and internal logics surrounding value formation represent an obstacle to implementation.

⁷⁷⁰ Seraphina Brown and Adilla Dharmasasmita, 'Integrating the three pillars of sustainability: social, environmental and economic' in Petra Molthan-Hill, *The Business Student's Guide to Sustainability Management: Principles and Practice* (Sheffield: Greenleaf Publishing Ltd., 2014), pp. 42 - 82.

⁷⁷¹ Tomas Hak et. al., *Sustainability Indicators*, p.3.

⁷⁷² The Museums Association, *Principles for sustainable museums*.

⁷⁷³ Maurice Davies, Helen Wilkinson, *The Museums Association, Sustainability and Museums: Your Chance to Make a Difference*.

⁷⁷⁴ Eva Vicente, Carmen Camarero, 'Insights into Innovation in European Museums.

⁷⁷⁵ Izabela Luiza Pop, Anca Borza, 'Factors Influencing Museum Sustainability and Indicators for Museum Sustainability Measurement'.

The examination is constructed around the triangular exchange and separation of the museum from larger economic systems presented in chapters three and four, demonstrating the practical consequences of the complexities inherent therein and how managing performance for institutional sustainability is incompatible with the established systems and logics within which the German art museum identity is grounded. Thus, this chapter argues that the German conception of economic thinking and action as alien to the realm of artistic creation creates conflict for institutions. Theories of value formation, questions surrounding the intrinsic versus instrumental value of the art museum and the extent to which public funding within the context of the German *Kulturstaat* is considered an obligation - regardless of utility and economic feasibility - foster a familiarisation with public funding as the default.⁷⁷⁶ The institution that views itself as unchallengeable and outside of the realm of the market⁷⁷⁷ is unable to partake in a system, which aims to quantify its output in terms of utility as the basis for funding decisions. This is led by concerns that market driven management systems threaten the integrity of museums.⁷⁷⁸ As a result, this incompatibility ultimately obstructs the implementation of another dimension of sustainable management practice.

⁷⁷⁶ Barbara Marx, *Sammeln als Institution*, p.219.

⁷⁷⁷ Walter Grasskamp, *Das Kunstmuseum*, p.64.

⁷⁷⁸ Annika Hampel, *Der Museumsshop als Schnittstelle von Konsum und Kultur*, p.68.

To preface this discussion, data collected shows that of the German institutions assessed, most (87.4%) make little to no transparent reporting publicly available. In addition to this, there were several notable instances of institutions dealing with financial difficulty and more specifically issues surrounding mismanagement,⁷⁷⁹ not achieving set objectives,⁷⁸⁰ claims of inefficient management of resources,⁷⁸¹ and accusations of lack of transparency.⁷⁸² These issues may be avoided through monitoring performance and managing outcomes – practices which, regardless of any philosophical debates over appropriateness, are grounds for very practical concern in the discourse surrounding sustainability.

The first section of this chapter examines theory (6.1) and practice (6.1.1) of defining and measuring art museum output on the basis of previous discussions of value formation, arts funding and associated policy.

In doing so, this section will demonstrate how established museum identity and notions of intrinsic versus instrumental value create a conflict when art museum output is defined using economic and utilitarian measures, resulting in the inconsistent application of methods as a result of the rejection of their implications for museum identity. Section 6.2 explores different practices with regards to their appropriateness for application within an art museum context – with the purpose of illustrating that there are approaches which respect the unique nature of the art museum in a holistic way.

⁷⁷⁹ There are various news reports on a number of the institutions studied concerned with accusations of (financial) mismanagement, the ensuing discussions between the accused professional responsible and the claims made by – often – the funding or responsible administrative body and sometimes also ensuing investigations and legal proceedings.

Bundeskunsthalle Bonn: Intendant Fleck schneidet vorzeitig aus. Swantje Karich, *Bundeskunsthalle Bonn: Von Tiefpunkt zu Tiefpunkt. Kritik an Geldverschwendung im Museum Brandhorst.* Bert-Christoph Gerhards, *Schloss Morsbroich, Heinzelmann verlässt das Museum. Wie Museen Betriebswirtschaftlich ausradiert werden. Wirtschaftsprüfer schlagen Alarm: Museum Morsbroich droht das Aus.* Stephan Hermesen, *Eiskalt berechnet: Ein Museum rentiert sich nicht.* Petra Pluwatsch, *Adele Schlombs: NRW lehnt unsere Anträge stets ab.* Betram Müller, *Ackermann attackiert Rechnungshof. Rechnungshof vermisst Konzept bei der Kunstsammlung NRW.* Hans Riebsamen, *“Kreative Buchführung“ und schlechtes Controlling.* Lucas Elmenhorst, *Museum Folkwang: Bilanzierungsmethoden sollen vor Gericht.* Anne Horstmeier, *Kuratortrium kündigt Lehmbruck-Direktor Raimund Stecker. 100.000 Euro für das Lehmbruck.* Matthias Gretzschel, *Kunstverein kann Gehälter nicht mehr zahlen.* Annette Bosetti, *Der Kunstlotse vom Ehrenhof geht. Museum Kunstpalast arbeitet sich aus den roten Zahlen.* Dorothea Hülsmeier, *Der Manager und die Kunst des Sparens.* Renate Freyeisen, *Nicht provinziell genug für Schweinfurt.* Mike Schier, *Das Haus der Kunst trübt die Bilanz.* Susanne Hermanski, *Das Haus der Kunst kommt nicht zur Ruhe.* Susanne Hermanski, *Das Haus der Kunst steckt offenbar in finanzieller Schieflage.* Rechnungshof Rheinland-Pfalz, *Jahresbericht 2015.*

⁷⁸⁰ Gaby Kollé, *Leere im Dortmunder U vor Ort aber viele Besucher in der Statistik.* Annette Bosetti, *Der Kunstlotse vom Ehrenhof geht. Museum Kunstpalast arbeitet sich aus den roten Zahlen.* Dorothea Hülsmeier, *Der Manager und die Kunst des Sparens.*

⁷⁸¹ Betram Müller, *Ackermann attackiert Rechnungshof. Rechnungshof vermisst Konzept bei der Kunstsammlung NRW.* Rechnungshof Baden-Württemberg, *Zentrum für Kunst und Medien Karlsruhe (Beitrag 22).* Eric Dewald, *ZKM in der Kritik: Rechnungshof bemängelt zu hohe Ausgaben.*

⁷⁸² Gaby Kollé, *Leere im Dortmunder U vor Ort aber viele Besucher in der Statistik.*

It also stages an investigation of the theoretical underpinnings and practical applications of NPM principles – as the most commonly employed form of performance monitoring - within the German public sector and museums (6.2.1) in particular.

Expanding on the practices examined in chapter five, this chapter presents the final component of the range of incompatibilities inherent in management practices associated with sustainable development which conflict with the established systems the German art museum is embedded in. It does so in order for chapter seven to be able to discuss corresponding approaches that can offer a solution through creating alignment among competing systems to ultimately support the implementation of sustainable management practice.

6.1 DEFINING AND MEASURING OUTPUT

Defining output in an art museum is a necessary component to understanding management practices designed to measure and manage performance. While literature offers a range of approaches to doing so, the resistance observed and subsequently discussed is the result of an amalgamation of thought processes outlined in chapters three and four. To define and measure said output, it is necessary to accept that art and the museum itself possess an instrumental value, quantifiable and less abstract than its intrinsic value. This conflicts with interpretations of value that aim to distance the arts from political instrumentalisation and market economics, based on a historically developed understanding of how the arts and art museum must be maintained as a sacred and separate space from other systems, rooted in the philosophical articulations surrounding cultural consumption.

Wilson recommends that organisations should implement enterprise-wide systems for linking core operations and business units.⁷⁸³ An integrated set of plans⁷⁸⁴ is devised, in which corporate strategy (managing business units), business strategy (competitive strategy)⁷⁸⁵ and functional strategy (operations, marketing, finance, research)⁷⁸⁶ is articulated to achieve long-term organisational goals.⁷⁸⁷ Quality tools are useful here to approach business process management from a holistic view, linking said operations and business units. Effective process management integrates information into operations,⁷⁸⁸ identifying what is not adding value.⁷⁸⁹ Controlling mechanisms⁷⁹⁰ regulate the performance of various organisational units, keeping them under predetermined limits to increase efficiency and effectiveness, allowing for the detection of deviations and for corrective measures to be taken.⁷⁹¹ This clearly illustrates the utility of monitoring output but more importantly demonstrates the necessity of a clear definition of how output is constructed and considered in this process.

Hilgers explains that in economic terms, output refers to flow of goods, making it a results-based item, quantified by its market value.⁷⁹²

⁷⁸³ Richard Wilson, *Principles of Business*, p.106.

⁷⁸⁴ Jim Blythe, *Principles & Practice of Marketing*, p.322.

⁷⁸⁵ Richard Wilson, *Principles of Business*, p.60.

⁷⁸⁶ Ibid. p.61.

⁷⁸⁷ Ibid. p.66.

⁷⁸⁸ Ibid. p.346.

⁷⁸⁹ Ibid. p.347.

⁷⁹⁰ Petra Schneidewind, *Controlling im Kulturmanagement: Eine Einführung* (Wiesbaden: Springer Fachmedien, 2013), p.7. Eric M. Bernhard, *Kunst als Kapitalanlage*, p.57.

⁷⁹¹ Sachindranath Bhattacharya, *Museum Management* (Kolkata: New Bengal Press, 2006), p.211.

⁷⁹² Dennis Hilgers, *Performance Management, Leistungserfassung und Leistungssteuerung in Unternehmen und öffentlichen Verwaltungen*, p.10.

With regards to the monetary dimension of output, this conception is inextricably linked to the (contrapositive) notion of cost⁷⁹³ - thus the genesis of services in accordance with the goals of the enterprise.⁷⁹⁴ Hilgers stresses that the selection of appropriate objects to measure is dependent on the industry and individual organisation,⁷⁹⁵ referring the problems regarding the transferability of research - as identified by Hewison.⁷⁹⁶ This opens up the question of how, within public museums, the social and economic benefits of cultural activity can be measured and expressed, considering the definition of output presented being clearly linked to economic value.

According to Johnson and Thomas, museums may be viewed as productive units, which engage in a transformation of inputs into a mix of outputs valued by others.⁷⁹⁷ Similarly, Grampp explains that while (public) museums may be non-profit organisations, this does not imply that the benefit they provide has no economic value.⁷⁹⁸ A good has (economic) value if it yields utility.⁷⁹⁹ By that definition, if museums produce an output and if it can be agreed upon how to define its utility in a way that is measurable, it should in turn be possible to determine an economic value for which it can be assessed. Gstraunthaler and Piber on the other hand outline how within museums, performance is usually measured by a set of key figures, which derive from accounting designed to show costs, but fail to capture benefit and recognize social value, due to accounting having its intellectual roots in the neo-classical theory of value. Additionally, neo-classical theory as the backbone of accounting is not a neutral tool as it lacks an understanding of the institutional environment in which public entities exist and altruistic concepts like social welfare are excluded.⁸⁰⁰

Considering this, Dees, in the context of the social enterprise (see 7.1 for more detail) introduces the 'Value Equation', defining value as the sum of an institutions results, process quality in relation to cost and ease of access.⁸⁰¹ In order for non-profits to be able to value their unique contribution in the marketplace, the concept of mission, goals and objectives play a critical role.⁸⁰² In a for-profit context value is defined in financial terms and in particular in terms of return on investment, while value in the non-profit

⁷⁹² Ibid. p.17.

⁷⁹⁴ Ibid. p.20.

⁷⁹⁵ Ibid. p.47.

⁷⁹⁶ Robert Hewison, *Cultural Leadership*, p.82.

⁷⁹⁷ Peter Johnson, Barry Thomas, 'The Economics of Museums: A Research Perspective'.

⁷⁹⁸ W.D. Grampp, *Pricing the Priceless*, p.168.

⁷⁹⁹ Ibid. p.21.

⁸⁰⁰ Thomas Gstraunthaler, Martin Piber, 'Performance Measurement and Accounting: Museums in Austria', *Museum Management and Curatorship*, Vol. 22, 4 (2007) pp.361-376.

⁸⁰¹ Gregory Dees, *Strategic tools for social entrepreneurs*, p.8.

⁸⁰² Ibid. p.165.

marketplace is defined by measurable social impact.⁸⁰³ According to Dees, social entrepreneurs interested in the double bottom line - similar to the two pillars of sustainability considered - of achieving social and financial outcomes, will be interested in measuring financial performance - both programmatically and organisationally, examining whether the organisation is delivering quality services cost effectively.⁸⁰⁴ Expanding on Dees Social Enterprise Model of third-sector organisational performance, which focuses on organisational outcomes instead of goodwill, good processes, accumulation of resources or highly acclaimed programmes as the ultimate bottom line, Sandell argues that the social enterprise can be seen as at least partially parallel to the commercial enterprise. It is similar in having achievement of a bottom line as its ultimate operational objective, yet different because of how that bottom line is defined and the ability to achieve an intended bottom line distinguishing organisational success from failure.⁸⁰⁵ While the museum cannot simply focus on the obvious bottom line of profit determined by transactions on the market as a measure of performance,⁸⁰⁶ it can however determine the rate of return on the capital it uses.⁸⁰⁷ On a more practical level, the model that has been adopted to account for the use of resources in the public sector is one in which performance is measured against quantitative indicators.⁸⁰⁸ Indicators may include items such as the number of visitors to the museum, the number of exhibitions presented or educational programmes offered,⁸⁰⁹ revenue growth rate,⁸¹⁰ as well as visitor experience.⁸¹¹ Konrad suggests items such as turnover, profit or productivity in studies of success factors.⁸¹² Additionally subjective elements are captured through visitor data⁸¹³ collected through focus groups,⁸¹⁴ while visitor surveys⁸¹⁵ can give insight into what value a museum delivers.⁸¹⁶

⁸⁰³ Ibid. p.162.

⁸⁰⁴ Ibid. p.173.

⁸⁰⁵ Richard Sandell, *Museum management and marketing*, p.37.

⁸⁰⁶ Susan M. Pearce, *Museum economics and the community*, p.42.

⁸⁰⁷ W.D. Grampp, *Pricing the Priceless*, p.179.

⁸⁰⁸ Richard Sandell, *Museum management and marketing*, p.181.

⁸⁰⁹ Ibid. p.182.

⁸¹⁰ Kurt Nagel, Peter Walker, *Das Museum im Dorf lassen? Museen neu sehen und bewerten* (Sternenfels: Verlag Wissenschaft & Praxis, 2016), p.66.

⁸¹¹ Ibid. p.68. Neil G. Kotler, Philip Kotler, Wendy I. Kotler, *Museum marketing and strategy*, p.22. Graham Black, *The engaging museum: developing museums for visitor involvement* (London: Routledge, 2005), p.102. Peter Johnson, Barry Thomas, 'The Economics of Museums: A Research Perspective'.

⁸¹² Elmar Konrad, 'Cultural Entrepreneurship: The Impact of Social Networking on Success'.

⁸¹³ Graham Black, *The engaging museum: developing museums for visitor involvement*, p.22.

⁸¹⁴ Richard Sandell, *Museum management and marketing*, p.185.

⁸¹⁵ Petra Schneidewind, *Controlling im Kulturmanagement*, p.81.

⁸¹⁶ Ibid. p.102.

While there are demonstrably practical solutions to defining and monitoring output, the discussion presented here also provides evidence of concerns that the intrinsic value of the art museum is disregarded for seemingly more objective measures, again acting as a distraction from core art museum functions and threat to the quality of its work, as the monitoring itself is seen as a justification for the museums existence and is thereby in conflict with its perceived identity and status of the museum. The discussion highlights positions, which reject the idea entirely to want to define output, while other positions favour focusing on the non-quantitative aspects such as the achievement of social objectives – forgoing any quantification of museum output in terms of economic metrics and efficient use of resources for fear of subjecting the museum to a reductionist evaluation. Interview data subsequently presented here shows that while there is some acknowledgement that monitoring for the purpose of making adjustments to management is useful, the element of using performance information as a justification for funding touches a nerve in that it contradicts the outlined beliefs in chapter four surrounding the elevated status of the arts, with the economics of the museum and mechanisms of arts funding and policy acting as an unwelcome intervention to the system.

Bianca Knall, Business Director of the Stiftung Kunstsammlung NRW, states that while it may be obvious to focus on income generation, attendance or even online engagement and press coverage, this may not always be the best choice, giving the example of academically relevant exhibitions that may not attract large audiences. She explains that she is not a supporter of performance indicators, attributing this to the fact that she comes from an arts background. 'It's problematic when communes want to value their art assets or museums are required to monitor attendance. You enter into dangerous territory'.

She explains that it is becoming increasingly difficult to maintain the independence of the institution, as those providing funding increasingly make demands to assess institutions based on their relevance. 'I do not find this useful, as it decreases the freedom slowly but surely. If possible, one should neither use performance indicators nor evaluation systems'. She goes on to state that these measures may be useful for the institution when used within an internal context, however if a workshop is cancelled because pre-bookings are not to full capacity, this would discredit its value⁸¹⁷. She thereby addresses the previously outlined limitations of defining and measuring output within a museum context and expresses associated fear that doing so can ignite a ripple effect through which museums

⁸¹⁷ Bianca Knall interview.

are pushed into a position of having to justify core activities which do not conform to the defined parameters of measurable output. Antonella Sbarra, ArtPartner Relations Project Manager, identifies the financial gains that can be achieved through a partnership as one way of understanding output and success, along with 'attendance and positive audience feedback',⁸¹⁸ providing both quantitative as well as qualitative means of assessing output. 'Audience feedback is an important part of assessing the success of an exhibition, but of course there is a central focus on the funds that can be generated through an exhibition'. Lisa Schade, Director of Fundraising at the Museum Ludwig, also takes on a pragmatic approach, stating that 'the easiest metric is attendance'. As a subjective metric, she is also interested in 'audience feedback, as a direct measure of success' as well as audience engagement online.⁸¹⁹ The interview insight presented here is representative of two different camps, one having accepted the necessity to view museum activities through the lens of managing output as a prerequisite for funding based on the principles outlined in chapter four, while the other is concerned with the consequences this may have for the focus and position the organisation inhabits.

While it is unlikely that all art museums in Germany take an adverse position with regards to defining and measuring output, the lack of reporting data, described in 2.3.2, combined with the negative outcomes as a consequence of mismanagement presented in the introduction to this chapter, suggests that an under-utilization of such practices may be prevalent.

6.1.1 APPROACHES TO PERFORMANCE MEASUREMENT & MANAGEMENT

By reviewing various approaches to performance measurement and management – part of the identified best practices for sustainable outcomes – while considering the concerns presented in the previous section, this section illustrates that there is a range of approaches, which provide a holistic view of organisational output and are designed to avoid reductionist evaluation. This section also examines the discourse surrounding the appropriateness of these methods in a museum context. Approaches to and the application of methods to measure output reveal how theories of value presented in the discussion of the economics of the art museum and arts funding are interpreted and potentially impact decision-making processes and thus management practice.

⁸¹⁸ Antonella Sbarra interview.

⁸¹⁹ Lisa Schade interview.

Within performance measurement and management, data collection assumes a central role in cultural policy, enabling the comparison between targets and achievements.⁸²⁰ According to Dees, the collection of performance information informs practice, demonstrates accountability, improves planning, demonstrates cost effectiveness as well as improves social return on investment.⁸²¹ There are a number of performance measurement and management tools to assess and leverage the respective outputs. Key indicators take on an important role,⁸²² in that they can capture issues quantitatively and qualitatively. Hilgers explains that indicators are the result of a measurement process,⁸²³ which according to Nagel, are also used to measure performance within a museum setting. He however recognises that a system for establishing such indicators is largely absent within this particular context in Germany.⁸²⁴

In terms of actual performance measurement and management tools, there are a variety of methods found in relevant literature, including methods such as the Performance Pyramid based on the Lynch/Cross Model⁸²⁵ as well as other methods, which include Quantum Performance, ZVEI Schema,⁸²⁶ Value Reporting⁸²⁷ or Portfolio Analysis,⁸²⁸ many of which can be adapted to a museum context.⁸²⁹ One of the most commonly mentioned tools in relation to the museum is the Balanced Scorecard Method.⁸³⁰ Similar to the Performance Pyramid, the Balanced Scorecard Method - and building on it Data Envelopment Analysis⁸³¹ - is a tool that combines different perspectives of organisational value creation,⁸³² by taking a financial perspective, a customer perspective, an internal-process oriented perspective and a learning and innovation perspective into account.⁸³³

⁸²⁰ Eleonora Belfiore, 'Auditing culture: the subsidised cultural sector in the New Public Management', *International Journal of Cultural Policy*, Vol.10, 2 (2004), pp. 183-202.

⁸²¹ Gregory Dees, *Strategic tools for social entrepreneurs*, p.164.

⁸²² Kuno Schedler, Isabelle Proeller, *New Public Management*, p.194.

⁸²³ Dennis Hilgers, *Performance Management, Leistungserfassung und Leistungssteuerung in Unternehmen und öffentlichen Verwaltungen*, p.36. Ibid.p.38.

⁸²⁴ Kurt Nagel, Peter Walker, *Das Museum im Dorf lassen?*, p.19.

⁸²⁵ Dennis Hilgers, *Performance Management, Leistungserfassung und Leistungssteuerung in Unternehmen und öffentlichen Verwaltungen*, p.65.

⁸²⁶ Ibid. p.65.

⁸²⁷ Ibid. p.83.

⁸²⁸ Petra Schneidewind, *Controlling im Kulturmanagement*, p.116.

⁸²⁹ Kurt Nagel, Peter Walker, *Das Museum im Dorf lassen? Museen neu sehen und bewerten* (Sternenfels: Verlag Wissenschaft & Praxis, 2016). Giep Hagoort, *Art management*, p.93.

⁸³⁰ Kuno Schedler, Isabelle Proeller, *New Public Management*, p.196. Gregory Dees, *Strategic tools for social entrepreneurs*, p.172. Petra Schneidewind, *Controlling im Kulturmanagement*, p.116. Dennis Hilgers, *Performance Management, Leistungserfassung und Leistungssteuerung in Unternehmen und öffentlichen Verwaltungen*, p.65.

⁸³¹ Ibid. p.76. Elmar D. Konrad, *Unternehmertum und Führungsverhalten im Kulturbereich*, p.120.

⁸³² Thomas Gstraunthaler, Martin Piber, 'Performance Measurement and Accounting: Museums in Austria'.

⁸³³ Dennis Hilgers, *Performance Management, Leistungserfassung und Leistungssteuerung in Unternehmen und öffentlichen Verwaltungen*, p.71.

The perspectives are causally connected with each other⁸³⁴ and the performance drivers for target accomplishment serve as anchors for intervening management action. Gstraunthaler and Piber outline how the Balanced Scorecard Method is suitable for museums, given that different understandings of success can be combined in a joint control system and complex and contradictory interests can be accounted also using non-financial measures.⁸³⁵ For an evaluation of quality, after producing targets, figures, and assumptions about their connection, a benchmarking process⁸³⁶ is necessary. Hausmann speculates that the timidity with which the museum field approaches this method is rooted in the uniqueness of the museums offering as output.⁸³⁷ Another essential feature of performance measurement and management is controlling,⁸³⁸ referred to in a number of works on museum management with regards to the formalisation of management and the ensuing use of business administrative instruments.⁸³⁹ It refers to the use of quantifiable measurements to evaluate efficiency and effectiveness of the performance and potential of different organisational units.⁸⁴⁰ Controlling is dependant on setting an objective;⁸⁴¹ in the case of a museum this may be accompanied by an artistic and political legitimization through quantifiable goals.⁸⁴² Schneidewind considers museum professionals' behaviour and conservative attitudes as one of the main inhibitors to the widespread application of controlling instruments.⁸⁴³ Bernhard also states that even though a functioning controlling system would provide museums with a basis for decision-making, it is simply not woven into the fabric of traditional administration.⁸⁴⁴ It may even encourage deliberately dysfunctional behaviours, with fears of grants being reduced as a result of greater financial efficiency,⁸⁴⁵ highlighted in the discussion of the *Gesamtdeckungsprinzip* (see 5.1.1).

⁸³⁴ Ibid. p.72.

⁸³⁵ Thomas Gstraunthaler, Martin Piber, 'Performance Measurement and Accounting: Museums in Austria'.

⁸³⁶ Gail Dexter Lord, Kate Markert, *The manual of strategic planning for museums* (Lanham: Altamira Press, 2007), p.76. Graham Black, *The engaging museum*, p.110. Giep Hagoort, *Art management*, p.102. Thomas Gstraunthaler, Martin Piber, 'Performance Measurement and Accounting: Museums in Austria'.

⁸³⁷ Andrea Hausmann, *Besucherorientierung von Museen unter Einsatz des Benchmarking*, p.226.

⁸³⁸ Dirk Salmon, *New Public Management in der deutschen Arbeitsverwaltung: zwischen Anreiz und Motivation* (Köln: Kölner Wissenschaftsverlag, 2016), p.32. Sachindranath Bhattacharya, *Museum Management*, p.211.

⁸³⁹ Petra Schneidewind, *Controlling im Kulturmanagement*, p.7. Eric M. Bernhard, *Kunst als Kapitalanlage*, p.57. Elmar D. Konrad, *Unternehmertum und Führungsverhalten im Kulturbereich*, p.103

⁸⁴⁰ Dennis Hilgers, *Performance Management, Leistungserfassung und Leistungssteuerung in Unternehmen und öffentlichen Verwaltungen*, p.35.

⁸⁴¹ Petra Schneidewind, *Controlling im Kulturmanagement*, p.11.

⁸⁴² Ibid. p.12.

⁸⁴³ Ibid. p.7.

⁸⁴⁴ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.57.

⁸⁴⁵ Ibid. p.58.

Siverbo et. al. conceptualize the dysfunctional consequences of performance management in public sector organizations on the basis of complementarity theory and contingency theory, to conclude that dysfunctional consequences of performance management are a matter of interactions between design and use, between performance management and context. They identify a reason for dysfunctional consequences in the public sector it that it misses important performance dimensions and fails to inflict behaviours in a manner consistent with organizational strategies and goals.

This means that dysfunctional consequences of performance management are not only a matter of interactions within the control system, but on how control practices fit with context, to avoid hitting targets but missing the point.⁸⁴⁶

In the interview Adrienne Horn, Director of *Museum Management Consultants*, explains that museums often do not properly evaluate changes under managerial aspects.

'When you have great ideas and you want to create change, you need to come up with a business plan. You need to ask yourself "If I start doing these new things, what is the potential revenue? When are the expenses? Are we going to be able to make it? We need to study this before we do it, instead "They have an idea - whatever it is - and they just do it, without studying the implications, what the impact of that programme or that decision may be. (...) "Yes you are a museum and you are a very special place but you must not forget that you are a business".⁸⁴⁷

According to this logic, an acceptance of applying methods adapted from a business context is required along with an acceptance that they can benefit the museum. The dissonance this causes is evident in an interview statement by Bianca Knall:

'I very deliberately inhabit the position that this is not very helpful, as you give up a piece of your freedom like this. If possible, you should stay away from indicators or evaluation, though these tools can be useful for internal use. (...) My position is that one should make oneself independent from any form indicator, evaluation and input-output measurement technique'.⁸⁴⁸

She points to the previously cited exhibition at the Von der Heydt Kunsthalle being cancelled, based on the forecast that too few visitors would attend making the cost of staging the exhibition unfeasible. 'Look at Wuppertal: an exhibition on enlightenment is cancelled, because of too few projected visitors in relation to costs'.⁸⁴⁹ Knall further suggests grants should be given on the basis of socially relevant programming.⁸⁵⁰

⁸⁴⁶ Sven Siverbo, Mikael Cäker, Johan Åkesson, 'Conceptualizing dysfunctional consequences of performance measurement in the public sector', *Public Management Review*, Vol. 21, 12 (2019), pp. 1801 – 1823.

⁸⁴⁷ Adrienne Horn interview.

⁸⁴⁸ Bianca Knall interview.

⁸⁴⁹ Ibid. Monika Werner-Staude, *Wuppertal: Eine Gefahr für die Marke von der Heydt*, *Rheinische Post*, February 9, 2018, [accessed April 7, 2018]. *Frankreich-Ausstellung im Von der-Heydt-Museum abgesagt*.

⁸⁵⁰ Bianca Knall interview.

This 'all or nothing attitude', which does not acknowledge that qualitative aspects can be accounted for appropriately, is not absent in the statements made by Frank Schellenberg, Director of *actori*. He points out that 'not every output a cultural institution produces can be quantified appropriately. This however only partially exempts institutions from putting themselves in a position that allows for them to be evaluated' and that is difficult to avoid considerations of utility in this discussion.

Schellenberg observes that performance measurement and management open the door to circumstances in which funding bodies may reduce an institution to economic performance indicators, focused on visitor statistics and money.

'It is better to focus on understanding qualitative or non-monetary areas such as collecting or academic achievements or educational provision. At the same time, you work to demonstrate to your stakeholders what you are achieving with their funds (...). There is the risk that indicators hold too much significance and that the focus lies solely on such assessment criteria. It is difficult to make soft output measurable in cultural institutions. Sometimes a qualitative evaluation is necessary. That however makes it harder for institutions to accurately compare themselves to others.'⁸⁵¹

He believes that it is more effective to focus on what non-monetary value an institution can create. At the same time Schellenberg understands that it is important to show stakeholders 'what value is created and that institutions, which avoid this altogether, also miss a chance to lobby for their work and mission. (...) We have to let go of the desire to reduce everything to ten indicators. It cannot work'. He stresses the importance of considering both monetary and non-monetary outcomes,⁸⁵² to avoid a reductionist representation of institutions, as this in his opinion weakens effectiveness of assessment instruments.⁸⁵³

The concerns voiced by the German professionals interviewed reflect the dysfunction by Siverbo et. al, describing scenarios in which performance measurement provides no real benefit due to contextual variables not fitting with control mechanisms.⁸⁵⁴ The stark contrast this creates with the approach taken by Horn, in which economic viability is simply a prerequisite for staging any project, reflects the discussion surrounding the sentiment that art, in the German conception, must be shielded from such considerations.

⁸⁵¹ Frank Schellenberg Interview.

⁸⁵² Ibid.

⁸⁵³ Ibid.

⁸⁵⁴ Sven Siverbo et. al. Conceptualizing dysfunctional consequences of performance measurement in the public sector.

This demonstrates the concerns surrounding performance measurement and management are consistent with the logics and value systems explored in chapter three and four surrounding the conception of the status of the arts and museums and also illustrates how theories of value informing arts funding are interpreted by not only policy makers but museum professionals. This ultimately presents a conflict with the ability to make informed strategic decisions to benefit the sustainability of an institution.

6.2 NEW PUBLIC MANAGEMENT AND SYSTEMS OF ACCOUNTABILITY

Based on the premise that an important element to achieving sustainable outcomes in organisations is efficient management of resources, implementing systems of accountability to ensure that said efficiency is pursued diligently and monitoring the outcomes achieved,⁸⁵⁵ NPM is the most prominent form this has taken on. This section considers the principles of NPM⁸⁵⁶ and its theoretical underpinnings as well as the moral conflicts that are inherent in its application.⁸⁵⁷ It does so in order to understand how, specifically within an art museum context, implementation is informed by previously discussed ideological considerations and uncovers the implications this interaction has for sustainability. The examination draws connections to previously presented points of discussions of economic and political rationality, the welfare state as well as structural deficits. This also provides the basis for a discussion of the contingent nature of new museum ethics and accountability⁸⁵⁸ explored further in the next chapter.

The central point this section makes is that NPM, though entirely compatible with the legal and constitutional ground rules regulating cultural funding in public German institutions, the philosophical principles it is based upon place it into opposition with notions of German *Kulturstaatlichkeit* introduced in chapter three.

⁸⁵⁵ Larry Litten, 'Measuring and Reporting Institutional Sustainability'. Eva Vicente, Carmen Camarero, 'Insights into Innovation in European Museums'.

⁸⁵⁶ Jan-Erik Lane, *New Public Management* (London: Routledge, 2000). Siltala Juha, 'New Public Management', *Administration & Society*, Vol.45, 4 (2013), pp. 468-493. Jörg Becker, Lars Algermissen, Thorsten Falk, *Prozessorientierte Verwaltungsmodernisierung* (Berlin/Heidelberg: Springer, 2007). Erik-Hans Klijn, 'New Public Management and Governance: A Comparison' in David Levi-Faur (Ed.), *The Oxford Handbook of Governance* (Oxford: Oxford University Press, 2012). Peter Behringer, Dieter Brühl, Klaus Buchholz et. al., *New Public Management - Umsetzung neuer Rechnungs- und Informationssysteme in innovativen Verwaltungen* (Freiburg: Haufe, 1999). Kuno Schedler, Isabelle Proeller, *New Public Management*. Norbert Thom, Adrian Ritz, *Public Management: Innovative Konzepte zur Führung im öffentlichen Sektor* (Wiesbaden: Gabler, 2000).

⁸⁵⁷ Michael Montias, 'Are Museums betraying the Public's' Trust in Mark Blaug, *The Economics of the Arts* (London: Martin Robertson & Company Ltd.1976), pp.205 – 217. C. Reichard, *The Impact of Performance Management on Transparency and Accountability in the public sector in Ethics and Accountability in a Context of Governance and New Public Management*. Eleonora Belfiore, 'Auditing culture : the subsidised cultural sector in the New Public Management'. Roger Levy, 'New Public Management, End of an Era?', *Public Policy and Administration*, Vol. 25 (2) (2010), pp.234 - 240. Dirk Salmon, *New Public Management in der deutschen Arbeitsverwaltung*.

⁸⁵⁸ Ed Gerrish, 'The Impact of Performance Management on Performance in Public Organizations: A Meta-Analysis', *Public Administration Review*, Vol.76 (1) (2016), pp. 48–66. Christian Nitzl, Mariafrancesca Sicilia, Ileana Steccolini, 'Exploring the links between different performance information uses, NPM cultural orientation, and organizational performance in the public sector', *Public Management Review*, Vol.21, 5 (2018), pp. 686-710. Marilyn Strathern, *Audit Cultures: Anthropological Studies in Accountability, Ethics and the Academy* (London: Routledge, 2000).

Established German art museum identity is compromised by an economically driven imperative entering administrative structures. What this means is that in its attempt to correct the inefficiencies created by accounting and budgeting constraints that are no longer aligned with contemporary economic demands (see 5.1), it inherently requires a commodification of museum output and puts institutions in a position of having to justify their existence beyond their intrinsic value. This not only solidifies evidence of an instrumentalisation in economic metrics, it also challenges the established identity of the art museum as an institution outside of and above all other systems and in particular the market. This chapter explores how the arguments presented in chapter four in the discussion of value formation and subsidization of the arts create conflict when the decidedly utilitarian perspective of NPM takes on museum output. Having to apply objective measures to something defined as defying rational assessment and delivering performance information as legitimization for its existence represents an attack on the self-concept of museums and perceived value of the arts. If NPM is seen as the ultimate embodiment of performance management, the conflict that occurs in the interaction of associated practices with German art museum identity constitutes another frontier of resistance to the implementation of best practices for sustainable outcomes.

This section examines the logic behind NPM approaches as well as its spread and implementation from a historical standpoint, specifically in public German institutions, while considering criticisms this development has encountered. Data is then presented to support the analysis of how NPM takes shape in practice, conducting a comparison between German and international institutions studied, demonstrating that focus is not directed away from core museum work as a consequence of honoring the public investment in the arts.

Schiavo-Campo states that within the realm of government budgeting, public financial management must pursue stability, growth and equity through the efficient and effective use of resources. Hence, the goals of overall policy translate into a triad of objectives for public financial management: fiscal discipline and expenditure control, allocation of resources consistent with policy priorities and good operational management.⁸⁵⁹

NPM, according to Klijn, attempts to incorporate strategies for efficiency, effectiveness and economic action into the operation of publicly funded institutions using techniques proven successful in the private sector.⁸⁶⁰

⁸⁵⁹ Salvatore Schiavo-Campo, *Government budgeting and expenditure management*, p.23.

⁸⁶⁰ Erik-Hans Klijn, *New Public Management and Governance*, p.204. Jörg Becker, Lars Algermissen, Thorsten Falk, *Prozessorientierte Verwaltungsmodernisierung*, p.14. Kuno Schedler, Isabelle Proeller,

It is based on the assumption that while economics may not be able to state what the goals pursued by a museum should be, they can provide a framework for managing resources.⁸⁶¹ NPM overturned principles of the welfare state and combined institutional economics approaches with business management methods. The goal of this reframing was creating a more efficient and result-oriented public administration, achieving greater quality using fewer resources.⁸⁶² NPM fits public services into quasi-market models, increasing competition in service provision and realising public policy.⁸⁶³ By introducing entrepreneurship, competition and quasi-markets⁸⁶⁴ into bureaucracies, it is expected that more value is created, based on the underlying supposition that markets are superior in the distribution of resources and the efficiency of operations.⁸⁶⁵ Through output or performance orientation, organisations are required to shift their governance concept from input control to an outcome focus,⁸⁶⁶ referred to as *Management by Objectives*.⁸⁶⁷ Financial incentives replace an inflexible funding system, increase accountability and prevent responsibility from being absorbed by regulation in a system governed by market processes rather than political legitimization.⁸⁶⁸

It thereby increases the importance of strategic planning and management⁸⁶⁹ and cultural or social entrepreneurship.⁸⁷⁰ NPM in public cultural institutions, described by Roger Levy as 'arguably as much a casualty of the global economic crisis as are the markets and market mechanisms which underpin it'⁸⁷¹ - emerging within the broader context of the political turmoil that characterised the advent of Thatcherism – referred to as 'turning point for the arts'. In the context of what has been defined as 'instrumental cultural policies', the arts are subsidised in so far as that they represent a means to an end rather

New Public Management, p.58. Salvatore Schiavo-Campo, *Government budgeting and expenditure management*, p.8.

⁸⁶¹ Michael Montias, 'Are Museums betraying the Public's Trust', p.205.

⁸⁶² Dirk Salmon, *New Public Management in der deutschen Arbeitsverwaltung*, p.14.

⁸⁶³ Jan-Erik Lane, *New Public Management*, p.204.

⁸⁶⁴ Kuno Schedler, Isabelle Proeller, *New Public Management*, p.59.

⁸⁶⁵ Thomas Gstraunthaler, Martin Piber, 'Performance Measurement and Accounting: Museums in Austria'.

⁸⁶⁶ C. Reichard, 'The Impact of Performance Management on Transparency and Accountability in the public sector in Ethics and Accountability in a Context of Governance and New Public Management.' Dirk Salmon, *New Public Management in der deutschen Arbeitsverwaltung*, p.21. Eric M. Bernhard, *Kunst als Kapitalanlage*, p.49.

⁸⁶⁷ Dennis Hilgers, *Performance Management, Leistungserfassung und Leistungssteuerung in Unternehmen und öffentlichen Verwaltungen*, p.137. Dirk Salmon, *New Public Management in der deutschen Arbeitsverwaltung*, p.27. Eric M. Bernhard, *Kunst als Kapitalanlage*, p.49. Kuno Schedler, Isabelle Proeller, *New Public Management*, p.41.

⁸⁶⁸ Jörg Becker, Lars Algermissen, Thorsten Falk, *Prozessorientierte Verwaltungsmodernisierung*, p.8. Dennis Hilgers, *Performance Management, Leistungserfassung und Leistungssteuerung in Unternehmen und öffentlichen Verwaltungen*, p.101.

⁸⁶⁹ Gail Dexter Lord, Kate Markert, *The manual of strategic planning for museums*, p.1. Hugh H. Genoways, Lynne M. Ireland, *Museum Administration: An introduction* (Walnut Creek: AltaMira Press, 2003), p.76.

⁸⁷⁰ Gail Dexter Lord, Kate Markert, *The manual of strategic planning for museums*, p.1.

⁸⁷¹ Roger Levy, 'New Public Management, End of an Era?'.

than an end in itself. Public 'investment' in the arts was advocated on the basis of concrete and measurable economic and social impacts, in an attempt to make public administration more entrepreneurial.⁸⁷²

There is recent research calling the effectiveness of NPM into question, showing that measuring performance may not always improve public organizations' performance. Moreover, different performance information uses may produce different effects depending on their interaction with the cultural orientation of the organization where they take place.⁸⁷³ Jacobsen et. al. describe a fundamental mismatch between external accountability regimes and the basic characteristics of the public sector. They argue that as a result, performance regimes are often experienced as externally imposed standards that encourage passivity, gaming, and evasion.⁸⁷⁴ This provides an explanation for the concerns raised previously regarding the conditions present within the German art museum and the willingness to engage in and also benefit from performance measurement in the first place. These relate to difficulty in defining objective outputs within an art museum context and reconciling these with the self-concept of the museum. Beyond these more general criticisms, it becomes apparent how the theoretical underpinnings of NPM and its consequences create an ideological conflict with the conceptions of the arts and the status of the museum, as the next subsection focusing on NPM within a German context examines.

6.2.1 NEW PUBLIC MANAGEMENT IN GERMAN PUBLIC INSTITUTIONS

Hilgers describes how, as bureaucracy in European countries began to show signs of dysfunction, questions of whether public administration can act effectively without abandoning fundamental principles of legitimization such as democracy and constitutionality arose.⁸⁷⁵ The Thatcher government identified the state and its bureaucracy as partially accountable for the financial turmoil of the 1970s, issuing a strict reform.⁸⁷⁶ As a consequence NPM originated from the United Kingdom and soon spread to the United States, Australia and especially New Zealand, and then further on to

⁸⁷² Eleonora Belfiore, 'Auditing culture: the subsidised cultural sector in the New Public Management'.

⁸⁷³ Christian Nitzl, Maria Francesca Sicilia, Ileana Steccolini, 'Exploring the links between different performance information uses, NPM cultural orientation, and organizational performance in the public sector'.

⁸⁷⁴ M. L. Jakobsen, M. Baekgaard, D. P. Moynihan, N. van Loon, 'Making Sense of Performance Regimes: Rebalancing External Accountability and Internal Learning', *Perspectives on Public Management and Governance*, Vol.1, 2 (2018), pp. 127–141.

⁸⁷⁵ Dennis Hilgers, *Performance Management, Leistungserfassung und Leistungssteuerung in Unternehmen und öffentlichen Verwaltungen*, p.101.

⁸⁷⁶ Dirk Salmon, *New Public Management in der deutschen Arbeitsverwaltung*, p.14.

Continental Europe.⁸⁷⁷ Salmon divides countries adopting NPM principles into groups, the first being made up of the US, Australia, New Zealand and the UK, which engaged in a process of radical reform and were quick to adopt NPM. Germany, Austria and Switzerland were characterised by an initially very hesitant stance towards the reform. He cites Thom and Ritz (2008) in identifying the thinking patterns of Weber's model for bureaucracy as responsible for this reserved attitude.⁸⁷⁸ With Germany being remarkably late to adopt NPM methods,⁸⁷⁹ remaining a mostly passive observer,⁸⁸⁰ it was only during the fiscal retrenchment after reunification that action was demanded.⁸⁸¹

As with other countries, NPM in Germany was also a result of financial crises,⁸⁸² in an attempt to fill gaps that had accrued in concepts of public administration.⁸⁸³ Due to austerity measures beginning in the 1990s⁸⁸⁴ encouraging museums to justify their *raison d'être*⁸⁸⁵ - the exclusive focus of museums on collecting, conservation, research and education was no longer seen as appropriate.⁸⁸⁶ Holzmann describes the shift within the German museum sector in which public bodies were transferred to private status at a legal level. This came as a consequence of the expansion that took place between the 1960s and 1980s, in which access to the arts was a primary objective.

After several financial crises, the cultural infrastructure in Germany was seen as valuable yet expensive to maintain, causing policy makers to look towards NPM measures as a solution.⁸⁸⁷ This transformation of legal and also operational form is addressed in 3.2.1 and is visible in the data presented in 3.2.2.

The associated course of action that the state were to downsize its role in arts funding enabled by NPM is supported by the historical conceptualization of state involvement in Germany under which it would originally provide the means to build a cultural environment but nothing more, which is legally compatible with the conception of a *Kulturstaat*,⁸⁸⁸ though not – based on the discourse presented in chapter three – ideologically.

⁸⁷⁷ Jan-Erik Lane, *New Public Management*, p.3.

⁸⁷⁸ Dirk Salmon, *New Public Management in der deutschen Arbeitsverwaltung*, p.15.

⁸⁷⁹ Norbert Thom, Adrian Ritz, *Public Management*, p.38.

⁸⁸⁰ Dirk Salmon, *New Public Management in der deutschen Arbeitsverwaltung*, p.19.

⁸⁸¹ Ibid. p.20.

⁸⁸² Kuno Schedler, Isabelle Proeller, *New Public Management*, p.29.

⁸⁸³ Norbert Thom, Adrian Ritz, *Public Management*, p.23. Petra Schneidewind, *Controlling im Kulturmanagement*, p.7.

⁸⁸⁴ Annika Hampel, *Der Museumsshop als Schnittstelle von Konsum und Kultur*, p.49 Ibid. p.51.

⁸⁸⁵ Andrea Hausmann, *Besucherorientierung von Museen unter Einsatz des Benchmarking*, p.30.

⁸⁸⁶ Annika Hampel, *Der Museumsshop als Schnittstelle von Konsum und Kultur*, p.52.

⁸⁸⁷ Katrin Louise Holzman, *Sammler und Museen*, chapter 3.3.2.2.

⁸⁸⁸ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.268.

The commandment of cost effectiveness as a constitutional principle however is embedded within the legal framework of budgeting for state, federal and municipal government.⁸⁸⁹ Thus, the guiding principle of NPM - which is for public institutions to manage resources efficiently - is compatible if not required by German law,⁸⁹⁰ yet is perceived as the antithesis to the German conception of who inherently carries responsibility for the arts. Furthermore, NPM is intended to create incentives for museums to generate revenues independently⁸⁹¹, which again opposes existing attitudes towards commercial activity and earned income. With the arts positioned as far removed from the economic realm, an outwardly focused approach to management is novel in the sense of diverging from the primacy of scholarly criteria for quality in terms of service offering.⁸⁹²

Beyond this, the resistance in Germany to the widespread implementation of NPM methods is visible in the discourse surrounding its implementation and contribution, with reform processes subject to harsh scrutiny.⁸⁹³ Salmon speaks of experimentation by municipalities, a modest rate of modernization on a federal level and almost no activity on a state level,⁸⁹⁴ referring to this as the failure of NPM in Germany.⁸⁹⁵ Behringer concludes that the reform-deficit is not the result of a lack of available solutions but clearly a deficit of implementation and execution.⁸⁹⁶

With regards to the reasons why NPM has not seen a faster and more widespread implementation particularly within cultural institutions, a number of additional factors can be considered accountable. One is that the prevalent ideal of a prescient state that intervenes with the objective to correct the effects of market failure external to the administration⁸⁹⁷ affected the willingness to engage in NPM methods in the first instance. Thom and Ritz refer to NPM methods as the 'imperialism of business management'⁸⁹⁸, pointing towards the tensions arising at the intersection of the guiding principles of NPM, the democratic *Rechtsstaat* (constitutional state) and the merit-, output- and economically-centered state, in which conflicting forces of hierarchy, priority,

⁸⁸⁹ Jörg Becker, Lars Algermissen, Thorsten Falk, *Prozessorientierte Verwaltungsmodernisierung*, p.7. Peter Behringer, Dieter Brühl, Klaus Buchholz et. al., *New Public Management*, p.24.

⁸⁹⁰ Dirk Salmon, *New Public Management in der deutschen Arbeitsverwaltung*, p.13.

⁸⁹¹ Andreas Grosz, *Die Kultur-AG*, p.115.

⁸⁹² Anja Wollenson, *Die Balanced Scorecard als Instrument der strategischen Steuerung und Qualitätsentwicklung von Museen*, p.26.

⁸⁹³ Dirk Salmon, *New Public Management in der deutschen Arbeitsverwaltung*, p.24.

⁸⁹⁴ Ibid. p.25.

⁸⁹⁵ Ibid. p.26.

⁸⁹⁶ Peter, Behringer, Dieter Brühl, Klaus Buchholz et. al., *New Public Management*, p.6.

⁸⁹⁷ Dirk Salmon, *New Public Management in der deutschen Arbeitsverwaltung*, p.19.

⁸⁹⁸ Norbert Thom, Adrian Ritz, *Public Management*, p.17.

accountability and responsibility cause friction.⁸⁹⁹ In this conflict between economic and political rationality the neoliberal and profit-maximizing approach contradicts the political doctrine of the welfare state concerned with equity and consensus.⁹⁰⁰ Both models have a major structural deficit: the welfare state is burdened by policy failure while the neoliberal model suffers from market failure.⁹⁰¹ A simple lack of knowledge and infrastructure also acts as a major impairment to NPM implementation⁹⁰² in cultural institutions, with structures firmly established in the private sector being virtually non-existent in the public sector⁹⁰³ and their establishment often being met with an innate distrust, caused by the sentiment that such measures complicate rather than improve operations.⁹⁰⁴

The reform of the accounting and budgeting system under NPM entails several benefits, given the constraints placed on museums under traditional accounting measures (see 5.1.1), which provided no incentives to act economically.⁹⁰⁵ In the course of the reform, changes to the *Haushaltsgrundsatzgesetz* (law governing budgeting principles on a national and federal level) were enacted in 1998, allowing for a flexible allocation of resources, under the prerequisite of using double entry bookkeeping (*Doppik*).⁹⁰⁶

Doppik is more concerned with economic success in terms of generating profits and minimising expenses while a cameralistic system has a stronger fiscal orientation, aiming to calibrate expenses and income to one another, making it unsuitable in terms of economic efficiency and even putting it into conflict with the legal provision outlined in the *Haushaltsgrundsatzgesetz*.⁹⁰⁷

In practice, accessible evidence of the implementation of NPM or NPM-adjacent measures is sparse, compared to reports of instances in which failure to manage resources efficiently have been associated with detrimental organisational outcomes. The most prominent examples are cases in which mismanagement and failure to achieve set objectives have resulted in media coverage, as was the case with the Museum

⁸⁹⁹ Norbert Thom, Adrian Ritz, *Public Management: Innovative Konzepte zur Führung im öffentlichen Sektor*, (Wiesbaden: Gabler, 2000), p.28.

⁹⁰⁰ Ibid. p.30.

⁹⁰¹ Ibid. p.34.

⁹⁰² Peter, Behringer, Dieter Brühl, Klaus Buchholz et. al., *New Public Management*, p.36.

⁹⁰³ Dirk Salmon, *New Public Management in der deutschen Arbeitsverwaltung*, p.32.

⁹⁰⁴ Ibid. p.33.

⁹⁰⁵ Lisa Becker, *Kulturfinanzierung in Großbritannien und Deutschland*, p.403.

⁹⁰⁶ Peter, Behringer, Dieter Brühl, Klaus Buchholz et. al., *New Public Management*, p.28.

⁹⁰⁷ Ibid. p.33.

Kunstpallast,⁹⁰⁸ Stiftung Kunstsammlung NRW⁹⁰⁹ or Museum Ostwall.⁹¹⁰ Case study data on the Kunstsammlung NRW shows how the *Landesrechnungshof NRW* designed the EPOS.NRW programme to – in line with NPM principles - modernise budgeting and accounting processes through making them more output-oriented. A report by the *Landesrechnungshof NRW (Jahresbericht 2017 über das Ergebnis der Prüfungen im Geschäftsjahr 2016)* details how the programme relies heavily on cost accounting, controlling and budgeting, where positions are tied to specific measurable objectives and conducting benchmark analysis throughout the process,⁹¹¹ making use of many of the mechanisms outlined in the previous section. Resistance to the measures implemented can be seen in the response issued by former director Ackermann⁹¹² to criticisms that the intended purpose was not sufficiently respected stating that programming decisions are 'none of the LRH business'. At the same time, her comments imply an issue with transparency and the willingness to be held accountable. More recent comments by new director Gaensheimer suggest that there is a greater ability to honour such criticisms.⁹¹³ This underlines how museum identities as well as notions of the value and status of the arts create significant dissonance at the intersection with output focused management practice.

By comparison, case study data shows that in the case of Tate, a Management Statement and the financial memorandum set out the framework of accountability within which Tate operates with regards to the conditions under which any public funds are paid and how Tate is to be held to account for its performance.⁹¹⁴ It also covers financial and management controls to be applied by Tate to safeguard public funds.⁹¹⁵ Tate uses management information and accounting systems that enable it to review its financial and non-financial performance against budgets and targets, including those in the funding agreement, and in its planning documents.⁹¹⁶

⁹⁰⁸ Annette Bosetti, *Der Kunstlotse vom Ehrenhof geht. Museum Kunstpallast arbeitet sich aus den roten Zahlen*. Dorothea Hülsmeier, *Der Manager und die Kunst des Sparens*.

⁹⁰⁹ Betram Müller, *Ackermann attackiert Rechnungshof. Rechnungshof vermisst Konzept bei der Kunstsammlung NRW*.

⁹¹⁰ *Leere im Dortmunder U*, Ruhrnachrichten.

⁹¹¹ Landesrechnungshof Nordrhein-Westfalen, *Jahresbericht 2017 über das Ergebnis der Prüfungen im Geschäftsjahr 2016/2017*.

⁹¹² Betram Müller, *Ackermann attackiert Rechnungshof*.

⁹¹³ Christian Herrendorf, Helga Meister, *Kunstsammlung NRW steht vor einem großen Umbruch*, Westdeutsche Zeitung, May 24, 2018, [accessed September 15, 2018]. Helga Meister, *Interview: Chefin der Kunstsammlung NRW: das K2 ist leider kein lebendiges Museum mehr*, Westdeutsche Zeitung, May 24, 2018, [accessed September 15, 2018].

⁹¹⁴ Tate Gallery, *Tate Management Statement and Financial Memorandum: 6 December 2012* (2012), p.3.

⁹¹⁵ *Ibid.* p.16.

⁹¹⁶ *Ibid.*, p.10.

The funding agreement lists several performance indicators that are in line with the mission of Tate that must be presented to the DCMS.⁹¹⁷ Tate operates within the structures presented, put in place to ensure an efficient use of resources while fulfilling policy objectives. While the impact this has on the internal management processes as well as the sensibilities of executive staff cannot be deduced from this, there is no clear evidence that an unavoidable consequence of abiding by these standards is a lessening of the value created to the community Tate serves. Furthermore, there is no such detailed information available concerning equivalent structures within which the German institutions studied operate, illustrating the impact the previously discussed dissonance between efficiency and museum identity has on best practice.

⁹¹⁷ Tate website, *Governance*, (n.d.), [accessed April 3, 2018].

6.3 CONCLUSION: EFFICIENCY VERSUS IDENTITY

While this chapter establishes that there are holistic ways of measuring and managing performance within a museum context – defined in 6.1 - the discussion presented illustrates that monitoring output, managing performance and NPM clashes with the German conception of cultural institutions.⁹¹⁸ It ultimately demonstrates that art museum identity impairs a central element to supporting sustainability, informed by the triangular exchange explored in chapter three. With the arts positioned as removed from the economic realm, an outwardly focused approach to management diverges from traditional value creation. Furthermore, the underlying logic of NPM directly opposes the conception of culture and the arts and their inherent intrinsic value, which requires no utilitarian legitimization in order to receive support. It represents an infringement upon the fundamental values defining art museum identity and directs responsibility from funding bodies to the institutions and thereby upsets established notions of duty, provision and responsibility. The relative absence of transparency and data concerning reporting and monitoring practices in the German institutions studied, paired with evidence of reports and investigations addressing this lack of transparency and failings presented in 6.2 with regards to procedures surrounding performance monitoring is also significant.

Common accounting systems and the theoretical underpinnings which informed funding models on a moral and philosophical level do not align with NPM principles and much less so with constitutionally defined responsibilities with regards to efficiency. The consequences this has for sustainable development are visible in the data presented, describing institutions whose practices do not align with approaches defined as supporting sustainability – as well as the negative outcomes this results in for institutions. As with the management practices examined in chapter five, competing systems again impact the implementation of a best practice, visible in its slow adoption, rejection of its most basic principles. The next chapter consequently stages an examination of strategies presented as solutions to align all previously explored competing systems within an institution and establish what potential implications are for management supporting sustainable development.

⁹¹⁸ Norbert Thom, Adrian Ritz, *Public Management*, p.17.
Ibid. p.30.

7. ALIGNING COMPETING SYSTEMS

The central dynamic creating obstacles to management approaches that support sustained development is that of systems, subsystems and their environments defined as incompatible being thrust together in the hypothetical pursuit of best practices. The research therefore considers Janes' proposition introduced in chapter one, that a hybrid model challenging the separation between the commercial and social sectors may offer a solution.⁹¹⁹ The central argument this chapter is constructed around is that there are ways of achieving an alignment of competing and conflicting systems for the benefit of implementing practices supporting long-term sustainability. This is found within cultural or social enterprise, organisational development, hybrid organising as well as a commitment to mission, public trust and new museum ethics associated with changing approaches to management.

Consequently, this chapter explores these four key areas as means to align competing systems and logics that build on one another in relation to the German art museum. The chapter therein also discusses primary data on the practical application of these theories in German institutions. In doing so, this chapter does not attempt to offer a blanket solution to all issues identified, but rather presents a new maxim to resolving tension at the intersection of systems that must inevitably move closer together in the pursuit of sustained development. This directly pertains to the objective of understanding how management practice supports or inhibits sustained development in German art museums. It addresses the implications this has for the resulting developmental perspectives holistically, by considering key theoretical approaches related to supporting organizational sustainability.

It does so firstly through an examination of the social enterprise in section 7.1, in which methods are presented for incorporating best practices within an organisation through entrepreneurialism by placing a premium on adaptability and responsiveness. Through introducing the concept of hybrid organising (7.2), the next section explores means by which arts management must not be compartmentalised and viewed in opposition to the art itself within the museum.

⁹¹⁹ Robert R. Janes, *Museums and the Paradox of Change*, p.339.

Instead it illustrates how a process of de-differentiation, in which art and economy are not treated as separate fields within the organisation,⁹²⁰ can contribute to the potential for sustained development through honouring the multiple bottom lines.⁹²¹ Section 7.3 subsequently explores the role of infrastructures allowing for organisational learning and professional identity in the support of responsive and resilient organisations. It herein demonstrates how governance impacts management and the ability of an organisation to successfully leverage best practices. Throughout each section empirical data on the institutions studied serves as a practical basis for discussion. The chapter closes with an examination of how new museum ethics, public trust, credibility and mission, all of which are significantly impacted by changes in management practice, factor into a holistic view of organisational sustainability (7.4), taking into account both social and economic dimensions.

⁹²⁰ Ivonne Kuesters, 'Arts Managers as Liaisons between Finance and Art'. Bard Kleppe, 'Managing Autonomy'.

⁹²¹ Seraphina Brown, Adilla Dharmasmita, 'Integrating the three pillars of sustainability'. Tomas Hak, Bedrich Moldan, Arthur Lyon Dahl, *Sustainability Indicators*, p.2. Joachim H. Spangenberg, 'Institutional Sustainability Indicators'. Asoka Bandarage, *Sustainability and Well-Being*, p.7. Peter A.C. Smith, (2011) 'Elements of Organizational Sustainability'.

7.1 SUSTAINABILITY AND THE SOCIAL ENTREPRENEUR

A museum's potential for sustainability is impacted by its financial autonomy along with the proportion of earned income through diversifying sources. Given this context, managerial models adjacent to business-management approaches, ensure that not only cultural but also financial goals are met. Practices associated with supporting sustained development are centered on adaptability and responsiveness, achieved through some level of entrepreneurialism and innovation.

This section explores how the concept of social entrepreneurship connects to sustained development within an organisation and how it can be leveraged within the context of non-profit institutions such as a public art museum. It examines discourses surrounding the social entrepreneur as defined by Dees, Drucker, Haagort and Konrad,⁹²² in relation to their impact on institutional sustainability.⁹²³ Three contexts of entrepreneurship - within all organizations, within non-profit settings and within the arts specifically - are considered, to understand how differences in organizational structure translate into models of social entrepreneurship applicable to the public art museum. Furthermore, the limitations of social enterprise and third sector organisations are examined, as a preface for a discussion of practice in art museums. Social entrepreneurship is defined by an external (market) orientation with emphasis on innovation and a social responsibility,⁹²⁴ exploiting change as an opportunity⁹²⁵ as well as systematic performance monitoring and improvement through incentives or rewards.⁹²⁶ These overlap with many of the key components of sustainability within an organisation: adaptability, responsiveness,⁹²⁷ cultural entrepreneurship, and capacity to innovate and generate income.⁹²⁸ At the same time, the concept of entrepreneurialism in a non-profit context may appear to be at odds with the very principles of a non-profit directionality. The theory reviewed here demonstrates how this perceived incompatibility is the result of a misinterpretation.

⁹²² Saskia Reither, *Kultur als Unternehmen*. Peter F. Drucker, *Innovation and Entrepreneurship*. Giep Hagoort, *Art management*. Ruth Rentschler, *The Entrepreneurial Arts Leader*. Gregory Dees, *Strategic tools for social entrepreneurs*.

⁹²³ Elmar D. Konrad, *Unternehmertum und Führungsverhalten im Kulturbereich*, p.36.

⁹²⁴ Andrea Hausmann, *Besucherorientierung von Museen unter Einsatz des Benchmarking*, p.84.

⁹²⁵ Peter F. Drucker, *Innovation and Entrepreneurship*, p.27.

⁹²⁶ Ibid. p.150.

⁹²⁷ Tomas Hak, Bedrich Moldan, Arthur Lyon Dahl, *Sustainability Indicators*, p.3.

⁹²⁸ Izabela Luiza Pop, Anca Borza, 'Factors Influencing Museum Sustainability and Indicators for Museum Sustainability Measurement'.

Reither points out that the discourse in Germany surrounding entrepreneurialism in the museum sphere either takes shape as ideological criticism or does not regard the subject matter as relevant at all,⁹²⁹ which plausibly is not least a result of the prejudices situated at the intersection of more proactive museum management and traditional values. Hausmann introduces several protagonists contributing to the exploration of cultural entrepreneurship, among them Haagort and his concepts of management, adapted for the cultural sphere by combining innovation and elements of entrepreneurship as defined by Drucker. In doing so, he constructs a triangle based on a clear cultural vision, an external (market) orientation with emphasis on innovation and a societal responsibility.⁹³⁰ According to Drucker, innovation and entrepreneurship are thus needed in society as much as in the economy, in public-service institutions as much as in business.⁹³¹ Entrepreneurship is by no means confined solely to economic institutions,⁹³² nor is the entrepreneur synonymous with a capitalist.⁹³³ Entrepreneurs always search for ways to exploit change as an opportunity.⁹³⁴ With industry structures being susceptible to disintegration, the business that refuses to react to change is headed towards disaster.⁹³⁵ Drucker argues that businesses that have been unchallenged for many years tend to arrogantly dismiss new developments, but later find it hard to mobilize them for counteraction.⁹³⁶ Similarly, they will cling to practices that are becoming dysfunctional, treating new challenges with condescension.⁹³⁷ Drucker outlines how entrepreneurial management requires policies and practices that allow the organisation to be receptive to perceive change as an opportunity rather than threat, and embrace performance appraisal as well as built-in learning and a system of incentives and rewards,⁹³⁸ reflective of the NPM principles introduced in chapter six.

⁹²⁹ Saskia Reither, *Kultur als Unternehmen*, p.125.

⁹³⁰ Andrea Hausmann, *Besucherorientierung von Museen unter Einsatz des Benchmarking*, p.84.

⁹³¹ Gregory Dees, *Strategic tools for social entrepreneurs*, p.xxix.

⁹³² Peter F. Drucker, *Innovation and Entrepreneurship*, p.23.

⁹³³ *Ibid.* p.25.

⁹³⁴ *Ibid.* p.27.

⁹³⁵ *Ibid.* p.76.

⁹³⁶ *Ibid.* p.85.

⁹³⁷ *Ibid.* p.86.

⁹³⁸ *Ibid.* p.150.

Another key figure in the examination of the 'social entrepreneur' is Dees,⁹³⁹ who again recommends practices such as building management systems which respond to performance information,⁹⁴⁰ innovation, developing new funding structures⁹⁴¹ and furthermore in an organisational culture dimension managing resistance to innovation,⁹⁴² as well as integrating business planning into the mainstream of operations.⁹⁴³ Here again social entrepreneurship is not about becoming more commercial but rather about finding better ways to create social value.⁹⁴⁴ Austin et. al offer a definition of social entrepreneurship based on several theoretical propositions focusing on different variables related to market failure, mission and measuring performance: while the social marketplace may not reward entrepreneurs for superior performance as readily as the commercial marketplace does, neither does inferior performance get punished as readily.⁹⁴⁵ The social enterprise must establish well-defined targets and support these with focused operating strategies.⁹⁴⁶ Dees emphasizes the importance of performance measurement,⁹⁴⁷ with the social entrepreneur making a commitment to use information to inform decision-making⁹⁴⁸ and - as Drucker outlined - continually searching for ways to improve.⁹⁴⁹

Within German-speaking literature, Konrad provides a evaluation of entrepreneurship in the cultural field: he advocates incorporating entrepreneurship into cultural management theory.⁹⁵⁰ Konrad recognises that the combination of culture and management is only rendered problematic in the publicly funded sector, visible in the tendency to dismiss the output of more commercially oriented institutions.⁹⁵¹

⁹³⁹ Gregory Dees, *Strategic tools for social entrepreneurs*, p.xxix.

⁹⁴⁰ Gregory Dees, *Enterprising Nonprofits: A Toolkit For Social Entrepreneurs* (New Jersey: Wiley, 2001), p.118.

⁹⁴¹ Ibid. p.163.

⁹⁴² Ibid. p.169.

⁹⁴³ Ibid. p.279.

⁹⁴⁴ Gregory Dees, *Strategic tools for social entrepreneurs*, p.xxx.

⁹⁴⁵ James Austin, Howard Stevenson, Jane Wei-Skillern, 'Social and Commercial Entrepreneurship: Same, Different or Both?', *Entrepreneurship Theory and Practice*, Vol.30, (2006), pp.1-22.

⁹⁴⁶ Gregory Dees, *Strategic tools for social entrepreneurs*, p.4.

⁹⁴⁷ Ibid. p.163.

⁹⁴⁸ Ibid. p.164.

⁹⁴⁹ Ibid. p.294.

⁹⁵⁰ Saskia Reither, *Kultur als Unternehmen*, p.86.

⁹⁵¹ Armin Klein, 'Wie denkt Kulturmanagement?' in Elmar D. Konrad, *Unternehmertum und Führungsverhalten im Kulturbereich* (Münster: Waxmann, 2006), p.95.

Yet, efficiency is not inextricably linked to profit-maximisation⁹⁵² and a synthesis between the two is a desirable outcome, especially regarding the shortages in publicly funded culture.⁹⁵³ Konrad stipulates that entrepreneurial attitudes, the quality and flexibility of management concepts as well as the efficiency of resource allocation are important impact variables to the success of a cultural institution.⁹⁵⁴ By conducting multiple regression analyses⁹⁵⁵ he concludes that the more distinctively entrepreneurial elements in the management of a cultural institution are, the more sustainable its success is;⁹⁵⁶ and that a strongly entrepreneurial and market focused organisational culture has a positive effect on the success of the institution⁹⁵⁷ as does business management knowledge among arts administrators⁹⁵⁸ - further addressed in 7.2.1. The theories presented here not only clearly demonstrate the overlap with defined markers of sustainable management practice, but also emphasize how social entrepreneurship can be mission and not profit-driven, thereby not threatening its compatibility with the achievement of social objectives at the core of a public art museum.

In the interview Frank Schellenberg, Director of *actori*, summarised in the previous chapter, the concern that there is too little focus on qualitative elements when assessing museum performance: 'There is a tendency to be reduced to business indicators by administrators and funding bodies'.⁹⁵⁹ The recorded lack of transparent performance assessment and reporting (only 12.6% of institutions studied make a comprehensive report publicly available) observed in the German art institutions, shows that the difficulty of applying conventional quantitative metrics to assessing their output likely presents some obstacle to German art museums in their pursuit of best practice. At the same time, the lack of commercial activity - visible in the absence of corresponding functions (24.1% of institutions studied employ staff in functions directly related to managing commercial activity and 32.2% in a function related to marketing and/or PR) - and overall limited means of generating income independently through policy and budgeting constraints (see 5.1.1) is reflected in Schellenberg's comparison.

⁹⁵² Ibid. p.99.

⁹⁵³ Ibid. p.30.

⁹⁵⁴ Ibid. p.34.

⁹⁵⁵ Ibid. p.43.

⁹⁵⁶ Ibid. p.35.

⁹⁵⁷ Ibid. p.36.

⁹⁵⁸ Ibid. p.40.

⁹⁵⁹ Frank Schellenberg interview.

'It is evident in the proportion of self-generated income, that the commercialisation of certain museum functions is much stronger in the UK and US'⁹⁶⁰ emphasizing the observations made in chapters three and four concerning the non-commercial directionality and misinterpretation of social entrepreneurialism. Thus, one might argue that social enterprise and ways in which it is managed has an appropriate format for many of the organisational forms of public art museums, albeit obstructed by ideological hurdles.

Considering the identified inefficiencies and dysfunctions present within more recent social economic systems – and arts funding mechanisms within a German context - this section also argues that the impact these inefficiencies (a strong dependence on public support, penalization of active pursuit of income, notions of value that are based on ideology versus utilitarian metrics to merit the support) have on museum management practice can be lessened through the concept of social enterprise. Ridley-Duff and Bull cite *The Third Way*, a political philosophy that sought to resolve the ideological differences between liberalism and socialism by combining neoliberalism with the renewal of civil society and viewed the state as an enabler.⁹⁶¹ Keynes challenged the view that the free market would quickly self-correct by arguing that governments could counter the effects of human behaviour and stabilise the economy. Friedman's arguments undermine Keynesian views as supply-side economics was accompanied by proposals for entrepreneurial approaches to social problems.⁹⁶² The rise of NPM as a supply-side economic policy⁹⁶³ sought to legitimize business methods in the pursuit of social objectives.⁹⁶⁴ Social enterprise results from the tension between liberal capitalist ideas embedded in NPM and the market socialism that responded to it.⁹⁶⁵ Husock explains that the failure of socialism caused critics not to dismantle the foundations of capitalism, but rather to transform its goals, proposing "quasi-capitalist" forms in the pursuit of the so-called "triple bottom line."⁹⁶⁶

⁹⁶⁰ Ibid.

⁹⁶¹ Rorey Ridley-Duff, Mike Bull, *Understanding Social Enterprise: Theory & Practice* (London: Sage, 2011), p.14.

⁹⁶² Ibid. p.40.

⁹⁶³ Ibid. p.53.

⁹⁶⁴ Ibid. p.38.

⁹⁶⁵ Ibid. p.39.

⁹⁶⁶ H. Husock, 'The dangers of quasi-capitalism', *National Affairs*, Vol. 14 (2013), pp.112–134.

The concept of social enterprise thereby presents itself as means to marry agendas, which also compete within the art museum, namely socialist ideals shaping public arts funding models and performance management measures introduced to correct inefficiencies born from these models.

7.1.1 SOCIAL ENTERPRISE IN ART MUSEUMS IN PRACTICE

In an examination of management practice in the institutions studied, this section investigates how the capacity to innovate, adapt and leverage market potential supports long-term sustainable management, while failure to do so threatens the ability of an institution to function within changing and challenging environments - a cornerstone of sustainable management practice. It thereby demonstrates the benefits to integrating the outlined approaches into practice.

According to Vicente and Camarero, who provide models for social enterprise specific to cultural institutions, the assumption that the intrinsic worth of museum objects is sufficient justification for their existence has been replaced by the belief that the museum has an obligation to actively engage wider audiences, leading to greater emphasis on multiple sources of funding, client orientation and the search for management efficiency. They observe how the general aims pursued by governments around the world in relation to cultural policy coincide with facilitating access to culture and identify the continental European approach, leading to rather stagnant institutions in which conservation of objects constitutes a goal in itself. This stands in stark contrast to the Anglo approach – with the *raison d'être* to educate the public.⁹⁶⁷

In the ensuing comparison of case study data, a strong focus on the defined entrepreneurial features among the international cases can be observed, while the German cases take on a contrarian approach, reflective of the data presented from the broader study of German arts institutions on a national scale. This difference in approach is considered on the basis of the formative elements explored in the previous chapters, shaping German art museum behaviour and the legal, cultural and political frameworks within which institutions operate.

⁹⁶⁷ Eva Vicente, Carmen Camarero, 'Insights into Innovation in European Museums'.

Case study data demonstrates how the Guggenheim Foundation, when faced with the issues of scarce resources as well as space, leveraged its name, art and capital by expanding internationally,⁹⁶⁸ embarking on a global franchising strategy, in some instances referred to as 'McGuggenheimization'⁹⁶⁹ - an approach which can be classified as entrepreneurial.

Tate employs directors for several functions outside of educational or curatorial roles that include finance and estates, audiences, communications, development, human resources, national and international partnerships, Tate Catering and Tate Enterprises.⁹⁷⁰ This represents a certain level of priority with which elements tied to more entrepreneurial aspects of museum management are treated. When comparing the Tate senior staff structure of 1990⁹⁷¹ with today's structure⁹⁷² it becomes apparent that the institution has become more corporate in its organization, reflecting the changes in priorities to support an expansion in terms of activities and areas of involvement. In an effort to add infrastructure and networks for greater efficiency, its organization has become more vertically integrated,⁹⁷³ illustrating the impact that the growing importance of entrepreneurial activity has had. The focus of Tate's 1978-80 Biennial Report was on building the collection, still reflected in Tate's structure in 1990. Tate's contemporary structure on the other hand reveals that while the collection is still a core concern, issues of growth, development, brand building and communication have become more important. Similarly, when examining MoMA, the less academic and more business centric composition of its board⁹⁷⁴ stands out, accompanied by a shift among the highest paid employees from curatorial staff to management.⁹⁷⁵

Comparing this with German case study data highlights the specific nature of the constraints that are placed on German art museums but also those, which the museums place on themselves, foregoing approaches altogether deemed too 'entrepreneurial' and thereby – mistakenly interpreted as - commercial.

⁹⁶⁸ D.Thompson, *The \$12 Million Stuffed Shark*, p.242.

⁹⁶⁹ Ibid. p.243.

⁹⁷⁰ Tate Gallery, *Executive Group and Directors Group: Transitional Structure January - May 2018* (Tate Gallery: London, 2018).

⁹⁷¹ Tate Gallery, *Tate Gallery - A Review and Forward Plan 1990*, p.60.

⁹⁷² Tate Gallery, *Executive Group and Directors Group*.

⁹⁷³ Helen Beeckmans, Oliver Bennett, Mary Douglas, Ruth Findlay, Masina Frost, Steve Hare, Celeste Menich, Nigel Reynolds and Andrew Tullis, *Tate Report 2009-10*, (Tate Publishing: London, 2010), p.40.

⁹⁷⁴ Alex Greenberger, *Leon Black Named Chairman of MoMA's Board of Trustees, Ronnie Heyman President*, Artnews, May 29, 2018, [accessed August 25, 2018]. MoMA website, *Trustees*, (n.d.), [accessed December 27, 2017].

⁹⁷⁵ Hugh Eakin, *MoMA's Funding: A Very Modern Art, Indeed*, New York Times, November 7, 2004, [accessed August 27, 2018].

The Kunstsammlung NRW has taken measures that can be classed as entrepreneurial with ArtPartner Relations, also cited by Schellenberg in an interview as an example of such management strategy, adding that 'it is a different question, whether this approach is an effective one'. He refers to the Städel Museum, calling it 'an entrepreneur-driven development that the museum underwent, in that funding was actively 'earned' rather than passively incurred'. Schellenberg agrees that 'entrepreneurialism is not merely about earning money but also finding new and innovative ways to achieve other strategic goals and also improve visitor experience'.⁹⁷⁶ In the sample of institutions studied, no other institution created a similar model to that of the Kunstsammlung NRW. In part, this can be attributed to the legal constraints discussed in 3.2.1, along with budgeting systems preventing enterprise, which can be traced back to the established identity of the art museum and the arts in relation to a wider economy.

Data from the assessment of institutions on a national scale shows that the majority of museums studied dedicate very limited resources in terms of staff and organisational structures towards non-core tasks (see 5.2) and thereby also activities, which may be related to more entrepreneurial approaches.⁹⁷⁷ In practice this also results in cases such as the Museum für Angewandte Kunst in Cologne closing its shop, with the owner cited describing his own reluctance to cater to changing customer demands, complaining about younger visitors being 'too preoccupied with purchasing online'.⁹⁷⁸ This lack of adaptability resulted in the failure described by Dees and Drucker.⁹⁷⁹ Similarly, the Museum Schloss Wilhelmshöhe was heavily criticised for failing to leverage the potential of international art exhibition Documenta in terms of marketing and attracting visitors,⁹⁸⁰ again an example of the absence of seeking new ways to leverage potential for the benefit of the organisation, a defining feature of the entrepreneur but in conflict with the identity of the museums, through it being misconstrued as commercialization of the arts. All other issues recorded of reported financial difficulty (see 4.1.1),⁹⁸¹ may by extension also be a demonstration of failure to employ strategies that allow social enterprise to thrive.

⁹⁷⁶ Frank Schellenberg interview.

⁹⁷⁷ 32.2% of museum studied have a Marketing/PR department, 25.3% a Sponsorship department, 24.15% a function dedicated to commercial activity.

Case study data presented in chapter five demonstrates the limited extent to which the German cases studied engage in activities intended to generate income independently.

⁹⁷⁸ *Falsche Quittungen: Rechnungsprüfer decken Unregelmäßigkeiten bei Kölner Museen auf.*

⁹⁷⁹ Peter F. Drucker, *Innovation and Entrepreneurship*, p.76.

⁹⁸⁰ Andreas Hermann, *Heftiger Streit um Museen in Kassel entbrannt.*

⁹⁸¹ Issues on financial and management difficulty had been recorded on 51.7% of institutions.

Case study data shows that the Museum Ludwig employs 29 members of its 43 in total staff in core areas.⁹⁸² Similarly, the Kunstsammlung NRW employs around 100 people, with around 63 employed in museum specific activities. There are 49 staff members in core-related functions and 32 in other functions, including ArtPartner Relations staff.⁹⁸³ While, according to Bernhard - already in 2005 Tate employed 34 people in full time positions tasked purely with attracting sponsorship funding,⁹⁸⁴ the Museum Ludwig in comparison only employs two.⁹⁸⁵ This is, even when accounting for the difference in size of both institutions, a discrepancy, which demonstrates the level of priority and resources the activity receives as the result of a more and in the other case less pronounced entrepreneurial outlook.

When asked about a structural conservatism centered around self-preservation rather than strategic potential, Adrienne Horn, President of Museum Management Consultants, states in the interview: 'Being a non-profit institution does not mean you should lose money'. She explains that museums are waking up to more entrepreneurial approaches, because if museums

'sit back and just wait for things to happen, they might end up closing their doors and we have seen that happen. We have seen museums that have not put effort into understanding how to serve their community and how to create cultural value in their community close their doors'.⁹⁸⁶

She thereby not only reflects the theory presented by Drucker - that the business that refuses to react to change, is headed towards disaster as industry structures are susceptible to disintegration⁹⁸⁷ - but also describes the observations made in the sample studied, emphasizing the importance social enterprise can have for the public art museum. At the same time a skeptical attitude towards high levels of entrepreneurialism is rooted in the examined legal and political structures informed by cultural and historically rooted belief systems, creating an ideology that forbids engagement with such approaches.

⁹⁸² Museum Ludwig website, *Team*, (n.d.), [accessed January 7, 2018].

⁹⁸³ Eduard Beaucamp, *Nachruf: Grandseigneur der Kunst: Zum Tod Werner Schmalenbachs*, Frankfurter Allgemeine Zeitung, July 7, 2010, [accessed April 19, 2018]. Birgit Sonna, *Überraschender Abgang*, art Magazin, November 6, 2007, [accessed April 19, 2018]. Neue Chefin für Kunstsammlung Dresden, *Sächsische Zeitung*, April 20, 2016, [accessed April 19, 2018]. Goethe Institut website, *Kuratorinnen und Kuratoren aus Deutschland, Biographische Information: Susanne Gaensheimer*, (n.d.), [accessed April 19, 2018].

⁹⁸⁴ Eric M. Bernhard, *Kunst als Kapitalanlage*, p.53.

⁹⁸⁵ Museum Ludwig website, *Team*.

⁹⁸⁶ Adrienne Horn interview.

⁹⁸⁷ Peter F. Drucker, *Innovation and Entrepreneurship*, p.76.

It becomes apparent that the ability to adopt such directionality is therefore also dependent on organisational culture and capacity for development, examined in the next section.

An argument made by Dees ultimately provides a summary of the situation that can be observed in practice: social entrepreneurs can use mission as their lever to create the bottom line that all social sector organisations hold in common - social value and impact.⁹⁸⁸ It may however be that a significant proportion of German art museums identify strongly with their traditional core mission which is to conserve and research - more so than with their new mission, which is to educate and to make art accessible. While this mission is supported by administrators, museum behaviour described throughout all chapters leads to the assumption that the pursuit of this mission is more tied to obligation and comes second to the desire to be a custodian of culture, resulting in reluctant and inwardly focused management. If creating greater access to the arts for the public were prioritised over maintaining a specific image and identity, employing adaptive and ultimately entrepreneurial ways to be able to sustain such activities, would take precedence over maintaining a principled, albeit ineffective stance. Dees furthermore states that an 'average product or service in the hands of a talented management team is more likely to be profitable than a great product or service offered by a poorly managed organization'.⁹⁸⁹ Consequently, after having established that social enterprise can offer an appropriate format for public art museums to work towards both socially and financially sustainable outcomes, an investigation of the ways in which organisational culture and professional identity can either support or obstruct best practice is undertaken in the next section.

⁹⁸⁸ Gregory Dees, *Enterprising Nonprofits*, p.21.

⁹⁸⁹ Ibid. p.294.

7.2 ORGANISATIONAL CULTURE, LEARNING AND DEVELOPMENT

A human component – evident in ideological and moral debates surrounding identity and responsibility – informs approaches to management practice. While practical impediments to the application of management practices are found in policies, legal frameworks and economic mechanisms, the defining components can be related to issues of professional identity and culture within the given organisations and governing entities. The apparent lack of awareness of cultural dissonances between intervention and cultural actualities causes said dissonances to become major impediments to transformative efforts.⁹⁹⁰ Sustainability, entrepreneurialism and management dimensions are all affected by organisational culture. This section will examine theories related to the impact organisational culture and professional identity have on management application, ways in which organisational learning can benefit institutions and also review primary data to understand how these concepts apply to the German art museum with regard to its ability to engage in and incorporate sustainable management practice.

The central argument this section makes is that, based on previously established features of sustainable management practice, an entrepreneurial organisational culture that seeks to leverage market potential has a positive effect on the success of the institution⁹⁹¹ as does business management knowledge among arts administrators.⁹⁹² Consequently, a professional identity that allows for innovation within operational structures as well as organisational infrastructures themselves that encourage continual learning are a key ingredient to success. Furthermore, formalised education in the area of arts administration - something more common in the Anglophone world⁹⁹³ - shaping this professional identity, is also considered as a contributing factor.

When looking at variability in sustainability performance, organisational culture appears as another contextual factor acting via multiple mechanisms in influencing sustainability adoption. According to Caprar and Neville, cultural values do not act independently, but in interaction with each other, and a 'configurational approach whereby concomitant cultural effects' are considered, further increases the ability to explain and predict sustainability adoption.⁹⁹⁴ Among the many definitions of organizational culture, is one that describes it as 'the people and the unique quality or character of organisations', where

⁹⁹⁰ Kuno Schedler, Isabelle Proeller, *New Public Management*, p.289.

⁹⁹¹ Armin Klein, *Wie denkt Kulturmanagement?*, p.36.

⁹⁹² Ibid. p.40.

⁹⁹³ Ibid. p.93.

⁹⁹⁴ Dan V. Caprar, Benjamin A. Neville, "Norming" and "Conforming".

the culture of an organisation primarily revolves around its basic mission.⁹⁹⁵ Organisational design, referring to the process of structuring the organisation in a way that facilitates the organisation in reaching its goals,⁹⁹⁶ makes up a part of this. Multiple sources suggest a strong correlation between organisational culture and entrepreneurialism, visible in the ability to adapt to changing environments, which in turn influences performance and eventually sustainability, given that business model innovation and corporate sustainability alike are typically found in organisations rooted in values of flexibility and thus appear to have their origin in the fundamental principles guiding the organisation. In addition, there appears to be a positive relationship between the core organisational values and financial performance, indicating that companies characterised by flexibility perform better than those emphasising stability,⁹⁹⁷ based on the fact that organisations with a developed organisational culture can find creative solutions to external changes. Correspondingly, Omerzel introduces a technique for assessing organisational culture in relation to performance and innovation, defining the commonly used dimensions of entrepreneurial orientation including pro-activeness, risk-taking, competitive aggressiveness, and autonomy and customer orientation.⁹⁹⁸ In Conti's approach the culture of the surrounding environment is important when trying to improve organisational performance. With no exception, the organisation's value system should comply with the host environment's normative values as well as with traditions.⁹⁹⁹

Within a museum context, the Mendoza report suggests that the museum needs staff at all levels who are resilient, entrepreneurial, and adaptable in order to thrive. The same research states that at present, the museums workforce is likely to be more risk-averse than average; but innovation (especially around income-generating activities) requires some risk, which government funding should cover appropriately.¹⁰⁰⁰

The following sub-sections will explore what the presented concepts and theories, when applied to the German art museum, reveal about its ability to employ best practices and explore the relationship between mental cultural components and organisational outcomes related to sustained development.

⁹⁹⁵ John D. Edwards, Brian H. Kleiner, 'Transforming Organisational Values and Culture Effectively', *Leadership & Organization Development Journal*, Vol. 9, 1 (1988), pp.13-16.

⁹⁹⁶ Richard Wilson, *Principles of Business*, p.294.

⁹⁹⁷ Esben Rahbek Gjerdrum Pedersen, Wencke Gwozdz, Kerli Kant Hvass, 'Exploring the Relationship Between Business Model Innovation, Corporate Sustainability, and Organisational Values within the Fashion Industry', *Journal of Business Ethics*, Vol.149, 2 (2018), pp.267-284.

⁹⁹⁸ Doris Gomezelj Omerzel, 'The Impact of Entrepreneurial Characteristics and Organisational Culture on Innovativeness in Tourism Firms', *Managing Global Transitions*, Vol. 14, 1 (2016), pp. 93-110.

⁹⁹⁹ Tito Conti, 'The dynamics of value generation and their dependence on an organisation's internal and external value system', *Total Quality Management*, Vol. 21, 9 (2010), pp. 885-901.

¹⁰⁰⁰ Neil Mendoza, *The Mendoza Review*, p.62.

7.2.1 PROFESSIONAL IDENTITY

The way key protagonists within an organisation act, impacts the operations of the institution. An important component of professional identity is the background and skill of those in key positions. Pache and Santos cite DiMaggio and Powell in that institutional pressures manifest themselves internally as a result of hiring and filtering, as staff members promote practices and values that they have been trained to follow or have been socialized into.¹⁰⁰¹ This section examines how arts managers with management-based knowledge are beneficial to creating a flexible and pro-active culture¹⁰⁰² that enables implementing sustainable practices. It does so through highlighting how the skillset and professional identity of art museum professionals impacts management practices and how organizational structures impact and shape the development of such identities, both within discourse and practice.

Schramma describes how cultural leaders today are acting in a different world than twenty years ago. Changing welfare models in Europe caused a decline of funding, and the result, in his view, is that the arts are no longer seen as an important pillar of Western society, leaving established cultural institutions short of funds. Leadership in the cultural sector is intimately connected with this change,¹⁰⁰³ as museum directors increasingly need to combine curatorial expertise with business management to confront new economic challenges.¹⁰⁰⁴ Rentschler similarly contends that while their role in the past was dominated by caring for the cultural capital of the institution, it has more recently been perceived as applying creativity to managing the organization.¹⁰⁰⁵ The skill portfolio of those responsible for leading an art museum has effectively been expanded to include aptitude in fields that were previously thought of as not only unrelated but wholly incompatible.

¹⁰⁰¹ A. C. Pache, F. Santos, 'When worlds collide: The internal dynamics of organizational responses to conflicting institutional demands', *Academy of Management Review*, Vol. 35, 3 (2010), pp.455–476.

¹⁰⁰² Giep Hagoort, *Art management*, p.71.

¹⁰⁰³ International Federation of Arts Councils and Culture Agencies, *D'Art 52: Cultural Leadership in the 21st Century: A revised edition of the Discussion Paper for the 7th World Summit on Arts & Culture* (Strawberry Hills Australia: IFACCA, 2017), p.28.

¹⁰⁰⁴ Neil Mendoza, *The Mendoza Review*, p.61.

¹⁰⁰⁵ Ruth Rentschler, *The Entrepreneurial Arts Leader*, p.1.

In arts management, organisational values seem to be seen as equivalent to occupational values.¹⁰⁰⁶ Paquette examines the connection between cultural policy and the professionalisation of arts management and thereby a new form of professional identity.¹⁰⁰⁷ Within an American context, the bureaucratisation of arts organisations was shaped by a managerial shift from that of 'impresario to administrator'.¹⁰⁰⁸ It was falsely assumed with a 'dilettante mentality' that all that is needed for success is talented artists, when in fact business skills are essential to the successful operation.¹⁰⁰⁹ It was only over time and through a change in the secondary education system that the dual identity of artist/manager was gradually seen as unproblematic, in part through a dissociation of management from the idea that it clashed with the artistic process.¹⁰¹⁰ Expanding Drucker's theories,¹⁰¹¹ Haagort references DiMaggio's findings on the skills of arts managers, citing the paradox that management - focused on a general organisational interest - and profession - aimed at maintaining professional and ideological quality - form a strong field of tension, in which numerous inconsistencies can occur.¹⁰¹² Art managers with primarily artistic work experience often display a defensive attitude when confronted by structural trends, whereas those with a predominantly management-based education create more flexible structures, and a proactive learning culture.¹⁰¹³ Specifically with regards to the training of museum professionals, a number of works emphasise the importance of a 'business mindset',¹⁰¹⁴ the necessity for art museum staff to not only be educated in art history but also requiring management skills¹⁰¹⁵ and the benefits of employing diverse and 'successful entrepreneurs'.¹⁰¹⁶ Thom and Ritz within a German context, point towards the importance of cultural prerequisites for innovation in the public sector work-environment¹⁰¹⁷ but also acknowledge the lack thereof, caused by inhibitors immanent in the system itself.¹⁰¹⁸

¹⁰⁰⁶ Johnathan Paquette, *Cultural Policy, Work & Identity* p.12.

¹⁰⁰⁷ Ibid. p.146.

¹⁰⁰⁸ Ibid. p.151.

¹⁰⁰⁹ Ibid. p.152.

¹⁰¹⁰ Ibid. p.153.

¹⁰¹¹ Giep Hagoort, *Art management*, p.214.

¹⁰¹² Ibid. p.10.

¹⁰¹³ Ibid. p.71.

¹⁰¹⁴ Hugh H. Genoways, Lynne M. Ireland, *Museum Administration*, p.101.

¹⁰¹⁵ Andreas Grosz, *Die Kultur-AG*, p.117.

¹⁰¹⁶ Gregory Dees, *Strategic tools for social entrepreneurs*, p.114.

¹⁰¹⁷ Norbert Thom, Adrian Ritz, *Public Management*, p.141.

¹⁰¹⁸ Ibid. p.137.

Grosz also argues that art museum staff not only be educated in art history but also require management skills and experience.¹⁰¹⁹ Both the professional identity and also skill of those in executive positions is central to the success of the institution.

The primary data presented subsequently provides insight into why German institutions are prone to reject more proactive approaches to management and consequently also strategies deemed entrepreneurial. Data from the assessment of institutions throughout Germany demonstrates that the overwhelming majority of those in directorial positions are educated in a more traditional discipline: while 31% have professional experience working in institutions in other countries, thereby being exposed to different approaches to management practice, the impact a more traditional education (85.1% come from an educational background in fields such as art history, history, literature or languages) has on the formation of professional identity, must be considered in the examination of institutional outcomes. Case study data confirms that among the institutions studied, this appears to be unmistakably more pronounced within a German context, with executive staff having a more homogenous curatorial or art-history¹⁰²⁰ background compared to their US and UK counterparts.

A so-called bureaucratisation of arts organizations, as was the case in the US, where professional arts administrators became responsible for the successful operation of museums as of the 1960s¹⁰²¹ did not take place. Museum Ludwig case study data shows that all directors have a background in art history or a related field.¹⁰²²

¹⁰¹⁹ Andreas Grosz, *Die Kultur-AG*, p.117.

¹⁰²⁰ Already in 2005 the Tate galleries employed 34 people in full time positions tasked purely with attracting sponsorship funding. Eric M. Bernhard, *Kunst als Kapitalanlage*, p.53. In comparison, at the museum Ludwig in Cologne only one person is tasked with sponsorship and fundraising activities while all other positions have a non-commercial focus. Museum Ludwig website, *Team*.

¹⁰²¹ Johnathan Paquette, *Cultural Policy, Work & Identity*, p.151.

¹⁰²² Goethe Institut website, *Kuratorinnen und Kuratoren aus Deutschland, Biographische Information: Yilmaz Dziewior*, (n.d.), [accessed April 19, 2018]. Kunst Aspekte, *Rita Kersting Kurzbiographie*, (n.d.), [accessed January 7, 2018]. *Auf König folgt Kaiser: Schweizer wird neuer Direktor der Museum Ludwig in Köln*, Citynews Köln, September 6, 2011, [accessed April 9, 2018]. Georg Dietz, *Königs Familie*, Die Zeit, October 12, 2006, [accessed January 7, 2018]. Kathrin Lutz, *Pop, Plop, Ex und Hop*, Die Zeit, November 12, 1998, [accessed April 9, 2018]. Sabine Boehl, *Marc Sheps nicht mehr Direktor der Ludwig Stiftung*, Kunstmarkt, (n.d.), [accessed December 20, 2017]. Raimund Stecker, *Siegfried Gohr: Der Kunst hilflos verfallen*, Rheinische Post, September 9, 2015, [accessed December 20, 2017]. Uwe M. Schneede, Karl Ruhrberg, *Energien: Synergien 10* (König: Köln, 2009).

With regards to successful leadership, Frank Schellenberg, Director of actori, refers to the Städel Museum in Frankfurt in the interview as an example of successful leadership:

'The museum has taken Anglo-American leadership as an example. By that I do not only mean its fundraising efforts, which (Director) Hollein implemented. Also, in other areas such as the way in which certain operating processes are organised (...) one can see what can be achieved through opening up to change. (...) This goes to show that despite narrow parameters in Germany, leadership style enabled this transformation. (...) It is however important to understand that museum managers in Germany have certain restrictions, such as being tied to public budgets, short-term planning perspectives and dependency on public committees, making it difficult to manage an institution and create change'.¹⁰²³

Schellenberg further explains that while formalised arts administration education may be useful, he doubts 'whether such specialisation produces more competent professionals than more classical subject areas. This development is the result of and also encourages a commercialisation of education, in which such specialised courses may produce unsuitable staff at the same rate as other courses'.¹⁰²⁴ Similarly, Annamaria Englebert, Head of Marketing & Communications at AXA XL Art & Lifestyle - with a background in theatre studies - explains that while specialised courses 'produce blinkered specialists that are not suited to many roles, due to the requirements on the job being much more diverse'.¹⁰²⁵ Business Director of the Stiftung Kunstsammlung NRW Bianca Knall, having studied art history, history and political sciences as well as business studies, worked in arts administration, corporate collections and museum marketing.¹⁰²⁶

Lisa Schade, Fundraising Director at the Museum Ludwig, explains that most people at the Museum Ludwig, even those in non-core roles, are classically trained art historians. 'They are acutely aware of where they work and have a respect for the collection. We are careful in our approach to things and do not pretend to be a company, which we are not'.¹⁰²⁷ Her statement encapsulates the common sentiment that can be observed with regards to organizational culture and professional identity: placing a premium on more traditional aspects of the museum, also in the way in which staff is recruited, is a way of distancing the museum from elements entering into museum identity perceived as foreign and deemed incompatible. Here for museum employees, it is a question of respecting the museum for what it 'originally' is, which appears to be at the root of much of the resistance to management practice which pushes for professionals to firmly situate the art museum

¹⁰²³ Frank Schellenberg interview.

¹⁰²⁴ Ibid.

¹⁰²⁵ Annamaria Englebert interview.

¹⁰²⁶ Bianca Knall interview.

¹⁰²⁷ Lisa Schade interview.

within a wider economic ecosystem. Even those in non-core roles should view their activities as necessary evil but at the same time possess a deeper knowledge of curatorial aspects, identifying not as an administrator or manager out of respect for the true purpose of the museum, again revealing how the institution views professional identity among staff as an extension of its own identity and position within society. By contrast, Horn, explains in the interview when talking about the backgrounds of museum professionals

'It used to be that they were more curatorially oriented, now we are seeing a wider variety. Understanding what their strategic plan for the next few years is has a lot to do with who they (museums) hire. (...) more directors are being hired because they have shown that they have experience in being able to marry both sides, the curatorial and business side, while making the museum valuable to the good of the community'.¹⁰²⁸

Data from the US and UK cases studied, provide an example of this, with more professionals in key positions from diverse backgrounds: Todd Bishop, MoMA Senior Deputy Director of External Affairs holds a Bachelor of Arts in art history and German but also a Master of Arts in arts administration.¹⁰²⁹ James Gara, who among other things oversees the departments of Finance and Investments has a BA in history, a Master of Arts in Middle Eastern languages and a Master of Business Administration (MBA).¹⁰³⁰ This is even more pronounced within the Guggenheim Foundation where Deputy Director Sarah Austrian served as vice president of domestic tax at PepsiCo and senior attorney at AT&T.

Elizabeth Duggal, Deputy Director and Chief Operating Officer has a background in banking while Juan Ignacio Vidarte, Deputy Director and Chief Officer for Global Strategies holds a degree in economics and business studies.¹⁰³¹ Thomas Krens, a graduate of the Yale School of Management, is cited as but also criticized for being the catalyst for much of the Guggenheim Foundation's strategic ambition and is described as representative of a 'new breed of museum directors whose expertise lies in business organisation rather than in traditional academic scholarship'.¹⁰³²

Tate Managing Director Kerstin Mogul - responsible for overseeing departments such as Development, Finance, Human Resources, Capital programmes as well as Tate's commercial activities - was previously Director of Strategy at Clear Channel International

¹⁰²⁸ Adrienne Horn interview.

¹⁰²⁹ MoMA website, *Todd Bishop*, (n.d.), [accessed April 20, 2018].

¹⁰³⁰ MoMA website, *James Gara*, (n.d.), [accessed April 20, 2018].

¹⁰³¹ The Solomon R. Guggenheim Foundation website, *Staff*, (n.d.), [accessed April 19, 2018].

¹⁰³² Ed Pilkington, *Guggenheim's master of the art of global branding steps down as museum director*, The Guardian, February 29, 2008, [accessed September 7, 2018].

and has a Master of Sciences in Economics and an MBA.¹⁰³³ Stephen Wingfield, Director of Finance and Estates, held roles in the Internal Audit Department of the Rank Group PLC where he qualified as an accountant.¹⁰³⁴ It can be observed that the professional profile of staff corresponds more closely with their practical responsibilities within the museum and less so with any institutional identity that is projected to the public. This raises the question of whether German institutions, in order to appear removed from 'businesses', forgo practical concerns in order to uphold a public image. This difference in approach in particular stands out when considering the statement made by Schade: 'It is important that they remember they are in a museum and that we are not pretending to be something else'.¹⁰³⁵ Extrapolating from this, one may interpret the institution hiring the right person in terms of qualification for the task at hand as inauthentic, when in actuality, it may be more beneficial to organizational outcomes than to 'repurpose' an art historian who has been unable to pursue a career in curating.

7.2.2 DUAL LEADERSHIP

Aside from skill and professional identity, the concept of dual leadership constitutes another element within the discourse surrounding the level of entrepreneurship and directionality of management practice found in an institution. DiMaggio argues that after 1965 the question of directorial professionalism attracted attention in the wake of the Metropolitan Museum's decision to adopt a dual directorship, shared by an art historian and an administrator and by suggestions that directors should be managers first and scholars second, if at all. The definition of professionalism appeared to be shifting from the aesthetic to the administrative - a development that shocked and threatened many directors.¹⁰³⁶ He adds that directors who hold doctoral degrees in art history were less likely to emphasize administrative skills.¹⁰³⁷ Data on the German institutions studied for this research shows that dual leadership is still an exception, with only 28.7% of institutions employing an additional director responsible for management functions. Case study data provides an example of both, with management at the Museum Ludwig made up of Director Yilmaz Dziewior and Vice-Director Rita Kersting and no dual leadership.¹⁰³⁸

¹⁰³³ Tate website, *Managing Director*, (n.d.), [accessed April 20, 2018].

¹⁰³⁴ Tate website, *Director of Finance & Estates*, (n.d.), [accessed April 20, 2018].

¹⁰³⁵ Lisa Schade interview.

¹⁰³⁶ Paul DiMaggio, 'The American art director as professional: results of a survey' in Gaynor Kavanagh, *Museum Provision and Professionalism*, (Routledge: London, 1994), pp. 149 – 158.

¹⁰³⁷ Ibid. p.160.

¹⁰³⁸ Museum Ludwig website, *Team*.

The 2013 Boston Consulting Group report, commissioned by the responsible Kulturdezernat detailed that optimal organisation of museums of the City of Cologne recommended maintaining the staff structure of each institution among those in core-activity related roles and organising all administrative and financial management positions within a centralised service company headed by a business director.¹⁰³⁹ The Kunstsammlung NRW, which is headed by both Gaensheimer and Knall,¹⁰⁴⁰ presents an exception among German institutions. In the interview Englebert states that ideally – using the Kunstsammlung NRW as an example - 'a director should be able to understand everything but not do everything'. In her opinion 'it makes sense to employ somebody from a business background, as museums need to act economically. One director alone cannot manage everything. (...) Dividing competencies is a useful strategy'.¹⁰⁴¹

Knall explains that in her role as business director of the Kunstsammlung NRW she works 'in various areas, overseeing strategic considerations. While the director is concerned with programming decisions, the business director considers how ideas can be further developed in a way that aligns with the museums mission, how larger audiences can be reached and relevant issues addressed. A major consideration is how the museum can be used as a varied platform and not remain static as it was in the past'.

Part of her role is also to create an internal structure for the museum that 'enables it to withstand the next years' - referring specifically to digital aspects. Knall notably refrains from introducing any financial aspects to this explanation and does not relate the last point about adapting the museum for future success to overall sustainability but views it very narrowly as digital strategy.¹⁰⁴²

While there may be an awareness of the immense demands directorial positions make of one single director, widespread implementation of dual leadership is still far away and even in institutions where there is a business director, it may be that their role is shaped by an attempt to not appear too focused on business, for the same reasons entrepreneurial considerations and proactive management experience resistance. Attempts to implement a structure that dedicates more focused resources to non-core areas to achieve greater efficiency are rejected,¹⁰⁴³ in favor of a structure that sidelines such functions, foregrounding traditional focus in executive positions.

¹⁰³⁹ Hartmut Wilmes, *Eigenbetriebe, Geheimpapier schreckt Kölns Museen auf*.

¹⁰⁴⁰ Stiftung Kunstsammlung NRW website, *Team*, (n.d.), [accessed February 7, 2018].

¹⁰⁴¹ Annamaria Englebert interview.

¹⁰⁴² Bianca Knall interview.

¹⁰⁴³ Hartmut Wilmes, *Eigenbetriebe: Geheimpapier schreckt Kölns Museen auf*.

Case study data on Tate shows that the museum employs Managing Director - Kerstin Mogul - alongside its other director.¹⁰⁴⁴ In the case of Tate, the changing nature of the museum translates into structural decisions to support its sustainability, executed in a way that treats dual leadership and an increased focus on non-core activities as less controversial. The case study of MoMA reveals a more structurally diversified approach to leadership, with Glenn D. Lowry as the Director of the museum alongside an Associate Director and also COO.¹⁰⁴⁵ By appointing executive positions with a focus on non-core activities at the same level with artistically focused positions, the level of priority such tasks inhabit is clearly visible, demonstrating that the concept of the museum pursuing a social and more traditional mission while at the same time employing entrepreneurial methods to achieve this - the basis of social enterprise - is not perceived as contradiction but is actively integrated into its administrative structure.

Considering the impact organisational culture and also professional identity and those in positions of leadership have on the capacity for entrepreneurial and also sustainable practice, one can conclude that organisational infrastructures must allow for the appropriate mental cultural components to be introduced. Wilson defines organisational development as a long-range effort to alleviating systemic deficits.¹⁰⁴⁶ Witmer and Mellinger identify six themes that equip non-profit organizations to transform challenges into opportunities, which include commitment to the mission, transformational leadership and fiscal transparency.¹⁰⁴⁷ Sutton states that for institutions to become more operationally and socially sustainable, 'museums will be better off when they operate as open, dynamic, learning systems, as opposed to closed, static, and status quo systems that are compartmentalised and hierarchical'.¹⁰⁴⁸ In the interview Schellenberg consequently summarises the harsh realities, which are set against these means of organisational learning: he explains that in Germany - 'depending in the legal form and organisational structure - established rigid processes and structures cause impediments and frustrations among staff' in this respect. 'There are however also institutions, funding bodies and cultural administrators that are open to change and addressing challenges'.¹⁰⁴⁹ Consequently the next section will discuss hybrid organising as a relevant conceptual continuation, as it offers a means of overcoming the negative effects of functional

¹⁰⁴⁴ Tate website, *Managing Director*.

¹⁰⁴⁵ MoMA website, *Senior Staff*, (n.d.), [accessed April 20, 2018].

¹⁰⁴⁶ Richard Wilson, *Principles of Business*, p.300.

¹⁰⁴⁷ H. Witmer and M.S. Mellinger, 'Organizational resilience: Nonprofit organizations' response to change', *Work*, Vol.54, 2 (2016), pp.255-265.

¹⁰⁴⁸ Sarah Sutton, 'Systems thinking in museums - theory and practice'.

¹⁰⁴⁹ Frank Schellenberg interview.

differentiation and separation of systems associated with the implementation of management practice supporting sustainability - contingent upon the ability to integrate different logics within one organizational form.

7.3 INTERNAL LOGICS AND HYBRID ORGANISATIONS

Based on the understanding that at the root of all issues encountered with implementing best practices stands the interaction of supposedly incompatible systems being forced together, hybrid organizing presents a means of achieving alignment. According to Lynch and Walls the issue at the core of social enterprise is the dynamic tension between the demands of the business and the imperative to meet social objectives. Successful social enterprises develop an ability to balance both impact and profit.¹⁰⁵⁰ Additionally, the juxtaposition mission versus margin is identified as an intellectual macro paradox,¹⁰⁵¹ in a similar way in which Dees characterises sustainability potential, describing a persistent tension between pursuing opportunities that provide resources to sustain the enterprise and pursuing opportunities that create social value but no revenue.¹⁰⁵² Moving beyond the concepts presented as part of the discussion of social enterprise, the purpose of this section is to understand how hybrid organising can align multiple internal logics within an organization in a way that allows for a recalibration defining components to operate in a more balanced manner - offering a segway into perspectives for development.

Pop and Borza state that the complexity of museums as organisations results from their aims of achieving both socio-cultural goals as well as commercial goals associated with increasing earned income.¹⁰⁵³ Social enterprises (*SEs*), including museums, that combine multiple organisational forms, often deviate from socially legitimate templates, their individual elements considered incompatible yet core to their functioning.¹⁰⁵⁴ Consequently, this section examines works addressing hybrid organising and functioning, institutional complexity and multiple internal logics in public institutions in relation to sustainability.

It outlines processes and conditions through which integrated activities are constructed, as well as the relationship of these practices with other dimensions of hybrid organising¹⁰⁵⁵ and organisational culture and learning dimensions of entrepreneurial

¹⁰⁵⁰ Kevin Lynch, Julius Walls, *Mission, Inc.: The Practitioners guide to social enterprise* (San Francisco: Berrett-Koehler Publishers, Inc., 2009), p.36.

¹⁰⁵¹ Ibid. p.41.

¹⁰⁵² Gregory Dees, *Enterprising Nonprofits*, p.57.

¹⁰⁵³ Izabela Luiza Pop, Anca Borza, 'Factors Influencing Museum Sustainability and Indicators for Museum Sustainability Measurement'.

¹⁰⁵⁴ R. Greenwood, A.M. Diaz, S.X. Li, J.C. Lorente, 'The multiplicity of institutional logics and the heterogeneity of organizational responses'. Matthew S. Kraatz, Emily S. Block, *Organizational implications of institutional pluralism*. Julie Battilana, Matthew Lee, 'Advancing Research on Hybrid Organizing'. Marya L. Besharov, Wendy K. Smith, 'Multiple institutional logics in organizations'.

¹⁰⁵⁵ Avner Ben-Ner, 'The shifting boundaries of the mixed economy and the future of the nonprofit sector', *Annals of Public and Cooperative Economics*, Vol. 73, 1 (2002), pp. 5-40. Ben Doherty, *Management for Social Enterprise* (London: Sage, 2009). Rory Ridley-Duff, Mike Bull, *Understanding Social Enterprise*.

orientation.¹⁰⁵⁶ In examining how social enterprises are able to sustain combinations of business and social objectives, manage tensions¹⁰⁵⁷ and mission drift, the concept of hybrid organising - defined as the activities and structures by which organisations combine aspects of multiple organisational forms and goals¹⁰⁵⁸ is a key component to understanding how sustainable development is achieved.¹⁰⁵⁹ Central to this is the argument that functional differentiation is reversed through a process of de-differentiation, in which art and economy are not separate fields within the organisation.¹⁰⁶⁰ Studies focused on developing process models of iterative organisational change that could be generalizable to a variety of hybrid organisations¹⁰⁶¹ as well as adaptation strategies to facilitate leveraging capacity for innovation¹⁰⁶² are considered here.¹⁰⁶³

Gregory Dees, 'Learning laboratory: Social entrepreneurship offers innovative cost-effective development solutions', *Finance and Development*, Vol. 49, 4 (2012), pp. 14-17. Gregory Dees, *The Meaning of Social Entrepreneurship*, Duke Innovation & Entrepreneurship, October 31, 1998.

¹⁰⁵⁶ John D. Edwards, Brian H. Kleiner, 'Transforming Organisational Values and Culture Effectively', *Leadership & Organization Development Journal*, Vol. 9, 1 (1988), pp.13-16. Doris Gomezelj Omerzel, 'The Impact of Entrepreneurial Characteristics and Organisational Culture on Innovativeness in Tourism Firms'. Andrea Chiarini, Pauline Found, Nicolas Rich, *Understanding the Lean Enterprise: Strategies, Methodologies and Principles for a More Responsive Organisation* (Berlin: Springer, 2016).

¹⁰⁵⁷ R. Greenwood, A.M. Diaz, S.X. Li, J.C. Lorente, 'The multiplicity of institutional logics and the heterogeneity of organizational responses'. Matthew S. Kraatz, Emily S. Block, 'Organizational implications of institutional pluralism'. Julie Battilana, Matthew Lee, 'Advancing Research on Hybrid Organizing'. Marya L. Besharov, Wendy K. Smith, 'Multiple institutional logics in organizations'.

¹⁰⁵⁸ Madeline Powell, Alex Gillett, Bob Doherty, 'Sustainability in social enterprise: hybrid organizing in public services', *Public Management Review*, Vol. 21, 2 (2018), pp.159 - 186. Sarah Sutton, 'Systems thinking in museums - theory and practice'.

¹⁰⁵⁹ Ivonne Kuesters, 'Arts Managers as Liaisons between Finance and Art'.

¹⁰⁶⁰ Bard Kleppe, 'Managing Autonomy: Analyzing Arts Management and Artistic Autonomy through the Theory of Justification'.

¹⁰⁶¹ J. Jay, 'Navigating paradox as a mechanism of change and innovation in hybrid organizations', *Academy of Management Journal*, Vol. 56, 1 (2013), pp. 137-159. R. Greenwood, C.R. Hinings, 'Understanding strategic change - The contribution of archetypes', *Academy of Management Journal*, Vol. 36, 5 (1993), pp. 1052-1081.

¹⁰⁶² A.C. Pache, F. Santos, 'When worlds collide: The internal dynamics of organizational responses to conflicting institutional demands'.

¹⁰⁶³ P. Tracey, N. Phillips, O. Jarvis, 'Bridging institutional entrepreneurship and the creation of new organizational forms: A multilevel model', *Organization Science*, Vol. 22, 1 (2011), pp.60-80. Julie Battilana, Silvia Dorado, 'Building sustainable hybrid organizations: The case of commercial microfinance organizations', *Academy of Management Journal*, Vol. 53 (2010), pp. 1419-1440. Elmar Konrad, 'Cultural Entrepreneurship: The Impact of Social Networking on Success'.

Models for managing resistance to innovation¹⁰⁶⁴ as well as different learning dimensions¹⁰⁶⁵ which map out the relationships between a number of variables thought to influence the sustainability of social enterprises¹⁰⁶⁶ are also discussed, to help understand how a hybrid model,¹⁰⁶⁷ which challenges the separation between the commercial and social sectors, offers a solution.¹⁰⁶⁸

Multiple institutional logics present a theoretical puzzle. Battilana and Dorado propose that social enterprises that combine the organizational forms of both business and charity are an ideal type of hybrid organization. The sustainability of such hybrids depends both on the advancement of their social mission and on their commercial performance. The extent to which logics co-exist within an organisation is likely to differ based on the extent to which these logics are core to the organization. Patterns of incompatibilities between multiple logics are referred to as institutional complexity. Battilana and Dorado argue that dealing with multiple institutional logics is likely to trigger internal tensions that may generate conflicts among organization members, who are ultimately the ones who enact institutional logics. A hybrid organization needs to develop a common organizational identity that strikes a balance between the logics the organization combines.¹⁰⁶⁹

The following depiction (fig.6) of the social enterprise sustainability equilibrium¹⁰⁷⁰ offers a visualization of how the integration through hybrid organising can materialize within the format of social enterprise, in which a balance is achieved between traditional for-profit and non-profit organizational features.

¹⁰⁶⁴ Gregory Dees, *Enterprising Nonprofits*.

¹⁰⁶⁵ John D. Edwards, Brian H. Kleiner, 'Transforming Organisational Values and Culture Effectively'. Esben Rahbek Gjerdrum Pedersen, Wencke Gwozdz, Kerli Kant Hvass, 'Exploring the Relationship Between Business Model Innovation, Corporate Sustainability, and Organisational Values within the Fashion Industry'. Zhongfeng Sua, Dongtao Yanga, Jianjun Yan, 'The match between efficiency/flexibility strategy and organisational culture'. Andrea Chiarini, Pauline Found, Nicolas Rich, *Understanding the Lean Enterprise*. Johnathan Paquette, *Cultural Policy, Work & Identity*. Tito Conti, 'The dynamics of value generation and their dependence on an organisation's internal and external value system'.

¹⁰⁶⁶ J. Moizer, P. Tracey, 'Strategy making in social enterprise: The role of resource allocation and its effects on organizational sustainability', *Systems Research & Behavioral Science*, Vol. 27, 3 (2010), pp. 252–266.

¹⁰⁶⁷ Avner Ben-Ner, A., 'The shifting boundaries of the mixed economy and the future of the nonprofit sector'. Ben Doherty, *Management for Social Enterprise*. Rory Ridley-Duff, Mike Bull, *Understanding Social Enterprise*. Gregory Dees, 'Learning laboratory: Social entrepreneurs offers innovative cost-effective development solutions'. Gregory Dees, *The Meaning of Social Entrepreneurship*. Kevin Lynch, Julius Walls Mission, *The Practitioners guide to social enterprise*. James Austin, Howard Stevenson, Jane Wei-Skillern, 'Social and Commercial Entrepreneurship'.

¹⁰⁶⁸ Robert R. Janes, *Museums and the Paradox of Change*.

¹⁰⁶⁹ Julie Battilana, Silvia Dorado, 'Building sustainable hybrid organizations'.

¹⁰⁷⁰ Rorey Ridley-Duff, Mike Bull, *Understanding Social Enterprise*, p.67.

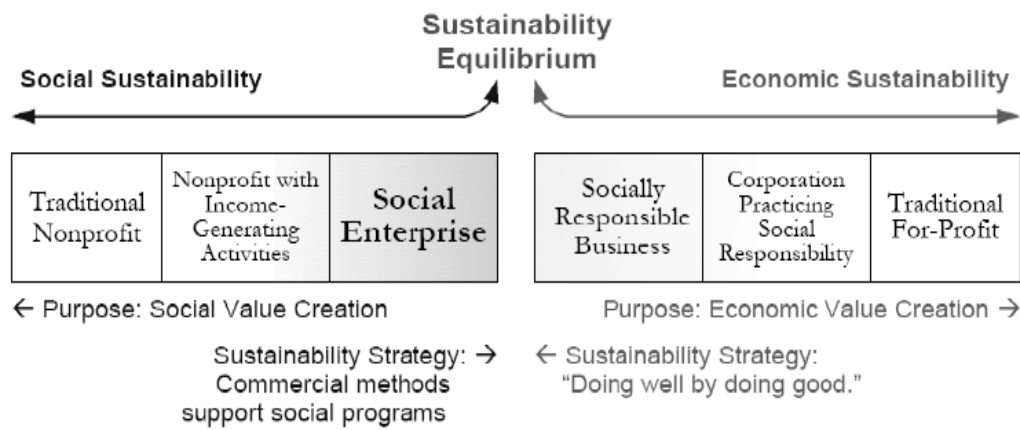


Figure 6. Social Enterprise Sustainability Equilibrium
Adapted from Alter (2007), who acknowledges Etchart and Davis, 1999.

For some SEs, social and commercial activities are not successfully integrated because the different activities respond to different and potentially conflicting types of value creation that are more difficult to align.¹⁰⁷¹ Data shows that German institutions have created legal structures (12.6% are a *gGmbH*, *GmbH* or share this form and another legal form), which accommodate different forms of value. Ideologically however – as established in previous discussion – they are governed by differentiation and not hybridity.

7.3.1 FUNCTIONAL DIFFERENTIATION – RECONCILING IDENTITIES AND MAKING IT WORK

In arts management, functional differentiation typically occurs when organizations distinguish between artistic personnel and considerations on the one hand, and economic, administrative, and technical personnel on the other. Such practices, according to Kleppe, have been interpreted as a strategy to keep artistic production clean from the interference of other 'instrumental' and heteronomous logics, including the pure 'art for art's sake'.¹⁰⁷² Expanding on the discussion of dual leadership in 7.2.2, this section examines functional differentiation through the lens of hybrid organizing and how a process of de-differentiation can support sustainable outcomes. This is based on the argument that while incorporating dedicated functions to tend to not only core- but also ancillary functions, related to social and economic concerns, is a starting point to allow for the

¹⁰⁷¹ D. A. Carroll, K. J. Stater, 'Revenue Diversification in Nonprofit Organizations: Does It Lead to Financial Stability?' *Journal of Public Administration Research and Theory*, Vol.19, 4 (2009), pp.947–966.

¹⁰⁷² Bard Kleppe, 'Managing Autonomy'.

implementation of best practices, this does not represent true alignment and a holistic approach to management.

There have been attempts to uncover levels of functional differentiation within arts organizations, and interpreted differentiation between artistic considerations and economic and administrative considerations as a core element in defining the artistic autonomy of such organizations. Kleppe references a case study of a Norwegian theatre, in which Røyseng describes how 'from the artistic perspective, the business perspective is seen as a danger. It is seen as an alien force that should not be given too much space'. By differentiating the artistic practice from the administrative practice, one is able to preserve the autonomy of the art as a constitutive category.¹⁰⁷³ Within German institutions, data on low levels of dual leadership, the background of executive staff, resources directed towards non-core functions and also the prevalence of legal forms which outsource revenue earning activity are reflective of the degree to which this perspective is embedded within management practice.

Kleppe also references studies in arts management of de-differentiation, citing Peterson who described a shift in arts management in the late 1960s from that of an artistic director, commonly holding little or no administrative education, to that of a professional arts administrator, trained to serve external actors.¹⁰⁷⁴

In line with this is the argument that arts management must not be compartmentalised and viewed in opposition to the art or the artist.¹⁰⁷⁵ Greenwood and Hinings explain organisational design as a function of an underlying interpretive scheme that it embodies in an organisation's structures and systems.¹⁰⁷⁶ This dynamic can be observed in the German institutions studied, in which a de-differentiation is hindered by archetypes and rigid interpretive schemes outlined in previous discussions with regards to creating a hybrid identity.

Organizations are embedded in social environments that influence their behaviors. Institutional theory, in particular, offers a coherent account of how organizations comply with regulative, normative, and cognitive environmental elements in an attempt to secure legitimacy and support. It suggests that organizations addressing multiple and competing demands face a dilemma: satisfying one demand may require violating others, thus potentially jeopardizing organizational legitimacy, the implications of which are discussed in section 7.4.

¹⁰⁷³ Ibid.

¹⁰⁷⁴ Ibid.

¹⁰⁷⁵ Ivonne Kuesters, 'Arts Managers as Liaisons between Finance and Art'.

¹⁰⁷⁶ R. Greenwood, C.R. Hinings, 'Understanding strategic change'.

Kraatz and Block introduce the term 'institutional pluralism' as a strategy to adapt to this challenge.¹⁰⁷⁷ Expanding on the previous discussion of organisational learning and development, Jay introduces a process model of iterative, continuous organisational change that could be generalisable to a variety of hybrid organisations. Being open to external perspectives is key to unlocking the innovative potential of hybrid organisations.¹⁰⁷⁸ In order to examine how financially viable SEs are, Carroll and Skater use hybrid organising as a theoretical lens to explore the factors which hinder or support the ability of SEs to be financially sustainable organisations. The three factors identified are diverse income streams to reduce reliance on service-level agreements and grants, delivering social quality as well as service quality, and a hybrid workforce¹⁰⁷⁹ – in line with many of the defining features presented and discussed.

According to Kraatz and Block, organizations may respond to multiple demands by decoupling such that one set of demands determines the core work tasks of the organization, while other demands are accommodated through structures more peripheral to organizational functioning. This is also visible in the way the German institutions studied treat entrepreneurial activities or those not directly tied to core-tasks. Greenwood et. al. define centrality as the degree to which multiple logics are each treated as equally valid and relevant to organizational functioning. In aligned organisations there is high compatibility and high centrality while conflict is likely to be minimal as multiple logics are reflected in the organizations' mission, strategy, identity, and core structures and practices.¹⁰⁸⁰ This more closely resembles the international cases studied, where mission and activities represent multiple logics that are aligned, while those studied in Germany possess a low level of centrality and also alignment, as one logic clearly dominates the others. Managing the double bottom line of commercial and social objectives demands a careful balance between resource utilization and engagement with local stakeholders (to build and maintain organizational legitimacy). Moizer and Tracey explore this tension through constructing a causal-loop diagram.

By tracing through the diagram, a range of generic strategic alternatives is evaluated, including a strong commercial ethos and to generate a substantial part of revenue through business activity.¹⁰⁸¹ Here again, it can be observed how this is obstructed in the institutions studied on the basis of such activity being classified as incompatible with

¹⁰⁷⁷ A.C. Pache, F. Santos, 'When worlds collide'.

¹⁰⁷⁸ Madeline Powell, Alex Gillett, Bob Doherty, 'Sustainability in social enterprise'.

¹⁰⁷⁹ D. A. Carroll, K. J. Stater, 'Revenue Diversification in Nonprofit Organizations?'

¹⁰⁸⁰ Matthew S. Kraatz, Emily S. Block, 'Organizational implications of institutional pluralism'.

¹⁰⁸¹ J. Moizer, P. Tracey, 'Strategy making in social enterprise'.

institutional integrity. Moizer and Tracey furthermore represent organisational sustainability as a function of three causal influences: the accumulation of capital, community need and perceived organizational legitimacy. They present a range of strategies to support this, two of which are applied in the cases studied, with the first being a separation of social and commercial missions. The second describes an integration of social and commercial missions, which is more complex in terms of resource allocation. Thus, legitimacy and capital are key variables, and need equal attention if this strategy is to be successful.¹⁰⁸² The first strategy is found in the many legal forms German art museums take on, outsourcing revenue earning activity, while the second - with such activity integrated into the operations and mission - is found in the international cases studied.

Horn, when asked about reconciling seemingly opposing systems and creating a holistic approach to museum management, explains in the interview that

'Are we thinking about the whole museum or only about curating? The artistic side and the business side need to be married together. Because if the artistic side is not successful, the business side is going to be in trouble. They have to work together. (...) Curators have a tendency to engage in some navel-gazing, and not be as concerned with the public. (...) Museums are not selling themselves short, but they are focused on the visitor while at the same time being respectful of the mission'.¹⁰⁸³

What Horn summarises here, is the tension between the multiple internal logics, which can be alleviated through taking on a holistic and balanced approach, creating space for improvement and sustainable management practice. This again ties back to the argument made in the first section addressing cultural entrepreneurship: that a re-evaluation of the true mission of museums – which acknowledges how creating social value sustainably has replaced traditional ambitions of simply preserving objects - must take place, in order for this dynamic to be able to shift. It becomes clear that in order to create this balance and maintain an alignment with mission and values while also pursuing economic goals, a range of ethical considerations as well as questions regarding different stakeholder interests have to be addressed as natural implications of embracing multiple internal logics.

¹⁰⁸² Ibid.

¹⁰⁸³ Adrienne Horn interview.

7.4 NEW MUSEUM ETHICS, PUBLIC TRUST, CREDIBILITY AND MISSION

If art museums are to enter into a more economically driven framework, this brings with it a new set of ethical implications and questions as institutions re-evaluate their identity and focus. Some researchers contend that a shift towards building more sustainable practices is changing museum ethics in that museums have become less mission- and more market-oriented, causing issues of maintaining institutional integrity.¹⁰⁸⁴ As discussed in the preceding sections of this chapter, there are a number of cornerstones of bringing together and balancing systems within an institution defined as mutually exclusive through embracing the principles of social enterprise, enacting change on an organizational cultural level and also encouraging hybridity. This however also entails significant structural change and a recalibration of focus, standards for ethical practice and resource allocation, which can impact the way in which institutions are perceived by outside parties and thus affect elements such as public trust, credibility and legitimacy. This section examines how these concerns arise and what can be done to overcome them. In doing so, it provides the final of four strategies to facilitate the implementation of practices that support more sustainable management practice. It does so by first examining how a changing strategic outlook affects values, mission and credibility as well as the ethical implications of adaptations on a financial level – before examining audit, NPM and systems of accountability through this same lens, as compared to the managerial and economically focused discussion in chapter six.

Davies argues that strategies and operational practices are only then truly effective, if they reflect the value system of the organization. Radical change in management and the museum environment may transform stability into 'dangerous inflexibility'.¹⁰⁸⁵

'When the history of museums of the late 20th century is written, one important feature to emerge will be the growth of management. Its rapid ascent as a recognised discipline during this century in all walks of life has been quite remarkable and its encroachment into the intrinsically conservative (and perhaps dilettantish) world of museums was inevitable'.¹⁰⁸⁶

¹⁰⁸⁴ Stuart Davies 'A Sense of Purpose: Rethinking museum values and strategies' in Gaynor Kavanagh, *Museum Provision and Professionalism* (London: Routledge, 1994), chapter 8. James B. Gardner, 'Ethical, entrepreneurial or inappropriate: Business practices in museums' in Janet Marstine (Ed.), *The Routledge Companion to Museum Ethics: Redefining ethics for the twenty-first century museum* (London: Routledge, 2011), chapter 18. James Cuno, *Whose Muse? Art museums and the public trust* (Princeton: Princeton University Press, 2004). Janet Marstine, 'The contingent nature of the new museum ethics' in Janet Marstine (Ed.), *The Routledge Companion to Museum Ethics: Redefining ethics for the twenty-first century museum* (London: Routledge, 2011), chapter 1. Carol Scott, *Museums and Public Value*.

¹⁰⁸⁵ Stuart Davies, *A sense of Purpose*.

¹⁰⁸⁶ Ibid. p.33.

He poses the question of whether the values, which have been transferred from periods of growth have withstood the challenge of business managerialism and are adequate for a world of decreasing public subsidies and an emphasis on self-help rather than state support. He explains that as the professionalization of curatorship proceeded, the curators used the preservation of collections and the primacy of the object to justify their own existence. 'Self-justification led to self-importance and ultimately self-indulgence'. Business managerialism in turn challenges this, making a reappraisal of values essential.¹⁰⁸⁷

As argued in previous sections, a re-evaluation of core mission is required, which, if the focus lies on serving a community, would clearly assign the responsibility of an institution to engage in practices necessary to do so. Woroncow recommends that even though museums are not an 'endangered species' it is necessary for them to adopt a 'chameleon strategy in order to survive', blending with the current demands of their working environment while maintaining the same core values under the skin.¹⁰⁸⁸ The reinvented museum will modify some traditions and abandon those that are outmoded.¹⁰⁸⁹

Horn states in the interview

'Museums have begun to realise that they cannot hide away and do their own thing - they are a public institution, there for the community. They need to figure out how to make that relationship stronger. At the same time, the translation of that relationship is greater support'.

She cautions that museums 'must understand that they are running a business and at the same time understand that they must remain true to their mission'.¹⁰⁹⁰

When it comes to finding this balance between honouring social responsibility and adapting to a changing funding environment, both in conjunction require some deliberation, due to the moral implications of aligning the two.

Another element to consider are the ethical implications of adaptations on a financial level. Malaro warns that when museums and other non-profits 'appear to have lost sight of their public purpose or appear too entrepreneurial or self-serving (...) the public reacts and questions privileged status'.¹⁰⁹¹

¹⁰⁸⁷ Ibid. p.39.

¹⁰⁸⁸ Barbara Woroncow, Public palaces or private places in Gaynor Kavanagh, *Museum Provision and Professionalism* (Routledge: London, 1996), chapter 17.

¹⁰⁸⁹ Gail Anderson, *Museum Mission Statements: Building a Distinct Identity* (Washington: American Association of Museum, 2000), p.21.

¹⁰⁹⁰ Adrienne Horn interview.

¹⁰⁹¹ James B. Gardner, *Ethical, Entrepreneurial or Inappropriate*. M. Malaro, *Museum Governance: Mission, Ethics, Policy* (Washington, DC: Smithsonian Institution Press, 1994), p. 113

Garner outlines that as public support tightens, museums rely more on earned income and fundraising. He argues that too often institutions come dangerously close to a commodification of the collections, given that they are held in the public trust, not as revenue sources, citing the *American Alliance of Museums*, *American Association for State and Local History* and the *International Council of Museums* that revenue-producing activities should not compromise a museum's integrity and mission. Thus 'mission gets blurred or is so elastic it can be construed to accommodate whatever might be the latest income-producing technique'.¹⁰⁹²

Consequently, with this evolving role and changing activity, also arises the issue of credibility. Public trust for art museums then can be seen as a question of responsibility to balance public expectation with institutional needs as changing social values and diminished financial resources have compelled institutions to stretch the boundaries of accepted museological practice in terms of their marketing, fundraising, programming and ambition – while clear rules as to what is appropriate behaviour are yet to be defined. Lowry asks at what point good business practices come into conflict with the core values of mission-driven institutions. He however also states that for European museums – compared to US institutions – the question of public trust may be different, as they are by statute public entities, no different from many other types of governmental agencies. An example Lowry gives for how this relationship can deteriorate is the Guggenheim Foundation's much criticised sponsored showcases: 'A few more shows like Armani and it won't matter how many architectural masterpieces the Guggenheim can afford to build; they will just be rentable exhibition halls'.¹⁰⁹³ For this reason, the next section addresses measures introduced to not only monitor performance but also institutional ethics and behaviour.

¹⁰⁹² James B. Gardner, *Ethical, Entrepreneurial or Inappropriate*.

¹⁰⁹³ Glenn D. Lowry, 'A Deontological Approach to Art Museums and the Public Trust' in James Cuno, *Whose Muse? Art Museums and the Public Trust* (Princeton University Press: New Jersey, 2004), p. 129-146.

7.4.1 AUDIT, NPM AND ACCOUNTABILITY

With the public's money invested in the arts and overturning the idea that arts funding is a non-negotiable right, demonstrating how money is put to use and what value is created, justifies the existence of such measures in the eyes of the public, as it has been established in discussions surrounding value formation and arts funding. Indeed, there has been an increasing pressure from stakeholders at all levels to be reassured that any public subsidy is seen to be 'money well spent'.¹⁰⁹⁴ This evidently creates resistance as it threatens the hegemonic superiority of the intrinsic value of the arts over them possessing merely instrumental value to achieve policy ambitions.

Strathern examines how through accountability, the financial and the moral meet in the 'twinned precepts of economic efficiency and ethical practice'. Through not always beneficial to intellectual production, audit is - according to Strathern - almost impossible to critique in principle. It constitutes part of the protocols of financial accountability and a taken-for-granted process of neo-liberal government.¹⁰⁹⁵ She acknowledges that the accompanying rhetoric becomes necessary in situations of mistrust and can carry sinister overtones.¹⁰⁹⁶ Shore and Wright argue that the audited subject is recast as a depersonalised unit of economic resource. The author traces back this development to the emergence of NPM. Criticism is directed towards the fact that the imperatives for control that follow audit 'undermine staff and institutional autonomy'.¹⁰⁹⁷

Jacobsen et. al. describe a fundamental mismatch between external accountability regimes and the basic characteristics of the public sector resulting in performance regimes being experienced as externally imposed standards.¹⁰⁹⁸ This perceived attack on the value and identity of the museum can be observed in not only the slow adoption of NPM, but is summarised fittingly in an interview statement by Schellenberg: 'You run the risk of being reduced to business indicators which only focus on visitor numbers and money'.¹⁰⁹⁹

¹⁰⁹⁴ Stuart Davies 'A Sense of Purpose'.

¹⁰⁹⁵ Marilyn Strathern, *Audit Cultures*, p.3.

¹⁰⁹⁶ Ibid, p.4.

¹⁰⁹⁷ Chris Shore, Susan Wright, 'Coercive Accountability: The Rise of Audit Culture in Higher Education' in Marilyn Strathern, *Audit Cultures: Anthropological Studies in Accountability, Ethics and the Academy* (Routledge: New York, 2000), pp.57 – 89.

¹⁰⁹⁸ M. L. Jakobsen, M. Baekgaard, D. P. Moynihan, N. van Loon, 'Making Sense of Performance Regimes: Rebalancing External Accountability and Internal Learning', *Perspectives on Public Management and Governance*, Vol.1, 2 (2018), pp. 127–141.

¹⁰⁹⁹ Frank Schellenberg interview.

The data collected on the German institutions studied indicates that this renegotiation and re-balancing - required to adapt but also maintain core values - is still very much presenting a challenge, with the international cases studied having found a more harmonious way of approaching these dimensions of identity and purpose. For a majority of institutions studied in Germany (87.4%) there is little transparent information available in relation to financial management and performance. This corresponds with the findings made in the cases studied. The Museum Ludwig does not produce much material to cater towards demands for transparency, publishing no report itself within recent years. There are two reports produced by other bodies that incorporate data on the museum that are publicly available. One covers educational concepts, communications, and fundraising outcomes and includes some statistical data on museum visits and funding. It also contains data on qualitative outcomes related to educational and academic activities but does not provide complete figures.¹¹⁰⁰ Similarly, the other report presents some data on all museums run by the city, including statistics on staff, programming and again qualitative outcomes such as educational work and new appointments with no mention on income sources or budget.¹¹⁰¹

The Kunstsammlung NRW itself also does not publish an annual report on its operations and finances. A report by the *Ministerium der Finanzen des Landes Nordrhein-Westfalen* provides a budgetary breakdown (2015) of contributions to the Kunstsammlung NRW as well as expenses.¹¹⁰² A 2016 report (*Kulturförderbericht*) by the ministry of culture and research of the federal state of NRW (*Ministerium für Kultur und Wissenschaft des Landes Nordrhein-Westfalen*) provides some figures on the funds received and spent by the Stiftung but lacks a complete budgetary breakdown and funding sources, only providing a fragmented picture. The report focuses more strongly on programmatic, educational and curatorial outcomes.¹¹⁰³ Furthermore, a protocol of the members meeting of the Gesellschaft der Freunde der Kunstsammlung NRW in June 2017 covers recent developments within the association.

¹¹⁰⁰ Matthias Hamann, Ulrich Bock, *Jahresbericht 2016, Zahlen, Programme, Projekte* Museumsdienst Köln (Museen der Stadt Köln: Köln, 2016).

¹¹⁰¹ *Kulturbericht 2014* (Museen der Stadt Köln: Köln, 2015). Dörte Hinrichs, *Mäzene, Macht, Millionen*, Deutschlandfunk, June 25, 2016, [accessed July 16, 2018]. Henriette Reker, *Kulturamt: Geschäftsbericht 2015* (Stadt Köln: Köln, 2015).

¹¹⁰² Ministerium der Finanzen des Landes Nordrhein-Westfalen, *Haushalt: Kapitel 07 050 Kulturförderung*.

¹¹⁰³ Isabel Pfeiffer-Poensgen, *Kulturförderbericht Nordrhein-Westfalen 2017* (Ministerium für Kultur und Wissenschaft des Landes Nordrhein-Westfalen: 2017).

Some financial information is included but again no comprehensive account is given.¹¹⁰⁴ The report by *Landesrechnungshof* of the state of NRW intended addresses the failure to implement certain NPM and strategic management measures.¹¹⁰⁵ Among an extensive catalogue of criticisms the *Landesrechnungshof* reprimands that the state has not defined objectives with the Kunstsammlung of key indicators to measure the performance. Additionally, the *MFKJKS* has not conducted an evaluation of its funding of the Kunstsammlung. Without quantifiable indicators or concrete objectives, such an evaluation of performance and effectiveness cannot take place.¹¹⁰⁶ The *Landesrechnungshof* suggests using quantitative indicators such as the proportion of expenses that museums can cover through their own efforts and amount of subsidy per visitor required, allowing for regular evaluations of the effectiveness of funding, stressing that simply evaluating programmatic elements is insufficient.¹¹⁰⁷ The *MFKJKS* however argues that key indicators have been defined and are discussed among trustees, adding that indicators are not helpful.¹¹⁰⁸

Correspondingly, in its mission statement the Kunstsammlung NRW outlines its objectives with regards to the collection and programming,¹¹⁰⁹ while there is no mention of - as addressed in the *Landesrechnungshof* report - optimally allocating available resources or financial management. There is no management agreement publicly available, in which all associated responsibilities and objectives are addressed. The criticisms contained in the report along with the previously presented defiant reaction of the former director,¹¹¹⁰ serve as a schema of some of the core issues discussed in literature and observed in practice. A lack of transparency and reluctance to define and apply quantitative metrics to museum output collide with the desire of the public funding body to receive justification for arts funding expended. At the same time museums must confront ethical questions surrounding transparency, accountability but also means of income generation and where to direct their focus and resources in accordance with established identity.

¹¹⁰⁴ Robert Rademacher, Jutta Müller, *Protokoll der Ordentlichen Mitgliederversammlung der Gesellschaft der Freunde der Kunstsammlung Nordrhein - Westfalen e.V. (GFK) am 27. Juni 2017 in K21 Ständehaus* (Stiftung Kunstsammlung NRW: Düsseldorf, 2017).

¹¹⁰⁵ Das Große Kollegium des Landesrechnungshofs Nordrhein-Westfalen, *Jahresbericht 2017 über das Ergebnis der Prüfungen im Geschäftsjahr 2016*, p.13.

¹¹⁰⁶ Ibid. p.206.

¹¹⁰⁷ Ibid. p.207.

¹¹⁰⁸ Ibid. p.210.

¹¹⁰⁹ Stiftung Kunstsammlung NRW website, *Leitbild*, (n.d.), [accessed February 3, 2018].

¹¹¹⁰ Betram Müller, *Ackermann attackiert Rechnungshof*.

Ackermann stated that several of the criticisms with regards to the lack of a concept or monitoring were unjustified, due to the fact that these issues raised had in fact been addressed by the museum.

Foundations like the Kunstsammlung NRW however, are required to produce proper accounts.¹¹¹¹ Being fully funded by the state, one would assume a sense of obligation to make these more publicly accessible - this in turn does not agree with the perceived insult of having to justify the existence through instrumental means, in a political system which bases its arts funding model on the idea of instrumentalising art museums to achieve policy ambitions.

Overall the behaviour observed in German art museums – characterised by a lack of transparency - resonates with previously presented theories of the public museum being accustomed to a greater availability of resources. It reflects the much discussed behaviours of passively relying on funding; regardless of whether it is available. Institutions have no interest in collecting such data and even less interest in presenting such data to the public. It is perceived as a reinforcement of the encroachment of their *raison d'être* and a reduction of the intrinsic value of the arts, embodying all fears and concerns discussed in the chapters addressing cultural consumption, ideologically infused policy and value discussions in arts funding. This lack of transparency and accountability can be interpreted as a demonstration of the internal debate, taking place within many institutions and the complex re-calibration efforts required to align identity, mission and also responsibility towards the public.

The findings from the comparative collective case study reveal a very different scenario in the international cases studied. Tate is accountable to the public and is required to demonstrate that it is conducting its operations as economically and effectively as possible through annual audited financial reports.¹¹¹² Annual reports for the last sixteen years are available online and older reports can be accessed in its archives; these detail financial information as well as programmatic achievements.¹¹¹³ The annual accounts of the board of trustees contain further financial detail.¹¹¹⁴ Tate's strategic objectives in fulfilling this mission are summarised including the aims to develop Tate's self-reliance and business model for a sustainable future.¹¹¹⁵

¹¹¹¹ Das Große Kollegium des Landesrechnungshofs Nordrhein-Westfalen, *Jahresbericht 2017 über das Ergebnis der Prüfungen im Geschäftsjahr 2016*, p.206.

¹¹¹² Tate website, *Governance*, (n.d.), [accessed April 3, 2018].

¹¹¹³ Ruth Findlay, Samuel Jones, *Tate annual report 2016/17*, p.77.

¹¹¹⁴ *The Board of Trustees of the Tate Gallery Annual Accounts 2016 – 2017*.

¹¹¹⁵ *The Board of Trustees of the Tate Gallery Annual Accounts 2016 - 2017*, p.3.

The Management Agreement sets out objectives, details regarding financial allocation, performance measures, and financial controls and responsibilities among other things required ensuring targets are met.¹¹¹⁶ The achievement of objectives is tied to practices being encouraged that are in line with those presented in section 7.1 in terms of social entrepreneurialism.¹¹¹⁷ Financial and non-financial performance is reviewed against the budgets and targets set out in the corporate and business plans.¹¹¹⁸ A governance framework comprises the systems and processes, culture and values by which Tate is directed and controlled. It enables Tate to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective activities.¹¹¹⁹ Correspondingly, in its mission statement, Tate sets out a list of objectives, which among programmatic goals also include developing a sustainable operating model. It further states that each of the objectives is equally important – and they are inter-related – mirroring the points outlined in the discussion surrounding hybrid organising and centrality. Additionally, the Tate Plan is developed as a summary of the activities to be delivered each year.¹¹²⁰ Despite all efforts to adhere to ethical standards and transparency surrounding its operations, Tate has been criticised for ethical conduct with regards to sponsors (see section 5.1.4) and cost-cutting efforts affecting staff.¹¹²¹

Case study data further shows that *MoMA* provides a comprehensive array of documents and policies of the museum on its website, including financial statements and independent auditors' reports,¹¹²² annual reports, listings, audited financials, Internal Revenue Service (IRS) filings and bond disclosure documents. There are clear guidelines delineating how information must be recorded, reported and presented¹¹²³ and financial data is disclosed in a way that allows for the reader to understand funding sources and expenses in relation to the museum's mission and objective.¹¹²⁴

¹¹¹⁶ Tate Gallery, *Tate Management Agreement 2016 – 2020* (Tate Gallery: London, 2017), p.1.

¹¹¹⁷ *Ibid.*, p.23.

¹¹¹⁸ *Ibid.*, p.26.

¹¹¹⁹ The Board of Trustees of the Tate Gallery, *Annual Accounts 2016 – 2017*, p.33.

¹¹²⁰ Tate website, *Our Priorities*, (n.d.), [accessed April 3, 2018].

¹¹²¹ Hannah Ellis-Petersen, *Tate Modern names extension after billionaire Len Blavatnik*.

¹¹²² The Museum of Modern Art, *The Museum of Modern Art, Consolidated Financial Statements, June 30, 2017 and 2016*.

¹¹²³ The Museum of Modern Art, *Code of conduct for The Museum of Modern Art and Its Affiliated Organisations, Members of the Board of Trustees, Officers, Committee Members and Key Persons* (The Museum of Modern Art: New York, n.d.), p.14. The staff code of conduct is structured similarly. The Museum of Modern Art, *Code of Conduct for Staff of The Museum of Modern Art*, 2014 (The Museum of Modern Art: New York, 2014).

¹¹²⁴ MoMA website, *Year in Review 2016 – 17*, (n.d.), [accessed August 27, 2018].

A donor list includes some detail about the financial bracket within which donors have given to the museum.¹¹²⁵ A collection management policy¹¹²⁶ and policy for complaints of ethical and financial misconduct further outline behavioural and ethical principles.¹¹²⁷ The level of detail, transparency and accessibility not only in terms of financial data, performance but also frameworks and processes with regards to ethical conduct provided also stands in stark contrast to the German cases studied. Nevertheless, even though there are numerous measures in place to ensure ethical conduct, the museum has not been exempt from criticism of behaviour deemed in violation of public trust and expectation. During Lowry's tenure, the museums' endowment has reportedly quadrupled and the full admission price has also more than tripled. Having become one of the nation's highest-paid museum directors – earning an annual salary of \$ 1,800,000 in 2014 and other benefits¹¹²⁸ - criticisms of the way in which *MoMA* compensates employees¹¹²⁹ have become louder.

The Guggenheim Foundation publishes its audited financial statements containing a report by independent auditors.¹¹³⁰ The Guggenheim Foundation website also presents IRS filings and consolidated financial statements dating several years back.

A Collections Management Policy is made available as well as a mission statement.¹¹³¹ A separate report is published for the museum in Bilbao, which gives details of programmatic accomplishments, visitor data and calculations of the economic benefits the museum had for the Basque region, breaks down how it aspires to be transparent about its operations. In 2015 this commitment was ratified by the approval of a Code of Ethics, which sets out the principles of responsible, ethical action and best practices that must govern individual and collective conduct at the museum. The Compliance Manual also gives some detail about the way the Foundation and Basque government share expenses for the museum.¹¹³²

¹¹²⁵ The Museum of Modern Art, *Donors 2016-17* (The Museum of Modern Art: New York, 2017).

¹¹²⁶ The Museum of Modern Art, *Collections Management Policy, The Museum of Modern Art, Approved by the Board of Trustees, October 5, 2010* (The Museum of Modern Art: New York, 2010).

¹¹²⁷ The Museum of Modern Art, *The Museum of Modern Art Policy and Procedures for Complaints Concerning Violations of Museum Policies or of Ethical or Financial Misconduct*, March 2017 (The Museum of Modern Art: New York, 2017).

¹¹²⁸ Randy Kennedy, *MoMa's Expansion and Director Draw Critics*.

¹¹²⁹ Ilana Novick, *Museum of Modern Art Staff Protest Outside Fundraising Gala, Demanding a Fair Contract*, Hyperallergic, June 1, 2018, [accessed August 25, 2018].

¹¹³⁰ The Solomon R. Guggenheim Foundation, *Financial Statements, December 31, 2017 and 2016*.

¹¹³¹ The Solomon R. Guggenheim Foundation, *Collections Management Policy: Approved by the Board of Trustees on October 3, 2017* (The Solomon R. Guggenheim Foundation: New York, 2017).

¹¹³² Guggenheim Museum Bilbao, *Annual Report: 2016*.

The Bilbao museum also publishes its audited financial statements.¹¹³³ Similarly, the foundation has also been criticised for unethical practices. Wyma argues that 'papering over the abuses of the rich, corporate-sponsored exhibitions like the Guggenheim's BMW-financed The Art of the Motorcycle pale in comparison to the Abu Dhabi project, where the Guggenheim serves as advertising not just for banks or luxury brands, but for a repressive monarchic regime'. Wyma goes on to write that, after other governments had rejected or modified the museum's plans, the foundation finally found a 'welcoming host in an oil-rich plutocracy' also citing Krens' vision of a global Guggenheim termed 'the reproductive logic of capitalism itself' saying that 'growth is almost a law . . . either you grow or you change or you die'. Wyma argues that with the notable exception of Bilbao, the Guggenheim's global outposts have floundered in the courts of law and public opinion'.¹¹³⁴ This, referring to an expansion strategy in the name of sustainability, highlights the most dramatic pitfalls of such an approach, where aside from financial failure, losing public trust, as a museum is almost more detrimental. After its initial founding and spaces in New York City, Venice and Bilbao, the Deutsche Guggenheim (named Deutsche Bank KunstHalle after its closure in 2013) opened in Berlin in 1997 in a partnership between the Solomon R. Guggenheim Foundation and Deutsche Bank. The Foundation formed alliances with the State Hermitage Museum in St. Petersburg and the Kunsthistorisches Museum in Vienna to pursue collection-sharing strategies. In 2001 the Guggenheim Hermitage Museum and the Guggenheim Las Vegas opened at the Venetian Resort, Las Vegas before closing in 2003 (the Guggenheim Hermitage Museum closed in 2008).

Plans for the Guggenheim Abu Dhabi commenced in 2006.¹¹³⁵ In 2014 an international design competition took place for a proposed Guggenheim museum in Helsinki.¹¹³⁶ Other projects—in Vilnius, Guadalajara or Rio de Janeiro— have been cancelled.¹¹³⁷ The launch of satellite museums in a foreign country has been perceived as colonisation instead of collaboration, again highlighting how the social dimension of sustainability is equally important next to economic factors, characterised by a, according to Farhat, supposedly

¹¹³³ Guggenheim Museum Bilbao, *Informacion Economico – Financiera*, 2017 Tenedora Museo de Arte Moderno y Contemporaneo de Bilbao, S.L., 2017 (Guggenheim Museum Bilbao: Bilbao, 2017).

¹¹³⁴ Chloe Wyma, *1% Museum: The Guggenheim Goes Global*, *Dissent Magazine*, 2014.

¹¹³⁵ The Solomon R. Guggenheim Foundation website, *About Us*.

¹¹³⁶ The Solomon R. Guggenheim Foundation website, *Initiatives*.

¹¹³⁷ Michael Wise, *Rethinking the Guggenheim Helsinki*, *Artnews*, August 25, 2014, [accessed September 7, 2018].

'self-interested agenda' and the disparity between the home country's cultural priorities and those of the American alien.¹¹³⁸

This case study data presents a turn of events in which all methods presented as supporting sustained development could not compensate for a missing social dimension to sustainability, which perhaps was not sufficiently reflected within the institution's strategy and mission. Without public trust the museum loses its purpose. Though economic stability and ethics may appear to be at opposite ends of the spectrum of museum concerns when considering all discussions presented throughout this research, both are part of what constitutes sustainability and the first cannot exist without the latter. Both the social and economic dimension of sustainability must be accurately and sufficiently reflected in the mission of the art museum for it to be able to achieve a sustainable long-term developmental perspective.

What can be deduced from the cases studied is however also a strikingly different approach to questions of transparency and accountability and thereby also legitimacy and public trust taken by institutions. It appears that in German institutions the irritation with having to answer to anybody and consequently the intrinsic value of the museum being disregarded, may produce a reluctance to collect and volunteer performance information, as outlined in 2.4.3. Public trust is achieved through a curatorial lens, based on the belief that legitimacy is a result of preventing other competing systems from entering into the art museum sphere. It is not achieved however through demonstrating that the museum, intended to serve the public, is doing so in a responsible manner with the funds provided directly by the public. This is also reflected in the relationship German art museums have with audiences (5.1.3) and the wider economic environment (4.3.2).

By situating itself as removed from the dynamics of the larger economy and exempt from market forces, it relies heavily on old traditions and identity of the museums in pre-industrial times, (3.1), in which such considerations were of non-importance. One can argue however that in reality the museum is not only fully integrated but also to be held accountable – which constitutes an important element of sustainability.

¹¹³⁸ Maymanah Farhat, *Should we be cynical of international museum franchises?*, Apollo Magazine, December 22, 2014, [accessed September 7, 2018].

7.5 CONCLUSION: SUSTAINABILITY AWARENESS VERSUS ESTABLISHED VALUE SYSTEMS

The discussion presented in this chapter demonstrates the role a holistic view of the museum takes on in achieving longterm positive outcomes, in that ideology should not be prioritised over outcomes and mission and ethics cannot give way to purely financial concerns. This last section focuses on the question of how aware institutions are of the issue of sustainability within the context of the art museum, summarizing past discussions. What has become evident throughout this thesis is that institutions that follow all defined best practices do not automatically achieve the most sustainable outcome if multiple dimensions are not comprehensively considered. At the same time complete lack of awareness - in light of all discussions and data presented - is not conducive to achieving the best possible outcomes either.

Borelli observes that the Guggenheim Foundation implements an internationalisation strategy, the first example of museum franchise in history through a 'process of adaptation to other markets or international environments (...)'. The approach is characterised by elements such as the supply and delivery of skills in exchange for financial leverage. It uses local investors to avoid mobilising financial resources while maintaining control of the cultural and commercial policy of its satellite locations.¹¹³⁹ The Strategic Initiatives for 2018–2020 detail how the museum intends to continually pursue this strategy and specifically references adapting to new demands and making the improvements required by the natural evolution of the museum's identity and activities, in line with the principles surrounding adaptability and receptiveness. These also include a range of management centric goals, such as streamlining contributions with a stable, multi-annual formula. Specifying that approximately 70% of its annual budget is self-financed in order to guarantee financial sustainability in the medium term. Furthermore, the website outlines new pricing strategies for new audiences based on market and audience analysis, with a view to improving visitor experience, strengthening ties to society, and reinforcing the museum's revenue structure.¹¹⁴⁰

The museum also put forward a list of Strategic Goals which express long-term aspirations, including the creation of structure that supports it and facilitates the procurement of optimum resources to guarantee the sustainability of the museum¹¹⁴¹ and

¹¹³⁹ Carlotta Borelli, *The Solomon Robert Guggenheim Foundation as the pioneer of the internationalization strategy in the museum sector*.

¹¹⁴⁰ The Guggenheim Museum Bilbao website, *Strategic Plan*, (n.d.), [accessed April 19, 2018].

¹¹⁴¹ The Guggenheim Museum Bilbao website, *Strategic Goals*, (n.d.), [accessed April 19, 2018].

identifying formulas that will help ensure the museum's continued sustainability with a view to facilitating the implementation of the Strategic Initiatives.¹¹⁴² The items outlined here reflect most of the best practices identified in chapter one for sustainable management practice. While the history of the foundation is characterised by some projects that have proven less than sustainable, the approach provides an illustrative example of the proactive pursuit of developing a model, which promises to secure said elusive sustainability. And yet, the equation appears to be less simple. A Hong Kong newspaper delivers a poignant statement summarising the argument made in this section with regards to taking on a holistic approach to sustainability: 'despite all its frantic activity, the Guggenheim could not generate enough revenue to stabilise its budget. It has been forced into a constant search for new sources of cash'.¹¹⁴³ The behaviour described here delivers an example of the quest for sustainability becomes in itself unsustainable. While this data on the one hand shows that the foundation appears to wholeheartedly embrace the listed aspects contributing to sustainability, it at the same time illustrates how the framework within which it operates bears many pitfalls and requires a re-evaluation of ethics and also use of means to align mission and agenda and value creation.

Data collected on German institutions reveals that there is not a single institution that has put forward anything similar to the Guggenheim Foundation with regards to its sustainable development strategy. Rather, the insight collected reveals an amalgamation of incidences in which investigations were launched by funding bodies for the purpose of documenting management practices deemed unsustainable, reports detailing the extent of these incidences of mismanagement as well as articles published containing criticisms and accusations of faulty management decisions (see 4.1.1 and 6 for more detail). While these findings point towards the fact that the issue of sustainability is of some practical relevance to institutions, the absence of sustainability discourse within German language museum management literature suggests a low level of awareness among institutions.

This cannot simply be attributed to terminology, in that best practices are implemented under a different name. Data shows that among the institutions studied, functions associated with identified best practices are not carried out on a large scale (see 5.2). Mirroring the data presented which demonstrates the absence of any direct discussion of sustainability, Schellenberg states that he does 'not perceive sustainability as an important

¹¹⁴² The Guggenheim Museum Bilbao, website, *Values*, (n.d.), [accessed April 19, 2018].

¹¹⁴³ Deyan Sudjic, *Is this the end of the Guggenheim dream?*, The Guardian, January 23, 2005, [accessed September 7, 2018].

topic within the museum community', but is aware that funding is not an automatism.¹¹⁴⁴ Similarly, Knall, defines the collection, as 'the most sustainable element of the museum',¹¹⁴⁵ forgoing any considerations that this term may extend beyond the tangible. She however also states that 'I am convinced funding from public sources will not increase and that institutions will increasingly be required to generate income on their own'.¹¹⁴⁶ Schade, explains that the Museum Ludwig, being a municipal museum, is not seriously threatened in its existence, also referring to the collection and that it 'remains no matter what'.

'Other museums, especially those in the US, may have a stronger dependency on sponsoring. So much so, that people have been let go due to sponsor support not being as strong as anticipated in some cases. We are in a rather safe position. We could stage exhibitions without sponsoring and fundraising - and we get substantial support from foundations. Of course, to some degree, we also depend on it'.¹¹⁴⁷

At the same time, public museums have begun shifting the economic responsibility – albeit more covertly through legal adaptations (see 3.2.2) – to more diverse and non-public sources of support. Similarly, within the examination of management practice, it becomes apparent that institutions (see chapter six) are adapting practices gradually but also reluctantly, due to this being in direct opposition to a non-commercial directionality. A publication by the *BPD*¹¹⁴⁸ on a major museum project in development, the Humboldt Forum in Berlin, provides an example of this awareness yet reluctance to openly address issues of sustainability in projects which were conceptualised amidst the economic changes impacting the cultural sector: the focus lies strongly on the scale, innovation, social and curatorial aspects of the project, political expectations, referencing the *Kulturnation* and the representative function of the museum, while there is no mention of NPM of financial aspects to sustainability.

A chapter on strategy¹¹⁴⁹ states that the museum aims to be more like Tate in terms of developing audiences and moving away from the traditional role of the museum. It stands to question whether this is covert language or lack of awareness. And while there is evidence of a gradual reaction to increasing pressures to adjust to changing environments, there is evidently a less clearly defined concept of sustainability for the museum

¹¹⁴⁴ Frank Schellenberg interview.

¹¹⁴⁵ Bianca Knall, interview.

¹¹⁴⁶ Ibid.

¹¹⁴⁷ Lisa Schade interview.

¹¹⁴⁸ Thomas Flier and Hermann Parzinger, *Die kulturelle Mitte der Hauptstadt: Projekt Humboldt-Forum in Berlin* (Bundeszentrale für Politische Bildung: Bonn, 2009).

¹¹⁴⁹ Ibid., pp. 190 – 237.

specifically as a means of doing so. What is entirely absent is a clear articulation of respective concerns and strategies.

When asked for her definition of sustainable management practice within an art museum context, Horn, states 'Being able to pay the bills. (...) We help clients think beyond this very narrow identity, we encourage them to think bigger in order to keep the museum alive', stressing the importance of the ability to adapt. When asked about building a more sustainable funding model as well as organisations transforming their funding structure through proactive approaches, Horn agrees that museums must realise that they cannot depend on one source and need to diversify income sources. In that diversification, Museum Management Consultants advises museums to seek ways to make money through their programming, framing the introduction of new internal logics to an organisation and embracing social enterprise while adhering to mission and values as important factors supporting sustained development.

'Museums have begun to realise that they cannot hide away and do their own thing - they are a public institution, there for the community. They need to figure out how to make that relationship stronger. At the same time, the translation of that relationship is greater support. (...) They must understand that they are running a business and at the same time understand that they must remain true to their mission. (...) Museums are becoming more entrepreneurial because contributed revenue is no longer sufficient' nor 'automatic',¹¹⁵⁰

The previous discussions all highlighted the various factors influencing these differences in attitude, which are emblematic for observations that can be made on a wider scale and describe how the interaction of numerous interconnected systems and environments shapes the effect these factors have.

The chapters explore how for example the inclination towards passive approaches to financial management and rejection of more entrepreneurial models of income generation can be attributed to theories of value and attitudes towards commercial activities, which are in turn informed by ideological factors related to cultural consumption but intersect with more basic economic market principles and on the other hand policy goals, which are again based on historically rooted structures. This results in a loop of mutually exclusive demands that create inefficiencies, where is necessary to determine which values are treated with priority to understand what the implications of these demands and principles are. As a resolution to this loop of inefficiencies, this chapter, beginning with section 7.1 evidences how the social enterprise represents a viable option to pursue

¹¹⁵⁰ Adrienne Horn interview.

multiple bottom lines within an organisation, while the subsequent section identifies the necessary organisational cultural requirements for this to take place as well as the concept of de-differentiation which allows for activities to achieve said bottom lines to be integrated into social enterprise. Hybrid organising introduced in section 7.3 provides a model for aligning these multiple internal logics within an institutional context, under the premise of conducting a re-evaluation of organisational ethics and commitment to mission – addressed in section 7.4 - with regards to the operational changes the implementation of hybrid structures requires. This ultimately points to the conclusion that pursuing strategies for alignment of multiple organisational logics, under consideration of ethical factors, regardless of whether it represents an infraction to said prioritised systems, is at the core of achieving sustainable outcomes.

8. CONCLUSION

The objective of this research was to develop an understanding of how management practices support sustained development in German art museums by establishing how historical, political and cultural trajectories shape current practices and at the same time, examine how German art museums are dealing with the challenges they confront in their contemporary environment, how these behaviours are reflected within established best practices and how their implementation may affect institutional outcomes.

This thesis examines and describes the following interactions: amidst transforming economic and political environments, German art museums are confronted with new challenges to navigating these. Former practices - tied to funding and policy structures that are showing signs of dysfunction – are either directly or indirectly being retired. Changing demands warrant if not require a different approach to management to maintain sustainable operation. The philosophical basis for these methods is however cast as incompatible with established ideals and prescribed behaviours. Conflict arises as museums but also external constituencies within policy, the wider art world and audiences are confronted with this perceived incompatibility, posing a threat to museum identity. These conflicts inform museum behaviour, management practice and act as a barrier to implementation of best practices that have the potential to threaten sustainable institutional outcomes. This is rooted in a range of historical, cultural and political elements shaping ideology, which in turn impacts museum behaviour and identity, manifest in notions of independence, interference and responsibility. This affects multiple dimensions of management relevant to sustainable practice. The concepts of social enterprise, hybrid organising, facilitated by organisational culture and learning, can help overcome this conflict. A key aspect shaping this process is the consideration of ethics and public trust, pertaining to also the social and not only economic dimension of sustainability bottom lines.

Through a systematic examination of sustainability and management practice in a variety of contexts relevant to the German art museum, this research highlights the general directionality of German art museums with regards to best practices for sustainability on an economic and social level.

With each chapter, the examination progressively constructs a diagram in which sustainability, entrepreneurialism, performance management, mission and organisational culture are connected through different management dimensions and influenced by surrounding historical, cultural and political factors. Within this matrix a hierarchy of systems impacts each of these elements and what occurs at their intersection. The deconstruction of this interaction provides a contribution through opening up perspectives and establishing new connections between concepts, which are commonly not considered in relation to one another. This in turn can support the implementation of best practices.

8.1 MANAGEMENT PRACTICES SUPPORTING SUSTAINED DEVELOPMENT AND FACTORS AFFECTING THEIR IMPLEMENTATION

This research establishes a set of best practices associated with sustained development within and organisational context in chapter one, for an examination in relation to the German art museum.

Sustained development is supported by long term planning under consideration of multiple social and economic bottom lines. This requires an acknowledgement of sustainability as a systemic consequence of its activities within a broader structure. The potential for sustainability is impacted by its financial autonomy along with the proportion of earned and diversified income. Managerial models that are adjacent to business-management approaches ensure that not only cultural but also financial goals are met. Practices are furthermore centered on adaptability and responsiveness through entrepreneurial principles as well as systems of accountability and performance assessment, also enabling the organisation to use resources efficiently. This is facilitated through organisational learning and culture, supporting the ability of an organisation to successfully leverage these practices. Based on this understanding of sustained development and best practices supporting it, it is established that the implementation of these practices can become impaired by a range of environmental factors, causing conflict when competing systems interact – those required for the successful application of supporting practices and those governing the system within which the German art museum operates and has rooted its identity in. The historical context within which this is considered is that throughout the history of German-speaking Europe the purpose and use of art collections and museums has continually shifted along with the identity of institutions and their relationship with audiences, as a historical review in chapter one illustrates. An instrumentalisation of institutions through policy makers tied to the long-standing concept of *Bildung* is at the centre of its various incarnations. Another important element impacting the findings is the concept of the state as a patron of the arts, which emerged in postwar Germany, cultivating a strong familiarisation with state-operated art museums on both an administrative and financial level.

The definitive dynamic which shapes the impact formative historical, political and cultural trajectories have on museum identity is found in a triangular exchange described in chapter three: between rigid attribution of responsibility for funding the arts, notions of what constitutes independence from outside corruption for arts institutions and inconsistent classification of external influence into acceptable and unacceptable interference. It emerges that within both a wider consciousness and the perception of German institutions themselves, responsibility for the arts and museums is clearly located with public administrative bodies, regardless of whether this is a more recent post-war development. This places all agency and capacity to act in external bodies, producing passive behaviour, dysfunction through static positions and the inability to adapt to changing demands.

The strict separation between the arts and other disciplines, activities and considerations is visible through examining theories surrounding cultural consumption within German speaking-Europe and adjacent literature within the context of primary data. It is further established in chapter four that there is a common perception of how economic thinking and action is alien to the fragile and emotionally charged universe of artistic creation. Culture, in the German conception, is the antithesis to the economy. While the concept of linking art and economics is rejected on the basis that contemporary economic philosophy is exogenous to traditional art world structures, there are those that make the case that the art market is a market like any other. Yet, museums maintain that their existence is removed from the commercial art world due to their non-profit nature, regardless of the fact that they are increasingly working in hybridised forms of the cultural economy. This distinct differentiation between art and other areas of life is central to the difficulty to ideologically reconcile them when needed, with museums who - after never having answered to the economics of efficiency – are being confronted with a consumer ideology, mirrored in demands for greater autonomy and entrepreneurial thinking. What is fostered is a mentality that is solely focused on receiving and not earning as a moral obligation, encouraging passivity, informed by the explored triangular exchange.

Chapter four presents discussions of how funding models support museums in passive behaviours, based on philosophical reasoning mandating that the art museum must be supported outside of regular market mechanisms. This by design contradicts sustainable management practice, which calls for greater financial independence. A familiarization with public funding as the default, has furthermore contributed to museum's conception of themselves as unchallengeable institutions outside of the realm of the market.

With any form of commercial activity to generate earned income being thought of as conflicting with the core function of the museum, no effort is made to fully leverage the opportunities presented by becoming financially more self-sufficient. In the German institutions studied, independence from alternative sources of income to public funding is a desired state, while dependence on public funding is a natural feature and therefore does not require critical consideration. Dependence on public support is valued over private support, the former being perceived as neutral. The responsibility lies with a public body to maintain perceptions and cater to expectations surrounding legitimacy, regardless of whether the financial burden is to a large extent shared with private bodies. Consequently, as illustrated in chapter three, a gradual and discreet transition of responsibility on a legal, financial and administrative level has begun to occur in many institutions in Germany, while the corresponding outwardly visible behaviour to adapt to a changing environment remains largely absent. It highlights an area in which two systems - economic realities and historically constructed frameworks surrounding state patronage for the arts - collide and necessitate such compromise.

Cultural values and ideology – rooted in ideas about how civilized society must relate to art, self-concept and focus on pedagogy – shape policy decisions and while independence from private sources is valued, simultaneously public influence over content and practice in exchange for support is classified as the only acceptable form of intervention. Instrumentalisation and rationalisation of support through policy ambitions is treated differently than other types of instrumentalisation, highlighted in the long-standing tradition of *Bildung*, now having become tangible, quantifiable and codified. Overall this demonstrates how ideals do not necessarily correspond with economic and political realities in that independence from both funding and instrumentalisation is rare or even unachievable yet much heralded. The dichotomy that emerges here between acceptable and unacceptable support in conjunction with intervention holds implications for sustainability. Financial support through leveraging the market, audiences and commercial activity through embracing entrepreneurial approaches to management – central to the economic dimension of institutional sustainability – is foregone in order to preserve ideological yet redundant moral hierarchies.

The discussions presented in chapters three and four establish that all identified dynamics are driven by ideologically grounded concepts of art museum identity and adjacent or overlapping systems that define it. These systems compete with each other or cancel out behaviours required to implement practices identified as supporting sustained development. The necessity to make fundamental changes to the operational framework in order to adjust to changing economic realities while an ideologically grounded and politically enforced system impairs the implementation of elements that are instrumental in achieving sustainable perspectives, creates a moral dilemma for institutions. The institution is situated between two viewpoints: one that is wary of two systems, defined as incompatible, moving closer together, while the other seeks to leverage this development for any potential benefit this might hold, while the interior can remain intact. Chapters three and four thereby define the effect this assembly of forces has on management and the potential for sustainable organizational outcomes, resulting in a structural conservatism, in which institutions focus on managing what is already there, not directing resources to achieving strategic potential. This causes major inefficiencies and inflexibility – ultimately at odds with best practices. It also demonstrates the rigidity of museum identity that should be subject to constant re-evaluation in the process of value creation for the community they serve, which is part of the social dimension of sustainability.

This dynamic can be seen to unfold in adjacent areas of management practice, explored in chapters five and six. There is a sustainability component inherent in all management practice, based on the premise that all are designed to meet social and more so economic bottom lines. The dissonance between economic reality and cultural and political ideal creates an obstacle to implementing practices that support sustainable outcomes. No other system is to interfere with the arts within a museum environment, while at the same time the museum is driven to not only acknowledge other systems but to welcome these into its interior and operate alongside them. Instead of engaging in rational, coherent and goal-oriented behaviours, German art museums are seen to engage in behaviours inconsistent with this and at times even self-destructive behaviours.

Chapter five establishes how within the realm of financial management, planning and accounting, legal parameters encourage inefficient, inflexible and passive behaviours, in which entrepreneurially focused approaches are penalised. This directly contradicts the best practice for sustainability of placing a positive value on long term planning and meeting different stakeholder needs under consideration of multiple social and economic bottom lines.

While best practice is for a museum to establish some financial autonomy through earned income, diversified income streams and avoiding an over-reliance on a single source of funding, the opposite is observed in the German institutions studied. Admission is viewed as the only financial lever that can be adjusted in the discussion surrounding earned income, due to its passive nature, while the concept of leveraging earned income through creating economies of scale within the museum is largely foreign. Earned income through commercial activity is subject to harsh moral debates and a focus on marketing and developing audiences is perceived as an infringement upon the artistic autonomy of the museum. Sponsorship and NPM raise discussions of instrumentalisation and unacceptable interference from commercial entities and administrative bodies as a form of corruption of the intrinsic museum purpose and value. This occurs on the basis that receiving financial support passively is preferable and more neutral than engaging in practices to pursue said income and a resistance to view museums as part of the market and exchange economy, making institutions less likely to leverage market opportunities and becoming financially more self-sufficient. At the same time many institutions are entangled with private support networks, with the outward rejection thereof again highlighting issues of identity, morality and public perception based on widespread cultural values. Sponsorship is notably perceived as less morally compromising than an active pursuit of income as it does not require an institution to transfer responsibility to within itself for achieving economic bottom lines. Chapter six further illustrates how NPM and systems of accountability create tension, when the institution that views itself as outside of the market is unable to partake in a system, which aims to quantify its output in terms of utility as the basis for funding decisions. To define and measure said output, it is necessary to accept that art and the museum itself possess an instrumental value, quantifiable and less abstract than its intrinsic and inherent value. This represents an infringement upon the fundamental values defining art museum identity and directs responsibility from funding bodies to the institutions and thereby upsets established notions of duty, provision and responsibility.

The concerns surrounding performance measurement and management are consistent with the logics and value systems explored in chapter three and four surrounding the conception of the status of the arts. The formative elements established previously and the triangular interaction surrounding concepts of responsibility, independence and interference, informed by ideology and notions of identity, are responsible for the counterintuitive behaviours examined in German arts institutions - diverging strongly

from best practices. When in the past the appropriate interpretation of value was related to artistic or cultural criteria, the shift towards an economic orientation pushes institutions to perform a broader range of economic functions. There is the concern that this may cause them to lose credibility, and authority. Anti-entrepreneurial attitudes have in the past discouraged or actively de-incentivised economically minded behaviour and inhibited the reshaping of operating structures to become more independent and support long-term sustainability. Museum identity and the ideological basis this is modeled on, present an opposing set of systems which make the implementation of best practices difficult, the result of which is seen in institutional outcomes defined by impending closures, allegations of mismanagement, inefficient use of resources and failure to achieve objectives, all pointing towards a management style which does not place a premium on creating operational structures which support long-term maintenance of core activities. This is also reflected structurally throughout the German institutions studied, with relatively few resources directed towards functions outside of core museum activities, primarily tied to management and optimization. Acknowledging that art museums are not designed to operate as public utilities or services, best practices observed in other contexts allow for the inference that business problem-solving strategies should not be conflated with an encroachment to artistic, curatorial or conservational ambitions of museums. Rather an abandonment of prejudice against such strategies in the museum context can be helpful, which inevitably results in moving towards a more business-like operating model, a development that must not impact the quality of the work and integrity of the institution. This in turn provokes established notions of responsibility and independence to resurface, taking shape in the moral debate surrounding management.

In order to overcome this conflict and allow the application of best practices, chapter seven discusses methods designed to align competing systems, through allowing multiple internal logics to exist within an organisation and through a process of de-differentiation, akin to the hybrid model outlined by Janes.¹¹⁵¹ This is found within cultural or social enterprise, organizational development, hybrid organising as well as a commitment to mission and public trust. Honouring best practices centered on adaptability and responsiveness can be achieved through entrepreneurialism and innovation, which have the potential to produce beneficial outcomes for long term economic stability through countering over-reliance on a single source of support, static management and the

¹¹⁵¹ Robert R. Janes, *Museums and the Paradox of Change*, p.337.

inability to adapt to changing environments. Finding new and better ways to create social value, facilitated through performance measurement and accountability, enable better quality and flexibility of management concepts as well as the efficiency of resource allocation – all impacting variables to the success of a cultural institution. Integrating such practices is facilitated through the concept of hybrid organising - combining aspects of multiple organisational forms and aligning conflicting goals. It offers a perspective for alignment in the interactions between the described systems, subsystems and their environments: the pursuit of a social mission while at the same time employing entrepreneurial methods to achieve multiple bottom lines, through actively integrating both activities into administrative structures. The institutions studied however possess a low level of centrality of multiple logics the organization combines and also alignment, with one logic clearly dominating the others. Through a process of de-differentiation within organizations between arts and strategic functions and the creation of a holistic, amalgamated form, positive outcomes can be achieved without obstructing core functions.

In order for best practices to not be compartmentalised and viewed in opposition to the art itself within the organisation, mental cultural components, reflected in the strong impact ideology has on the behaviour of professionals, are critical in their importance. Organisational learning and culture impact the ability of any organisation to successfully leverage these practices. Furthermore dual leadership can be seen as a marker of de-differentiation and integration of strategic concern into the core of museum activities, as well as a more diversified professional and educational backgrounds among professionals – with a visible absence thereof in German institutions.

Chapter seven furthermore explores a lack of awareness - or willingness to address the subject of sustainability observed among German art institutions. This may present an even bigger obstacle than any of the more practical impediments. None of the facilitative practices for integrating sustainable management approaches into the operational and organisational structure of an institution can be employed when there is no perceived need to do so. What furthermore stands out is also the importance of ethical considerations in the course of enacting such fundamental changes to management practices, financial and organisational structures. A re-evaluation of mission of museums – which acknowledges how creating social value sustainably has replaced traditional ambitions of simply preserving objects - must take place, in order for this to occur.

Structural change and a recalibration of focus, standards for ethical practice and resource allocation can impact the way in which institutions are perceived by outside parties and thus affect elements such as public trust, credibility and legitimacy.

If ethical considerations are neglected, following all other best practices can still hurt an institutions ability to produce long-term sustainable outcomes. This underlines the social dimension next to the economic dimension of sustainability. However, in German institutions public trust is achieved through a curatorial lens, based on the belief that legitimacy is a result of preventing other competing systems from entering into the art museum sphere. It is not achieved however through demonstrating that the museum, intended to serve the public, is doing so in a sustainable manner. It also becomes apparent that while economic stability and ethics may appear to be at opposite ends of the spectrum of museum concerns, both are part of what constitutes sustainability and the first cannot exist without the latter. Both the social and economic dimension of sustainability must be accurately and sufficiently reflected within a mission to support long-term sustained development. The discussion surrounding perspectives for alignment therefore concludes that a balance needs to be achieved in which ideology is not prioritised over outcomes and mission and ethics cannot give way to purely financial concerns, pointing towards a truly holistic approach to management for sustainable outcomes.

8.2 CONTRIBUTION AND IMPLICATIONS

The results achieved through this investigation address issues situated at the intersection of arts management and more broadly systems theory. They provide an understanding of approaches to practice which aim to support institutions in addressing threats to their ability to carry out core functions related to education, providing the public access to arts and the preservation of culture within a German art museum context specifically. It thereby offers insight into conceptual frameworks related to sustainable management within this particular context, bridging ideas with other disciplines such as management studies. The results ultimately also have the potential to support institutions in their mission to continually create social value in the communities they serve.

There are three ways in which the insight gained from this research addresses gaps within knowledge: there is a significant lack of discussion in German speaking literature which seeks to identify the historical and ideological root for many established viewpoints among professionals today accounting for the rejection of the management practices studied. The rejection of best practices is presupposed as a basic premise around which discussions are formed. Through exploring the historical and cultural formative elements, which result in the ideological forces driving policy and practice –ultimately shaping art museum behaviour and output – this research provides a means to better understand the dynamics governing the German art museum landscape. Through understanding ways by which tension at the intersection of competing systems can be overcome, it aims to encourage the necessary introspection to question established notions of identity that may impair the implementation of best practices.

Rooted in the distinct historical, cultural and political makeup of the German context and the unique position arts institutions in particular find themselves in, a discussion of management practice within literature often occurs in the form of a moral deliberation. The research reframes the discourse towards being examined through a sustainability lens instead. This allows for a discussion of practices commonly deemed 'out of the question' for the incompatibility with defined museum identities and therefore not considered. This is based on the argument that outcomes are equally relevant to principle and that mission and achieving objectives can be honoured alongside ideological considerations.

Through capturing the essential characteristics of a system and outlining a trajectory of maintenance and improvement in system functions, the research supports the reduction in damaging factors threatening the system's sustainability through identifying potential for change while considering the idiosyncrasies of the particular context it is rooted in. With its interdisciplinarity, it translates models situated within a wider management field to a museum context, a German context and an art museum context.

The issues addressed within this research are to some degree sensitive and divisive in nature. It poses questions, which directly confront and - in some cases - antagonize ideas and concepts deeply anchored within a wider consciousness. Through introducing viewpoints that are – on the basis of the defined systems identified - considered morally objectionable, some arguments could be interpreted as provocation, if viewed from a position within said defined systems. It furthermore addresses the topic of professional identity and the behaviours of those at the core of the institutions studied, examining mental cultural components responsible for interactions that cannot be rationally understood otherwise. While it is acknowledged that this is not a criticism of competence - instead focusing on the systemic constraints within which professionals operate - such observation may still be unwelcome. Nevertheless, the findings made throughout this research can provide a deeper understanding of some of the challenges institutions are faced with and identify methods to overcome said challenges.

There are reasonable and informed grounds on which the arguments made by this thesis can be challenged: the large-scale systemic change that would have to occur to implement the best practices identified, requires massive shifts in thinking in museum staff, public administrators and also audiences. Whether this is at all feasible is questionable. However, as addressed in the final section of chapter seven, encouraging an awareness of sustainability concerns and adapting operating models to changing environmental demands - beyond purely reactive management approaches - can represent a first step. The limitations of this research are related to scope and data availability, impacting the extent to which this research is able to explore the issue in focus. At the same time these limitations highlight avenues for future research: this may include developing a model to measure and evaluate potential for economic and social organizational sustainability specifically designed for institutions operating within a German legal and historical context, through establishing direct correlations between the application of best practices and quantifiable organisational outcomes.

The original intent of this research was to conduct a study with greater empirical focus. During later stages of analysis, observations within the realm of systems theory, ethics and transparency – the significance of which was not accounted for at the time during which method was conceptualised – moved to the foreground of the study. In future research a deeper exploration of the strength of relationship between two variables – such as understanding organisational structure in relation to the elements identified as contributing to sustained development – as well as differences and variance between groups - could be conducted.

Furthermore with regards to scope, interview participants did not include policy makers, in light of the heterogeneous nature of legal, policy and administrative frameworks differing greatly for each institution. This research sought to understand the baseline ideas and formative elements that shape relevant policy and therefore did not, in order to maintain greater focus, conduct primary research with administrative bodies. Therefore, in addition to the professional insight obtained from those at the centre of the discourse, exploring the legal and also philosophical considerations, which inform policy, presents another area for future research. The findings of this thesis present a snapshot of the current situation within a German art museum context and may only be accurate for a very limited timeframe. How the institutions studied evolve over the next decades and react to changes that are currently underway is not addressed for the purpose of maintaining a more focused scope. Furthermore, the difficulty of obtaining comprehensive and reliable financial data (see section 2.3.2 for more detail) draws attentions to issues of transparency, which – while considered within the overall findings – warrant a separate examination, as to whether limited transparency can persist when funding structures, means of justification and public expectations shift further.

Appendix 1

MANAGEMENT PRACTICE SUPPORTING SUSTAINED DEVELOPMENT IN THE GERMAN ART COLLECTION

INFORMATION SHEET

Dear Potential Participant,

I would like to ask you to take part in an interview for a research project on art museum management I am conducting as part of a PhD degree at the University of Leicester School of Museum Studies. Before you decide whether or not to take part, it is important for you to understand the purpose of the study and what your participation will involve. Please take time to read the following information carefully. You are welcome to discuss this project with others if you wish, before you make your decision. Please do not hesitate to ask questions, (see contact information at the end of this document) should there be anything that is not clear or if you would like more information.

RESEARCH OBJECTIVES & PURPOSE

The research concerns itself with the question of how entrepreneurial approaches to art museum management contribute to sustained development in institutions. I hope to therefore better understand the following issues:

- the extent to which German art museums engage in management practice that can be viewed as entrepreneurial
- whether current practices have the potential to achieve sustained development
- how to develop improvements to practice that support sustainability

The method of data collection relevant to this request involves interviews individually conducted with a small group of selected participants. The research is interested in speaking with art museum professionals both in Germany and in other countries as well as professionals working in ancillary fields, selected for their potential to provide insight into the current state of art museum management, the challenges museums face as well as the future developments they anticipate. In addition to the structural analysis of the international art museum sector the research conducts, the interviews allow for professional perspectives to contribute to the findings.

PARTICIPATION

Participation in this study is entirely voluntary. If you do decide to take part you will be given this information sheet to keep and be asked to sign a consent form. Your participation will involve an informal, unstructured interview of approximately 45-60 minutes in length, to take place by arrangement either in person, via phone or Skype. If not otherwise possible, the interview questions can be answered via email.

You may decide not to answer any of the interview questions if you wish. You may also decide to withdraw from this study before November 1, 2018 by advising the researcher during the interview or by using the contact information at the end of this document. As a result, the data will be destroyed.

In the interview you may be asked about the following subjects:

- Your educational and professional background as well as function within your current workplace
- Your view of the museum's mission, goals and future plans which you personally and also the institution aim to achieve
- Your assessment of what challenges the museum as well as the art museum world in general are faced with
- Details of how management methods in the museum are employed and how this in turn allows the museum to achieve objectives and deal with said challenges
- Your views on and experience with certain practices, which have a strong entrepreneurial focus

Questions are open-ended, producing both factual and attitudinal insight. The purpose is to document your perspective. Your participation has the potential to contribute valuable insight towards improving art museum management practice for sustained development in the German art museum sector.

RESULTS & CONFIDENTIALITY

The interview will be transcribed from notes taken during the interview or - if you give permission to do so - audio recorded and then transcribed. You will receive a copy of the transcript and have the option of making edits to this transcript or withdrawing your participation by the provided deadline. Your name and place of work will be included with material from the interview and you should therefore be aware that comments you make about the organisation where you work, will be directly attributable to you. It is for this reason we are recommending that you to seek permission from your employer to participate in this study and that you only share information that you are happy to be personally associated with. The data generated in the course of the research is kept securely in paper and electronic form for a period of six years after the completion of a research project. The interview data falls into the provisions of the UK Data Protection Act and will be dealt with in accordance with it.

The data collected will not be made available to others for any purpose whatsoever and will only be used for the objectives outlined above. There are no researchers other than myself involved in this project and the data will therefore not be shared with any other researchers.

I may ask for clarification of issues raised in the interview some time after it has taken place, but you will not be obliged in any way to clarify or participate further.

CONTACT & FURTHER INFORMATION

If you have any questions regarding this study or would like additional information, please use the contact detail at the end of this document.

Thank you for taking the time to read the information sheet and for considering this invitation to participate.

May 20, 2018

Yours sincerely,

LOUISA KRÄMER

University of Leicester School of Museum Studies

19 University Rd, Leicester LE1 7RF

Tel.: + 49 176 32907870 E-mail: lmink1@leicester.ac.uk

Appendix 2

MANAGEMENT PRACTICE SUPPORTING SUSTAINED DEVELOPMENT IN THE GERMAN ART COLLECTION

INFORMED CONSENT

1. I confirm that I have read and understand the information sheet for the above study and have had the opportunity to ask questions.
2. I am aware that I will be provided with the interview transcript after the interview session with the option of reviewing and editing the transcript before the provided deadline.
3. I understand that my participation is voluntary and that I am free to withdraw by the provided deadline, without giving reason.
4. I am also aware that excerpts from the interview may be included in the publication as outlined by the information sheet, including my name and workplace. I understand that the data will be managed in the way outlined by the participant information sheet, falling into the provisions of the Uk Data Protection Act.

With full knowledge of all foregoing, I agree to participate in this study.

Yes No

I give permission for the interview to be audio recorded.

Yes No

If necessary, I have sought permission from my employer to participate in the research by sharing information about the organisation and operations of the institution as well as my personal opinion on issues related to my work for the purpose outlined by the information sheet.

Yes No N/A

Participant Name		Researcher Name	Louisa Krämer
Participant Signature		Researcher Signature	
Date		Date	

CONTACT

LOUISA KRÄMER

University of Leicester School of Museum Studies
19 University Rd, Leicester LE1 7RF
Tel.: + 49 176 32907870 E-mail: lmink1@leicester.ac.uk

Appendix 3

INTERVIEW PROMPTS

ABOUT THE INTERVIEW PARTICIPANT

Question Tell me more about your role.

- What mechanisms have you developed to maintain a balance between academic and financial concerns?

THE ART MUSEUM SPHERE

Question What would you identify as some of the major developments shaping the global art museum sphere during recent years and how are institutions reacting to it?

- Based on your assessment of these developments, what are your thoughts on the statement that the art museum is transitioning from a political arena to an economic one and do you feel that there are problematic aspects to this development?

Question To what extent do administrative structures governing public cultural institutions impact management practice?

THE ECONOMICS OF THE ART MUSEUM

Question Does, in your opinion, the perception of culture and the art museum as something more elevated and pure - that must not be weighed down by technical or tactical considerations - impact the ways in which art museums approach management practice?

Question The discourse surrounding neoliberal market structures entering the museum sphere is characterised by the fear that economic thinking could interfere with the curatorial mission, overpower social objectives and distract from the core function of the museum. Are potential concerns in some way justified or can a growing economic focus be seen as an opportunity for positive development?

Question Some argue that while art museums are not commercial enterprises and should not be judged as such, one might accept that standards of efficiency apply to organisations of all kinds. What is your evaluation of this?

Question There is the argument that an active pursuit of income generation, often tied to commercial activities, must not inevitably subject the museum to trivialisation. In the face of declining public support, can a hybrid model, which challenges the separation between the commercial and social sectors, offer a solution?

Question Research has identified a structural conservatism centred around pure self-preservation, in which institutions focus on managing what is already there, not directing resources to achieving strategic potential. Does this - in your experience - accurately represent operating mechanisms within the public cultural sector?

SUSTAINABILITY WITHIN A MUSEUM CONTEXT

Question Among the elements listed as markers for sustainability in a museum context by organisations such as ICOM and the (UK) Museums Association, are the ability to respond to changing political, social, environmental and economic contexts, having a clear long-term purpose that reflects society's expectations of museums and diversifying sources of income to avoid over-reliance on a single source of funding. What is your definition of sustainable management practice within an art museum context?

- What cultural and structural barriers to progressing sustainability might there be?

Question Which strategic methods might an institution employ to transform its funding structure and improve potential for sustained development?

MUSEUM MANAGEMENT

Question Research has interpreted differentiation between artistic considerations and economic and administrative considerations as a core element in defining the artistic autonomy of such organisations as a strategy to keep artistic production clean from the interference of other “instrumental” logics. Is this, based on your experience, a common occurrence and can it be in any way harmful to an institution?

Question What is your definition of an effective and successful cultural leader?

Question Do you see a difference in attitudes regarding earned income between the US and many European countries, where there is a stronger familiarisation with predominantly public support?

THE CULTURAL ENTREPRENEUR

Question According to articulations of social entrepreneurialism within a non-profit context, organisations are ideally receptive to innovation, perceive change as an opportunity and continually seek new ways to create value. What is your definition of the social or entrepreneur within the sphere of public cultural institutions?

ACCOUNTABILITY & MANAGING PERFORMANCE

Question What, in your opinion, are appropriate methods of assessing and managing art museum performance specifically and what factors may be slowing down adoption of these methods for museum professionals?

Question A key elements strategic management and entrepreneurialism have in common with New Public Management is its primary focus on output-orientation. Monitoring the economic consequences of policy implementation commonly involves metrics according to which outcomes can be measured. Grant allocation based on output and performance such as reducing costs or achieving target visitor numbers, has been described as a useful method. What is your position on this?

SPONSORSHIP & PATRONAGE

Question How would you evaluate any concern regarding sponsors affecting art museums in terms of content, either directly or indirectly?

- An area of concern for some is the subtle way in which museums factor potential sponsors into the early stages of planning and decision making, constraining themselves in order to win support. Have you encountered this in your work?

Question What role do fundraising and sponsorship activities play in developing a sustainable funding model?

- Corporate sponsorship is subject to economic cycles. Is there basis for concern that museums are shifting their dependency from public to private support, making them equally vulnerable to external forces?
- Are there ethical fundraising policies that detail core principles for negotiations with sponsors as well as mission and values?

Question Where do you see the main difference between traditional systems of arts patronage and contemporary sponsorship?

BIBLIOGRAPHY

100.000 Euro für das Lehmbruck, Stadt Panorama, December 28, 2015

<<http://www.stadt-panorama.de/ausgaben/du-city/100000-euro-f-252-r-das-lehmbruck-aid-1.5656288>> [accessed February 21, 2018].

Alexander Albrecht, *Auf Euphorie folgt teurer Knatsch*, Rhein-Neckar Zeitung, July 13, 2018

<https://www.rnz.de/nachrichten/mannheim_artikel,-kunsthalle-mannheim-auf-euphorie-folgt-teurer-knatsch-_arid,372319.html> [accessed October 17, 2018].

Edward P. Alexander, Mary Alexander, *Museums in Motion, An Introduction to the History and Functions of Museums*, 2nd Ed. (Lanham: AltaMira Press, 2008).

Gail Anderson, *Museum Mission Statements: Building a Distinct Identity* (Washington: American Association of Museum, 2000).

Artbook website, (n.d.)

<<http://www.artbook.com/artbookps1.html>> [accessed February 8, 2018].

ArtPartner Relations website, *About*, (n.d.)

<<http://www.artpartnerrelations.de/about/>> [accessed December 27, 2018].

ArtPartner Relations website, *References*, (n.d.)

<<http://www.artpartnerrelations.de/references/>> [accessed December 27, 2017].

ArtPartner Relations website, *Funding*, (n.d.)

<<http://www.artpartnerrelations.de/references/>> [accessed December 27, 2017].

Auf König folgt Kaiser: Schweizer wird neuer Direktor der Museum Ludwig in Köln, Citynews Köln, September 6, 2011 <https://www.citynews-koeln.de/museum-ludwig-koeln-direktor-kaiser-kasper-koenig-_id3844.html> [accessed April 9, 2018].

James Austin, Howard Stevenson, Jane Wei-Skillern, 'Social and Commercial Entrepreneurship: Same, Different or Both?', *Entrepreneurship Theory and Practice*, Vol.30, (2006), pp.1-22.

Tanja Baensch, Kristina Kratz-Kessemeier and Dorothee Wimmer, *Museen im Nationalsozialismus: Akteure-Orte-Politik*, Veröffentlichungen der Richard-Schöne-Gesellschaft für Museumsgeschichte e.V. (Köln/Weimar/Wien: Böhlau Verlag GmbH & Cie, 2016).

Asoka Bandarage, *Sustainability and Well-Being: The Middle Path to Environment, Society and the Economy* (London: Palgrave MacMillan, 2013).

Claudia Barbieri Childs, *How MoMA Chose Which Treasures to Send to Paris for Its Biggest Loan Show Ever*, Artnet News, September 8, 2017

<<https://news.artnet.com/exhibitions/the-museum-of-modern-art-vuitton-foundation-loan-exhibition-1075175>> [accessed May 5, 2018].

Julie Battilana, Silvia Dorado, 'Building sustainable hybrid organizations: The case of commercial microfinance organizations', *Academy of Management Journal*, Vol. 53 (2010), pp. 1419–1440.

Julie Battilana, Matthew Lee, 'Advancing Research on Hybrid Organizing: Insights from the Study of Social Enterprises', *The Academy of Management Annals*, Vol. 8, 1 (2014), pp. 397–441.

Eduard Beaucamp, *Nachruf: Grandseigneur der Kunst: Zum Tod Werner Schmalenbachs*, Frankfurter Allgemeine Zeitung, July 7, 2010.
<<http://www.faz.net/aktuell/feuilleton/kunst/zum-tod-werner-schmalenbachs-grandseigneur-der-kunst-11008501.html>> [accessed April 19, 2018].

Jörg Becker, Lars Algermissen, Thorsten Falk, *Prozessorientierte Verwaltungsmodernisierung* (Berlin / Heidelberg: Springer, 2007).

Lisa Becker, *Kulturfinanzierung in Großbritannien und Deutschland: ein Vergleich*, (München: Ifo-Inst. für Wirtschaftsforschung, 1996).

Dave Beech, *Art and Value: Art's Economic Exceptionalism in Classical, Neoclassical and Marxist Economics* (Leiden: Brill, 2015).

Helen Beeckmans, Oliver Bennett, Mary Douglas, Ruth Findlay, Masina Frost, Steve Hare, Celeste Menich, Nigel Reynolds and Andrew Tullis, *Tate Report 2009-10*, (London: Tate Publishing, London, 2010).

Peter Behringer, Dieter Brühl, Klaus Buchholz et. al., *New Public Management: Umsetzung neuer Rechnungs- und Informationssysteme in innovativen Verwaltungen* (Freiburg: Haufe, 1999).

Eleonora Belfiore, 'Auditing culture: the subsidised cultural sector in the New Public Management', *International Journal of Cultural Policy*, Vol.10, 2 (2004), pp. 183-202.

Eleonora Belfiore, *Humanities in the Twenty-First Century: Beyond Utility and Markets* (London: Palgrave Macmillan, 2013).

E. Belfiore, O. Bennett *The Social Impact of the Arts: an Intellectual History* (London: Palgrave Macmillan, 2008=).

David Bell, Kate Oakley, *Cultural Policy* (London: Routledge, 2015).

Avner Ben-Ner, 'The shifting boundaries of the mixed economy and the future of the nonprofit sector', *Annals of Public and Cooperative Economics*, Vol. 73, 1 (2002), pp. 5-40.

Peter Bendixen, Bernd Weikl, *Einführung in die Kultur- und Kunstökonomie* (Wiesbaden: VS Verlag für Sozialwissenschaften, 2011).

Judith Benhamou-Huet, *The Worth of Art: Pricing the Priceless* (New York: Assouline, 2001).

Tony Bennett, *The Birth of the Museum: History, Theory, Politics*, (London: Routledge, 1995).

Tony Bennett, 'The Historical Universal: The Role of Cultural Value in The Historical Sociology of Pierre Bourdieu', *The British Journal of Sociology*, Vol. 56, 1(2005), pp.141 - 164.

Manfred Max Bergman, *Advances in Mixed Methods Research* (London: SAGE Publications Ltd., 2008).

Eric M. Bernhard, *Kunst als Kapitalanlage: Kunstmarktfonds als Verbindung zwischen Kunst und Kapitalmärkten* (Wiesbaden: Deutscher Universitäts Verlag / GWV Fachverlage GmbH, 2005).

Marya L. Besharov, Wendy K. Smith, 'Multiple institutional logics in organizations: Explaining their varied nature and implications', *Academy of Management Review*, Vol. 39, 3 (2014), pp. 364 - 381.

Sachindranath Bhattacharya, *Museum Management* (Kolkata: New Bengal Press, 2006).

Graham Black, *The engaging museum: developing museums for visitor involvement* (London: Routledge, 2005).

Jim Blythe, *Principles & Practice of Marketing*, 3rd Ed. (Los Angeles: Sage, 2014).

Sabine Boehl, *Marc Sheps nicht mehr Direktor der Ludwig Stiftung*, Kunstmarkt, (n.d.) <http://www.kunstmarkt.com/pagesmag/kunst/_id44320-/news_detail.html?q=> [accessed December 20, 2017].

Dirk Boll, *Art for Sale: A Candid View of the Art Market* (Ostfildern: Hatje Cantz, 2011).

Willi Bongard, *Kunst und Kommerz: Zwischen Passion und Spekulation* (Oldenburg: Gerhard Stalling Verlag, 1967).

Angela Börger, *Corporate Social Responsibility und Kulturförderung - Eine empirische Untersuchung am Beispiel des Staatsballetts Berlin* (Saarbrücken: VDM Verlag Dr. Müller, 2007).

Carlotta Borelli, 'The Solomon Robert Guggenheim Foundation as the pioneer of the internationalization strategy in the museum sector: An analysis of its business strategy through its successes and failures' (LUISS, Department of Business and Management, 2016).

Philip Boroff, *Museum of Modern Art's Lowry Earned \$1.32 Million in 2008-2009*, Bloomberg, August 10, 2009. <<https://web.archive.org/web/20121016225017/http://www.bloomberg.com/apps/news?pid=newsarchive&sid=ag20MDxuqAko>> [accessed August 27, 2018].

Annette Bosetti, *Der Kunstlotse vom Ehrenhof geht*, Rheinische Post, September 6, 2017
<<http://www.rp-online.de/kultur/der-kunst-lotse-vom-ehrenhof-geht-aid-1.7062169>>
[accessed February 12, 2018].

Annette Bosetti, *Kunstsammlung NRW will sich öffnen*, Rheinische Post, September 1, 2017
<<http://www.rp-online.de/kultur/kunstsammlung-nrw-will-sich-oeffnen-aid-1.7052652>>
[accessed February 12, 2018].

Claire Bouchara, Max Bossier, Dr. Christine Howald, Shasha Liu, Christoph Noe, Kaisha Woo, Cuiyun Xu, Yingxue Sun, Wen Ren, *Private Art Museum Report*, Larry's List, Modern Arts Publishing, January 2016).

Stefan Brams, *Bielefelder Kunsthalle ein finanziellen Schwierigkeiten*, Neue Westfälische, March 17, 2018
<https://www.nw.de/lokal/bielefeld/mitte/22088675_Bielefelder-Kunsthalle-in-finanziellen-Schwierigkeiten.html> [accessed April 17, 2018].

Adrienne Braun, *Ohne Privatsammler geht es Künftig nicht mehr*, Stuttgarter Zeitung, August 1, 2017
<<https://www.stuttgarter-zeitung.de/inhalt.ulrike-groos-vom-kunstmuseum-stuttgart-ohne-privatsammler-geht-es-kuenftig-nicht-mehr.f82be252-3f52-4dc8-a7e0-5a8972053520.html>> [accessed April 17, 2018].

Gregor Bräutigam, *Kulturökonomie, Kulturgenerierung - Kulturanalyse – Kulturkontakt: Wie gesellschaftliche Verfahrensmuster die Ausprägung des Humankapitals beeinflussen* (Aachen: Shaker Verlag , 2006).

Bremer Kunsthalle soll sich selber helfen, FAZ, March 19, 2002
<<http://www.faz.net/aktuell/feuilleton/museen-bremer-kunsthalle-soll-sich-selber-helfen147744.html>>[accessed April 17, 2018].

Eugene Brigham, Michael Ehrhardt, *Financial Management: theory & practice* (Boston: Cengage Learning, 2017).

Seraphina Brown and Adilla Dharmasasmita, ' Integrating the three pillars of sustainability: social, environmental and economic' in Petra Molthan-Hill, *The Business Student's Guide to Sustainability Management: Principles and Practice* (Sheffield: Greenleaf Publishing Ltd., 2014), pp. 42 - 82.

Bundeskunsthalle Bonn: Intendant Fleck schneidet vorzeitig aus, Kölnische Rundschau, July 11, 2012
<<https://www.rundschau-online.de/kultur/bundeskunsthalle-bonn-intendant-fleck-scheidet-vorzeitig-aus-5361758>>[accessed December 27, 2017].

Bundesregierung, *Kulturgutschutzgesetz*, 2016
<https://www.bundesregierung.de/Webs/Breg/DE/Bundesregierung/BeauftragtefuerKulturundMedien/kultur/kulturgutschutz/_node.html>, [accessed December 2, 2016].

Bundesregierung, *Statement: Geplantes Kulturgutschutzgesetz, Bedenken sind unbegründet*, 3 August 2015.
<<https://www.bundesregierung.de/Content/DE/Artikel/2015/08/2015-08-03-statement-kulturgutschutzgesetz.html?nn=811092>> [accessed December 2, 2016].

Bundesregierung, *Zusammengefasst: Fragen und Antworten zum neuen Kulturgutschutzgesetz*, 22 August 2016.
<<https://www.bundesregierung.de/Webs/Breg/DE/Bundesregierung/BeauftragteFuerKulturundMedien/kultur/kulturgutschutz-neu2/kurzgefasst/fragen-antworten-kgsg.html?nn=811092>> [accessed December 2, 2016].

Robert G. Burgess, Alan Bryman, *Analyzing Qualitative Data* (London: Routledge, 1994).

Dan V. Caprar and Benjamin A. Neville, "'Norming" and "Conforming": Integrating Cultural and Institutional Explanations for Sustainability Adoption in Business', *Journal of Business Ethics*, Vol. 110, 2 (2012), pp. 231-245.

Francois-Xavier de Burtin, 'Galerien im allgemeinen, ihr Ursprung und ihre Nützlichkeit', in Kristina Kratz-Kessemeier, Andrea Meyer and Benedicte Savoy, *Museumsgeschichte*, pp.73 - 78.

D. A. Carroll, K. J. Stater, 'Revenue Diversification in Nonprofit Organizations: Does It Lead to Financial Stability?' *Journal of Public Administration Research and Theory*, Vol.19, 4 (2009), pp.947–966.

Aditya Chakraborty, 'Here's another job for migrant in Britain - taking on the City's greed', *The Guardian*, April 18, 2018
<<https://www.theguardian.com/commentisfree/2018/apr/18/migrants-britain-city-greed-union-cleaners-tate-modern>> [accessed April 25, 2018].

Harry Hillman Chartrand & Claire McCaughey 'The Arm's Length Principle and the Arts: An International Perspective - Past, Present and Future' in M.C. Cummings Jr & J. Mark Davidson Schuster (eds.) *Who's to Pay? for the Arts: The International Search for Models of Support*, (American Council for the Arts, N.Y.C, 1989)
<https://www.americansforthearts.org/sites/default/files/ArmsLengthArts_paper.pdf> [accessed December 27, 2019].

Andrea Chiarini, Pauline Found, Nicolas Rich, *Understanding the Lean Enterprise: Strategies, Methodologies and Principles for a More Responsive Organisation* (Berlin: Springer, 2016).

Ingeborg Cleve, *Geschmack, Kunst und Konsum, Kulturpolitik als Wirtschaftspolitik in Frankreich und Württemberg (1805 - 1845)* (Göttingen: Vandenhoeck & Ruprecht, 1996).

Arianne Cohen, *A Museum*, *New York Magazine*, June 3, 2007
<<http://nymag.com/news/features/2007/profit/32904/>>[accessed August 27, 2018].

Patric Colm Hogan, 'Art and Value: An Essay in Three Voices', *SubStance: A Review of Theory and Literary Criticism*, Vol. 42, 2 (2013), pp.61-79.

Tito Conti, 'The dynamics of value generation and their dependence on an organisation's internal and external value system', *Total Quality Management*, Vol. 21, 9 (2010), pp. 885–901.

Deutscher Museumsbund, *Das Museum: Strukturen* (n.d.)
< http://www.museumsbund.de/de/das_museum/strukturen/ > [accessed November 10, 2016].

Donald Cooper, Pamela Schindler, *Business Research Methods*, 11 ed. (Boston: McGraw-Hill, 2011).

Jennifer Craik, *Re-Visioning Arts and Cultural Policy, Current Impasses and Future Directions* (Canberra: ANU Press, 2007).

John W. Creswell, Cheryl N. Poth, *Qualitative inquiry and research design: choosing among five approaches* (Los Angeles: SAGE Publications Ltd, 2013).

James Cuno, *Whose Muse? Art museums and the public trust* (Princeton: Princeton University Press, 2004).

Andreas Damm, *Museum Ludwig, Regelmäßig droht die Pleite*, Kölner Stadtanzeiger, November 11, 2014
<<https://www.ksta.de/koeln/-museum-ludwig-regelmaessig-droht-die-pleite-115486>> [accessed December 27, 2017].

Das “Haus der Kunst” trübt die Bilanz, OVB Online, January 23, 2018
<<https://www.ovb-online.de/politik/haus-kunst-truebt-bilanz-9549279.html>> [accessed April 17, 2018].

Maurice Davies, Helen Wilkinson, *Sustainability and Museums: Your Chance to Make a Difference* (The Museums Association: London, 2008).

Stuart Davies 'A Sense of Purpose: Rethinking museum values and strategies' in Gaynor Kavanagh, *Museum Provision and Professionalism* (London: Routledge, 1994), chapter 8.

Gregory Dees, *Enterprising Nonprofits: A Toolkit For Social Entrepreneurs* (New Jersey: Wiley, 2001).

Gregory Dees, *Strategic tools for social entrepreneurs: enhancing the performance of your enterprising nonprofit* (New York: Wiley, 2002).

Gregory Dees, 'Learning laboratory: Social entrepreneurship offers innovative cost-effective development solutions', *Finance and Development*, Vol. 49, 4 (2012), pp. 14–17.

Gregory Dees, *The Meaning of Social Entrepreneurship*, Duke Innovation & Entrepreneurship, October 31, 1998.
<<https://entrepreneurship.duke.edu/news-item/the-meaning-of-social-entrepreneurship/>> [accessed July 16, 2018].

Deutscher Museumsbund, *Das Museum: Strukturen* (n.d.)
< http://www.museumsbund.de/de/das_museum/strukturen/> [accessed November 10, 2016].

Eric Dewald, *ZKM in der Kritik: Rechnungshof bemängelt zu hohe Ausgaben*, KA News, July 27, 2017
<<https://www.ka-news.de/region/karlsruhe/Karlsruhe~/ZKM-in-der-Kritik-Rechnungshof-bemaengelt-zu-hohe-Ausgaben;art6066,2092274>>[accessed February 19, 2018].

Gail Dexter Lord, Kate Markert, *The manual of strategic planning for museums* (Lanham: Altamira Press, 2007).

Georg Dietz, *Königs Familie*, Die Zeit, October 12, 2006
<<http://www.zeit.de/2006/42/Koenigs>>[accessed January 7, 2018].

Paul DiMaggio, 'The American art director as professional: results of a survey' in Gaynor Kavanagh, *Museum Provision and Professionalism*, (Routledge: London, 1994), pp. 149 – 158.

Karl Ditt, Klaus Tenfelde, *Das Ruhrgebiet in Rheinland und Westfalen: Koexistenz und Konkurrenz des Raumbewusstseins im 19. und 20. Jahrhundert* (Paderborn: Verlag Ferdinand Schöningh, 2007).

Peter Dittmar, *Es ist etwas sehr faul im Hause Guggenheim*, Die Welt, April 17, 2008.
<<https://www.welt.de/kultur/article1913207/Es-ist-etwas-sehr-faul-im-Hause-Guggenheim.html>> [accessed September 7, 2018].

Ben Doherty, *Management for Social Enterprise* (London: Sage, 2009).

Dr. Hagen W. Lippe-Weißfeld, *ehemaliger Kaufmännischer Direktor und Vorstand Stiftung Kunstsammlung Nordrhein-Westfalen im Interview mit Causales*, Jahrbuch Kulturmarken, 2014. <<https://kulturmarken.de/wissen/kulturmarketing/stiftung-kunstsammlung-nordrhein-westfalen>> [accessed February 7, 2018].

Peter F. Drucker, *Innovation and Entrepreneurship: practice and principles*, (New York: Harper & Row, 1985).

Hugh Eakin, *MoMA's Funding: A Very Modern Art, Indeed*, New York Times, November 7, 2004.
<<https://www.nytimes.com/2004/11/07/arts/design/momas-funding-a-very-modern-art-indeed.html>> [accessed August 27, 2018].

John D. Edwards, Brian H. Kleiner, 'Transforming Organisational Values and Culture Effectively', *Leadership & Organization Development Journal*, Vol. 9, 1 (1988), pp.13-16.

Robert Ekelund, *More money, more problems*, *The Washington Post*, August 4, 2016
<https://www.washingtonpost.com/posteverything/wp/2016/08/04/why-the-booming-contemporary-art-market-is-bad-for-art-museums/?noredirect=on&utm_term=.1ce44d053615> [accessed May 5, 2018].

Hannah Ellis-Petersen, *Tate Modern names extension after billionaire Len Blavatnik*, The Guardian, May 4, 2017
<<https://www.theguardian.com/artanddesign/2017/may/04/tate-modern-names-extension-after-oligarch-donor-len-blavatnik>> [accessed April 20, 2018].

Jonas P. Elmenhorst, 'Sinnloser Behördenaufwand oder drängende Notwendigkeit?', *Zeitschrift für Rechtspolitik*, C.H. Beck, (2016), pp. 15-17.

Jonas P. Elmenhorst, *Strategische Entscheidungen im Kunstsponsoring* (München: Rainer Hampp Verlag, 2008).

Lucas Elmenhorst, *Museum Folkwang: Bilanzierungsmethoden sollen vor Gericht*, Handelsblatt, March 11, 2015
<<http://www.handelsblatt.com/panorama/kultur-kunstmarkt/museum-folkwangessenbilanzierungsmethoden-sollen-vor-gericht/11492546.html>> [accessed April 9, 2018].

Falsche Quittungen: Rechnungsprüfer decken Unregelmäßigkeiten bei Kölner Museen auf, Kölner Stadt Anzeiger, July 4, 2016
<<https://www.ksta.de/koeln/falsche-quittungen-rechnungspruefer-decken-unregelmaessigkeiten-bei-koelner-museen-auf-24335784>> [accessed December 27, 2017].

Detlef Färber, *Land verklagt Halle: Stadt muss eine halbe Million Euro für Kunstmuseum Moritzburg nachzahlen*, Mitteldeutsche Zeitung, March 16, 2017
<<https://www.mz-web.de/halle-saale/land-verklagt-halle-stadt-muss-eine-halbe-million-euro-fuer-moritzburg-nachzahlen-26201748>> [accessed Februar 7, 2018].

Maymanah Farhat, *Should we be cynical of international museum franchises?*, Apollo Magazine, December 22, 2014.
<<https://www.apollo-magazine.com/forum-cynical-international-museum-franchises/>> [accessed September 7, 2018].

Martin Feldstein, *The Economics of Art Museums* (Chicago: The University of Chicago Press, 1991).

Michael Findlay, *Vom Wert der Kunst: Ein Insider Erzählt* (München: Prestel Verlag, 2012).

Ruth Findlay, Samuel Jones, *Tate annual report 2016/17* (London: Tate Publishing, 2017).

Thomas Flier and Hermann Parzinger, *Die kulturelle Mitte der Hauptstadt: Projekt Humboldt-Forum in Berlin* (Bonn: Bundeszentrale für Politische Bildung, 2009).

Karla Fohrbeck, *Renaissance der Mäzene: Interessenvielfalt in der privaten Kulturfinanzierung* (Köln: DuMont, 1989).

Frankreich-Ausstellung im Von der Heydt-Museum abgesagt, Westdeutsche Zeitung, May 14, 2018
<https://www.wz.de/nrw/wuppertal/frankreich-ausstellung-im-von-der-heydt-museum-abgesagt_aid-25008693> [accessed April 9, 2018].

Freunde des Wallraf-Richartz-Museum und des Museum Ludwig website, *Mitglied Werden*, (n.d.)
<<https://www.museumsfreunde-koeln.de/mitgliedschaft/>> [accessed April 11, 2018].

Bruno S. Frey, *Arts & Economics: Analysis and Cultural Policy*, 2. Ed. (Berlin: Springer, 2003).

Bruno S. Frey, 'Cultural Economics and Museum Behaviour', *Scottish Journal of Political Economy*, Vol. 41, 3 (1994), pp. 325 - 335.

Bruno S. Frey, 'Pay as you go: a new proposal for museum pricing', *Museum Management and Curatorship*, Vol. 27, 3 (2012), pp. 223-235.

Bruno Frey, Werner W. Pommerehne, *Muses and Markets: Explorations in the Economics of the Arts* (Oxford: Basil Blackwell Ltd., 1989).

Renate Freyeisen, *Nicht provinziell genug für Schweinfurt*, Bayrische Staatszeitung, July 20, 2014
<<https://www.bayerische-staatszeitung.de/staatszeitung/kommunales/detailansicht-kommunales/artikel/nicht-provinziell-genug-fuer-schweinfurt.html>> [accessed February 7, 2018].

Christiane Fricke, *Schlechte Zeiten für Schöngeister*, Handelsblatt, May 14, 2005
<<https://www.handelsblatt.com/unternehmen/management/kulturfoerderung-schlechte-zeiten-fuer-schoengeister/3176906-all.html?ticket=ST-2326338-G62DzPcEj5UB4nWglCVZ-ap6>> [accessed July 16, 2018].

Sharda Gangwar, D.K. Gangwar, *Fundamental Principles of Accounting* (Mumbai: Himalaya Publishing House, 2009).

James B. Gardner, 'Ethical, entrepreneurial or inappropriate: Business practices in museums' in Janet Martine (Ed.), *The Routledge Companion to Museum Ethics: Redefining ethics for the twenty-first century museum* (London: Routledge, 2011), chapter 18.

Thomas Geiger, *Markforschungsgestützte Entwicklung von Marketingmaßnahmen für das Museum* (Hamburg: Diplomica Verlag GmbH, 2004).

Hugh H. Genoways, Lynne M. Ireland, *Museum Administration: An introduction* (Walnut Creek: AltaMira Press, 2003).

Bert-Christoph Gerhards, *Schloss Morsbroich, Heinzelmann verlässt das Museum*, Kölner Stadtanzeiger, March 01, 2018
<<https://www.ksta.de/region/leverkusen/stadt-leverkusen/schloss-morsbroich-heinzelmann-verlaesst-das-museum-29803770>> [accessed April 19, 2018].

Rita Gerlach-March, *Kulturfinanzierung* (Wiesbaden: Verlag für Sozialwissenschaften, 2010).

Ed Gerrish, 'The Impact of Performance Management on Performance in Public Organizations: A Meta-Analysis', *Public Administration Review*, Vol. 76 (1) (2016), pp. 48-66.

- Gesellschaft Museum Ludwig website, *Mitgliedschaft*, (n.d.)
<<http://gesellschaft-museum-ludwig.de/ueber-uns/mitgliedschaft/>> [accessed April 11, 2018].
- Lisanne Gibson, 'In defense of Instrumentality', *Cultural Trends*, Vol. 17, 4, (2008), pp. 247-257.
- Victor Ginsburg, Pierre-Michel Menger, *Economics of the arts: selected essays* (Elsevier Science B.V., Amsterdam: 1996).
- Goethe Institut website, *Kuratorinnen und Kuratoren aus Deutschland, Biographische Information: Susanne Gaensheimer*, (n.d.)
<<http://www.goethe.de/kue/bku/kur/kur/ag/gae/deindex.htm>> [accessed April 19, 2018].
- Goethe Institut website, *Kuratorinnen und Kuratoren aus Deutschland, Biographische Information: Yilmaz Dziewior*, (n.d.)
<<http://www.goethe.de/kue/bku/kur/kur/ag/dzw/deindex.htm>> [accessed April 19, 2018].
- Siegfried Gohr, *Das Museum zwischen Traum und Bedrängnis in der deutschen Kulturgeschichte* (Köln: König, 1995).
- Doris Gomezelj Omerzel, 'The Impact of Entrepreneurial Characteristics and Organisational Culture on Innovativeness in Tourism Firms', *Managing Global Transitions*, Vol. 14, 1 (2016), pp. 93-110.
- Claus-Jürgen Göpfert, *Mehr Geld für Museen*, Frankfurter Rundschau, March 9, 2017
<<http://www.fr.de/frankfurt/kultur-in-frankfurt-mehr-geld-fuer-museen-a-1134018>> [accessed December 16, 2017].
- Ruth Göres, 'Museumspädagogik an den Staatlichen Museen zu Berlin', *Forschungen und Berichte, Kunsthistorische und volkskundliche Beiträge*, Vol.19 (1979), pp.31-35.
- Lizette Graden, Tom O'Dell, 'Museums and Heritage Collection in the Cultural Economy: The Challenge of Addressing Wider Audiences and Local Communities', *Museum International*, Vol. 68, 3-4 (2016), pp.48-67.
- Bernhard Graf, Hanno Möbius, *Zur Geschichte der Museen im 19. Jahrhundert: 1789-1918*, Institut für Museumsforschung, Staatliche Museen zu Berlin - Preußischer Kulturbesitz (Berlin: G+H Verlag, 2006).
- W.D. Grampp, *Pricing the Priceless: Art, Artists and Economics* (New York: Basic Books, 1989).
- Walter Grasskamp, *Das Kunstmuseum: Eine erfolgreiche Fehlkonstruktion* (München: C.H. Beck Verlag, 2016).
- Walter Grasskamp, *Museumsgründer und Museumsstürmer: zur Sozialgeschichte des Kunstmuseums* (München: C.H. Beck, 1981).

Clive Gray, *The Politics of Museums: New Directions in Cultural Policy Research* (London: Palgrave MacMillan, 2015).

Alex Greenberger, *Leon Black Named Chairman of MoMA's Board of Trustees, Ronnie Heyman President*, Artnews, May 29, 2018.

<<http://www.artnews.com/2018/05/29/leon-black-named-chairman-momas-board-trustees-ronnie-heyman-president/>> [accessed August 25, 2018].

R. Greenwood, C.R. Hinings, 'Understanding strategic change: The contribution of archetypes', *Academy of Management Journal*, Vol. 36, 5 (1993), pp. 1052–1081.

R. Greenwood, A.M. Diaz, S.X. Li, J.C. Lorente, 'The multiplicity of institutional logics and the heterogeneity of organizational responses', *Organization Science*, Vol.21, 2 (2010), pp. 521–539.

Matthias Gretzschel, *Kunstverein kann Gehälter nicht mehr zahlen*, Hamburger Abendblatt, August 29, 2011

<<https://www.abendblatt.de/kultur-live/article108092168/Kunstverein-kann-Gehaelter-nicht-mehr-zahlen.html>> [accessed January 18, 2018].

Andreas Grosz, *Die Kultur-AG: neue Allianzen zwischen Wirtschaft und Kultur* (München: Hanser, 1999).

Stefan Grund, *Kunsthalle Hamburg rutscht tiefer ins Minus*, Die Welt, September 5, 2018

<<https://www.welt.de/regionales/hamburg/article181433674/Kultur-Kunsthalle-Hamburg-rutscht-tiefer-ins-Minus.html>> [accessed October 17, 2018].

Thomas Gstraunthaler, Martin Piber, 'Performance Measurement and Accounting: Museums in Austria', *Museum Management and Curatorship*, Vol. 22, 4 (2007) pp.361-376.

Guggenheim Museum Bilbao, *Annual Report: 2016* (Guggenheim Museum Bilbao: Bilbao, 2017).

Guggenheim Museum Bilbao, *Economic-Financial Information 2017*, (Bilbao: Guggenheim Museum Bilbao Foundation, 2018).

Guggenheim Museum Bilbao, *INFORMACIÓN ECONÓMICO - FINANCIERA, 2017 TENDENCIA MUSEO DE ARTE MODERNO Y CONTEMPORÁNEO DE BILBAO, S.L.*, 2017 (Bilbao: Guggenheim Museum Bilbao, 2017).

Guggenheim Museum Bilbao Foundation, *Economic-Financial Information 2017*, (2018) <<http://www.guggenheim-bilbao-corp.eus/wp-content/uploads/2011/06/CUENTAS-FUNDACION-EN-2017.pdf>> [accessed September 7, 2018].

The Guggenheim Museum Bilbao website, *Plan your visit*, (n.d.)

<<https://www.guggenheim.org/plan-your-visit>> [accessed April 19, 2018].

- The Guggenheim Museum Bilbao website, *Restaurant*, (n.d.)
<<https://www.guggenheim-bilbao.eus/en/useful-information/restaurants/>> [accessed April 19, 2018].
- The Guggenheim Museum Bilbao website, *Shop*, (n.d.)
<https://tienda.guggenheimbilbao.eus/en/_ga=2.149073777.672992887.1535977506404286851.1535977506> [accessed April 19, 2018].
- The Guggenheim Museum Bilbao website, *Strategic Goals*, (n.d.)
<<http://www.guggenheim-bilbao-corp.eus/en/strategic-plan/estrategic-goals/>> [accessed April 19, 2018].
- The Guggenheim Museum Bilbao website, *Strategic Plan*, (n.d.)
<<http://www.guggenheim-bilbao-corp.eus/en/strategic-plan/strategic-initiative/>> [accessed April 19, 2018].
- The Guggenheim Museum Bilbao, website, *Values*, (n.d.)
<<http://www.guggenheim-bilbao-corp.eus/en/strategic-plan/values/>> [accessed April 19, 2018].
- Christiana Habermalz, *Kulturgutschutzgesetz zur Abstimmung: Kunst hat einen Wert, nicht nur einen Preis*, Deutschlandfunk, 23 June 2016
<https://www.deutschlandfunk.de/kulturgutschutzgesetz-zur-abstimmung-kunst-hat-einen-wert.691.de.html?dram:article_id=358130> [accessed February 20, 2018].
- Giep Hagoort, *Art management: entrepreneurial style* (Delft: Eburon, 2000).
- Tomas Hak, Bedrich Moldan, Arthur Lyon Dahl, *Sustainability Indicators: A Scientific Assessment* (Washington, Covelo, London: Island Press, 2007),
- Sandra Hale, Jemima Napier, *Research Methods in Interpreting: A Practical Resource* (London: Bloomsbury, 2013).
- Julia Halperin, *Are the Arts Spreading? \$8.45 Billion Was Spent on Building Cultural Institutions Around the World Last Year: More than 101 major cultural facilities opened around the globe in 2016, according to a new report*, Artnet News, November 21, 2017
<<https://news.artnet.com/art-world/how-much-was-spent-on-building-cultural-institutions-around-the-world-last-year-now-we-know-1153688>> [accessed November 24, 2017].
- Nina Johanna Haltern, *Jenseits des konventionellen Kultursponsorings: Chancen alternativer Kooperationen zwischen Unternehmen und Kulturorganisationen* (Bielefeld: transcript Verlag, 2014).
- Matthias Hamann, Ulrich Bock, *Jahresbericht 2016, Zahlen, Programme, Projekte* Museumsdienst Köln (Museen der Stadt Köln: Köln, 2016).
- Annika Hampel, *Der Museumsshop als Schnittstelle von Konsum und Kultur: Kommerzialisierung der Kultur oder Kulturalisierung des Konsums?* (Hamburg: Diplomica Verlag GmbH, 2009).

Alice Hancock, *Museums look to jewellery retail to close funding gap: The Victoria and Albert Museums makes 1 million GBP a year from selling gems*, The Financial Times, November 11, 2017. <<https://www.ft.com/content/1136b2f0-a464-11e7-8d56-98a09be71849>> [accessed July 16, 2018].

Jörg Häntzschel, *Umstrittenes Kulturschutzgesetz: Warum Georg Baselitz seine Kunstwerke aus deutschen Museen entfernt*, Süddeutsche Zeitung, 12 July 2015 <www.sueddeutsche.de/kultur/umstrittenes-kulturschutzgesetz-warum-georg-baselitz-seine-kunstwerke-aus-deutschen-museen-entfernt-1.2562251&usg=AOvVaw30tBU_ko0hLwtNfnF4Q2Q1> [accessed April 11, 2017].

Olaf Hartung, *Kleine deutsche Museumsgeschichte, von der Aufklärung bis zum frühen 20. Jahrhundert* (Köln: Böhlau Verlag GmbH & Cie, 2010).

Andrea Hausmann, *Besucherorientierung von Museen unter Einsatz des Benchmarking* (Bielefeld: Transcript Verlag, 2001).

Carsten Heil, *Bielefelder Kunsthalle macht weiterhin Sorgen*, May 24, 2018 <https://www.nw.de/lokal/bielefeld/mitte/22146946_Bielefelder-Kunsthalle-macht-weiterhin-Sorgen.html> [accessed June 6, 2018].

Konrad Heimo, *Museumsmanagement und Kulturpolitik am Beispiel der ausgegliederten Bundesmuseen* (Wien: Facultas Verlags- und Buchhandels AG, 2008).

Matthias Hendorf, *Rundschau-Reihe „Kultur kontrovers“ Diskussion um die Kölner Museen und Ihre Notlage*, Kölner Stadt-Anzeiger, December 6, 2017 <<https://www.rundschau-online.de/region/koeln/rundschau-reihe--kultur-kontrovers--diskussion-um-die-koelner-museen-und-ihre-notlage-29252854>> [accessed April 9, 2018].

Andreas Hermann, *Heftiger Streit um Museen in Kassel entbrannt*, HNA, July 19, 2017 <<https://www.hna.de/kassel/heftiger-streit-um-museen-in-kassel-entbrannt-8497658.html>> [accessed April 7, 2018].

Susanne Hermanski, *Das Haus der Kunst kommt nicht zur Ruhe*, Süddeutsche Zeitung, January 16, 2018 <<http://www.sueddeutsche.de/muenchen/kultur-in-muenchen-das-haus-der-kunst-kommt-nicht-zur-ruhe-1.3826486>> [accessed April 17, 2018].

Susanne Hermanski, *Das Haus der Kunst steckt offenbar in finanzieller Schieflage*, Süddeutsche Zeitung, July 5, 2017 <<http://www.sueddeutsche.de/muenchen/museum-das-haus-der-kunst-steckt-offenbar-in-finanzieller-schieflage-1.3574999>> [accessed April 17, 2018].

Stephan Hermsen, *Eiskalt berechnet: Ein Museum rentiert sich nicht*, Der Westen, June 20, 2016 <<https://www.derwesten.de/kultur/eiskalt-berechnet-ein-museum-rentiert-sich-nicht-id11935618.html>> [accessed February 8, 2018].

Christian Herrendorf, Helga Meister, *Kunstsammlung NRW steht vor einem großen Umbruch*, Westdeutsche Zeitung, May 24, 2018
<https://www.wz.de/nrw/duesseldorf/die-kunstsammlung-nrw-steht-vor-einem-grossen-umbruch_aid-25055379> [accessed September 15, 2018].

Gudrun Herz, *Pressemitteilung: Kestner Gesellschaft sammelt 274.000 Euro bei Benefiz-Auktion*, (Hannover: Kestner Gesellschaft, 2016).

Robert Hewison, *Cultural Leadership* (Farnham: Ashgate Publishing Ltd., 2012).

Dennis Hilgers, *Performance Management, Leistungserfassung und Leistungssteuerung in Unternehmen und öffentlichen Verwaltungen* (Wiesbaden: Gabler Edition Wissenschaft, 2008).

Dörte Hinrichs, *Mäzene, Macht, Millionen*, Deutschlandfunk, June 25, 2016
<https://www.deutschlandfunk.de/maezene-macht-millions-das-museum-ludwig-feiert-seinen-1148.de.html?dram:article_id=364070> [accessed July 16, 2018].

Robert Hofmann, *Warum Museen in Deutschland nicht kostenlos sind*, Süddeutsche Zeitung, March 21, 2016 <<http://www.sueddeutsche.de/kultur/kulturelle-bildung-warum-museen-in-deutschland-nicht-kostenlos-sind-1.2901392>> [accessed July 15, 2017].

Katrin Louise Holzmann, *Sammler und Museen: Kooperationsformen der Einbindung von privaten zeitgenössischen Kunstsammlungen in die deutsche Museumslandschaften* (Heidelberg: Springer, 2015).

Anne Horstmeier, *Kuratorium kündigt Lehmbruck-Direktor Raimund Stecker*, Der Westen, December 21, 2012
<https://www.derwesten.de/staedte/duisburg/kuratorium-kuendigt-lehmbruck-direktor-raimund-stecker-id7417609.html> [accessed February 12, 2018].

Dorothea Hülsmeier, *Der Manager und die Kunst des Sparens*, Die Welt, March 30, 2013
<<https://www.welt.de/regionales/duesseldorf/article114785647/Der-Manager-und-die-Kunst-des-Sparens.html>> [accessed February 12, 2018].

Dorothea Hülsmeier, *Renommierter Museumschefin verlässt Düsseldorf*, Die Welt, April 21, 2016 <<https://www.welt.de/regionales/nrw/article154601152/Renommierter-Museumschefin-verlaesst-Duesseldorf.html>> [accessed February 12, 2018].

Wilhelm von Humboldt, 'Theory of Bildung' in Ian Westbury, Stefan Hopman, Kurt Riquarts, *Teaching As A Reflective Practice: The German Didaktik Tradition* (Mahwah: Lawrence Erlbaum Associates Inc., 2000), pp. 57 – 62.

Marlies Hummel, *Kulturfinanzierung durch Unternehmen in Zeiten verschärfter ökonomischer Sachzwänge* (München: Ifo-Inst. für Wirtschaftsforschung, 1995).

H. Husock, 'The dangers of quasi-capitalism', *National Affairs*, Vol. 14 (2013), pp.112–134.

Institut für Museumsforschung, *Museumsstatistik 2016*, 2017
<https://www.smb.museum/fileadmin/website/Institute/Institut_fuer_Museumsforschung/Publikationen/Materialien/mat71.pdf> [accessed February 20, 2018].

Interview mit Susanne Gaensheimer: Das MMK wird zu klein gehalten, Frankfurter Neue Presse, June 19, 2017

<<http://www.fnp.de/nachrichten/kultur/Interview-mit-Susanne-Gaensheimer-Das-MMK-wird-zu-klein-gehalten;art679,2676695>> [accessed February 12, 2018].

International Federation of Arts Councils and Culture Agencies, *D'Art 52: Cultural Leadership in the 21st Century: A revised edition of the Discussion Paper for the 7th World Summit on Arts & Culture* (Strawberry Hills Australia: IFACCA, 2017).

M. L. Jakobsen, M. Baekgaard, D. P. Moynihan, N. van Loon, 'Making Sense of Performance Regimes: Rebalancing External Accountability and Internal Learning', *Perspectives on Public Management and Governance*, Vol.1, 2 (2018), pp. 127–141.

Robert R. Janes, *Museums and the Paradox of Change: A case study in urgent adaptation* (London: Routledge, 2013).

J. Jay, 'Navigating paradox as a mechanism of change and innovation in hybrid organizations', *Academy of Management Journal*, Vol. 56, 1 (2013), pp. 137–159.

Alexis Joachimedes, *Die Museumsreformbewegung in Deutschland und die Entstehung des modernen Museums 1880-1940* (Dresden: Verlag der Kunst Dresden, 2001).

Shane Johnson, *The pyramids and pitfalls of performance measurement*, Acca, September 1, 2005, <<https://www.accaglobal.com/my/en/student/exam-support-resources/professional-exams-study-resources/p5/technical-articles/the-pyramids.html>> [accessed December 17, 2018].

Peter Johnson, Barry Thomas, 'The Economics of Museums: A Research Perspective', *Journal of Cultural Economics*, Vol.22 (1998), pp. 75-85.

Siltala Juha, 'New Public Management', *Administration & Society*, Vol.45, 4 (2013), pp. 468-493.

Kaplan Financial Knowledge Bank, *The Performance Pyramid*, (n.d.)
< <https://kfknowledgebank.kaplan.co.uk/the-performance-pyramid-> > [accessed November 19, 2019].

Swantje Karich, *Bundeskunsthalle Bonn: Von Tiefpunkt zu Tiefpunkt*, FAZ, June 24, 2012

<<http://www.faz.net/aktuell/feuilleton/kunst/bundeskunsthalle-bonn-von-tiefpunkt-zu-tiefpunkt-11797790.html>> [accessed April 19, 2018].

Swantje Karich, Cornelius Tittel, *Was ist los in Deutschland?*, Welt am Sonntag, 31 May 2015

< <https://www.bundesregierung.de/breg-de/bundeskanzlerin/was-ist-los-in-deutschland-459966>> [accessed February 20, 2018].

Katya Kazakina, *S&P Raises Museum of Modern Art's Debts Rating on Management*, Bloomberg, January 11, 2015.
<<https://www.bloomberg.com/news/articles/2012-04-11/s-p-raises-museum-of-modern-art-s-debt-rating-on-management>>[accessed August 27, 2018].

Nadio Khomami, *BP to end Tate sponsorship after 26 years*, The Guardian, March 11, 2016.
<<https://www.theguardian.com/artanddesign/2016/mar/11/bp-to-end-tate-sponsorship-climate-protests>> [accessed April 20, 2018].

Randy Kennedy, *MoMa's Expansion and Director Draw Critics*, The New York Times, April 21, 2014 <<https://www.nytimes.com/2014/04/21/arts/momas-expansion-and-director-draw-critics.html>>[accessed February 11, 2018].

Paul Kirchhof, *Die Garantie der Kunstfreiheit im Steuerstaat des Grundgesetzes in Kunstförderung: Steuerstaat und Ökonomie, Colloquium der Robert Bosch Stiftung und der Stiftung Preußischer Kulturbesitz* (Gerlingen: Bleicher Verlag, 1987).

Armin Klein, 'Wie denkt Kulturmanagement?' in Elmar D. Konrad, *Unternehmertum und Führungsverhalten im Kulturbereich* (Münster: Waxmann, 2006), pp. 93 – 106 .

Bard Kleppe, 'Managing Autonomy: Analyzing Arts Management and Artistic Autonomy through the Theory of Justification', *The Journal of Arts Management, Law and Society*, Vol. 48, 3 (2018), pp.191 - 205.

Thomas Kliemann, *Aktion 'Ein Bild für für Bonn' soll fehlende 50.000 Euro bringen*, General Anzeiger Bonn, July 18, 2017
<https://www.general-anzeiger-bonn.de/news/kultur-und-medien/regional/aktion-ein-bild-fuer-bonn-soll-fehlende-50000-euro-bringen_aid-43426001>[accessed February 11, 2018].

Erik-Hans Klijn, 'New Public Management and Governance: A Comparison' in David Levi-Faur (Ed.), *The Oxford Handbook of Governance* (Oxford: Oxford University Press, 2012).

Anne Koch, Christian Meyer, Petra Tillessen, Annette Wilke, Katharina Wilkens, 'Museums in Context', *Journal of Religion in Europe*, Vol. 4 (2011) pp. 71-101.

Stefan Koldehoff, *Alles andere als konventionell*, Deutschlandfunk, August 7, 2017
< http://www.deutschlandfunk.de/nachruf-auf-martin-roth-alles-andere-als-konventionell.691.de.html?dram:article_id=392916> [accessed November 25, 2017].

Gaby Kolle, *Leere im Dortmunder U vor Ort aber viele Besucher in der Statistik*, Ruhrnachrichten, November 12, 2016
<<https://www.ruhrnachrichten.de/Staedte/Dortmund/Leere-im-Dortmunder-U-vor-Ort-aber-viele-Besuche-in-der-Statistik-82119.html>>[accessed April 9, 2018].

Elmar Konrad, 'Cultural Entrepreneurship: The Impact of Social Networking on Success', *Creativity and Innovation Management*, Vol.22, 3 (2013) pp.307-319.

Elmar D. Konrad, *Unternehmertum und Führungsverhalten im Kulturbereich* (Münster: Waxmann, 2006).

Neil G. Kotler, Philip Kotler, Wendy I. Kotler, *Museum marketing and strategy: designing missions, building audiences, generating revenue and resources* (San Francisco: Jossey-Bass, 2008).

Tobias Knoblich, *Kunst- und Kulturförderung im föderativen System*, Bundeszentrale für Politische Bildung November 24, 2004

<<http://www.bpb.de/apuz/27924/kunst-und-kulturfoerderung-im-foederativen-system?p=all>> [accessed October 15, 2016].

Ulrike Knöfel, *Der deutsche Staat enteignet keine Kunst*, Der SPIEGEL, 18 July 2015 <<https://www.bundesregierung.de/breg-de/bundestkanzlerin/-der-deutsche-staat-enteignet-keine-kunst--459902>> [accessed February 20, 2018].

Matthew S. Kraatz, Emily S. Block, 'Organizational implications of institutional pluralism' in R. Greenwood, C. Oliver, K. Sahlin, R. Suddaby (eds) *The Sage handbook of organizational institutionalism* (Thousand Oaks: Sage, 2008), pp. 243–275.

Annette Krämer-Ahlig, *Kunsthalle Darmstadt Direktor Leon Krempel sammelt Geld für seine große Ausstellung Planet 9 auch über ein Crowdfunding*, Echo Online, February 10, 2017

<https://www.echo-online.de/kunsthalle-darmstadt-direktor-leon-krempel-sammelt-geld-fur-seine-grosse-ausstellung-planet-9-auch-uber-ein-crowdfunding_17671302> [accessed February 11, 2018].

Kritik an Geldverschwendung im Museum Brandhorst, Die Welt, March 24, 2015

<<https://www.welt.de/regionales/bayern/article138734406/Kritik-an-Geldverschwendung-im-Museum-Brandhorst.html>> [accessed March 13, 2018].

Ivonne Kuesters, 'Arts Managers as Liaisons between Finance and Art: A Qualitative Study Inspired by the Theory of Functional Differentiation', *The Journal of Arts Management, Law, and Society*, Vol. 40 1 (2010), pp.43–57.

Kunst Aspekte, *Rita Kersting Kurzbiographie*, (n.d.)

<<http://kunstaspekte.art/person/rita-kersting>> [accessed January 7, 2018].

'Kunstförderung', in *Steuerstaat und Ökonomie, Colloquium der Robert Bosch Stiftung und der Stiftung Preußischer Kulturbesitz*, (Gerlingen: Bleicher Verlag, 1987).

Kulturbericht 2014 (Museen der Stadt Köln: Köln, 2015).

Kulturstiftung des Bundes website, (n.d.)

<<http://www.kulturstiftung-des-bundes.de/>> [accessed December 27, 2017].

Kunststiftung NRW website, (n.d.)

<<http://www.kunststiftung-nrw.de>> [accessed December 27, 2017].

Das Große Kollegium des Landesrechnungshofs Nordrhein-Westfalen, *Jahresbericht 2017 über das Ergebnis der Prüfungen im Geschäftsjahr 2016: (Art. 86 Abs. 2 LV, § 97 LHO)*, (Düsseldorf: Brigitte Mandt, Die Präsidentin des Landesrechnungshofs Nordrhein-Westfalen, 2017).

Jan-Erik Lane, *New Public Management* (London: Routledge, 2000).

Patricia Leavy, *Research design: quantitative, qualitative, mixed methods, arts-based and community-based participatory research approaches* (New York, London: Guilford Press, 2017).

Justin Lewis, Toby Miller, *Critical Cultural Policy Studies: a Reader* (New Jersey: John Wiley & Sons, 2008).

Roger Levy, 'New Public Management, End of an Era?', *Public Policy and Administration*, Vol. 25 (2) (2010), pp.234 - 240.

Konrad Liessmann, Thomas Schlee, *Grenzen (in) der Kunst - Vom Wert der Kunst für die Gesellschaft* (Klagenfurt: Wieser Verlag GmbH, 2014).

Yung-Neng Lin, 'Ethics and challenges of museum marketing' in Janet Marstine (Ed.) *The Routledge Companion to Museum Ethics: Redefining ethics for the twenty-first century museum* (London: Routledge, 2011), chapter 13.

Wolfgang Lipp, Hans-Georg Wehling, *Kulturpolitik* (Stuttgart: Kohlhammer, 1989).

Larry Litten, 'Measuring and Reporting Institutional Sustainability' presented at the Annual Forum of the Association for Institutional Research, San Diego, California (June 2005).

Glenn D. Lowry, 'A Deontological Approach to Art Museums and the Public Trust' in James Cuno, *Whose Muse? Art Museums and the Public Trust* (New Jersey: Princeton University Press, 2004), pp. 129-146.

Stefan Lüddemann, *Kunsthalle Bremen fehlen 500.000 Euro*, Osnabrücker Zeitung, August 5, 2014
<<https://www.noz.de/deutschland-welt/kultur/artikel/498756/kunsthalle-bremen-fehlen-500-000-euro#gallery&0&0&498756>> [accessed April 7, 2018].

Stefan Lüddemann, *Kunst und Geld: Ausstellugen unter Druck*, NOZ, May 28, 2018
< <https://www.noz.de/deutschland-welt/kultur/artikel/1241574/kunst-und-geld-ausstellungen-unter-kostendruck-1#gallery&0&0&1241574>> [accessed June 17, 2018].

Stefan Lüddemann, *Zukunft der Kunsthalle Emden*, NOZ, November 8, 2018
<<https://www.noz.de/deutschland-welt/kultur/artikel/801926/eske-nannen-im-interview-qualitaet-des-programms-bleibt-1#gallery&60995&0&801926>> [accessed December 15, 2018].

Ludwig im Museum website, (n.d.)
<<http://www.ludwig-im-museum.de/>> [accessed December 27, 2017].

Kathrin Lutz, *Pop, Plop, Ex und Hop*, Die Zeit, November 12, 1998
<http://www.zeit.de/1998/47/Pop_Plop_Ex_und_Hopp> [accessed April 9, 2018].

Kevin Lynch, Julius Walls, *Mission, Inc.: The Practitioners guide to social enterprise* (San Francisco: Berrett-Koehler Publishers, Inc., 2009).

M. Malaro, *Museum Governance: Mission, Ethics, Policy* (Washington, DC: Smithsonian Institution Press, 1994).

Martin Roth ist tot, *Die Zeit*, August 6, 2017

<<http://www.zeit.de/kultur/2017-08/martin-roth-kulturmanager-museumsdirektor-gestorben>> [accessed September 23, 2017].

Janet Marstine, 'The contingent nature of the new museum ethics' in Janet Marstine (Ed.), *The Routledge Companion to Museum Ethics: Redefining ethics for the twenty-first century museum* (London: Routledge, 2011), chapter 1.

Barbara Marx, *Sammeln als Institution: von der fürstlichen Wunderkammer zum Mäzenatentum des Staates* (München: Deutscher Kunstverlag, 2006).

Douglas Mason, 'Questioning the unquestionable' in Timothy Ambrose, *Money, Money, Money & Museums* (Edinburgh: Scottish Museums Council, 1991).

Ben Mauk, *The Rise of the Private Art "Museum"*, *The New Yorker*, May 28, 2015. <<https://www.newyorker.com/business/currency/the-rise-of-the-private-art-museum>> [accessed December 5, 2018].

Peter McIsaac, *Museums of the Mind: German Modernity and the Dynamics of Collecting* (Pennsylvania: Pennsylvania State University Press, 2007).

Patrick McNeill, Steve Chapman, *Research Methods* (London: Routledge, 2005).

Reinhard Meiners, *Unternehmen Museum*, (Oldenburg: BIS-Verlag, 2007).

Helga Meister, *Interview: Chefin der Kunstsammlung NRW: das K2 ist leider kein lebendiges Museum mehr*, *Westdeutsche Zeitung*, May 24, 2018 <https://www.wz.de/nrw/duesseldorf/chefin-der-kunstsammlung-nrw-das-k-21-ist-leider-kein-lebendiges-museum-mehr_aid-25346389> [accessed September 15, 2018].

Neil Mendoza, *The Mendoza Review: an independent review of museums in England* (Department for Digital, Culture, Media & Sport, 2017).

Chris Merting, 'Millionen-Subvention: So viel kostet ein Besuch im Museum den Kölner Steuerzahler', *Express*, January 25, 2018 <<https://www.express.de/koeln/millionen-subventionen-so-viel-kostet-ein-besuch-im-museum-den-koelner-steuerzahler-29555318>> [accessed April 9, 2018].

Markus Metz, Georg Seeßlen, Ute Richter, *Geld frisst Kunst - Kunst frisst Geld: ein Pamphlet* (Berlin: Suhrkamp, 2014).

Ministerium der Finanzen des Landes Nordrhein-Westfalen, *Haushalt: Kapitel 07 050 Kulturförderung*, (n.p.l: 2016), pp.70 – 121.

J. Moizer, P. Tracey, 'Strategy making in social enterprise: The role of resource allocation and its effects on organizational sustainability', *Systems Research & Behavioral Science*, Vol. 27, 3 (2010), pp. 252–266.

Petra Molthan-Hill, *The Business Student's Guide to Sustainability Management: Principles and Practice* (Sheffield: Greenleaf Publishing Ltd., 2014).

MoMA website, *Affiliates*, (n.d.)

<<https://www.moma.org/support/membership/affiliates>> [accessed February 8, 2018].

MoMA website, *Corporate Membership Levels & Benefits*, (n.d.)

<<https://www.moma.org/momaorg/shared/pdfs/docs/give/moma-corporate-membership-levels-and-benefits1.pdf>> [accessed December 27, 2017].

MoMA, website, *MoMA Corporate Membership*, 2017

<<https://www.moma.org/momaorg/shared/pdfs/docs/give/2017.12-roster-by-level.pdf>> [accessed December 27, 2017].

MoMA website, *MoMA Design Store*, (n.d.)

<<https://store.moma.org/about-moma-design-store.html>> [accessed February 8, 2018].

MoMA website, *Eating*, (n.d.)

<<https://www.moma.org/visit/eating>> [accessed February 8, 2018].

MoMA website, *Entertaining*, (n.d.)

<<https://www.moma.org/support/entertaining-benefits/entertaining>> [accessed February 8, 2018].

MoMA website, *James Gara*, (n.d.)

<<https://www.moma.org/about/senior-staff/james-gara>> [accessed April 20, 2018].

MoMA website, *History*, (n.d.).

<<https://www.moma.org/about/who-we-are/moma-history>> [accessed December 27, 2017].

MoMA website, *Corporate Membership*, (n.d.)

<<https://www.moma.org/support/corporate/corporate-membership>> [accessed December 27, 2017].

MoMA Website, *Program Sponsorship*, (n.d.)

<<https://www.moma.org/support/corporate/program-sponsorship>> [accessed December 27, 2017].

MoMA website, *Publications*, (n.d.)

<<https://www.moma.org/research-and-learning/publications/?>> [accessed February 8, 2018].

MoMA website, *Senior Staff*, (n.d.)

<<https://www.moma.org/about/senior-staff/>> [accessed April 20, 2018].

MoMA website, *Sponsor an Event*, (n.d.)

<<https://www.moma.org/support/corporate/sponsor-event>> [accessed December 27, 2017].

MoMA website, *Todd Bishop*, (n.d.)

<<https://www.moma.org/about/senior-staff/todd-bishop>> [accessed April 20, 2018].

MoMA website, *Trustees*, (n.d.)

<<https://www.moma.org/about/trustees>> [accessed December 27, 2017].

- MoMA website, *Who we are*, (n.d.)
< <https://www.moma.org/about/who-we-are/>> [accessed December 27, 2017].
- MoMA website, *Year in Review 2016 – 17*, (n.d.)
< <https://www.moma.org/interactives/annualreportFY17/>> [accessed August 27, 2018].
- Michael Montias, 'Are Museums betraying the Public's Trust in Mark Blaug', *The Economics of the Arts* (London: Martin Robertson & Company Ltd.1976), pp.205 - 217.
- Raymonde Moulin, 'The Museum and the Marketplace', *International Journal of Political Economy*, Vol. 25, 2 (1995), pp.33-62.
- Betram Müller, *Ackermann attackiert Rechnungshof*, Rheinische Post, September 14, 2017
<<http://www.rp-online.de/kultur/ackermann-attackiert-rechnungshof-aid-1.7079934>> [accessed February 14, 2018].
- The Museums Association, *Principles for sustainable museums*, 2017
<<https://www.museumsassociation.org/campaigns/sustainability/principles-for-sustainable-museums>> [accessed 30 June 2017].
- The Museums Association, *Sustainability and Museums: Report on consultation* (London, 2009).
- The Museum of Modern Art, *Code of conduct for The Museum of Modern Art and Its Affiliated Organisations, Members of the Board of Trustees, Officers, Committee Members and Key Persons* (The Museum of Modern Art: New York, n.d.).
- The Museum of Modern Art, *Code of Conduct for Staff of The Museum of Modern Art*, 2014 (The Museum of Modern Art: New York, 2014).
- The Museum of Modern Art, *Collections Management Policy, The Museum of Modern Art, Approved by the Board of Trustees, October 5, 2010* (The Museum of Modern Art: New York, 2010).
- The Museum of Modern Art, *Donors 2016-17* (The Museum of Modern Art: New York, 2017).
- The Museum of Modern Art, *The Museum of Modern Art, Consolidated Financial Statements, June 30, 2017 and 2016* (The Museum of Modern Art, New York, 2017).
- The Museum of Modern Art, *The Museum of Modern Art Policy and Procedures for Complaints Concerning Violations of Museum Policies or of Ethical or Financial Misconduct*, March 2017 (New York, The Museum of Modern Art, 2017).
- Museum Kunstpalast arbeitet sich aus den roten Zahlen*, Rheinische Post, January 21, 2014
<<http://www.rp-online.de/nrw/staedte/duesseldorf/kultur/museum-kunstpalast-arbeitet-sich-aus-den-roten-zahlen-aid-1.3978675>>[accessed April 7, 2018].

Museum Ludwig, *Ateliers für Erwachsene*, (n.d.)

<<http://www.museum-ludwig.de/de/programm/veranstaltungen/ateliers-fuer-erwachsene.html>> [accessed December 27, 2017].

Museum Ludwig, *Ausstellungen* (n.d.)

<<http://www.museum-ludwig.de/de/ausstellungen/rueckblick.html>> [accessed April 9, 2018].

Museum Ludwig, *Ausstellungskataloge und Publikationen*, (n.d.)

<<http://www.museum-ludwig.de/de/shop.html>> [accessed April 9, 2018].

Museum Ludwig website, *Eintritt*, (n.d.)

<<http://www.museum-ludwig.de/de/information/eintritt.html>> [accessed December 27, 2017].

Museum Ludwig, *Familienführungen*, (n.d.)

<<http://www.museum-ludwig.de/de/programm/programm-fuer-kinder/familienfuehrungen.html>> [accessed December 27, 2017].

Museum Ludwig, *Familienkoffer*, (n.d.)

<<http://www.museum-ludwig.de/de/programm/programm-fuer-kinder/familienkoffer.html>> [accessed December 27, 2017].

Museum Ludwig, *Ferienprogramm*, (n.d.)

<<http://www.museum-ludwig.de/de/programm/programm-fuer-kinder/ferienprogramm.html>> [accessed December 27, 2017].

Museum Ludwig, *Filmforum*, (n.d.)

<<http://www.museum-ludwig.de/de/programm/veranstaltungen/filmforum.html>> [accessed December 27, 2017].

Museum Ludwig: Finanzen für drei Jahre gesichert', *Radio Köln*, December 20, 2017

<<http://www.radiokoeln.de/koeln/rk/1475277/news/koeln>> [accessed December 27, 2017].

Museum Ludwig, *Führungen* (n.d.) <<http://www.museum-ludwig.de/de/programm/veranstaltungen/fuehrungen.html>> [accessed December 27,

2017].

Museum Ludwig, *History of the Museum Ludwig from 1976 to the Present*, (n.d.)

<<http://www.museum-ludwig.de/en/museum/the-museum/history.html>> [accessed April 9, 2018].

Museum Ludwig, *Kindergeburtstage*, (n.d.)

<<http://www.museum-ludwig.de/de/programm/programm-fuer-kinder/kindergeburtstage.html>> [accessed December 27, 2017].

Museum Ludwig, *Kölner Museumsfest*, (n.d.)

<<http://www.museum-ludwig.de/de/programm/veranstaltungen/21-koelner-museumsfest.html>> [accessed December 27, 2017].

- Museum Ludwig, *Kultur Trio*, (n.d.)
<<http://www.museum-ludwig.de/de/programm/veranstaltungen/kultur-trio.html>>
[accessed December 27, 2017].
- Museum Ludwig, *Kunstdialoge*, (n.d.)
<<http://www.museum-ludwig.de/de/programm/veranstaltungen/kunstdialoge.html>>
[accessed December 27, 2017].
- Museum Ludwig, *Kunststiftung*, (n.d.)
<<http://www.museum-ludwig.de/de/partner-und-foerderer/unsere-foerderer/kunststiftung.html>> [accessed April 11, 2018].
- Museum Ludwig, *Langer Donnerstag*, (n.d.)
<<http://www.museum-ludwig.de/de/programm/veranstaltungen/langer-donnerstag.html>> [accessed December 27, 2017].
- Museum Ludwig, *Museum und Schule*, (n.d.)
<<http://www.museum-ludwig.de/de/programm/museum-und-schule/lehrerfortbildungen.html>> [accessed December 27, 2017].
- Museum Ludwig, *Partner und Förderer*, (n.d.)
<<http://www.museum-ludwig.de/de/partner-und-foerderer.html>> [accessed December 27, 2017].
- Museum Ludwig, *The Permanent Collection at the Museum Ludwig*, (n.d.)
<<http://www.museum-ludwig.de/en/collection/the-collection/the-permanent-collection-at-the-museum-ludwig.html>> [accessed April 9, 2018].
- Museum Ludwig, *Programm für Kinder*, (n.d.)
<<http://www.museum-ludwig.de/de/programm/programm-fuer-kinder/pop-lab.html>>
[accessed December 27, 2017].
- Museum Ludwig, *Shop*, (n.d.)
<<http://www.museum-ludwig.de/de/shop.html>> [accessed December 27, 2017].
- Museum Ludwig website, *Team*, (n.d.)
<<http://www.museum-ludwig.de/de/museum/das-museum/team.html>> [accessed January 7, 2018].
- Museum Ludwig, *Tickets/Öffnungszeiten*, (n.d.)
<<https://www.museum-ludwig.de/de/besuch/informationen/tickets-oeffnungszeiten.html>> [accessed December 27, 2017].
- Museum Ludwig, *Vorträge*, (n.d.)
<<http://www.museum-ludwig.de/de/programm/veranstaltungen/vortraege.html>>
[accessed December 27, 2017].
- Museum Ludwig: *Finanzen für drei Jahre gesichert*, Radio Köln, December 20, 2017
<<http://www.radiokoeln.de/koeln/rk/1475277/news/koeln>> [accessed December 27, 2017].

Museum Ludwig: Mehr Sicherheit für alle, *Kölner Stadtanzeiger*, December 5, 2017
<<https://www.ksta.de/kultur/museum-ludwig-mehr-sicherheit-fuer-alle-29018452>>[accessed December 27, 2017].

Museum Ludwig: Yilmaz Dziewior plant neue Leitungsstelle, *Kölner Stadtanzeiger*, February 8, 2018 <<https://www.ksta.de/kultur/museum-ludwig-yilmaz-dziewior-plant-neue-leitungsstelle-29635078>> [accessed April 11, 2018].

Museumsfreunde Köln website, (n.d.)
<<https://www.museumsfreunde-koeln.de/>> [accessed December 27, 2017].

Museumsnacht Köln website, *Kölner Museumsnacht*, (n.d.)
<<http://www.museumsnacht-koeln.de/home>> [accessed December 27, 2017].

Staatliche Museen zu Berlin website, *Museumsstatistik*, (n.d.)
<<https://www.smb.museum/museen-und-einrichtungen/institut-fuer-museumsforschung/aufgaben/museumsstatistik.html>> [accessed February 20, 2018].

Institut für Museumsforschung, *Museumsstatistik 2016, 2017* (Institut für Museumsforschung: Berlin, 2017).

Richard A. Musgrave, *The Theory of Public Finance: A Study of Public Economy* (Tübingen: J.C.B. Mohr, 1959).

Kurt Nagel, Peter Walker, *Das Museum im Dorf lassen? Museen neu sehen und bewerten* (Sternenfels: Verlag Wissenschaft & Praxis, 2016).

Neue Chefin für Kunstsammlung Dresden, *Sächsische Zeitung*, April 20, 2016.
<<http://www.sz-online.de/nachrichten/kultur/neue-chefin-fuer-kunstsammlungen-dresden-3377495.html>> [accessed April 19, 2018].

New relations between auction houses and museums, *Artprice*, February 6, 2018.
<<https://www.artprice.com/artmarketinsight/%E2%80%8B-new-relations-between-auction-houses-and-museums>> [accessed July 16, 2018].

Christian Nitzl, Mariafrancesca Sicilia, Ileana Steccolini, 'Exploring the links between different performance information uses, NPM cultural orientation, and organizational performance in the public sector', *Public Management Review*, Vol.21, 5 (2018), pp. 686-710.

Noch kein Geld vom Land für die Kunsthalle Emden, *Emdener Zeitung*, June 23, 2014.
<<https://www.emderzeitung.de/emden/~noch-kein-geld-vom-land-fuer-die-kunsthalle-132913/>>> [accessed December 15, 2017].

Ilana Novick, *Museum of Modern Art Staff Protest Outside Fundraising Gala, Demanding a Fair Contract*, *Hyperallergic*, June 1, 2018.
<<https://hyperallergic.com/445415/museum-of-modern-art-staff-union-protest-fundraising-gala/>>[accessed August 25, 2018].

Dave O'Brien, *Cultural Policy: Management, Value and Modernity in the Creative Industries* (London: Routledge, 2013).

Brian O'Doherty, *Inside the White Cube, The Ideology of the Gallery Space*, (San Francisco: The Lapis Press, 1976).

Hans Ottomeyer, 'History and Museums in Germany', *Seminari Arqueologia i Ensenyament Barcelona*, IV, Treballs d'Arqueologia 8, (14 - 16 November, 2002).

A.C. Pache, F. Santos, 'When worlds collide: The internal dynamics of organizational responses to conflicting institutional demands', *Academy of Management Review*, Vol. 35, 3 (2010), pp.455–476.

Julie Pallant, *SPSS Survival Manual: A Step by Step Guide to using IBM SPSS*, 6th Ed. (McGraw-Hill, 2016).

C.Paramasivan, T. Subramanian, *Financial Management* (New Delhi: New Age International Publishers, 2009).

Johnathan Paquette, *Cultural Policy, Work & Identity: The Creation, Renewal and Negotiation of Professional Subjectivities* (Farnham: Ashgate Publishing Limited, 2012),

Alan Peacock, C. Godfrey, 'The Economics of Museums and Galleries' in Mark Blaug, *The Economics of the Arts*, (Aldershot, 1976), chapter c.11.

Alan Peacock, Welfare Economics and Public Subsidies to the Arts in Mark Blaug, *The Economics of the Arts*, (Aldershot, 1976), chapter a.4.

Susan M.Pearce, *Museum economics and the community* (London: A&C Black, 1991).

The Peggy Guggenheim Collection website, (n.d.)
<www.guggenheim-venice.it/inglese/museum/info_servizi.html> [accessed April 19, 2018].

Elliot, R. R., Percy, L. and Pervan, S., *Strategic Brand Management* (Oxford University Press, New York, 2011).

Peter und Irene Ludwig Stiftung website, (n.d.)
<<http://www.ludwigstiftung.de>> [accessed December 27, 2017].

Isabel Pfeiffer-Poensgen, *Kulturförderbericht Nordrhein-Westfalen 2017* (Ministerium für Kultur und Wissenschaft des Landes Nordrhein-Westfalen: 2017).

Charles Phillips, 'Museum director as Manager' in Gaynor Kavanagh, *Museum Provision and Professionalism*, (Routledge: London, 1994), chapter 26.

Ed Pilkington, *Guggenheim's master of the art of global branding steps down as museum director*, *The Guardian*, February 29, 2008.
<<https://www.theguardian.com/artanddesign/2008/feb/29/art.usa>> [accessed September 7, 2018].

Ingo Plaschke, *Die Auszeichnung 'Museum des Jahres' wird uns helfen*, NRZ, December 28, 2016
<https://www.nrz.de/region/niederrhein/wir-am-niederrhein/die-auszeichnung-museum-des-jahres-wird-uns-helfen-id209107807.html> [accessed April 7, 2018].

Ulrike Pluschke, *Kunstsporing: vertragsrechtliche Aspekte*, (Berlin: Schmidt, 2005).

Petra Pluwatsch, *Adele Schlombs: NRW lehnt unsere Anträge stets ab*, Kölner Stadtanzeiger, March 27, 2015
<<https://www.ksta.de/kultur/adele-schlombs--nrw-lehnt-unsere-antraege-stets-ab--1091648>>[accessed December 16, 2017].

Krzysztof Pomian, *Der Ursprung des Museums: Vom Sammeln* (Berlin: Wagenbach, 1988).

Izabela Luiza Pop and Anca Borza, 'Factors Influencing Museum Sustainability and Indicators for Museum Sustainability Measurement', *Sustainability*, Vol. 8, 1 (2016), pp. 2 - 22.

Madeline Powell, Alex Gillett, Bob Doherty, 'Sustainability in social enterprise: hybrid organizing in public services', *Public Management Review*, Vol. 21, 2 (2018), pp.159 - 186.

Michael Quinn Patton, 'Purposeful Sampling' in Sandra Mathison (ed), *Encyclopedia of Evaluation* (n.d.) <<http://dx.doi.org/10.4135/9781412950558.n453>> [accessed November 19, 2019].

Robert Rademacher, Jutta Müller, *Protokoll der Ordentlichen Mitgliederversammlung der Gesellschaft der Freunde der Kunstsammlung Nordrhein - Westfalen e.V. (GFK) am 27. Juni 2017 in K21 Ständehaus* (Stiftung Kunstsammlung NRW: Düsseldorf, 2017).

Esben Rahbek Gjerdrum Pedersen, Wencke Gwozdz, Kerli Kant Hvass, 'Exploring the Relationship Between Business Model Innovation, Corporate Sustainability, and Organisational Values within the Fashion Industry', *Journal of Business Ethics*, Vol.149, 2 (2018), pp.267-284.

Ulrich Raulff, *Er erfand das Museum neu*, Frankfurter Allgemeine Zeitung, August 6, 2017
<<http://www.faz.net/aktuell/feuilleton/kunst/er-erfand-das-museum-neu-zum-tod-von-martin-roth-15139430.html>> [accessed September 13, 2017].

Rechnungshof Baden-Württemberg, *Staatliche Kunsthalle Baden-Baden (Beitrag 27)*, 2009
<<http://www.rechnungshof.badenwuerttemberg.de/de/veroeffentlichungen/denkschriften/210382/210517.htm>> [accessed April 19, 2018].

Rechnungshof Baden-Württemberg, *Zentrum für Kunst und Medien Karlsruhe (Beitrag 22)*, 2017
<<http://www.rechnungshof.badenwuerttemberg.de/de/veroeffentlichungen/denkschriften/320281/320309.html>> [accessed April 19, 2018].

Rechnungshof vermisst Konzept bei der Kunstsammlung NRW, Süddeutsche Zeitung, September 12, 2017

<<http://www.sueddeutsche.de/news/wirtschaft/finanzen---duesseldorf-rechnungshof-vermisst-konzept-bei-der-kunstsammlung-nrw-dpa.urn-newsml-dpa-com-20090101-170912-99-18861>>[accessed February 2, 2018].

Rechnungshof Rheinland-Pfalz, *Jahresbericht 2015* (Speyer: Rechnungshof Rheinland-Pfalz, n.d.).

C. Reichard, *The Impact of Performance Management on Transparency and Accountability in the public sector in Ethics and Accountability in a Context of Governance and New Public Management* (Amsterdam: IOS Press, 1998).

Kolja Reichert, *Ackermann attackiert Rechnungshof*, Rheinische Post, September 14, 2017

<<http://www.rp-online.de/kultur/ackermann-attackiert-rechnungshof-aid-1.7079934>>[accessed December 27, 2017].

Kolja Reichert, *Was Trump und Pegida mit Museen zu tun haben*, FAZ, March 27, 2017

<<http://www.faz.net/aktuell/feuilleton/kunst/staatliche-kunstsammlungen-dresden-besucherrueckgang-14943624-p2.html>> [accessed April 11, 2018].

Saskia Reither, *Kultur als Unternehmen: Selbstmanagement und unternehmerischer Geist im Kulturbetrieb* (Wiesbaden: Springer VS, 2012).

Henriette Reker, *Kulturamt: Geschäftsbericht 2015* (Stadt Köln: Köln, 2015).

Ruth Rentschler, *The Entrepreneurial Arts Leader: Cultural Policy, Change and Reinvention* (University of Queensland Press, 2008).

Otto Hans Ressler, *Der Wer der Kunst* (Böhlau, Weimar: 2007).

Rorey Ridley-Duff, Mike Bull, *Understanding Social Enterprise: Theory & Practice* (London: Sage, 2011).

Hans Riebsamen, *“Kreative Buchführung“ und schlechtes Controlling*, FAZ, July 7, 2003

<<http://www.faz.net/aktuell/rhein-main/frankfurt/museum-kreative-buchfuehrung-und-schlechtes-controlling-1115918.html>>[accessed December 27, 2017].

Johnny Saldana, *The Coding Manual*, 2nd Ed. (London: SAGE Publications Ltd, 2009).

Dirk Salmon, *New Public Management in der deutschen Arbeitsverwaltung: zwischen Anreiz und Motivation* (Köln: Kölner Wissenschaftsverlag, 2016).

Richard Sandell, *Museum management and marketing*, (London: Routledge, 2007).

Daniel Alexander Schacht, *Direktor sieht Sprengel-Museum in Gefahr*, Hannoversche Allgemeine Zeitung, May 18, 2017

<<http://www.haz.de/Nachrichten/Kultur/Uebersicht/Direktor-sieht-Sprengel-Museum-wegen-Unterfinanzierung-in-Gefahr>> [accessed April 17, 2018].

- Daniel Alexander Schacht, *Sprengel-Museum soll Geld von Stadt bekommen*, Hannoversche Allgemeine Zeitung, July 9, 2016
<<http://www.haz.de/Nachrichten/Kultur/Uebersicht/Sprengel-Museum-soll-fuer-Kauf-von-Kunstwerken-Geld-von-Stadt-bekommen>> [accessed April 17, 2018].
- Rüdiger Schaper and Birgit Rieger, *Rückgang und Renaissance*, Der Tagesspiegel, February 16, 2015
<<https://www.tagesspiegel.de/kultur/staatliche-museen-zu-berlin-rueckgang-und-renaissance/11365966.html>> [accessed April 17, 2018].
- Kuno Schedler, Isabelle Proeller, *New Public Management*, 5th Ed. (Bern: Haupt Verlag, 2011).
- Salvatore Schiavo-Campo, *Government budgeting and expenditure management: principles and international practice* (New York: Routledge, 2017).
- Mike Schier, *Das Haus der Kunst trübt die Bilanz*, OVB, January 23, 2018
<<https://www.ovb-online.de/politik/haus-kunst-truebt-bilanz-9549279.html>> [accessed February 7, 2018].
- Thomas E. Schmidt, 'Diesen Mut muss man haben', *Die Zeit*, Nr. 40/2015, 15 October 2015.
- Thomas E. Schmidt, *Kulturgutschutzgesetz: Die Kunst wird als Regierungsmarketing missbraucht*, Die ZEIT, 24 June 2016 <<https://www.zeit.de/kultur/kunst/2016-06/kulturgutschutzgesetz-bundestag-kommentar>> [accessed February 20, 2018].
- Thomas Schmitt, *Kunstmuseum Bochum steht vor dem Aus*, WAZ, January 10, 2012
<<https://www.waz.de/staedte/bochum/kunstmuseum-bochum-steht-vor-dem-aus-id6234180.html>> [accessed December 15, 2017].
- Uwe M. Schneede, Karl Ruhrberg, *Energien: Synergien 10* (König: Köln, 2009).
- Isabel Schneider, *Kaiser-Wilhelm-Museum: Pächter des Cafes ohne Gäste*, July 25, 2018 <https://www.wz.de/nrw/krefeld/kultur/kaiser-wilhelm-museum-paechter-des-cafes-ohne-gaeste_aid-25133183> [accessed September 13, 2018].
- Petra Schneidewind, *Controlling im Kulturmanagement: Eine Einführung* (Wiesbaden: Springer Fachmedien, 2013).
- Carol Scott, 'Museums: Impact and value' *Cultural Trends*, Vol. 15, 1 (2006), pp. 45-75.
- Carol Scott, *Museums and Public Value: Creating sustainable futures* (Farnham: Ashgate, 2013).
- Gottfried Semper, 'Ideales Museum', in Kristina Kratz-Kessemeier, Andrea Meyer and Benedicte Savoy, *Museumsgeschichte, Kommentierte Quellentexte 1750-1950* (Berlin: Dietrich Reimer Verlag GmbH, 2010), pp. 36 - 43.
- James J. Sheehan, *Museums in the German Art World: From the End of the Old Regime to the Rise of Modernism* (New York, Oxford University Press, 2000).

Chris Shore, Susan Wright, 'Coercive Accountability: The Rise of Audit Culture in Higher Education' in Marilyn Strathern, *Audit Cultures: Anthropological Studies in Accountability, Ethics and the Academy* (Routledge: New York, 2000), pp.57 – 89.

Jörg Sikkenga, *Weiterempfehlung im Kulturbereich: eine austauschtheoretische Betrachtung der senderorientierten Weiterempfehlung* (Leipzig: Leipziger Universitäts Verlag, 2016).

Helen Simons, *Case Study Research in Practice* (London: SAGE Publications Ltd., 2009).

Sven Siverbo, Mikael Cäker, Johan Åkesson, 'Conceptualizing dysfunctional consequences of performance measurement in the public sector', *Public Management Review*, Vol. 21, 12 (2019), pp. 1801 – 1823.

Peter A.C. Smith, 'Elements of Organizational Sustainability'. *The Learning Organization*. Vol.18, 1 (2011), pp. 5-9.

The Solomon R. Guggenheim Foundation, *Collections Management Policy: Approved by the Board of Trustees on October 3, 2017* (The Solomon R. Guggenheim Foundation: New York, 2017).

The Solomon R. Guggenheim Foundation, *Financial Statements, December 31, 2017 and 2016* (New York, NY: June 27, 2018).

The Solomon R. Guggenheim Foundation website, *About Us*, (n.d.)
<<https://www.guggenheim.org/about-us>> [accessed April 7, 2018].

The Solomon R. Guggenheim Foundation website, *Initiatives*, (n.d.)
<<https://www.guggenheim.org/history/initiatives-history>> [accessed April 7, 2018].

The Solomon R. Guggenheim Foundation website, *Plan your visit*, (n.d.)
<<https://www.guggenheim.org/plan-your-visit>> [accessed April 19, 2018].

The Solomon R. Guggenheim Foundation website, *The Collection*, (n.d.)
<<https://www.guggenheim.org/about-the-collection>> [accessed April 7, 2018].

The Solomon R. Guggenheim Foundation website, *The Foundation*, (n.d.)
<<https://www.guggenheim.org/history/foundation>> [accessed April 7, 2018].

The Solomon R. Guggenheim Foundation website, *Publications*, (n.d.)
<<https://www.guggenheim.org/publications>> [accessed April 19, 2018].

The Solomon R. Guggenheim Foundation website, *Staff*, (n.d.)
<<https://www.guggenheim.org/staff>> [accessed April 19, 2018].

Birgit Sonna, *Überraschender Abgang*, art Magazin, November 6, 2007.
<<http://www.art-magazin.de/szene/2472.html>> [accessed April 19, 2018].

Joachim H. Spangenberg, 'Institutional Sustainability Indicators: An Analysis of the Institutions in Agenda 21 and a Draft set of Indicators for Monitoring their Effectivity', *Sustainable Development*, Vol.10 (2002), pp.103-115.

Rosie Spinks, *Free museums don't just draw crowds, they shape culture*, Quartz, January 18, 2018.
<<https://quartz.qz.com/1175338/free-museums-dont-just-draw-crowds-they-shape-culture/>>[accessed July 16, 2018].

Staatliche Kunstsammlungen erneut mit Besucherschwund, Monopol Magazin, March 20, 2017
< <https://www.monopol-magazin.de/staatliche-kunstsammlungen-erneut-mit-besucherschwund> > [accessed April 9, 2018].

Staatliche Museen zu Berlin website, *Museumsstatistik*, (n.d.)
<<https://www.smb.museum/museen-und-einrichtungen/institut-fuer-museumsforschung/aufgaben/museumsstatistik.html>> [accessed February 20, 2018].

Stadt Frankfurt, *Anlage: Wirtschaftsplan und Wiedergabe der Beihilfemaßnahme gemäß Art.11 AGVO für die Schirn Kunsthalle Frankfurt am Main GmbH*, 2018
<<https://www.frankfurt.de/sixcms/media.php/738/Wiedergabe%20Beihilfema%C3%9Fnahme%20nach%20%20Art.%2011%20AGVO%20Schirn%20Plan%202018.pdf>>[accessed September 15, 2018].

Stadt Köln website, *Museum Ludwig*, (n.d.)
<<https://www.stadt-koeln.de/artikel/07529/index.html>>[accessed December 27, 2017].

Raimund Stecker, *Siegfried Gohr: Der Kunst hilflos verfallen*, Rheinische Post, September 9, 2015 <<http://www.rp-online.de/kultur/siegfried-gohr-der-kunst-hilflos-verfallen-aid-1.5377257>>[accessed December 20, 2017].

Maike Steinkamp, *Werke und Werte, Über das Handeln und Sammeln von Kunst im Nationalsozialismus*, Schriften der Forschungsstelle >>Entartete Kunst<< Band V, (Berlin: Akademie Verlag, 2010).

Stiftung Kunstsammlung NRW website, *Ankäufe*, (n.d.)
<<https://www.kunstsammlung.de/foerdern/freundeskreis/ankauefe.html>> [accessed February 7, 2018].

Stiftung Kunstsammlung NRW website, *Editionen*, (n.d.)
<<https://www.kunstsammlung.de/besuchen/editionen.html>> [accessed February 7, 2018].

Stiftung Kunstsammlung NRW website, *Eintrittspreise*, (n.d.)
<<https://www.kunstsammlung.de/besuchen/eintrittspreise.html>> [accessed February 7, 2018].

Stiftung Kunstsammlung NRW website, *Freundeskreis*, (n.d.)
<<https://www.kunstsammlung.de/foerdern/freundeskreis/junge-freunde.html>> [accessed February 7, 2018].

Stiftung Kunstsammlung NRW website, *Gastronomie*, (n.d.)
<<http://www.kunstsammlung.de/besuchen/gastronomie.html>> [accessed February 7, 2018].

- Stiftung Kunstsammlung NRW website, *Geschichte*, (n.d.)
<<https://www.kunstsammlung.de/ueber-uns/geschichte.html>> [accessed February 3, 2018].
- Stiftung Kunstsammlung NRW website, *Imagefilm*, (n.d.)
<<https://www.kunstsammlung.de/ueber-uns/imagefilm.html>> [accessed February 3, 2018].
- Stiftung Kunstsammlung NRW website, *Leitbild*, (n.d.)
<<https://www.kunstsammlung.de/ueber-uns/leitbild.html>> [accessed February 3, 2018].
- Stiftung Kunstsammlung NRW website, *Museumsshop*, (n.d.)
<<https://www.kunstsammlung.de/besuchen/museumsshop.html>> [accessed February 7, 2018].
- Stiftung Kunstsammlung NRW website, *Öffnungszeiten*, (n.d.)
<<https://www.kunstsammlung.de/besuchen/oeffnungszeiten.html>> [accessed February 7, 2018].
- Stiftung Kunstsammlung NRW website, *Online shop*, (n.d.)
<<https://shop.kunstsammlung.de/>> [accessed February 7, 2018].
- Stiftung Kunstsammlung NRW website, *Pro-Kunstsammlung*, (n.d.)
<<https://www.kunstsammlung.de/foerdern/pro-kunstsammlung.html>> [accessed February 7, 2018].
- Stiftung Kunstsammlung NRW website, *Team*, (n.d.)
<<https://www.kunstsammlung.de/ueber-uns/team.html>> [accessed February 7, 2018].
- Stiftung Kunstsammlung NRW website, *Teilnehmen*, (n.d.)
<<https://www.kunstsammlung.de/teilnehmen.html>> [accessed February 13, 2018].
- Stiftung Kunstsammlung NRW website, *Veranstaltungen*, (n.d.)
<<https://www.kunstsammlung.de/entdecken/veranstaltungen.html>> [accessed February 7, 2018].
- Stiftung Preussischer Kulturbesitz website, *Über uns*, (n.d.)
<<https://www.preussischer-kulturbesitz.de/ueber-uns/>> [accessed February 19, 2018].
- Marilyn Strathern, *Audit Cultures: Anthropological Studies in Accountability, Ethics and the Academy* (London: Routledge, 2000).
- Henrike Strobl, 'Die Bedeutung des neuen Kulturgutschutzgesetzes für Handel und Museen', *Der Sachverständiger*, Vol.5, (2016), pp.101-105.
- Deyan Sudjic, *Is this the end of the Guggenheim dream?*, The Guardian, January 23, 2005. <<https://www.theguardian.com/artanddesign/2005/jan/23/art.museums>> [accessed September 7, 2018].
- Sarah Sutton, 'Systems thinking in museums - theory and practice', *Museum Management and Curatorship*, Vol. 33, 3 (2018), pp.297-300.

Peter Swanborn, *Case Study Research: What, why and how?* (London: SAGE Publications Ltd., 2010).

Barbara Tabachnick, Linda Fidell, *Using Multivariate Statistics*, 5 Ed. (Boston: Pearson, 2007).

Tate website, *About us*, (n.d.)
<<http://www.tate.org.uk/about-us>> [accessed April 3, 2018].

Tate website, *Board of trustees*, (n.d.)
<<http://www.tate.org.uk/about-us/board-trustees>> [accessed April 3, 2018].

Tate website, *Boiler House Espresso Bar*, (n.d.)
<<http://www.tate.org.uk/visit/tate-modern/boiler-house-espresso-bar>> [accessed April 15, 2018].

Tate website, *Corporate Members*, (n.d.)
<<http://www.tate.org.uk/about-us/corporate-support/corporate-members>> [accessed April 15, 2018].

Tate website, *Coffee by Tate*, (n.d.)
<<http://www.tate.org.uk/visit/coffee-by-tate>> [accessed April 15, 2018].

Tate website, *Director of Finance & Estates*, (n.d.)
<<http://www.tate.org.uk/about-us/director-finance-and-estates>> [accessed April 20, 2018].

Tate website, *Djanology Cafe*, (n.d.)
<<http://www.tate.org.uk/visit/tate-britain/djanogly-cafe>> [accessed April 15, 2018].

Tate website, *Tate Enterprises*, (n.d.)
<<http://www.tate.org.uk/about-us/tate-enterprises>> [accessed April 15, 2018].

Tate website, *Tate Entertaining*, (n.d.)
<<http://www.tate.org.uk/about-us/corporate-support/tate-entertaining>> [accessed April 15, 2018].

Tate website, *Granville Grossmann Members Room*, (n.d.)
<<http://www.tate.org.uk/visit/tate-modern/granville-grossman-members-room>> [accessed April 15, 2018].

Tate website, *Governance*, (n.d.)
<<http://www.tate.org.uk/about-us/governance>> [accessed April 3, 2018].

Tate website, *History*, (n.d.)
<<http://www.tate.org.uk/about-us/history-tate>> [accessed April 3, 2018].

Tate website, *Kitchen and Bar*, (n.d.)
<<http://www.tate.org.uk/visit/tate-modern/kitchen-and-bar>> [accessed April 15, 2018].

Tate website, *Tate Liverpool Café*, (n.d.)
<<http://www.tate.org.uk/visit/tate-liverpool/cafe>> [accessed April 15, 2018].

Tate website, *Managing Director*, (n.d.)
 <<http://www.tate.org.uk/about-us/managing-director>> [accessed April 20, 2018].

Tate website, *Members Bar*, (n.d.)
 <<http://www.tate.org.uk/visit/tate-modern/members-bar>> [accessed April 15, 2018].

Tate website, *Membership*, (n.d.)
 <<https://shop.tate.org.uk/membership?pid=membership>> [accessed April 15, 2018].

Tate website, *Members Room*, (n.d.)
 <<http://www.tate.org.uk/visit/tate-britain/members-room>> [accessed April 15, 2018].

Tate website, *Our Priorities*, (n.d.)
 <<http://www.tate.org.uk/about-us/our-priorities>> [accessed April 3, 2018].

Tate Website, *Tate Modern Café*, (n.d.)
 <<http://www.tate.org.uk/visit/tate-modern/cafe>> [accessed April 15, 2018].

Tate Website, *Tate Modern Restaurant*, (n.d.)
 <<http://www.tate.org.uk/visit/tate-modern/restaurant>> [accessed April 15, 2018].

Tate website, *Plan your visit*, (n.d.)
 <<http://www.tate.org.uk/visit>> [accessed April 3, 2018].

Tate website, *Rex Whistler Restaurant*, (n.d.)
 <<http://www.tate.org.uk/visit/tate-britain/rex-whistler-restaurant>> [accessed April 15, 2018].

Tate website, *Tate Publishing*, (n.d.)
 <<http://www.tate.org.uk/about-us/tate-publishing>, accessed> [accessed April 8, 2018].

Tate website, *Tate Patrons*, (n.d.)
 <<http://www.tate.org.uk/join-support/tate-patrons>> [accessed April 15, 2018].

Tate website, *Tate St.Ives Café* (n.d.)
 <<http://www.tate.org.uk/visit/tate-st-ives/cafe-tate-st-ives>> [accessed April 15, 2018].

Tate website, *Tate Wine List*, (n.d.)
 <<http://www.tate.org.uk/visit/tate-wine-list>> [accessed April 15, 2018].

Tate website, *Terrace Bar*, (n.d.)
 <<http://www.tate.org.uk/visit/tate-modern/terrace-bar>> [accessed April 15, 2018].

Tate Gallery, *A record number of people have visited the new Tate Modern, Press Release, June 20, 2016* (London, Tate Gallery, 2016).

Tate Gallery, *Tate Gallery - A Review and Forward Plan 1990*, (n.pl.: Tate Gallery Records, 1990).

Tate Gallery, *Executive Group and Directors Group: Transitional Structure January - May 2018* (Tate Gallery: London, 2018).

Tate Gallery, *Tate Management Agreement 2016 – 2020* (London, Tate Gallery, 2017).

Tate Gallery, *Tate Management Statement and Financial Memorandum: 6 December 2012* (2012).

Tate Gallery London, *Tate Gallery Records (Archives) Accession N° TG17/1/1/4 (Part 1 of 3)*, 'Arts & Libraries 'Richard Luce Proposes Major Boost For National Museums, Press Notice OAL/9 issued by Room 57A/G Government Offices Great George Street, London SW1P 3AL, 10 February 1986'.

Tate Gallery London, *Tate Gallery Records (Archives) Accession N° TG17/1/1/4 (Part 1 of 3)*, 'Letter to A.J. Hastings Esq. Clerk to the Commons, Committee Office, House of Commons, London SW1A 0AA, 21st April 1986'.

The Board of Trustees of the Tate Gallery, *Annual Accounts 2016 - 2017, Presented to Parliament pursuant to section 9(8) of the Museums and Galleries Act 1992* (London, Tate Gallery, 2017).

The Museum of Modern Art, *Consolidated Financial Statements*, June 30, 2017.

The Solomon R. Guggenheim Foundation, *Financial Statements, December 31, 2017*, (2018) <<https://www.guggenheim.org/wp-content/uploads/2018/06/guggenheim-audited-financial-statements-2017.pdf>> [accessed September 7, 2018].

The Solomon R. Guggenheim Foundation, *The Solomon R. Guggenheim Foundation Collections Management Policy: Approved by the Board of Trustees on October 3, 2017*, (2017) <<https://www.guggenheim.org/wp-content/uploads/2018/02/guggenheim-collections-management-policy-10.03.17.pdf>> [accessed September 7, 2018].

Norbert Thom, Adrian Ritz, *Public Management: Innovative Konzepte zur Führung im öffentlichen Sektor* (Wiesbaden: Gabler, 2000).

Don Thompson, *The \$12 Million Stuffed Shark: The Curious Economics of Contemporary Art*, (New York: Palgrave Macmillan, 2008).

David Throsby, *The Economics of Cultural Policy* (Cambridge: Cambridge University Press, 2010).

Stefan Toepler, *Kulturfinanzierung: Ein Vergleich USA – Deutschland* (Gabler, 1991).

Ruth Towse, *Advanced introduction to cultural economics* (Cheltenham: Elgar, 2014).

P. Tracey, N. Phillips, O. Jarvis, 'Bridging institutional entrepreneurship and the creation of new organizational forms: A multilevel model', *Organization Science*, Vol. 22, 1 (2011), pp.60–80.

United Nations Website, *Sustainable Development*, (n.d.) <<https://sdgs.un.org>> [accessed July 11, 2020].

University of Leicester, 'Module Three: Approaching Qualitative Research', UNIT 1: *Qualitative Research Design*, University of Leicester, 2012.

Olav Velthuis, *Talking Prices: Symbolic Meanings of Prices on the Market for Contemporary Art* (Princeton: Princeton University Press, 2005).

Eva Vicente, Carmen Camarero, 'Insights into Innovation in European Museums', *Public Management Review*, Vol.14 (2012), pp. 649-679.

Hildegard Viereg, *Geschichte des Museums: Eine Einführung* (München: Wilhelm Fink Verlag, 2008).

Hildegard Viereg, *Vorgeschichte der Museumspädagogik: dargestellt an der Museumsentwicklung in den Städten Berlin, Dresden, München und Hamburg bis zum Beginn der Weimarer Republik* (Münster/Hamburg: Lit Verlag, 1991).

Julia Voss, *Die Vorzüge des Privatmuseums: Wer jetzt keins hat, baut sich eins*, *Frankfurter Allgemeine Zeitung*, June 6, 2016

<<http://www.faz.net/aktuell/feuilleton/kunst/die-vorzuege-des-privatmuseums-in-deutschland-14300486-p2.html>> [accessed November 12, 2016].

Henrike Weiden, 'Kulturgutschutzgesetz: deutsche Bilder nicht mehr handelbar?', *Gewerblicher Rechtsschutz und Urheberrecht*, C.H. Beck (2015), pp. 1085-1086.

Brigitte Werneburg, *Umstrittenes Kulturgutschutzgesetz: Der Sammler als Anlagestrategie*, *Taz*, 11. August 2015

<<https://taz.de/Umstrittenes-Kulturgutschutzgesetz/!5219168/>> [accessed February 20, 2018].

Monika Werner-Staude, *Wuppertal: Eine Gefahr für die Marke von der Heydt*, *Rheinische Post*, February 9, 2018

<<http://www.rp-online.de/nrw/staedte/remscheid/freizeit/eine-gefahr-fuer-die-marke-von-der-heydt-museum-aid-1.7378685>> [accessed April 7, 2018].

Simone Wesner, 'Cultural fingerprints – the legacy of cultural values in the current cultural policy agenda in Germany', *International Journal of Cultural Policy*, Vol.16, (2010), pp.433-448.

Wie Museen Betriebswirtschaftlich ausradiert werden, *Saarbrücker Zeitung*, February 25, 2016

<https://www.saarbruecker-zeitung.de/kultur/sz-kultur/wie-museen-betriebswirtschaftlich-ausradiert-werden_aid-34121> [accessed April 19, 2018].

Eliza Williams, *Branding the Art World*, *Creative Review*, September 30, 2011

<<https://www.creativereview.co.uk/branding-the-art-world/>> [accessed July 10, 2018].

Hartmut Wilmes, *Eigenbetriebe: Geheimpapier schreckt Kölns Museen auf*, *Kölner Stadt-Anzeiger*, March 7, 2013.

<<https://www.rundschau-online.de/kultur/eigenbetriebe-geheimpapier-schreckt-koelns-museen-auf5398424>> [accessed April 9, 2018].

Richard Wilson, *Principles of Business: Management* (Ipswich: Salem Press, 2017).

Ilka Wiese and Monika Willer, *Museum für Gegenwartskunst Siegen nun Zukunftsfest*, *Westfalenpost*, March 2, 2017

<<https://www.wp.de/region/sauer-und-siegerland/museum-fuer-gegenwartskunst-siegen-nun-zukunftsfest-id209807321.html>>[accessed December 27, 2017].

Wirtschaftsprüfer schlagen Alarm: Museum Morsbroich droht das Aus, Kölnische Rundschau, February 23, 2016

<<https://www.rundschau-online.de/kultur/wirtschaftspruefer-schlagen-alarm-museum-morsbroich-droht-das-aus-23615852>>[accessed April 7, 2018].

Michael Wise, *Rethinking the Guggenheim Helsinki*, Artnews, August 25, 2014.

<<http://www.artnews.com/2014/08/25/rethinking-the-guggenheim-helsinki/>> [accessed September 7, 2018].

H. Witmer and M.S. Mellinger, 'Organizational resilience: Nonprofit organizations' response to change', *Work*, Vol.54, 2 (2016), pp.255-265.

Anja Wollenson, *Die Balanced Scorecard als Instrument der strategischen Steuerung und Qualitätsentwicklung von Museen: ein Methodentest, unter besonderer Berücksichtigung der Anforderungen an zeitgemässe Freizeit- und Tourismuseinrichtungen* (Frankfurt am Main: P. Lang, 2012).

Barbara Woroncow, Public palaces or private places in Gaynor Kavanagh, *Museum Provision and Professionalism* (Routledge: London, 1996), chapter 17.

Michelle Wright, *A Question of Resources*, *Arts Professional*, March 2, 2017.

<<http://www.artsprofessional.co.uk/magazine/article/question-resources>> [accessed March 13, 2017].

Karin A. Wurst, *Fabricating pleasure: fashion, entertainment, and cultural consumption in Germany, 1780 -1830* (Detroit: Wayne State University Press, 2005).

Chloe Wyma, *1% Museum: The Guggenheim Goes Global*, *Dissent Magazine*, 2014.

<<https://www.dissentmagazine.org/article/1-museum-the-guggenheim-goes-global>> [accessed September 7, 2018].

Olaf Zimmermann, Gabriele Schulz, Stefanie Ernst, *Zukunft Kulturwirtschaft: Zwischen Künstlertum und Kreativwirtschaft* (Essen: Klartext Verlag, 2009).

Alessia Zorloni, *The Economics of Contemporary Art, Markets, Strategies and Stardom* (Berlin: Springer, 2013).

Zuwendungen für Museum Ludwig Gesichert, Bergischer Volksbote, December 23, 2017 <<http://www.wz.de/lokales/burscheid-region/zuwendungen-fuer-museum-ludwig-gesichert-1.2582765>> [accessed December 27, 2017].