

Characteristics of resilient arts organisations and sectors

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This section draws on both available literature in ecological and business thinking and on the characteristics repeatedly observable in organisations including those interviewed. It suggests that resilience can be characterised by a combination of resources (soft and hard) and adaptive skills¹:

Resources

- Culture of shared purpose and values rooted in organisational memory
- Predictable financial resources derived from a robust business model
- Strong networks (internal/external)
- Intellectual, human and physical assets

Adaptive Skills

- Adaptive capacity: Innovation and experimentation embedded in reflective practice
- Leadership, management and governance
- Situation awareness of environment and performance
- Management of key vulnerabilities: planning and preparation for disruption

Organisations and sectors need *both* resources and adaptive skills to be resilient over time, although they may not necessarily all need all at all times. Strong leadership skills alone will not deliver resilience, for instance: they could be undermined by a lack of financial flexibility or a predominance of silo working and lack of networks. Equally, an awareness of the situation without a strong culture of shared purpose, made real by organisational memory, might lead to mission drift and loss of purpose.

A blend of change and continuity is essential for resilience. Without change, driven by innovation, networks and the evolving environment, organisations and sectors risk falling into 'the Rigidity Trap'. There is, therefore, a threat with simplistically maximising the efficiency of any organisation or system: it tends to inflexibility and vulnerability in the face of change. Without continuity of purpose, there is simply persistent activity.

The resilient organisations interviewed had all had a mix of change in personnel or approach alongside some stability, including some people who had remained with organisations productively for 25 years and more.

The following table sets out what those 8 characteristics might look like in resilient organisations, and also expands on this to illustrate how this framework – illustrative and diagnostic rather than prescriptive as it is – might apply to sectors or sub-sectors in the arts. (This latter in particular could be subject to further research.)

¹ I have used the word skills to emphasise the 'acquirability' of these characteristics. They could be said to relate to competencies, qualities and attributes.

Characteristics	Description of resilient organisation	Description of resilient sector/sub-sector
Resources		
Culture of shared purpose and values rooted in organisational memory	Clearly defined vision and purpose understood by everyone in the organisation that can be related to the history of the organisation and shapes decision-making. Mission-drift is avoided, although the mission may evolve. Anything outside core purpose taken on very consciously. Purpose and values are shared and understood externally as well as internally – by partners and audiences.	A strong, consensual ‘story’ emerges of the nature and impact of the sector, albeit containing a diversity of detailed views. ‘Professional standards’ may emerge, either informally or formally managed. Unions or other industry groups speak authoritatively on behalf of the sector. Mentoring is common. Sector can acknowledge both strengths and weaknesses.
Predictable financial resources derived from a robust business model	The organisation has a range of reliable income streams, which it can predict with some confidence. These are derived from a range of activities, and may include public sector revenue based on delivery of activity or services, private sector sponsorship or donations and earned and traded income. Activity either relates directly to the core purpose of the organisation or is strategically and consciously designed to enable that. Financial reporting shows delineation of revenue for activity and revenue for business capital, growth or development. A portfolio of strategic options minimises over-reliance on one source of income.	Sector has a diversity of organisations and types of organisations providing services/activity to its different audiences, who are prepared to regularly provide revenue in exchange – be that public sector funding, private sector sponsorship or philanthropy or ticket/earned income These organisations form a supply network, and also provide a networked environment in which talent and skills are developed and extended. Individual elements of the supply chain can predict with some confidence relations for the future, but are not wholly reliant on particular other parts of the system. Supply and demand are in healthy equilibrium, providing good revenue income and good returns. A range of specialist financial providers and financial mechanisms in addition to grantmakers support sector capital investment needs.

<p>Strong networks (internal/external)</p>	<p>An absence of unnecessary silos internally, cross-team working, flexibility in roles. Organisation works in collaboration with others in its locality (though perhaps also regionally, nationally and internationally) and artform, and is part of wide information networks. Connection between organisations is at a variety of levels not just either functional or senior levels. Collaboration and networking makes the organisation vital to other systems – eg local arts/political/social networks.</p>	<p>Individual parts of the sector communicate well and collaborate regularly, with all parties feeling time invested yields appropriate returns. This networking leads to greater efficiency, greater knowledge of situations and patterns, and to a stronger advocacy voice. The sector is a powerful advocate for its activities and creates new customers and supporters for its work. Networks also provide challenge, innovation and ultimately improvements in practice. The interdependencies are increasingly acknowledged and self-managed, competition and collaboration co-existing.</p>
<p>Intellectual, human and physical assets</p>	<p>The organisations makes best use of a range of 'assets' which may include intellectually property including 'repertoire' or data as well as network relationships and physical assets such as buildings. These assets are used to maximise impact in pursuit of core purpose, as well as to create income for further r&d. Planned investment is made into the creation and exploitation of new assets. Arts practice seen as an asset to be used in future, as well as a set of particular activities that 'happen'.</p>	<p>Sector has the assets required to do its work – eg building and digital infrastructures, and there is good sectoral knowledge of what is held, shared openly. Assets are used for sectoral benefit as well as individual or organisational gain, and this networking of assets is enabled by appropriate financial planning. Income from artistic assets, in the form of 'repertoire' or collection-based IP is maximised, and made possible by appropriate legal and commercial skills and planning.</p>
<p>Adaptive Skills</p>		
<p>Leadership, management and governance</p>	<p>Organisation displays leadership which provides clarity internally and externally, with decision making process aligned to business model. Constantly seeking improvement and future-focussed, whilst delivering current plans. Addresses key issues with appropriate levels of challenge and support. Clear roles and responsibilities are agreed, but able to flex to circumstances. Clear, challenging and supportive management and reporting systems in place.</p>	<p>Sectoral leaders emerge who are backed by majority of elements of the system/network and taken seriously by funders, politicians and public. Improving governance is seen as a shared responsibility. Industry bodies act in a way which develops sectoral resilience rather than individual interests, and are future-focussed as well as practical in the immediate term. Sector advocates for evolution rather than simple maintenance.</p>

<p>Adaptive capacity: Innovation and experimentation embedded in reflective practice</p>	<p>Constantly seeking to innovate and experiment, with a clear focus on building on or integrating successful innovations into business. Build reflection on activity and its success in relation to core purpose into ongoing work, as well as relating to environment and future possibilities. Sees change as a natural positive, not an unavoidable trial, and actively prepares all staff for disruption.</p>	<p>Sector adapts to changing environment over time – and influences that environment. Dominant ways of working and forms of art and organisation change as innovation is adopted into the mainstream, thereby adapting it. Innovative models are supported to establish themselves. A culture of constructive peer review and critique brings diverse perspectives into constant reflection on practice. Not all individual elements of the sector are maintained in perpetuity, but this is seen as healthy. Risks are taken in an informed and responsible way.</p>
<p>Situation awareness of environment and performance</p>	<p>Has in place comprehensive formal and informal ways of collecting and considering information about the operating environment, and sharing that information throughout the organisation. Highly aware of current and innovative practice in its area of expertise, and well-connected into it. Well-designed and appropriate metrics in place for measuring performance. Information is regularly and creatively used to inform short-medium and long-term planning and decision making.</p>	<p>The sector openly shares information on performance and environment, to enable benchmarking and self-assessment. Discussion of environment is everyday and not merely defensive. Debate refines understanding of both formal and informal information. Industry bodies take situation awareness into account in advocacy and spreading best practice. The sector is self-aware, including of how others perceive it, and the reality of business situations.</p>
<p>Management of key vulnerabilities: planning and preparation for disruption</p>	<p>Analysis of emerging and inherent vulnerabilities carried out on a regular basis and integrated into medium and long-term planning. An ethos is in place which acknowledges vulnerabilities and accepts that things will change over time, but that reflects regularly on core purpose. Some financial and resource flexibility is retained in all plans to respond to disruption, be it positive or negative.</p>	<p>Shared discussion of key vulnerabilities is common, open and constructive. Collaborative planning is routine, particularly in particular localities (eg cities or counties) or artforms, leading to decision-making informed by sectoral insight as well as by funders. Decisions prioritise sectoral healthy rather than maintaining all individual elements. There is 'spare capacity' in the sector to cope with unexpected disruptions such as company collapse, disasters (eg floods or bombs) or unexpected peaks of demand (eg 2012).</p>

The characteristics set out above could form a useful diagnostic or self-assessment tool. (See below for a simple 'spider's web' to use.) They can be seen as aligning well with the six key areas of the Arts Council England's Self-evaluation Framework. However, the 'what success looks like' descriptions, and 'questions to ask' that are included, whilst useful, only go so far. The literature review and the interviews suggest that there are some fundamental 'mindset' issues which must be addressed. So for instance, the issue is not whether a 'written vision statement' is in place, but whether that vision genuinely directs the choices the people within the organisation makes, whatever their role, and whether they can relate it to the history of the organisation.

There is also a further, very fundamental mindset common to all the people interviewed, and which is repeated throughout the literature. The ability to face up to reality is fundamental to resilience – what Jim Collins calls 'facing up to the brutal facts'. As one interviewee put it, they are 'prepared to ask big questions and listen to the answers you don't want to hear.' Resilient organisations take risks, but considered risks, and make decisions based on clear business logic. As one person put it, very simply and powerfully, 'we don't do what we can't afford to do.' This has a relevance to Arts Council England as well as to the arts sector.

However, this should not be translated into 'only do what you know will pay its own way'. A long-term view, encompassing the effects of innovation, should inform assessment of risk. Those organisations with the strongest adaptive resilience tend to see risk as integral, but managed.

This is an extract from *Making Adaptive Resilience Real* by Mark Robinson, published by Arts Council England.

Making Adaptive Resilience Real can be downloaded from

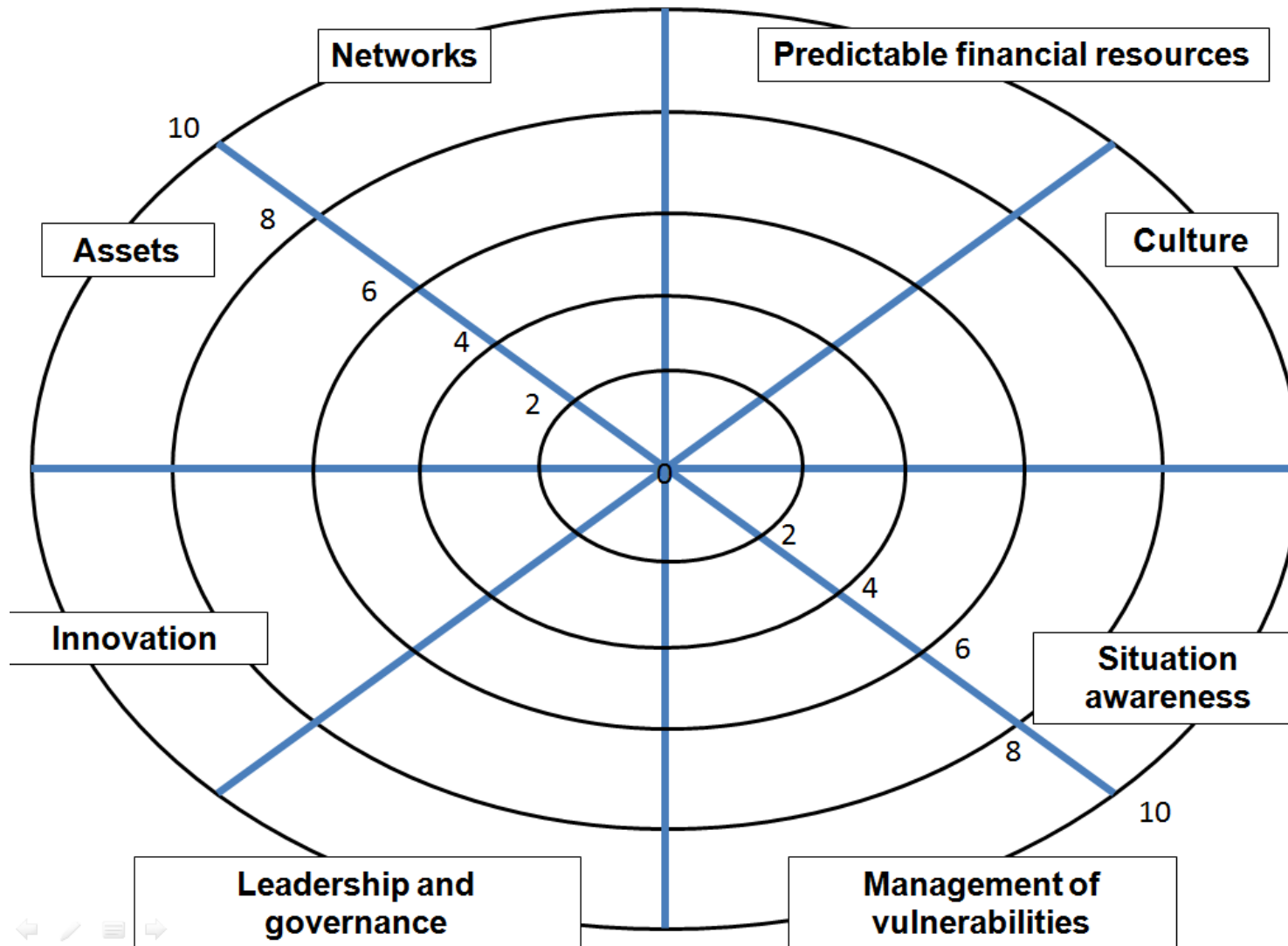
http://www.artscouncil.org.uk/media/uploads/making_adaptive_resilience_real.pdf

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How would you rate your organisation (or sector) for each of the 8 characteristics of adaptive resilience? Consider the descriptions and gave a rating out of 10. Then colour in the web above according to your scores. The more you fill in, the less vulnerable you ought to be. Have you got any important weaknesses or areas you need to build up? What might you do to improve your ratings?