

ORIGINAL ARTICLE

Orchestrating institutional complexity and performance management in the performing arts

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Abstract

This paper investigates the integration between institutional complexity and performance management in the field of performing arts. Prior research has documented tension related to how performance measures and management tools are used in arts organizations, and the conflict is often explained as being a result of the intrusion of business-like accounting tools into the exercise of the arts. Drawing on the concept of institutional logics, the findings of the current study suggest that a diversity of logics is salient in this organizational field. The performance measurement system is confronted with multiple logics, and the study shows how the role of performance management is shaped by this institutional complexity.

KEYWORDS

institutional complexity, institutional logics, performance management, performance measurement, performing arts

1 | INTRODUCTION

In recent years, there has been increased emphasis on exploring the presence and implications of institutional logics in organizations (Carlsson-Wall, Kraus, & Messner, 2016; Lounsbury, 2008; Rautiainen & Järvenpää, 2012; Reay & Jones, 2016). Institutional logics shape rational and legitimate behavior in institutional fields and hence influence organizational practices (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011). In addition, several institutional logics may be present in an organization or organizational field, and these separate institutional logics can create multiple and also competing institutional demands (Friedland & Alford, 1991). However, research has offered different conclusions regarding the effect of multiple logics, or institutional complexity, from conflict between, to the coexistence and blending of logics (Besharov & Smith, 2014; Rautiainen & Järvenpää, 2012).

Performance management is viewed as an overall management of performance (Ferreira & Otle, 2009), which includes both formal and informal mechanisms. Most accounting research has focused on specific and formal aspects

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of performance management systems, but there have been calls to take a broader approach to include more informal mechanisms such as cultural and ideological controls (Kraus, Kennergren, & von Unge, 2017; Malmi & Brown, 2008). This paper examines the integration between institutional complexity and performance management in the performing arts sector, more specifically in symphony orchestras. The starting point for this paper, however, is the government performance measurement system. Performance measurement has been an extensive management trend in recent decades (Arnaboldi, Lapsley, & Steccolini, 2015; Ramberg, 2017; Speklé & Verbeeten, 2014), particularly in the public sector due to the increasing popularity of new public management (Lapsley, 2008).

Prior research has also problematized performance measurement in the arts sector, with one such challenge cited as the difficulty in capturing the complexity of artistic activity through performance measurement (Chiaravalloti & Piber, 2011; Christiansen & Skærbæk, 1997; Nørreklit, 2011; Stockenstrand & Ander, 2014; Turbide & Laurin, 2009). As such, accounting studies within the performing arts sector have drawn on the inherent dichotomies of art and creativity on one hand, and management and control on the other (Chiaravalloti, 2014; Christiansen & Skærbæk, 1997; Eikhof & Haunschild, 2007; Turbide & Laurin, 2009; Wennes, 2002; Zan, 1998).

In order to study the integration between institutional complexity and performance management, this paper aims to account for how the design and use of the performance measurement system is influenced by institutional logics, and how these logics are manifest in this organizational field. There are numerous examples in which the coexistence of logics has generated negative tension or conflict (Glynn & Lounsbury, 2005; Greenwood et al., 2011; Reay & Hinings, 2009). This paper, however, prompts a rethinking of the tension-generating role of performance measures in the performing arts field by providing more detailed insights into how the different logics are instantiated in performing arts organizations, and how situational factors influence the relationship between logics.

The remainder of the paper is organized as follows. The next section elaborates on institutional theory and the institutional logics perspective, before presenting literature on performance management and performance measurement. This is followed by a description of the research method used in this study. Next, the case analysis outlines the empirical field, before developing the main findings. The final sections are a discussion of the paper's findings and a conclusion.

2 | INSTITUTIONAL LOGICS AND THEIR IMPLICATIONS

An institutional approach to organizational research proposes that there are persisting elements in social life—that is, institutions—that affect organizations (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Tolbert & Zucker, 1983). Neoinstitutional theory can be conceived to constitute two broad approaches: structural institutionalism and agency institutionalism (Green Jr. & Li, 2011; Heugens & Lander, 2009). Central to structural institutionalism is the idea that organizations need to pursue legitimacy in organizational fields where important resources are exchanged (DiMaggio & Powell, 1983; Friedland & Alford, 1991; Kurunmaki, Lapsley, & Melia, 2003). To gain legitimacy, organizations become increasingly isomorphic due to mimetic, coercive, and normative pressures. Agency is hence constrained because institutional myths and relationships at the field level direct organizational activity and behavior (Green Jr. & Li, 2011). Meyer and Rowan (1977, p. 347, 349), although not providing an exact definition of legitimacy, stated that legitimacy can result from “legal mandates” and “collectively valued purposes, means, goals, and others.” Central to Meyer and Rowan's (1977) proposal is the idea that legitimacy protects organizations from external pressure as the incorporation of institutionalized elements shields the organization from having its conduct questioned. Suchman (1995, p. 574) later defined legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system.” This followed Weber's suggestion that legitimacy can result from compliance with both general social norms and formal laws (cited in Deephouse & Suchman, 2008). Thus, an organization that conforms to institutionalized rules and pursues legitimacy contrasts with organizations built on efficiency. Although efficient organizations strive for alignment between structure and activities, institutionalized organizations decouple elements of control and structure from their core activities (Meyer & Rowan, 1977; Orton & Weick, 1990).

Because extant models of isomorphic pressures and social order were very deterministic (Green Jr & Li, 2011), a response was developed in which agency was reintroduced into institutional analysis (e.g., Oliver, 1991). In agentic institutionalism, the view of actors, or institutional entrepreneurs, is that they pursue opportunities to achieve interest of high value. The emphasis is hence on how meaning constitutes and constructs social structures, relations, and entities (Green Jr. & Li, 2011, p. 1668). DiMaggio (1988, p. 16) claimed, however, that institutional theory was not sufficient to explain “the origins, reproduction, and disappearance of institutionalized and organizational forms,” and as a response Alford and Friedland (1985) introduced the concept of institutional logics. Thornton and Ocasio (1999, p. 804) later defined institutional logics as “the socially constructed, historical pattern of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organise time and space, and provide meaning to their social reality.”

Institutional logics hence shape rational and mindful behavior and establish legitimate behavior in particular institutional fields (Carlsson-Wall et al., 2016; Quattrone, 2015; Thornton & Ocasio, 2008). This implies that the institutional logics approach provides a link between institutions and action (Thornton & Ocasio, 2008) by, for instance, impacting the role of rules and routines in an organization. Different responses to institutional pressures thus allow rules and routines, such as different types of accounting systems to play a range of roles in organizations and organizational fields (DiMaggio & Powell, 1983; Rautiainen & Järvenpää, 2012). This practice variation (Lounsbury, 2008) occurs due to external institutional pressure of rules and routines combined with internal pressure represented by the organizational actors. The organizational actors are influenced by the institutional logics, and these translate the rules and routines into practice (Rautiainen & Järvenpää, 2012). Rautiainen and Järvenpää (2012) suggested that when the external normative pressure is in conflict with the organizational actor’s logics, the organizational response (Oliver, 1991) is manipulative or entails sagacious conformity, meaning that the conformance to normative pressure is to some extent loosely coupled (Järvinen, 2006; Meyer & Rowan, 1977).

2.1 | Institutional complexity

It has long been argued that organizations must respond to multiple internal institutional demands, as several logics may be present in an organization at once (Besharov & Smith, 2014; Meyer & Rowan, 1977). These organizations face institutional complexity (Amans, Mazars-Chapelon, & Villesèque-Dubus, 2015; Ezzamel, Robson, & Stapleton, 2012; Greenwood et al., 2011; Greenwood, Díaz, Li, & Lorente, 2010), and are accordingly under the influence of multiple sources of rationality. Friedland and Alford (1991) suggested that institutions might be contradictory, but Besharov and Smith (2014) argued that research has offered various conclusions regarding the consequences of logic multiplicity, from contestation and conflict to coexistence and logic blending. This implies that key actors with differing logics are not only in conflict, but are also likely to recognize the legitimacy and necessity of acknowledging other logics (Reay & Hinings, 2009). Rautiainen and Järvenpää (2012) also suggested that collaboration between actors with different logics is viable because of the existence of a common universal idea. Modernity or cost-effectiveness (Rautiainen & Järvenpää, 2012) may be such universal ideas, or, in this case, the idea might be the performance of high-quality arts.

Besharov and Smith (2014) developed a framework to offer explanations as to why multiple logics generate negative tension and conflict in some organizations, but coexist more or less peacefully in others. To support explanations of the various implications of logic multiplicity, Besharov and Smith (2014) employed the critical dimensions of “compatibility and centrality” to define the heterogeneity of institutional logics.

Compatibility is conceptualized here based on the works of Friedland and Alford (1991) and Thornton and Ocasio (2008), as they discuss inconsistency between logics and opposing and coexisting beliefs and practices. Compatibility is thus defined as “the extent to which the instantiations of logics imply consistent and reinforcing organizational actions” (Besharov & Smith, 2014, p. 367). Centrality refers to the extent to which more than one logic is crucial to organizational functioning and is defined by Besharov and Smith (2014, p. 369) as “the degree to which multiple logics are each treated as equally valid and relevant to organizational functioning.” This implies that centrality is higher when multiple logics equally influence behavior than when a single logic informs the core operations. The dimension of

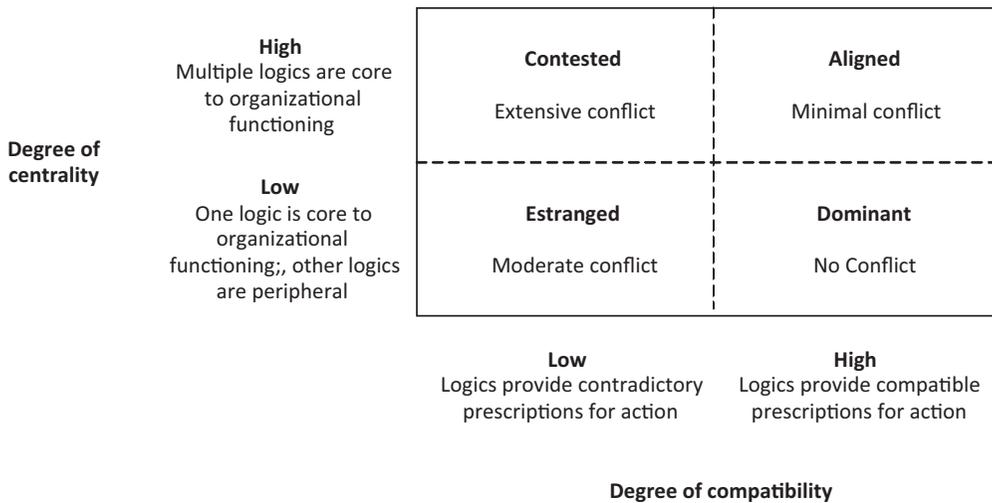


FIGURE 1 Types of logic multiplicity within organizations (Besharov & Smith, 2014, p. 371)

centrality thus provides an opportunity to differentiate between core and peripheral logics. Against this background, Besharov and Smith (2014) proposed four ideal types of organizations: contested, estranged, aligned, and dominant.

Organizations with low compatibility and high centrality are characterized as “contested.” Actors are under the influence of logics with different implications for action (low compatibility), and simultaneously multiple logics compete for dominance without clear guidelines for the hierarchy between them (high centrality). In “estranged” organizations, there is low compatibility and low centrality. Low compatibility has inconsistent implications for action, but centrality is low, meaning that the hierarchy between logics is clearer, as one logic exerts the primary influence. Estranged organizations, therefore, have less ambiguity due to the logic’s guidance for organizational behavior. In an “aligned” organization, the level of conflict is minimal. However, there is potential for conflict, as there is no clear indication of a dominating logic. Last, in a “dominant” organization, organizations reflect one single logic, and, combined with high compatibility, the outcome is that a prevailing logic is reinforced by one or more subsidiary logics.

However, the centrality and compatibility of institutional logics are not necessarily permanent, and may depend on different situations or situational factors (Amans et al., 2015; Carlsson-Wall et al., 2016; Thornton & Ocasio, 2008). Situational factors may be contextual or cultural, and include characteristics in organizations or in organizational fields that must be taken into account (Amans et al., 2015). Examples of situational factors are structure, ownership, governance, and identity; these act as organizational filters that can make an organization especially sensitive to particular logics (Greenwood et al., 2011).

2.2 | Institutional logics in the performing arts field

Different rationalities have garnered interest in the literature on management in the performing arts (Chiaravalloti, 2014; Christiansen & Skærbæk, 1997; Eikhof & Haunschild, 2007; Glynn & Lounsbury, 2005; Turbide & Laurin, 2009; Wennes, 2002; Zan, 1998). A major issue has been the potential conflict or tension between the artistic rationality and the managerial business rationality; indeed, Christiansen and Skærbæk (1997, p. 406) claimed that performing arts organizations are “dominated by a rationality very different from an accounting and administration perspective.” The artistic logic is, according to Amans et al. (2015, p. 50), defined as having a set of values associated with sensitivity, imagination, creativity, originality, and taste. A managerial business logic is, on the other hand, often described as being based on business and market considerations (Eikhof & Haunschild, 2007; Glynn & Lounsbury, 2005), or accounting perspectives (Christiansen & Skærbæk, 1997; Nørreklit, 2011; Sundström, 2011) and placing emphasis on values such

as efficiency, control, regularity, predictability, calculation, and measurement (Amans et al., 2015, p. 51). Such complexity is at the core of other public sector and not-for-profit organizations, as the major focus is the achievement of a wider set of benefits for the community that are difficult, or even impossible, to measure in an agreed or precise manner (Finkler, Smith, Calabrese, & Purtell, 2016; Gstraunthaler & Piber, 2012; Hyndman & Anderson, 1995; Lapsley & Skærbæk, 2012).

The relationship between these two logics is often filled with tension. For example, Christiansen and Skærbæk (1997) described a case in which a new budgeting system was implemented in the Royal Danish Theatre. The system was designed to capture decision-making in order to ensure efficiency and accountability, but was considered an intervention into artistic priorities, generating substantial conflict. In the case of the Atlanta Symphony Orchestra, Glynn and Lounsbury (2005) described a similar intervention, wherein a commercial market logic directed the orchestra to perform more “mainstream” or “pop” interpretations of classical music. These two cases illustrate the challenges of using management accounting systems in performing arts organizations, as the logic of art is based on a foundation that differs from that of administrative or accounting logic.

3 | PERFORMANCE MANAGEMENT

Performance management has attracted increased interest in recent decades as a lens through which to focus on the overall management of performance. Ferreira and Otley (2009) acknowledged that performance management is a difficult concept to define, but viewed performance management systems as “the evolving formal and informal mechanisms, processes, systems, and networks used by organizations for conveying the key objectives and goals elicited by management” (Ferreira & Otley, 2009, p. 264). Much of the accounting literature has focused on formal accounting controls (Malmi & Brown, 2008), but there has been increased interest on the impact of more subtle or informal controls. Malmi and Brown (2008) developed the concept of cultural controls as values and beliefs that influence the thoughts and actions of organizational members. Cultural control is also related to ideological control that is concerned with the use of rituals and symbols to influence employees’ beliefs, emotions, and values (Kraus et al., 2017).

The starting point for this paper, however, is the formal governmental performance measurement system in Norwegian symphony orchestras; in the performance management literature, this system is typically described as a formal mechanism. Performance measurement is based on an underlying conviction that performance contracting that includes measurable preset performance targets will direct organizational actors toward the organization’s and the organizational field’s objectives (Speklé & Verbeeten, 2014). Performance measurement hence links planning and control by constructing a relationship between strategies and plans, the resources available, and the achieved results (see, e.g., Anthony, 1965). In the private sector, it is common to view performance in terms of a production process that comprises the central elements of planning, resources or input (economy), activities, outputs (efficiency), and outcomes or impact (effectiveness) (Anthony, 1965; Ferreira & Otley, 2009; Malmi & Brown, 2008), and increasingly this perspective has gained traction in public and not for profit organisations (Arnaboldi et al., 2015). How decisions are made and how information is used, however, depends on the clarity of objectives and of cause and effect relationships. In an ideal situation, outcomes can be measured, but often outputs are the best option for measurement, while outcomes have to be “judged” (Lucas, Land, Lincoln, & Supper, 1980). Melnyk, Bititci, Platts, Tobias, and Andersen (2014) and De Bruijn (2002) claimed that performance measures are well suited to bringing transparency and accountability into an organization, as they provide insights into how much a particular activity contributes to the output.

Attention has also been directed to the negative sides of performance measurement, in particular in organizations structured around the work of professionals (Baker, 1992; Brignall & Modell, 2000; Broadbent, 2002; De Bruijn, 2002, 2006; Johnsen, 2005). In his seminal work, Gorz (1989) criticizes the use of “economic reason,” such as accounting, in professional organizations because it is inappropriate to program professional activities according to the requirements of such reasoning. Performance measurement in professional organizations can reduce the freedom of professionals

to define the activities that they, from a professional perspective, see as important or necessary. Broadbent, Dietrich, and Laughlin (2002) referred to this using the term “de-professionalization.”

3.1 | Performance measurement and evaluation in the performing arts

There has also been increased attention to the calculation and evaluation of output and efficiency of arts organizations. However, increased efficiency in the performing arts sector was problematized as early as the 1960s, as it was argued that it is difficult to detect efficiency and productivity gains in such areas (Baumol & Bowen, 1966). Performing arts is a labor-intensive field, and technical progress, for example, cannot increase the productivity, nor is it possible to reduce the amount of labor. When an orchestra plays a symphony by Mahler, it demands a certain number of musicians, and this is the same number today as it was 100 years ago. Hence will costs over time increase without a corresponding increase in productivity. Attempts to increase productivity by reducing the number of musicians will accordingly decrease the quality. This phenomenon has been termed “Baumol’s disease” (Nordhaus, 2008).

One of the driving forces behind research into performance measurement within the performing arts has been the acknowledgment that measuring the financial dimension does not account for complexity in arts organizations, and there has been little awareness of the negative effects that performance measurement might trigger (Badia & Borin, 2012; Badia & Donato, 2013; Chiaravalloti & Piber, 2011; Stockenstrand & Ander, 2014; Turbide & Laurin, 2009; Zan, 1998). A central issue is the measurement and reporting of quality. Nørreklit (2011, p. 276) illustrated these challenges well through the following quote by the Danish opera director Kasper Holten:

How does one measure a good opera performance? If we were to do the measuring, it would be one where people weep. [...] but say you could design a machine which could measure the quality of an opera performance, and then on some evenings, I am sure it would say fantastic. Yes, but, I would say, I didn’t shed a single tear, and on other evenings it would say no, too many things went wrong, and she didn’t sing the top C very well, and I don’t know what. And I must say that I cried inconsolably during her death scene. And I know which performance I would rather see. To measure the quality of an opera performance, we would have to install a hydrometer among the audience so as to be able to measure any increases in humidity.

Gstraunthaler and Piber (2012) applied the concept of four generations of evaluation, wherein the assessment moves from a first-generation purified “measurement paradigm,” through to a fourth-generation evaluation of critical reflections and judgments by participating actors. Gstraunthaler and Piber (2012) found two loosely connected evaluation systems in their study of museums: the targets set by the “business” part of the institution, and the aims emerging from professional arts experts critically reflecting on and judging the institution on quality issues.

Sundström (2011) also contributed to the understanding of critical discourse as evaluation of performance in arts organizations. The theatre in Sundström’s study was required to implement a reporting system based on a “scorecard” model. However, performance quality was not framed by the reported measures, but in everyday stories told by actors and technicians. These two examples hence illustrate that the attempt to link accounting to the actual mission of arts organizations is controversial (Chiaravalloti & Piber, 2011; Turbide & Laurin, 2009), as the concept of performance differs between the accounting and the arts discipline (Mariani & Zan, 2011).

4 | RESEARCH METHOD

4.1 | Research design and data collection

This research took the form of a case study of the Norwegian symphony orchestra field. The use of a case study design was considered suitable as the Norwegian orchestra field is institutionally complex, and the dynamics in the field were

TABLE 1 Summary of interviews conducted

Institution	Position	Location of interviews	Duration
Orchestra 1	CEO	CEO's office	45 m
Orchestra 1	Orchestra representative	Meeting room at concert hall	1 hr 2 m
Orchestra 1	CFO	CFO's office	50 m
Orchestra 1	CEO (second interview)	CEO's office	45 m
Orchestra 1	Chair	Café	44 m
Orchestra 2	CFO	Skype	52 m
Orchestra 2	CEO	CEO's office	1 hr 2 m
Orchestra 2	Chair	Chair's office	54 m
Association of Norwegian Theatres and Orchestras	CEO and Special Advisor	Meeting room at the association	1 hr 24 m
The Ministry of Culture	Senior Advisor	Meeting room at the Ministry of Culture	49 m

not immediately apparent. A case study design hence provided the necessary flexibility to acquire deep contextual knowledge. The analysis also involved historical conditions that were considered best extricated by inductive case study techniques and a sequential clarification of the impact.

The study mainly draws upon two sources of data: archival data and interviews. The archival data consisted of central-governmental documents such as parliamentary propositions and letters of funding. Newspaper articles were also studied to increase understanding of the field in practice. The main source of data, however, was interviews with key actors and decision makers from two symphony orchestras, along with the Association of Norwegian Theatres and Orchestras, and the Ministry of Culture. The Association of Norwegian Theatres and Orchestras has for many years been an influential party in the dialogue between the Ministry of Culture and the orchestras regarding the development of evaluation systems within the performing arts sector. The Association thus has deep knowledge of, and experience with, the performance measurement system. It also collects and presents the performance measures on behalf of the Ministry of Culture and sends annual reports to the Ministry of Culture (www.nto.no).

Ten interviews were conducted in two different phases. Two of the interviews were carried out early in the process to lay a foundation for the development of the study. A summary of the interviews is shown in Table 1.

To capture the influence of institutional logics on the performance measurement system, the interview guide was divided into three main sections. In the first section, questions were asked to obtain an understanding of the historical background of the performance measures and the design process of the performance measurement system.

Institutional logics are revealed through practices (Reay & Jones, 2016). Thus, to capture the influence of the institutional logics on the use of performance measures, in the second section, the interviewees were asked about how they perceived the use of performance measures in funding decisions (payment by results) and the degree to which the performance measures were used as a communication and feedback tool between the Ministry of Culture and orchestras. To further investigate the influence of the multiplicity of institutional logics in the field, the interviewees were asked about how the performance measures were used to inform management and artistic decisions, for example, those pertaining to strategy and programming. Finally, in order to develop an understanding of the influence of institutional complexity, the third section of the interview guide included questions about the interviewees' perceptions of the purpose and effects of the measures. The interviews were audio recorded and transcribed in full.

4.2 | Data analysis

The data analysis progressed in two distinct stages. First, an initial coding was conducted following the structure in the interview guide. The findings were summarized and categorized per interviewee. Subsequently the findings were

presented to the interviewees to validate the reliability and veracity of the data (Lincoln & Guba, 1985), and to allow the interviewees to provide feedback to the findings. Second, the data were analyzed in light of the theoretical framework. The responses were coupled with theory to inform understanding of how the different logics influenced the role of the performance measures. The analysis was conducted in an iterative process, switching between data and literature. An important action during this stage of the analysis was to compare and contrast the data between the various interviewees. This was done to increase the robustness of the findings.

5 | CASE ANALYSIS

5.1 | Empirical setting: The Norwegian orchestra field

Norway has six professional symphony orchestras. The two orchestras in this study employ about 85 full-time professional musicians, an administration of between 13 and 15 people and they each have a total budget of approximately 14 million euros, receiving about 90% of their total budget from the government, county, and municipality. The Norwegian symphony orchestras have, relative to symphony orchestras in other countries, experienced supportive economic conditions for many years. The studied orchestras are more or less full sized, providing them with great flexibility as to their repertoire.

Norwegian symphony orchestras are central government agencies, and governance of the orchestras is regulated through the Regulations on Financial Management in Central Government. Some of the basic management principles are to “ensure that established objectives and performance requirements are achieved and that central government funds are used efficiently” (The Norwegian Ministry of Finance, 2013, p. 12). Control of the orchestras is effectuated through the annual letter of funding from the Ministry of Culture, and the conditions in the letter of funding are rather general for all the orchestras. The orchestras are requested to manage their organizations in an economically viable way, and to manage them based on objectives and to develop management systems to ensure goal achievement.

The letter of funding also includes the performance measurement system, with its objectives and measures. The three main objectives in the system are (a) to make music of a high artistic quality available for a broad audience, (b) to promote artistic development and renewal, and (c) to target business and maximize resources. Table 2 provides an overview of the performance measurement system:

The three main objectives are divided into sub-objectives and further into indicators. The contents of the performance measurement system, thus, imply that accounting measures are introduced to scrutinize artistic priorities. In addition to reporting on the results indicators, the orchestras are required to submit a more detailed annual report that elaborates on their activities, overall objectives, and long-term strategies and plans.

The literature within the performing arts field has focused on the dichotomies between artistic and managerial logics, and values related to these logics have been described as opposing, and as a source of tension and conflict (Chiaravalloti, 2014; Christiansen & Skærbæk, 1997; Eikhof & Haunschild, 2007; Turbide & Laurin, 2009; Wennes, 2002). However, in this study, a third logic is identified: a political logic. A political logic includes values such as governance, political accountability, and formality of bureaucratic processes and the belief that funders' expectations must be met (Amans et al., 2015; Ezzamel et al., 2012). Norwegian symphony orchestras depend on financial support from the government, and the performance measurement system is part of the Ministry of Culture's response to the Regulations on Financial Management in Central Government (The Norwegian Ministry of Finance, 2013) as it displays governance, political accountability, and bureaucracy.

5.2 | Findings

This section presents the findings. First, the findings on the design of the performance measurement system are presented before the findings are structured around how concrete and central practices that are often influenced by a

TABLE 2 The performance measurement system

Main objective	Sub-objective	Indicators ^a
1. To make music of a high artistic quality available for a broad audience	1. To perform music of a high artistic quality for a broad audience	Nine quantitative measures—size of audience in different categories (e.g., total number, and size of audience at concerts for children and young people, concerts in own concert hall, abroad, and chamber music concerts)
	2. To develop forms of performance particularly aimed at children and young people	Ten quantitative measures—number of concerts (e.g., total number, concerts aimed at children and young people, concerts in own concert hall, concerts abroad, chamber concerts, and symphony concerts) One qualitative measure—a review of measures aimed at specific target groups
2. To promote artistic development and renewal	1. To develop artistic specialness	One qualitative measure (an assessment of the qualities that best express artistic individuality)
	2. To develop a repertoire that includes both Norwegian and foreign contemporary expression	Four quantitative indicators (number of works written in the last 50 years, number of first performances, number of Norwegian and foreign contemporary works)
3. To target business and maximize resources	1. To establish objectives and draw up strategic plans for artistic activities and dissemination	Two qualitative measures (rolling strategy plan, measures to achieve the strategy plan)
	2. To ensure good resource utilization	Two qualitative measures (a review of the measures undertaken to ensure good use of resources, a review of the results of efficiency measures in operations and production, including quality improvements and cost savings)

^aQuantitative measures are numeric. Qualitative measures are nonnumeric and provide the orchestras with the opportunity to give richer and more explanatory answers.

performance measurement system are implemented (Reay & Jones, 2016). Last, the three identified situational factors are presented.

5.2.1 | Design of the performance measurement system

New regulations on the management of public agencies in the 1990s required the Ministry of Culture to establish performance objectives and performance measurement systems for the symphony orchestras (Røyseng, 2007; The Norwegian Ministry of Finance, 2013). The findings of the current study suggest that the process of designing the performance measurement system was internal in the Ministry of Culture, with the orchestras having limited opportunities to be involved. However, there was little opposition to the design of the performance measurement system from the orchestra field, as exemplified in the following quote:

Well, this was not controversial at all. One could see that these indicators were the same ones that the orchestras already used for reporting. (*Special advisor, Association of Norwegian Theatres and Orchestras*)

The Ministry of Culture determined how the performance measurement would be put into practice, but this was informed by established measurement practice in the orchestra field. It was thus not a big change for the orchestras to conduct the measurement in the new system.

5.2.2 | Performance measures and funding decisions

A common use of a performance measurement system is in making budget decisions based on achieved results (payment by results; Kurunmäki & Miller, 2008). However, the findings do not suggest a relationship between funding and the reported measures. According to one of the CFOs interviewed, funding was not perceived to be adjusted based not on achievements reported via the performance measurement system, but rather on other mechanisms:

Well, here we are, more or less the only orchestra that did not receive more funds this time... I assume that our results have been good, better than [the other orchestras]. Maybe [the Ministry of Culture] have a fairer approach: "Well, they received so much more last year; therefore the others ought to get more instead." If this is the case, then one might conclude that this is something other than managing by results.
(CFO, orchestra 2)

The CEO of the other orchestra gave a related impression:

The way I have experienced the budgets... there has been incremental regulation. (CFO, orchestra 1)

The above quotations suggest that the Ministry of Culture does not manage based on the reported measures, and that funding decisions are somewhat opaque for the orchestras. The interviewee from the Ministry of Culture also confirmed this. The Ministry of Culture does not intend to manage the orchestras solely through performance measurement by signaling that there are incentives in the form of types of activities that may generate extra funding. This is illustrated in the following quote:

We do not want all of them to do the same things... we think that variation is a good thing. They are supposed to create a repertoire [that will appeal to] as many [people] as possible. This does not imply that every concert is for everyone, it means that they have the opportunity to program new music for those with special interest in this music. Moreover, they have to program music that also appeals to a broader audience. (Senior Advisor, Ministry of Culture)

Regarding the relationship between budget decisions and performance measures, the representative from the Ministry of Culture stated:

That is a far too detailed question. (Senior Advisor, Ministry of Culture)

The interviewee from the Ministry of Culture did not want to provide details about how the budget discussions proceed within the Ministry. However, the quote suggests that the reported performance measures may play some role in funding decisions, but that other unknown factors and judgments come into play as well.

5.2.3 | Performance measures as a tool for communication

Another common use of performance measures is in communication. It is to be expected that the reported measures are used as a management tool for general communication between the Ministry of Culture and the orchestras; however, the interviewees claimed that feedback and general communication from the Ministry of Culture was limited or nonexistent regarding the reported measures.

We are reporting these measures, and then we hear nothing more. Many of us then ask the question: "What is the purpose and meaning of the reporting?". (CEO, Orchestra 2)

The same CEO also said:

I have worked in the private sector, one of the big differences is how little focus there is on results, and this amazes me. There is just not enough focus on the actual achieved results. (CEO, Orchestra 2)

The findings presented in the previous section suggest that the coupling between budget decisions and the performance measures is loose. However, the findings did not suggest that the Ministry of Culture do not look at the reported measures. The interviewee from the Ministry of Culture explained:

Clearly, we study all that we receive, and we go through the material.... It is clear that if we see deviations from previous years or compare with the average of the preceding years, then we respond. We ask questions, yes. *(Senior Advisor, Ministry of Culture)*

The Ministry of Culture hence appears concerned with the orchestras and claims that it pays attention to the orchestras' activities. However, the reported measures are not systematically employed as a tool for communication. Nevertheless, even though some of the interviewees experienced little feedback on the reported measures, they did not want more control from the Ministry of Culture per se. As one interviewee put it:

I feel that there is enough control. Nevertheless [we would like] feedback beyond that. For example, we would not mind receiving feedback if they are excited about our approach to managing. *(Chair, Orchestra 2)*

The above sections highlight the role of the performance measurement system in decisions and practices in the relationship between the Ministry of Culture and the orchestras. The following two sections further develop how the performance measures influence practical actions and decisions within the orchestras. The first section elaborates on how the performance measures influence the orchestra management's choices, understood as strategies and business plans, and the second section presents how the performance measures influence artistic choices, understood as issues related to programming and artistic quality.

5.2.4 | Performance measures and managerial practices

The findings do not suggest that the Ministry of Culture expects the symphony orchestra managers to collocate the internal management system with the governmental performance measurement system and other reports. The Ministry of Culture emphasized this:

The boards decide the strategic plan; we do not interfere in their plans. Not much. However, we might question certain things, but we do not involve ourselves in that work. *(Senior Advisor, Ministry of Culture)*

This implies that the orchestra managers have the opportunity to manage the orchestras based on their professional judgment. One of the CEOs claimed that the orchestra plans and works according to its own strategy and business plans, and is not overly influenced by the performance measurement system:

I would dare to say that in 80% of what we do, and maybe more, one should define different types of measures, which are qualitative measures and measures for processual development. *(CEO, Orchestra 2)*

Thus, the managers of the orchestras considered the performance measurement system to be inadequate for internal management. They also confirmed that the Ministry of Culture upholds its intention of not interfering with internal management, as they have the opportunity to develop strategies and business plans as internal processes.

This does not imply that the measures do not provide useful information. The performance measurement system is a result of established measures, and one of the chairs confirmed that some of the measures, such as on the number of audience members, were used in board meetings. One of the chairs said the following:

At each board meeting, the CEO explains the development in terms of audience over the last period, and compares it with the budget, the targets we have set for ourselves. *(Chair, Orchestra 2)*

5.2.5 | Performance measures and artistic choices

Prior to implementing the performance measurement system, the Ministry of Culture emphasized the following:

The Ministry of Culture will take great care not to give guidelines where the consequences would be a restriction on the artistic or political freedom for the fund- receiving institutions. (*Røyseng, 2007, p. 137*)

A precondition for implementing the performance measurement system was, hence, that it did not compromise artistic decisions. Although the Ministry of Culture may involve themselves in some of the orchestras' projects, they appear to exercise caution when it comes to actions that could be considered to interfere with artistic autonomy. The interviewee from the Ministry of Culture said:

We do not consider the artistic decisions, but that does not mean that we are not concerned with following up certain projects they have. This could very well happen. (*Senior Advisor, Ministry of Culture*)

Thus, the artistic decisions seem to be loosely coupled with the performance measurement system. This can be illustrated by two examples: the employment of musicians and programming. These choices are made by the strong orchestral democracy through the orchestra committee and the programming committee. The orchestra committee decides on the employment of new musicians, and these choices are based on artistic abilities and how the musicians musically and socially fit into the orchestra. There is an opportunity for the management to conduct interviews, but the real decisions lie with the musicians. The musicians, through the programming committee, and together with the conductor, also control the programming process.

The interviewees also emphasized that the orchestras have an inherent understanding of what music to perform, and there was little need for the funding body to control the repertoire. As one interviewee put it:

What would have been different if you did not have any guidelines from the state? One would often find that the orchestras would have a repertoire that did not differ much from what was already chosen. (*CEO, Association of Norwegian Theatres and Orchestras*)

This claim has a basis in history. Orchestras and musical ensembles are very old constructions, and they have a long tradition of performing music to a broad audience, and thereby responding to a wide range of expectations from society. The need to manage the performance by introducing a centralized control mechanism such as a performance measurement system is hence perceived to be low, as the orchestras understand their societal mission. One of the interviewees elaborated:

[The orchestras] have existed for 100 years, longer than the management system. And before the management system they played new Norwegian music, they played for families, children etc., this is how they have understood their mission long before it was written. (*CEO, Association of Norwegian Theatres and Orchestras*)

6 | DISCUSSION

The findings suggest that the performance measurement system had little influence on the management of performance, as decisions, both by the Ministry of Culture and within the orchestras, were decoupled from the performance measurement system. Nor was the performance measurement system central as a tool for communication between the Ministry of Culture and the orchestras. To further understand and capture the performance management and the role of the performance measurement system, the following section first discusses the coupling between the identified institutional logics and the performance measurement system, and further how the artistic, managerial, and political

logics are manifested in this organizational field and the implications of this. Finally, the influence of situational factors is discussed before the discussion section is concluded.

6.1 | Performance measures and their coupling to institutional logics

The artistic logic is central to guiding the core operations in the symphony orchestra. The findings suggest several ways in which the artistic logic was not notably interfered by the performance measurement system: the funding was not based on payment by results with regard to artistic achievements in the measurement system, and the measurement system was not used systematically in communications between the Ministry of Culture and the orchestras. The artistic decisions were, accordingly, based on mechanisms other than the measurement system.

The coupling between the performance measurement system and the internal management of the orchestras was also loose (Meyer & Rowan, 1977). The management developed strategies it considered appropriate for the orchestras. One of the CEOs claimed that the governmental performance measures did not capture the core of the orchestras' activities, and that it was necessary to develop other, preferably more qualitative, measures. The Ministry of Culture also stressed that it did not want to interfere with the orchestras' plans, and the management of the orchestras had the opportunity to oversee the orchestras internally by using professional managerial judgments. As the performance measurement system did not seem to relate to the artistic and managerial logic, the performance measures appeared to be a bureaucratic device, something that was necessary and more of a precondition for receiving annual funding. Against this background, it can be argued that the performance measures couple most closely to a political logic, as a device for complying with the Regulations on Financial Management in Central Government (Amans et al., 2015; Ezzamel et al., 2012).

6.2 | The manifestation of institutional logics

The coupling of the individual logics' to the performance measurement system relies on how the logics coexist, or are manifested in this particular institutional field (Besharov & Smith, 2014). The artistic logic is very strong in the symphony orchestras, and many of the central decisions build on artistic choices without these being interfered with arguments based on other logics. For example, the findings revealed that the orchestras did not have to build their concert programs in certain ways to achieve funding from the government and decisions on employing new musicians were made by the musicians themselves.

As the values of the managerial and the political logics are very different from the artistic logic (Amans et al., 2015; Ezzamel et al., 2012; Glynn & Lounsbury, 2005), it was to be expected that the compatibility would be low, and that the different logics would promote inconsistent organizational actions. However, the artistic logic dominated the core of the organizational features, and according to Besharov and Smith (2014), this implies that the centrality was low. Besharov and Smith (2014) furthermore claimed that such situations create possibilities to develop compatible ways of enacting the multiple logics as the nondominating logics come close to being assimilated with the core logic, and that a high level of compatibility between the logics enables them to coexist peacefully.

Even though the findings revealed some frustration as to the dominance of the artistic logic, the overall picture was that there was an agreement in the field that the artistic logic should be at the core. The managerial and political logics were accordingly enacted in compatible ways and this did not generate much conflict. Following Besharov and Smith's (2014) framework, the Norwegian orchestra field can accordingly be characterized as dominating.

6.3 | Situational factors

The findings reveal, in particular, three situational factors that are central to understand the interaction between the institutional complexity and the performance management: (a) the arm's length principle, (b) the democracy within the orchestras, and (c) the supportive economic conditions.

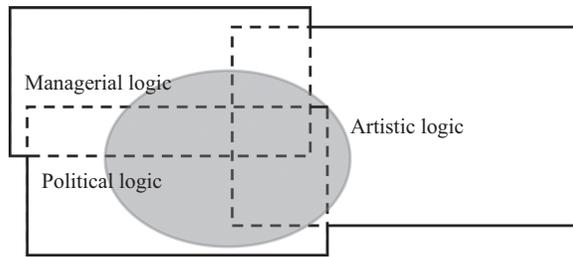


FIGURE 2 The relationship between the institutional logics and the coupling to the performance measurement system

The findings suggest that the Ministry of Culture took great care not to provide guidelines that would be perceived as a restriction on artistic freedom. This is in accordance with the arm's length principle, which is key to understanding this particular organizational field. The principle is often referred to as the constitution of arts politics, and in the core of the principle is the idea that political bodies should not interfere in artistic decisions and thereby challenge the autonomy of the arts (Mangset, 2013). The arm's length principle can be traced back to when the arts were detached from social institutions such as the monarchy and the church in the 18th and 19th century, through which the arts gained independence and autonomy. Accordingly, the principle of artistic autonomy has a long history, and there is resistance in the artistic community to using arts for instrumental or political purposes, bearing in mind some of the worst examples of using arts to promote extreme political fascist and communistic regimes (Mangset, 2013). The Norwegian arts sector is historically heavily influenced by the arm's length principle.

The second situational factor identified is democracy within the orchestras. Central decisions, such as the employment of musicians and programming, were made by the orchestra democracy. This is also a practice with long traditions in this field. Symphony orchestras in the late 19th century were often established and owned by the musicians, and accordingly they have an established practice of strong internal democracy. In Germany, the musician-owned orchestras were characterized as "*Musikvereins*," and some of the best orchestras in the world are still owned by musicians in this guise (Nissen, 2008).

The third situational factor, a supportive economic environment for the orchestras, is also imperative for understanding the outcomes of institutional complexity in the field. The Norwegian arts sector has, relative to other nations (Mariani & Zan, 2011), experienced strong economic circumstances for many years, and the national cultural budget has had a stable growth in the last 15 years. Norwegian symphony orchestras are fully sized, and this provides them with flexibility due to the repertoire they are able to play.

The situational factors engender differences in organizational responses to institutional complexity (Amans et al., 2015). In the current case, the three situational factors provide opportunities for actors within, in particular, the artistic logic to achieve interests they perceive to be of high value (Green Jr. & Li, 2011; Greenwood & Suddaby, 2006). The arm's length principle provides autonomy, the democracy within the orchestra provides power, and the supportive economic conditions provide flexibility. Situational factors are hence imperative in placing the orchestra field as dominant in Besharov and Smith's (2014) framework.

Against this background, the relationship between the logics and the coupling between the logics and the performance measurement system can be illustrated as shown in Figure 2.

The figure shows the three logics used in this analysis. The box for the artistic logic is largest in order to illustrate the dominance of this logic. The circle illustrates the relationship between the performance measures and the three institutional logics, suggesting that the performance measurement system is mostly coupled with the political logic as a mandatory and formal bureaucratic device.

7 | CONCLUSIONS

This study examined the integration between institutional complexity and performance management in the performing arts field, specifically, symphony orchestras. The analysis focused on the role of a formal governmental performance measurement system in the performance management of the orchestras.

The symphony orchestras in question are central government agencies, and the performance measurement system was an outcome of the trends of New Public Management in the 1980s and 1990s. The New Public Management trend draws on the instrumental role of accounting tools in the public sector as accounting became a means for economic reason in practice. The process of introducing the performance measurement system can accordingly be characterized as coercive isomorphism (DiMaggio & Powell, 1983). The literature has described conflict in both arts organizations and other professional organizations when accounting tools or commercialism are imposed upon them (Besharov & Smith, 2014; Christiansen & Skærbæk, 1997; Glynn, 2000). However, the findings in the current study suggest that the performance measurement system did not generate conflict or tension. The rules and routines were translated into a loosely coupled practice (Lounsbury, 2008) where the core artistic activities were not influenced by the performance measurement system. The findings are hence in line with those of Rautiainen and Järvenpää (2012) and (Oliver, 1991), who suggested that when external normative pressure conflicts with the organizational actors' beliefs, the organizational response is manipulative or entails sagacious conformity.

The findings further suggest that three logics were at play in this organizational field. Other studies within the performing arts field have pointed to an artistic logic and a managerial or business logic. However, as Norwegian symphony orchestras receive about 90% of their funding from the government, a third political logic was identified in this case (Amans et al., 2015; Ezzamel et al., 2012; Lounsbury, 2008). A contribution of this paper is thus its identification of the above three logics, and how performance measurement is practiced in response to the institutional complexity of these.

The findings also suggest that a central reason for the lack of conflict from the performance measures is that the organizational practices were informed by the dominance of artistic logic. However, the dominance of one logic in an organization or field is not an explanation for the low tension per se. This paper accordingly contributes by providing an account of why the dominance of the artistic logic did not generate tension or conflict by identifying the situational factors and how these influenced the ways in which the logics are manifested in this organizational field. The managerial and political logic blended into the artistic logic (Besharov & Smith, 2014) based on a common universal idea of providing high-quality art (Rautiainen & Järvenpää, 2012).

These findings correspond well with those of Zan (1998), who found a positive dialogue between and artistic-musical culture and a business-managerial (accounting) culture by emphasizing the dominant artistic discourse, and by letting accounting be important but not intrusive. The findings thus suggest that performance management in the symphony orchestras was driven by mechanisms other than formal accounting mechanisms (Ferreira & Otley, 2009). The orchestras are old organizations with a history that goes back centuries; thus, there is a longstanding and strong culture of professionalism and a strong devotion to presenting a diverse program of high artistic quality to a broad audience. The most important internal control mechanism can therefore be argued to be cultural (Malmi & Brown, 2008) or ideological (Kraus et al., 2017).

However, this is not to suggest that the role of the performance measures in this study as loosely coupled with organizational practices. Kurunmaki et al. (2003) discussed the legitimizing role of accounting suggesting that when accounting systems fall into this category, the system is not a means to increase efficiency, but to legitimize the organization. Through the performance measurement system, the orchestras had the opportunity to account for their actions, but perhaps more importantly, the Ministry of Culture had an instrument by which to demonstrate accountability in the field. Against this background, the performance measurement system seemed strongest coupled with the political logic, as the measures represent a formal bureaucratic device that provides an opportunity for accountability and legitimacy.

This paper enhances the knowledge of how institutional complexity influences performance management. Particular attention is given to the impact of situational factors on how different logics are manifested in this particular organizational field. In terms of future research, there is a need to direct extra attention to situational factors that differ between organizations and organizational fields. Further studies on arts organizations and organizations within the popular culture field, and studies within, for example, the nonprofit sector and different types of creative organizations, could inform the institutional logics perspective as different situational factors filter the logics and influence how institutional complexity is embedded in organizations, and consequently affects the role of management, accounting, and control.

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