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## **Cultural Organizations and Community Investment: Cognitive, Material, and Emotional**

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Arts and culture organizations have many urgent needs and priorities as they seek to grow and thrive. Financial investments in new programs, audience development, infrastructure, advanced technologies, and many other areas can all help support long-term organizational sustainability. Those volunteers who govern, and professionals who lead, these organizations might argue, however, that philanthropic support is centered on having a clearly focused case statement that gets to the heart of why “investing” in the organization will benefit “the community” it serves. The underlying questions, however, are who defines “urgency,” the organization itself or the community it serves, and how does public dialogue between the two advance significant investments in the arts and culture sector?

In this edition of *Arts Insights*, we explore the investments – cognitive, material, and emotional - that communities make in nonprofit cultural organizations and how a sense of shared urgency is created between the two to achieve mutually beneficial outcomes. It is based on an article published in *The Journal of Arts Management, Law, and Society* (2015, 45:3, 156-177, DOI: <http://dx.doi.org/10.1080/10632921.2015.1080640>) by Bruce D. Thibodeau and Charles-Clemens Ruling titled “Nonprofit Organizations, Community, and Shared Urgency: Lessons from the Arts and Culture Sector.”

### **Research Background**

The basic premise for our research was to ask what may seem like a simple question: *In what ways do nonprofit cultural organizations create a sense of shared urgency with community as they pursue capital intensive facility projects?* Of course, even the simplest question can have layers of meaning, layers that have numerous financial, social, and interpersonal perspectives. Here, even the basic definitions of the words “urgency” and “community” needed to be addressed carefully, as nonprofit cultural organizations speak regularly about their stakeholders yet sometimes lack clarity on how to engage them to advance a major strategic initiative. Therefore, the research was designed to examine stakeholders, the arts, and community carefully, triangulating all three into an integrated approach (pp. 157-159).

Case studies included five multi-disciplinary cultural facility projects that went from concept to grand opening stages between the years 2000 and 2010. The qualitative retrospective research included three established organizations and two start-up nonprofits. All five organizations were heavily reliant on philanthropic support to achieve their financing goals. Publicly available data on each was reviewed and then complemented by semi-structured interviews that focused on the concept, planning, and implementation stages at each of the five organizations. Data was analyzed by looking at overall project timelines, bracketing the three stages, and coding interview transcripts. The latter resulted in three primary areas

that were attributed to successful project outcomes: core group alignment, stakeholder alignment, and emotional and social bonds between the people and organizations involved in each of the projects. While all three components were critical to project success, this research focused exclusively on the emotional and social bonds dimension

### **Findings Summary**

Each of the five case studies had a different path from concept to grand opening. There is no single recipe or roadmap to get from point A to point Z in completing a cultural facility project. Interestingly, while the worldwide economic downturns that took place after late-2001 and late-2008 may have slowed project progress, momentum continued to build even during these periods. Ebbs and flows in the number of stakeholder advocates and detractors, as well as regulatory and financial hurdles, caused the organizations to become more flexible and adaptable to community needs. Public dialogue between the organization and its community increased attention and visibility for each of the projects, even if there was limited press coverage.

In the two start-up nonprofits, which lacked institutional history, programs, or legitimacy, the connection to and commitment of people, as well as the connections to a place, were at the heart of moving the projects from “the dream” to the reality. Many community members might think about the adaptive reuse of a derelict building or construction of a new facility on a vacant land parcel as an art/arts center, but few are able to mobilize stakeholders and resources to advance those concepts. The three established organizations had institutional history, programs, and legitimacy at varying levels, but they, too, understood that due diligence, planning, and stakeholder engagement strategies were crucial in building consensus to advance their projects through the connections and commitments referenced above.

Ultimately, the organizations in all five cases had to carefully assess and understand their programs, business, and financial models. The two start-ups, as well as the two seasonally programmed existing organizations previously using rented space, had never owned or operated cultural facilities. All four organizations ultimately purchased and adaptively reused existing buildings and/or land to construct a new facility that transformed them into year-round operations. The one established organization that continued its existing business model encountered several false starts in the planning stage as it explored its adaptive reuse vs. relocation options. All five organizations realized that cognitive (i.e. intellectual) and material (i.e. financial, human, technological) understanding of their projects weren't enough to advance their cultural facility concepts. Emotional and social bonds became the catalyst for each organization whereby connections to and commitment of people (i.e. with the institutions and/or one another) and a deep connection to place (i.e. a city, building, neighborhood) combined to guide organizations along a circuitous but successful path from concept stage to grand opening.

### **Conclusion**

When thinking about stakeholders, the arts, and community, it is important to keep in mind the critical social and emotional bonds that cultural organizations have in and with the communities that they serve. That said, each community – rural, urban, or somewhere in between – has its own identity, psychology, and sense of community. Each of the five case studies supported the concept that “elements of spirit, trust, trade, and art [are] inherent in creating and maintaining a sense of community” (p. 171).

Stakeholder attributes of power, legitimacy, and urgency all come into play at various stages when communities invest in the major strategic initiatives of cultural organizations. The core group of board and staff members are supplemented by key project professionals as organization and project leaders are mindful of gaining internal and external stakeholder alignment. In good and bad economic times, the relationships between people and the context of place work together to advance these capital intensive projects. Although power and legitimacy may be easier to identify in each stage, urgency between the cultural organization and its community evolves for both internal and external stakeholders. Boundaries between stakeholders are permeable throughout the process as public dialogue changes the power-legitimacy-urgency dynamic at the point where all three are aligned to identify a "definitive" stakeholder (p. 170) who will invest cognitive, material, and/or emotional resources in a major project.

Community investment - cognitive, material, and emotional - in cultural organizations is not dictated by the organization's definition of urgency. As the last paragraph of the full publication in *The Journal of Arts Management, Law, and Society* states: "community-organization interactions imbue a flexible and adaptive process where stakeholders' material connection, commitment, and capacity to assist an organization's people and projects are centered on emotional and social bonds. These factors will further advance nonprofit cultural organizations, their capital intensive projects, and their ability to engage community in mutually beneficial outcomes" (p. 172).

**Author's note:** With tremendous gratitude to DBA supervisor and publication co-author, Charles-Clemens Rüling, and a hearty thank you and congratulations to all the (anonymously named) cultural organizations who participated in this research.



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