

Bookshelf

Developing Effective Arts Boards

By Sarah Iley

Published by The Council for Business and the Arts in Canada, Toronto, 1984, pp. 32, \$3

REVIEWED BY JOHN D. GREGORY

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Even given some real artistic talent and a measure of public acceptability, an artistic organization must often depend for its success on the strength of its board of directors. Yet many artists, and those to whom they turn for help, have much to learn about the establishment and maintenance of such a group. In the future, one of the best places to start learning will be a recent publication of The Council for Business and the Arts in Canada, *Developing Effective Arts Boards*.

We start with the basics, both legal and practical. Why incorporate? What should be in the corporate charter? What are the responsibilities and liabilities of a director? The answers to these questions are not much different from those that would be given for directors of a business corporation: the duty to act honestly and in good faith in the best interests of the corporation, to be reasonably prudent, and so on.

On the subject of liabilities, the book suggests buying insurance for the directors. In my view this is a luxury for an arts organization. There are few, if any, cases in Canada of directors of business corporations being sued successfully for insurable breaches of duty. Perhaps the most that can be said for insurance is that it would cover the legal expenses if a suit were brought. It would not take a very big board or a very long time before the organization found it was cheaper to self-insure than to pay premiums.

What does the board do? It sets goals, establishes programs to achieve them, and reviews performance of the organization in carrying out the programs. The relationship of the board to its artistic director can make these tasks sensitive. While technically the artistic director is an employee of the corporation, selected by and reporting to, the board, in most young arts organizations there would be no organization without the artistic director. Indeed, many of the board members may be serving solely because of their interest in the artistic director's work.

Nevertheless the board is responsible for general artistic goals. If there is a radical dissent from those of the artistic director, probably the dissenting board member should go, unless the future of the organization is at stake and the organization can survive a change of artistic director (not always an easy judgment to make). Even when the organization is well established, the search

for a new artistic director can be a tricky and even political task, as the Stratford Festival Board, among others, has found in recent years.

Setting a budget can also become a matter for high diplomacy, particularly when the most obvious place to look for variable, and thus “cuttable”, expenses is usually the production budget, which is, however, the source of that which makes the organization worth running in the first place. Nevertheless, bringing a free-spending artistic director down to earth from time to time is a duty of the board, even if the artistic director is also a member of the board.

Once the budget is set, it is up to the board to balance it by ensuring that the projected revenues come in. This usually demands both energy in dealing with governments and a commitment to extensive fund raising, a tough job in an increasingly competitive field. It is, however, the most important job of nearly every arts board director.

If anything, boards of arts organizations have more responsibilities than directors of business corporations because, except in the largest organizations, management does not have the depth or the experience to handle many of the decisions which must be made. Arts organizations often look to their boards for free expertise in such areas as law, accounting, and public relations. Contacts with government and with potential donors will also be sought through directors. However, since service on an arts board is often a useful experience in policy formation and administration for younger professional and business people who are not yet at the levels where corporate boards are usually recruited, both the organizations and the directors benefit from their recruitment. Enthusiasm for the artistic endeavour is often a good substitute for knowledgeable ability about it.

The book goes on to describe in more detail what each party should expect from the other, e.g., the director in terms of staff support, the organization in terms of commitment and work. If these expectations are to be met and relations are to be harmonious and effective, the board needs a well-thought-out committee system or an active and diplomatic chairman, or preferably both. Then most of the work can be done between formal meetings. Meetings themselves can be kept reasonably short and productive, without losing the sociability that makes the work agreeable. Long meandering meetings are never pleasant but when those attending are volunteers, they have, and may exercise, the right to leave.

The difficulties of the process are not overlooked. For example, a particularly challenging conflict arose for the board of the Boston Symphony, when the hiring of Vanessa Redgrave to narrate a work provoked challenges by supporters of the Symphony who took exception to her political views. In that case the board followed what it thought was its duty to its public and cancelled her contract. Since *Developing Effective Arts Boards* was published, Ms. Redgrave has been awarded \$100,000 in damages against the Symphony.

The book concludes with a select bibliography for further reading. This includes a good deal of U.S. material but there are also some good Canadian works that will be of interest.

Developing Effective Arts Boards is full of useful hints and suggestions, many of which are obvious only after someone points them out. It is enormously helpful to have readily accessible this sensible, concise, and easy-to-read guide to make the path for all of us—artists and directors—more obvious.

Developing Effective Arts Boards is available for \$3 (prepaid) from:

The Council for Business and the Arts in Canada
401 Bay Street, Suite 1507
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Toronto, Ontario
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America's Voluntary Spirit

Edited by Brian O'Connell

*Published by The Foundation Centre, New York, 1983, 461 pp.,
U.S. \$19.95.*

REVIEWED BY EDWARD J. WAITZER

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The Report of the National Advisory Council on Voluntary Action, *People in Action* (Department of the Secretary of State, 1977) began, "Volunteers and voluntary activity have, throughout Canadian history, been lauded, derided, stereotyped, but always noticed. However, there has been very little understanding of the concept and philosophy of voluntary activity". Brian O'Connell has responded to this challenge by carefully assembling 45 essays and an extensive bibliography through which he attempts to penetrate the character of the voluntary sector as well as to celebrate its extraordinary strength and diversity. As president of the Independent Sector, a national coalition of voluntary organizations, foundations and corporations which seeks to enhance the traditions of giving, volunteering and not-for-profit initiative in the United States, and one of the leading and most thoughtful advocates of voluntary action in that country, O'Connell is well suited for the task. The collection presents an excellent overview of the historic and continuing significance of voluntary activity to the American (and perforce our own) way of life.

Most efforts to comprehend the voluntary sector are sidetracked by unhelpful homilies or predictable prescriptions for improvement. The simplicity of behaviour associated with voluntary action belies the immense complexity of thought and emotion from which it springs. O'Connell's collection of readings follows a difficult trail beyond the often cited "dilemmas of philanthropy" so that, together, they assist the reader to reach a better understanding of the essential character of voluntary activity. This is done through the selection of

pieces which, individually and together, challenge the reader to consider the tensions, contradictions and constraints which inform voluntary action.

The tensions become immediately apparent in the historical readings, from biblical excerpts and timeless essays by such giants as Ralph Waldo Emerson, Alexis de Tocqueville and Henry David Thoreau, to critical essays by contemporary scholars which consider the origins and scope of philanthropy. While the concept of mutual aid is as old as mankind, it evolved in two divergent directions. Throughout medieval history, “charity” was interpreted primarily as individual service rather than social reform. However, in response to the vacuum precipitated when the Protestant Reformation displaced the Roman Catholic Church, which had been the primary provider of assistance for the poor and infirm, exacerbated by Lutheran teachings about the separation of church and state, and carried along by the effects of the Industrial Revolution, governments, at first reluctantly, came to accept the responsibility for providing their citizens with that which they could not provide for themselves. The prime movers in this radical shift were the reformers of the eighteenth and nineteenth centuries. Social reform had its roots in their work and from those roots grew a multitude of private charitable associations as well as legislation for social reform. Yet, as these readings make plain, reform in itself is not enough. If it is not inspired by the Judeo-Christian principle of love for one’s neighbour, social reform is necessarily stunted, since at best it has only enlightened self-interest as its motivating force.

Even though they have been responsible for much of the growth of governments, social reformers have, necessarily, remained a thorn in governmental sides. This is because, in many respects, philanthropy is a societal response, not just to the indifference of the marketplace, but to the incompetence of the state. Occupying such a middle ground, it is not surprising that the voluntary sector is seldom in a position to curry favour with either side. Moreover, largely as a result of voluntary initiatives, the margins of what is considered “private” and “public” have shifted dramatically.

Unfortunately, as is noted in several of the readings, the regulation of voluntary activity has not kept pace with its changing focus and impact. This problem has become most profound during the twentieth century, with the enormous proliferation of every imaginable type of voluntary organization. Until recently, such organizations have tended to consist of private individuals acting with respect to their own interpretation of the public interest, usually on a relatively narrow issue. An interesting resolution of the dilemma arising from the efforts of such groups was provided during the course of the McKenzie Valley Pipeline Inquiry when Justice Berger indicated to a group of petitioners that while it might be the case that they did not represent the public interest, it was certainly in the public interest that they be heard. This distinction is crucial to the nurture (or suppression) of voluntary action in our society and is thoughtfully examined in several of the readings.

There is an inherent tendency in philanthropy to move from the spontaneous to the planned; from the impulsive acts of individuals to the organized acts of groups. Government facilitates this process by providing both support and

legitimacy. Several of the essays urge that care be taken to provide equal support for the freedom of individuals to create new organizations, to abandon existing ones, and to decide in what collective forms they will express their will and opinions. Of course, government support is not the only force organizing and, in turn, institutionalizing altruistic efforts. Indeed, as non-profit organizations begin to form coalitions around shared values, some predict that they will replace the traditional political parties. In time, the most serious threat to the voluntary sector may prove to be, not its weakness, but its strength, as a trans-ideological vehicle through which popular will and commitment can be expressed or reflected.

Other problems which flow from the organization of altruistic effort are dealt with in the readings. For example, two of the leading capitalists of the last century (steel magnate Andrew Carnegie and Julius Rosenwald, the founder of Sears, Roebuck & Co.) confront the problems of perpetual wealth, whether in the hands of individuals or foundations. Carnegie makes a compelling argument for estate tax policies designed to “work powerfully to induce the rich man to attend to the administration of wealth during his life” (as opposed to leaving it to his family or bequeathing it for public purposes). In his view, such policies would not remove the incentive to accumulate wealth and would provide a “true antidote for the temporary unequal distribution” thereof. Those fortunate or capable enough to accumulate wealth should become trustees for the poor, entrusted for their lifetimes with a great part of the increased wealth of the community, but ultimately administering it for the good of society.

Rosenwald challenges the underlying assumption of perpetual endowments. Reciting a litany of anachronistic endowments and pointing to the difficulties of trustees who have been unable to respond adequately to public needs because of the constraints imposed upon them, Rosenwald argues that large gifts should not be restricted to narrowly specified objects and that under no circumstances should funds be held in perpetuity. While not an advocate of profligate spending, he does urge that donors place confidence in living trustees rather than attempting to assert control by the “dead hand” or by encouraging the building up of bureaucratic groups of administrators who are likely to become overly conservative and timid in the investment and disbursement of trust funds in their care.

In considering the social reform element of voluntary action, several of the readings also touch upon the professionalizing of philanthropy, pointing to emerging tensions and suggesting this as an area which requires further study. Little has been done to examine the differences in motivation and style between those who labour for a cause as volunteers and those who are its paid staff. Similarly, philanthropy as a vocation has not been the subject of rigorous study. For some, professional philanthropy provides all of the economic benefits associated with working in the private sector. For many others, however, working in the voluntary sector requires acceptance of lesser benefits than those received by people in the private or government sectors doing equivalent work. Even more challenging are the prospects for the future when, as leisure time increases, the search for self-fulfillment may lead more and more people to

undertake work that combines material rewards and spiritual satisfaction. If so, the boundaries between work and voluntary activity may become even more blurred.

The origin and development of voluntary action in America is the primary focus of the readings. In addition to historical and conceptual analysis, several of the essays focus, less abstractly, on the various types of voluntary organization which have emerged in the United States. These range from those spawned by the women's suffrage and civil rights movements, through Mexican-American organizations to corporate philanthropy. In a brilliant essay, Librarian of Congress Daniel Boorstin goes beyond the boundaries of the United States to examine the many problems which have arisen in the twentieth century from efforts to apply the American philanthropic spirit abroad. Leaving aside the difficulty of distinguishing charity from self-interest, Boorstin points to the need for a sense of community and shared values as prerequisites for the development of successful philanthropic institutions. Such a sense of community cannot arise merely, or even mainly, from outside acts of philanthropy.

Other difficult and thought-provoking issues are identified and developed in this carefully assembled collection. Such issues are addressed from many perspectives and, in virtually each instance, with insights that are as relevant today as when the essays were first written. Thus, for some, the book will prove a useful introduction and overview of the voluntary sector. For others, it will provide a valuable source of reference for speeches and articles.

As is pointed out in several of the readings, the issue of philanthropic commitment is critical both to effective government and effective voluntary initiatives. Fundamental questions concerning the need to nurture forms of social obligation appropriate to contemporary society ultimately affect much of our thinking about politics and society, yet, by and large, these fundamental issues are ignored. If and when these issues attain the importance they deserve on our public policy agenda, collections such as this will provide a useful starting point for organized inquiry into the values, principles and purposes of philanthropy.

Correction

In his interesting comment on U.S. foundations' giving in Canada on page 43 of *The Philanthropist*, Fall 1984, John W. McDowall of McGill University reports the total of such grants as \$1,490,246. The correct total is \$1,490,246,255. The error was *The Philanthropist's* not Mr. McDowall's.