

# Creating Public Value Through State Arts Agencies

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# Four Key Analytic Ideas

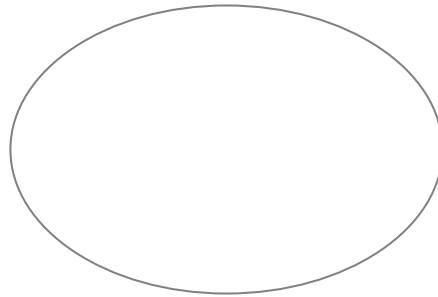
- “The Strategic Triangle”
- “Public Value” and the “Task Environment”
- “Legitimacy and Support” and the “Authorizing Environment”
- “Operational Capacity” and the “Value Chain”

# Functions of the Strategic Triangle

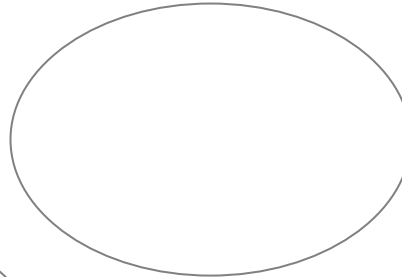
- To Help Managers Position their Enterprises in Complex, Dynamic Environments
- To Distribute Managerial Attention Across Their “Task Environment” and their “Authorizing Environment”
- To Help Them Envision (and Negotiate) a Sustainable Public Value Proposition to Be Pursued With Assets Entrusted to Them

# The Strategic Triangle

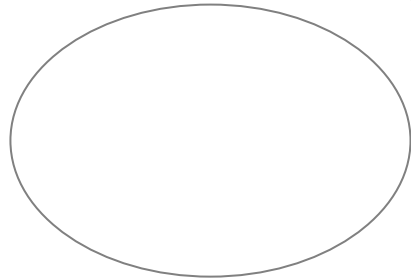
**Legitimacy and  
Support**



**Value  
Mission  
Goals**



**Operational  
Capacity**



# “Public Value” and the “Task Environment”

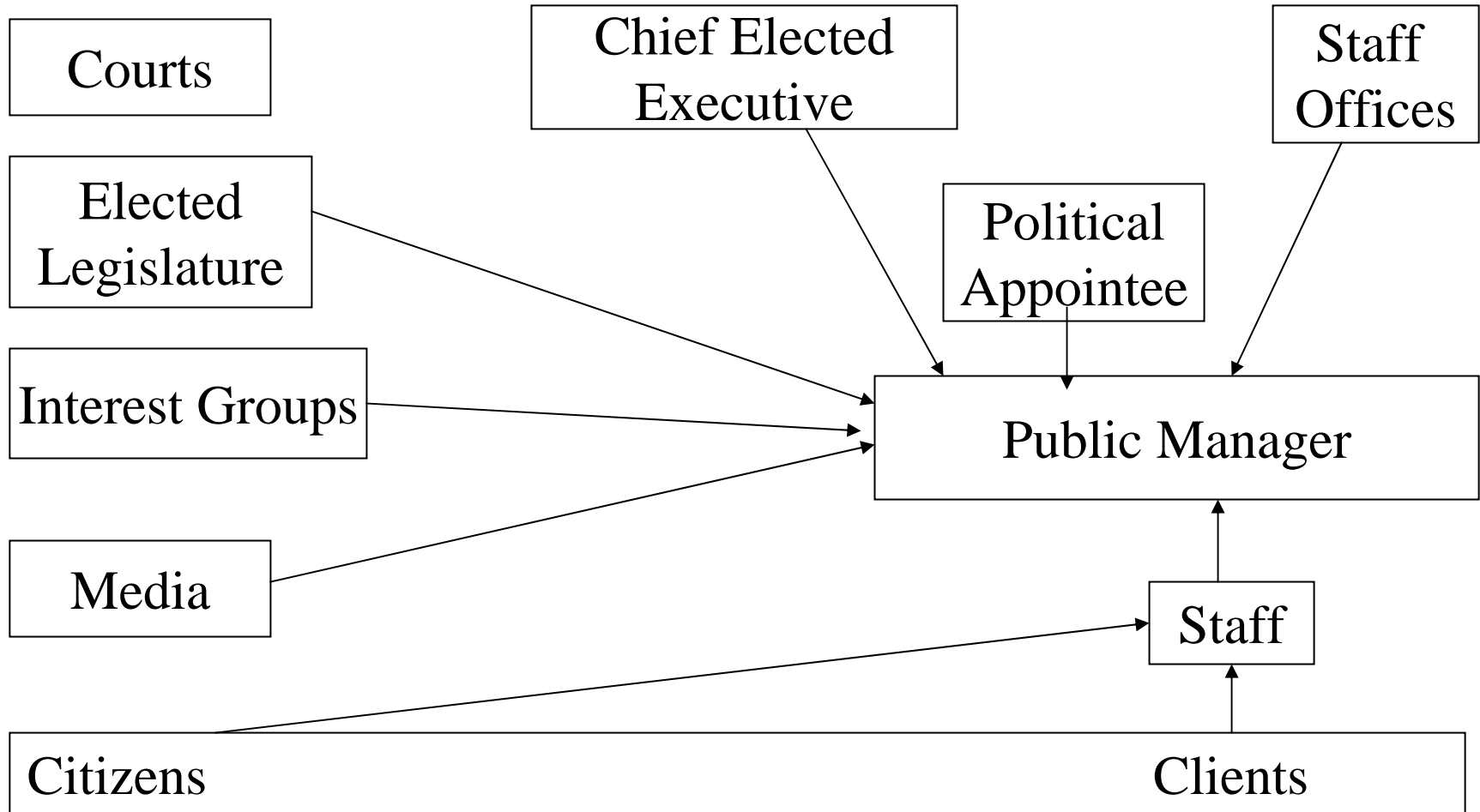
- The Point of All Managerial Activity is to “Create Public Value”: to Transform Existing Social Conditions in Collectively Desired Directions
- The Social Conditions Managers seek to Change Can be Viewed as the “Task Environment”
- Demonstrations of Public Value Creation Lie in Evidence Showing Changes in Social Conditions
- Problem: Not Everyone Sees Public Value in the Same Way

# The “Authorizing Environment”

## **Definition:**

Actors From Whom Manager  
Needs Authorization and  
Resources to Survive and Be  
Effective

# The “Authorizing Environment:” A Picture



# Theory of Public Administration

Durable, Coherent Policy Mandates  
Constructed Through Political  
Deliberation and Agreement



# The Reality of Public Management

Incoherent, Fickle Mandates  
Emerging from Chaotic  
Authorizing Environment

# Implications for Managerial Orientation and Skills

- ❖ Trusty Bureaucrats?
- ❖ Or, Imaginative Leaders?

# “Operational Capacity” And the “Value Chain”

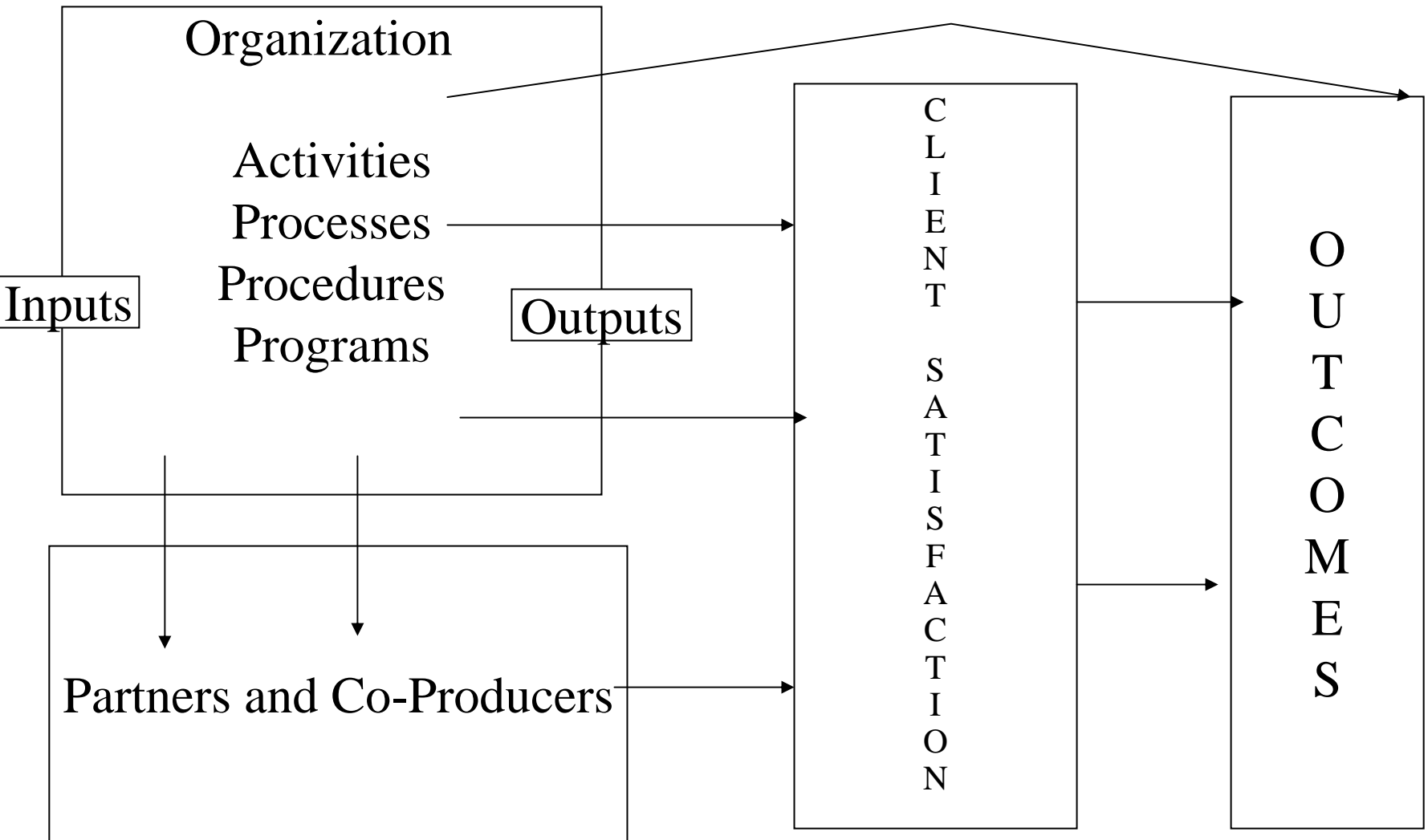
## Definition of *Operational Capacity*:

Assets and Capabilities Entrusted to Manager Plus Those That the Manager Can Influence, and Are Required to Achieve the Desired Results

## Definition of *Value Chain*

Process by Which Fungible Assets Like Money, Labor, Ideas, etc. Are Deployed in Particular Ways to Produce Particular Results

# The “Value Chain:” A Picture



# Operational Capacity

Operational Capacity  $\neq$  Organizational Capacity

Operational Capacity = Organizational Capacity

+

“Partners” & “Co-Producers”

+

(Sometimes Clients!)

# Integrating “Partners,” “Co- Producers,” and “Clients” into the Production Process

❖ E-commerce

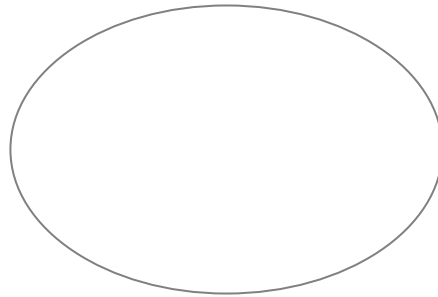
❖ McDonald’s

❖ The Idea of a Super-market

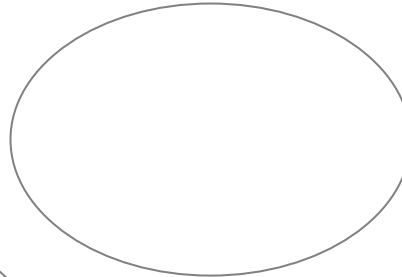
❖ Re-cycling of Solid Waste

# The Strategic Triangle

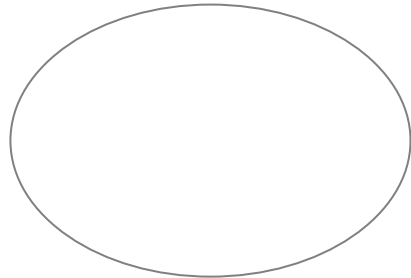
**Legitimacy and  
Support**



**Value  
Mission  
Goals**



**Operational  
Capacity**



The Hard Part:  
Touch All Three Bases!!



# Creating Public Value Through State Arts Agencies:

A Speculative Application of  
the Strategic Triangle

# Concepts of Public Value for SAA's

- Increase Revenues to SAA's
- Support Existing “Arts Community”
- Widen, Deepen, Diversify “Participation” in the Arts
- Exploit Economic Benefits of Arts to State
- Exploit Capacity of Arts to Create Better People and Better Communities

# Rand Framework for Analyzing the Social Benefits of the Arts

	Individual Private Benefits	Private Benefits with Public Spillovers	Public Benefits
Instrumental Benefits	Improved Test Scores	Improved Self-Efficacy, Learning Skills, Health	Development of Social Capital
Intrinsic Benefits	Pleasure Rapt Absorption	Cognitive Growth Expanded Capacity for Empathy	Creation of Social Bonds Expression of Communal Meaning

# Key Sources of Legitimacy and Support for SAA's

- Existing Arts Community (and Patrons)
- Local Arts Agencies (and Patrons)
- Individual Legislators and Exec Branch Officials Who Wish to Be Patrons
- Other Government Agencies Relying on Arts
- Latent Arts Constituencies
- Commercial Arts Interests

# Key Operational Capacities for SAA's

- Organizational Capacities of SAA's
- Existing Arts Community Known to SAA
- Arts Community Not Yet Known to SAA
- Members of Community Who Do Not Know they Want to Participate in Arts
- Commercial Arts and Culture Community

# Key Operational Organizational Capacities of SAA

- Leadership of Public Movement for Arts Engagement and Participation
- Network Convening Capacity
- Funding to Arts Initiatives
- Technical Assistance to Arts Community

# Some Concluding Observations

- Critical Public Value of Art Currently Lies in Strengthening Individual and Community Capacity to Express, Learn to Tolerate, ultimately to Benefit from Diverse Human Experience
- Urgent Need is for Continued Leadership on this Point
- Building Participation in the Arts is the Simultaneously the End and the Means for SAA's
- Frontier for Engagement is with the Aging and the Developing
- Don't Ignore the Mainstream and the Commercial