

# ON LOSING OUR MAPS & FINDING OUR VALUES



Hi. I'm Diane Ragsdale.

I am a US Expat living in the Netherlands—the land renowned for legalized marijuana and prostitution on the one hand, and windmills, tulips, and funny wooden footwear on the other.

I ended up there because I married a Dutchman a few years ago.

Here's a question my American friends ask me a lot. Is the Netherlands the same or different from Holland? In case you've also been a bit unsure about this (and there's no reason to be embarrassed if you have, I asked my husband the same question when I first started dating him), I can tell you that Holland is just one region of the Netherlands (shown here in yellow).

So if you learn nothing else from this presentation you now know this, with certainty.



I currently lecture in the Cultural Economics and Entrepreneurship program at Erasmus University in Rotterdam, where I'm pursuing a PhD. This is the statue of the philosopher Erasmus after whom our university is named. He believed education should be enjoyable and that drudgery in the classroom should be avoided, if at all possible.

It's a good philosophy and one I will aim to live up to today.





- **Rescue Fantasy:** we are saved by significant increases in contributions;
- **Withering Winterland:** we starve ourselves into a weakened state;
- **Arbitrary Winnowing:** survival of the largest, oldest, and best connected (and the loss of the rest); and
- **Transformation:** a redesign of the social sector that leaves it stronger, more vibrant, more sustainable, and more impactful.

Light said that the Rescue Fantasy was just that and was, thus, highly unlikely to happen. And he argued that the benefits of Transformation could only be reaped by deliberate choice and action. He cautioned that if we let the future take its course it would naturally result in a Withering Winterland or Arbitrary Winnowing.

One imagines that the same predictions could have been made about the future state of the Dutch cultural sector, following the government cuts to the arts budget in 2010.

And what pictures are emerging in the arts and culture sectors (in both countries)?



Light's predictions have panned out.

Perhaps here, as well?

We're seeing intense competition for resources with a small percentage of organizations—often those most able to pursue market solutions and high net worth individuals—emerging as victors. And in our fragile states, competing neck-and-neck for every dollar, what do we hear from our funders?

Innovate! Innovate or die!

I have been a critic of the broken-record calls for innovation in the arts sector from governments and private funders as I question the motives and means of those calling for change; however, I propose to forget about the exhortations and jargon of those holding the money bags for a moment. Instead let's ask ourselves this question.

Are Withering Winterland and Arbitrary Winnowing the future scenarios that we want for our communities-at-large, and for the arts sector in particular?

If not, then Transformation may be our only choice.

And yes, transformation, requires new ideas, new ways of thinking, creating, and distributing, new conceptions of our very purposes.

But we know this, right?

We know that the world has changed and that we need to respond to it or else watch as our lives and communities drift in a direction that is not bearable.

We know this.

So why haven't we changed?

A couple decades ago two researchers, Pralahad and Bettis, asked just this question. They wondered why it is so difficult for organizations to change and why, even when organizations see change in their environment, they are unable to act.



Pralahad and Bettis conceptualize organizations as having, in essence, a dominant logic – an information filter that focuses the attention of managers on some issues but not others. The dominant logic also underpins the beliefs about causality that are inherent to an organization's business model.

Here's an example of a longstanding belief in our sector:

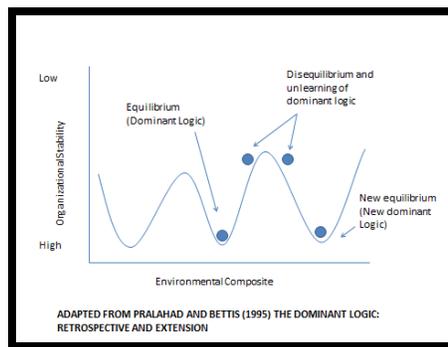
*We create art, which is of value to society and, in return, we are supported by the government, citizens, and corporations.*

Unfortunately, we are living in an era in which that particular belief underpinning the logic of our institutions appears to be unsound. It is no longer clear that what we're doing is of great value to sufficient numbers of people. It is no longer clear that governments, corporations or individuals are going to step up and pay for us to pursue our missions. How many people rallied in the streets to protest cuts to the arts budgets in the Netherlands a few years back?

Not many. Not enough.

And there are other such beliefs we could enumerate.

Arguably, we need a new logic underpinning our business models ... a new relationship to society ... a new way of seeing our place in the world. And Prahalad and Bettis would argue that we cannot find this new logic without first unlearning the old one. That's what this model is showing.



This graph suggests that instability assists in unlearning an old logic: If you become sufficiently destabilized, you may abandon your old filter, thus enabling you to see the world in a different way—

- To see partners where previously you saw competitors.
- To see venues where previously you saw useless space.
- To see co-creators where previously you saw ticket buyers.
- To see clients where previously you saw “non-arts people”.
- To see 50 ways to deploy existing assets where previously you saw one.
- To see multiple businesses where previously you saw one.
- To see numerous markets for your particular skills where previously you saw a single, rather niche market.

What does this tell us?

It tells us that it may not be such a bad thing if our world feels uncertain at the moment.

Harvard professor Ronald Heifetz says something similar. He says that the complexity of the ever-evolving challenges in the new world require different, even “unorthodox” responses to make progress. Our *status quo* has to be disrupted, he says. This means we need to confront the things we take for granted, including all the attachments we have to our current world view.

Moreover, the model of Prahalad and Bennis suggests that if we try to resist disruption, try to return as quickly as possible to equilibrium, we probably won't succeed in unlearning our old logic and finding a new, arguably more viable, logic.

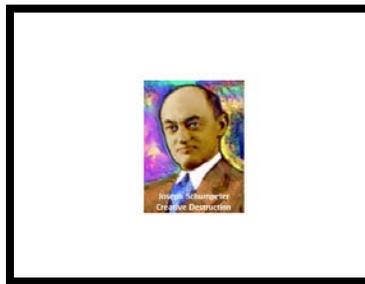


It's telling us that we may need to "lose our maps" for a while and willingly walk away from what is familiar and known ... wade into the murky swamp.

But it also tells us we can't stay in the swamp ... detached and lost ...

Ultimately we need to create a new reality for ourselves and our communities. We need to find a new equilibrium.

That process—the intentional destruction of old structures and models and the creation of new ones—is what the early 20<sup>th</sup> century Austrian economist, Joseph Schumpeter, termed *creative destruction*.



You noticed, perhaps, my use of the word "intentional."

Schumpeter proposed that there were two types of change in economic life: *adaptation* and *development*.



The first type, adaptation, describes changes that are not qualitatively new and emerge in response to forces external to us. With adaptation, we allow ourselves to be, in a sense, dragged along with these external forces. It was what I alluded to at the start of my talk.

Why do we let this happen? Because we tell ourselves, if I can just survive, I'll be fine.

But, actually, we won't be.

Not if we're being dragged into a Withering Winterland, or through an Arbitrary Winnowing.

How many of us are big organizations? How many of us will be victors in a winnowing process and how many victims?

With *development*, the imperative for change comes from within. Schumpeter tells us it is led by the *entrepreneur*.

So, I don't know if you noticed but I just said another one of those words, alongside innovation, that we can't seem to get away from these days.

Entrepreneur.

So, which of these two statements would you most agree with?



An artist and an entrepreneur are fundamentally the same?

Or an artist and an entrepreneur are fundamentally different?

I would have picked the blue box (they are different) up until a couple years ago, when I came across this ...

The Entrepreneur (The Artist)	The Static Majority (Managers)
Breaks out of an equilibrium	Seeks equilibrium
Does what is new	Repeats what has already been done
Active, energetic	Passive, low energy
Leader	Followers
Puts together new combinations	Accepts existing ways of doing things
Feels no inner resistance to change	Feels strong inner resistance to change
Battles resistance to his actions	Feels hostility to new actions of others
Makes an intuitive choice among a multitude of new alternatives	Makes a rational choice among existing alternatives
Motivated by social power and joy in creation	Motivated exclusively by needs and stops when these are satisfied
Borrows from banks the resources he needs (no investment in new ventures)	Has no use for new resources

Source: Swedberg, © 2002, *The Culture of Entrepreneurship and the Creative Industries*, Bergin in Vienna.

The young early 20th century Austrian economist Joseph Schumpeter, in his analysis of the economy, suggested that one could divide the population into two types: the entrepreneur (the man of action) and the static majority. He further suggests that one could approach the analysis of art the same way.

In Schumpeter's conception of creative destruction, and the particular role of the entrepreneur, he conceived as the entrepreneur, the *man of action*, as being fundamentally dichotomous with the static majority. Moreover, he said that this idea applied to the art world, as well.

So what you see in this chart, created by an economist named Richard Swedberg, and reflecting Schumpeter's ideas, is that the entrepreneur and the artist are similarly motivated and have similar characteristics—and these are in contrast to the static majority / the manager.

This chart tells us that, as artists, we may be very good at identifying new opportunities, leading change, disrupting the *status quo*, using our intuitions rather than relying on old logics, and being motivated to do more than just survive and subsist, being motivated to invest in and create something new, something better ... perhaps, even, something beautiful.

In other words, we might be very good at catalyzing *development*, at leading necessary *transformation* in our lives and in Dundee.

But do we feel this way?

In my experience, at first glance, this chart seems a bit counterintuitive. I surmise that as artists or cultural types in general we don't tend to see ourselves as aligned with entrepreneurs for two reasons:

- (1) By the late 20<sup>th</sup> century entrepreneurship stopped being associated with this broad range of characteristics and “the man of action” was basically thought of as the man who was opportunistic, risk-taking, and motivated by profits. This limited conception of entrepreneurship reflects our now more limited conception of economic life, as well.
- (2) The mid-to-late 20<sup>th</sup> century was also when we stuffed all artists and arts groups in a box labeled, “not good with business”. The goals of artists and arts organizations seemed irrational to modern economists (and the foundations and governments that were influenced by them). We were deemed irrational primarily because we worked for reasons other than making money. Something had to be done about this irrational behavior, and was. It was called professional development and arts administration. Governments and private funders and trade associations spent most of the past 40 years teaching arts people how to be better managers (that is, how to dutifully enter the ranks of the static majority) rather than understanding and supporting their more artistic/entrepreneurial inclinations.

Fortunately, all of this has begun to shift with the emergence of the notions of social entrepreneurship ... and now cultural entrepreneurship—which means more, by the way, than effectively generating revenue from a cultural activity.

Cultural entrepreneurship suggests identifying and pursuing new ideas to cultural problems. It suggests adopting a mission to create and sustain cultural value (in contrast to economic value). And it suggests measuring success not just by the bottom line but in terms of positive influence on the culture. It suggests seeing the world through a *cultural* lens—something that I fear has been wrung out of us in recent decades.

The dominant lens through which progress and success are lately measured in the culture-at-large, and increasingly the arts, is financial.



It is not hard to identify evidence of this:

- Artists and risks are problematized rather than seen as inherent to the process of creativity.

- Neither artists nor arts organizations are trusted by foundations and government bodies; we are in an era in which we must justify our worth and account for all pennies in advance of spending them.
- There is interest in our numbers but not our content.
- Capital projects capture a preponderance of attention and resources; donors want to put their names on buildings but have little attention for sustaining the art and culture inside them.
- Economic arguments lead and our focus is on figuring out new ways to exploit the arts—to, in essence, make the arts not only pay their way but contribute to economic growth.
- We are encouraged to talk about our value propositions but not our values
- We spend an inordinate amount of time thinking and talking about our *administrivia* and very little thinking about and talking about art, or the beauty and ugliness in the world, or anything else that matters. This is perhaps because there seem to be many more administrators than artists in most arts organizations.
- And the landscape is dominated by a handful of large organizations (winners in our winner-take-all system), who have the ability to influence the larger environment for all.

What are we called to do in response to this economic rationalization of everything we are and do?

I think we are called to be true *cultural* entrepreneurs, a role that implies not just finding ways to sustain our cultural businesses, but in playing a role in strengthening the cultural lens. So we don't just see our communities, our arts organizations, our own lives in terms of economic value.

But we can't just take care of ourselves. I think we are called to be 21<sup>st</sup> century civic leaders.

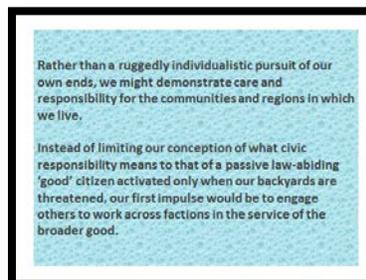
What do I mean by that term?

Well, what I don't mean is a handful of powerful white men sitting around a mahogany desk making decisions for the benefit of their communities.

That's what we meant by civic leadership 100 years ago – in America, in any event.

Today, we are living in what researchers Chrislip & O'Mally term *a civic world turned upside down*. Citizens with the freedom and means by which to access the Internet have the tools to more easily self-organize, mobilize, express their concerns and desires to a global audience, and thereby participate in the civic world and potentially influence the culture.

They give us the following vision of civic leadership:



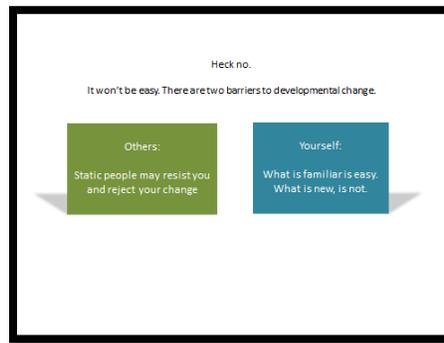
So apply this idea to your life and to this group.

Rather than simply looking for new ways to strengthen your livelihoods, this group has *come together* to strengthen the future, the culture of Dundee.

Will it be easy?

Heck no.

It won't be easy. Schumpeter himself identified two barriers to enacting developmental change.



Other people.

And yourself.

Other people because other people are often part of the static majority. And they will resist you and reject your ideas. And this is both annoying and demoralizing.

And yourself because, well, some of us are lazy; and some of us are tired. And what is familiar is easy and what is new is not.

So we need to anticipate these barriers and fortify ourselves to be able to overcome them.

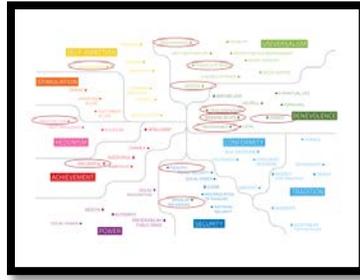
And one of the ways we do this is by reminding ourselves *why* we committed to working for change in the first place.

To what end are we trying to reinvent our business models, or our relationship to art and work, or to help improve the culture and conditions in Dundee generally?

Which brings me back to your values list.

At the beginning of the talk I gave you the list of values to circle.

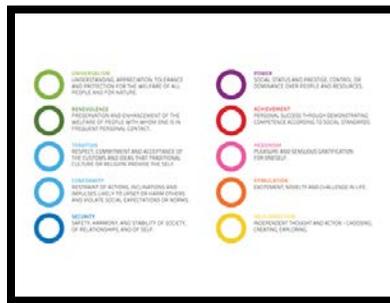
In a moment I am going to pass out a handout. On one side you will see something that looks like a map.



If you find the values you marked, you will notice that these fall into broad categories called Universalism, Benevolence, etc. Everyone usually has values in various parts of the map but you might find that a lot of yours cluster in one area. These are your values.

When Schwartz conducted his studies around the world he found that all human values fit into one of these ten areas.

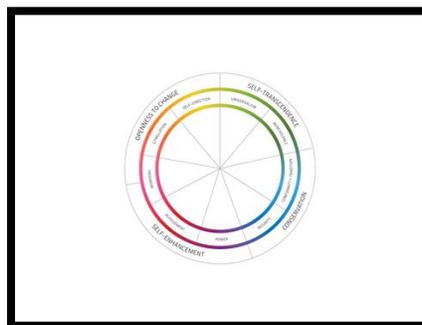
If you then turn the handout over you will see definitions of these larger categories. Most are self-explanatory.



So what's the point of this map? Well, there are many ways that people have worked with the Schwartz values but on the most basic level this (particularly if you spend some more time with it) map will begin to tell you something about what's important to you. What motivates *you*.

And this is good to hold onto when you are in a period in which you may need to change, for instance, how and where you work.

I will also pass around a sheet that shows a circumplex. You will see that those ten sets of values can be plotted on this circumplex along two dimensions:



– Self-transcendence versus Self-preservation

- Openness to Change versus Conservation (in the sense of maintaining the status quo).

Where you are on this circumplex may not only give you clues as to what, fundamentally, makes you tick, but also possible motivations for getting involved in an effort to make Dundee more sustainable.

Perhaps many of your values are in the **openness to change** area and you are enthused by the idea of letting go of what Dundee was and thinking imaginatively about what it could be, and what your new role in this new Dundee could be.

Perhaps you are centered in values of **self-enhancement** and are keen to put yourself at the nexus of this change – become a mover and shaker in this movement and use your political and social influence to bring others along.

Perhaps your dominant values are around **conservation** and you feel strong, deep ties to the community and in wanting to help preserve the parts of Dundee that make it authentic and distinctive.

Or perhaps your values fall in the area of **self-transcendence** and you are, in a sense, working to advance one or more abstract ideals in the world—making Dundee a more beautiful or equitable place, for instance.

Are these value sets in conflict?

They can be. The values opposite each other are the circumplex do pull against one another. And when a group of you sit down to work together on the future of Dundee and your livelihoods within it, these different values will be triggered by the conversation. But if you remember this circumplex you will also recognize that

- (a) everyone can relate a bit to each of these value sets, and
- (b) that people centered anywhere on the circumplex can be valuable to Dundee’s future.



So just a couple closing comments.

It’s clear that transformation is required. You can drift in whatever direction the larger forces of change blow you; or you can give thought to the kind of life you want to live, and the kind of culture you want to exist in Dundee, and you can work to manifest the transformations you collectively desire.

To shift from the logic that has been dominant to one that may be more compatible with 21<sup>st</sup> century realities you may need to lose your maps for awhile and embrace the instability that you feel. But as you wander into the murky swamp, begin to listen to your instincts that tell you that you do not want to merely survive.

Reject the option of the Withering Winterland. Refuse to be either victors or victims of a process of Arbitrary Wincrowing. Instead, recognize your skills and power as artists and cultural entrepreneurs to be disrupters of the status quo and leaders of the transformation that is needed.

Thank you for your kind attention.