

SUCCESSION: Arts Leadership for the 21st Century

www.artsalliance.org

Key findings from research conducted by the
Illinois Arts Alliance Foundation
with funding from
The Chicago Community Trust

IAAF Survey Design I

Two IAAF surveys based on CompassPoint survey:

- 1) Executive Directors (ED)
 - 64% return (n=76)
- 2) "Emerging Leaders" (EL)
 - 32% return (n=81)

Caveats

- Sample bias & statistical analysis
- Self-selection
- Self-report


Arts Leadership for the 21st Century

- Features of survey conducted by Christopher Perrius and Siu Yui Pang
- Three key findings areas (with comparisons to other parts of the nonprofit sector)
 - Satisfaction
 - Succession
 - Skills
- Focus groups by Dona J. Vitale

IAAF Survey Design II

Surveys collected info about:

- Demographics
- Job satisfaction and dissatisfaction
- Professional development and training
- Career path and future plans
- Perceptions of work and organizational effectiveness
- Succession planning




IAAF SURVEY FEATURES

Career Conditions of Nonprofit Arts
Professionals in Chicago

Profile of Respondents

	Female	White	Over 50	Under 40
ED	60%	85%	54%	25%
EL	79%	75%	13%	69%
BI	68%	84%	32%	24%

BI = Brookings Institution Ctr. for Public Service Survey (all nonprofits)



SATISFACTION

Turnover rate for satisfied employees is 14%, for dissatisfied 28%

Hay Group Working Paper, "The Retention Dilemma,"
www.haygroup.com

Salary Satisfaction

- HIGH compensation satisfaction:
 - ED: 54%
 - EL: 41%
- Sole household income:
 - ED: 30%
 - EL: 48%
- Reporting \$0 - 5000 in benefits:
 - ED: 51%
 - EL: 67%

Job Satisfaction Findings

- HIGH satisfaction:
 - ED: 76%
 - EL: 78%

ED sources of satisfaction: <ul style="list-style-type: none"> • Mission • Relationships • Engagement w/art 	EL sources of satisfaction: <ul style="list-style-type: none"> • Artistic reputation • Art/community/mission • Relationships
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Median Arts ED Salary by City

City	-\$500K	\$500K-1M	\$1M- \$5M	\$5M+
Chicago	\$37,353	\$59,000	\$85,769	\$146,412
Minn-St. Paul	\$36,582	\$49,201	\$84,256	\$204,880
NYC	\$35,271	\$64,130	\$93,802	\$198,557
LA	\$40,642	\$55,000	\$86,417	\$167,873
Boston	\$38,000	\$55,680	\$83,359	\$202,309

Source: guidestar.org, 2001 Nonprofit Salary Survey

Job Dissatisfaction

ED sources of dissatisfaction: <p><u>High importance</u></p> <ul style="list-style-type: none"> • Org's finances • Stress/long hours • Funding req'ts/audiences • Unhappy with staff <p><u>Low importance</u></p> <ul style="list-style-type: none"> • Conflict with Board • Low compensation • Isolation 	EL sources of dissatisfaction: <p><u>High importance</u></p> <ul style="list-style-type: none"> • Org's finances • Stress/long hours • Unhappy with mgmt • Low compensation <p><u>Low importance</u></p> <ul style="list-style-type: none"> • Funding/program req'ts • Conflict among staff • Personnel problems
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Satisfaction Conclusions

- ED & EL satisfaction not shown to be strongly related to
 - salary level
 - salary satisfaction
- Job stress outranks salary as a source of ED and EL dissatisfaction
- Sources of stress are varied - which are actionable?

SUCCESSION

One-third of all employees will change jobs in next two years.
 In the last 5 years, employee attrition has grown by 25%.
 Each manager who resigns costs the company 18 months salary in direct and indirect (opportunity) costs.

*Hay Group Working Paper, "The Retention Dilemma," 2001
 www.haygroup.com*

ED Turnover Timeline

Duration	Change	Retire
< 1 yr.	8%	0%
1-2 yrs.	21%	5%
3-5 yrs.	40%	35%
5-10 yrs.	19%	18%
10+ yrs.	31%	41%

27% of ED plan to retire after current position.
 70% of non-retiring ED plan to leave current job within 5 years.

Bye Bye Boomers

Period	Annual Rate of Labor Force Growth (%)
1950-1954	11
1955-1959	17
1960-1964	28
1965-1969	18
1970-1974	12
1975-1979	10
1980-1984	8
1985-1989	6
1990-1994	4
1995-1999	2
2000-2004	0.2

"A substantial slowdown in the pace of labor force growth is projected for the 2015-2025 period, as the baby-boom generation retires."

ED Career Change

Non-retiring ED answered Very Likely when asked "How likely is your next job to be in . . ."

- nonprofit arts: 54%
- consulting: 36%
- for-profit arts: 20%
- for-profit business: 16%

Turnover Trends 1983 - 2000

Age Group	Men (Median Years)	Women (Median Years)
18-24	1.5	1.5
25-34	2.5	2.5
35-44	3.5	3.5
45-54	4.5	4.5
55-64	5.5	5.5
65-74	6.5	6.5
75-84	7.5	7.5
85-94	8.5	8.5

" . . . If the economy is performing well, more workers may take the opportunity to change jobs."
 "The average person in the U.S. holds around 9 jobs from age 18 to age 34."

EL Turnover Timeline

Duration	Percentage
< 1 yr.	16%
1-2 yrs.	32%
3-5 yrs.	43%
5-10 yrs.	9%
10+ yrs.	0%

91% of ELs plan to leave current job within 5 years.

EL Career Change

Answered Very Likely when asked
“How likely is your next job to be in . . .”

- nonprofit arts: 64%
- for-profit arts: 30%
- for-profit business: 20%

SKILLS

“The greatest ‘satisfaction gap’ was between workers who felt they had an adequate opportunity to use their skills and abilities, and those who did not.”

*Hay Group Working Paper, “The Retention Dilemma,” 2001
www.haygroup.com*

Leadership Lost?

“Leadership Lost” (1999): Among first-time EDs, only 20% would be ED again. (CompassPoint)

“Daring to Lead” (2001): Half plan to be ED again. (CompassPoint)

IAAF (2001): 46% plan to be ED, 23% consultants.

If “consultant” means “nonprofit arts consultant,”
69% of current ED plan to remain in nonprofit arts as either ED or consultant.

Professional Training

About half of ED & EL have an advanced degree.

- ED
 - MA in arts mgmt or admin: 4%
 - MBA: 1%
- EL
 - MA in arts mgmt or admin : 6%
 - MBA: 6%
- These ELs rate the usefulness of graduate training very highly.
- ED advice to EL
 - Get mgmt or financial training: 10%
 - Get experience: 25%

Succession Readiness

76% of nonprofit arts orgs have no succession plan in place.

5%: formal plan. 18%: informal plan.

ED report:

- no identified internal successor: 63%
- no plan and no internal successor: 50%

Professional Training II

58% of nonprofit arts organizations provide resources for training. The use of resources for training jumps significantly as income rises above \$100,000.

Sources of training (for all nonprofits):

- In-house: 50%
- Academic institutions: 30%
- Consultants: 17%
- Seminars/conferences: 2%

“Training Needs of Administrators in the Nonprofit Sector” by Drew Dolan, Nonprofit Mgmt & Ldrshp, Spring 2002

Evaluation

- 43% of ED and 46% of EL have never been evaluated
- 79% & 71% say it would help improve performance
- ED #2 write-in complaint: need better quality (not more) staff

Phase 1 Findings

- Emerging leaders are dedicated to the arts
- The starving artist is an idea whose time has passed
- Professional performance must command fair compensation
- There's no clear path to moving forward in the arts
- Structure encourages turnover

Collaboration

We asked ELs: "How effectively do you and your directors collaborate . . . ?"

They want improved:

- information updates
- feedback (e.g. evaluations)
- communication of the organization's mission
- coordination of workload between departments
- voice in planning and decision-making
- definition of roles (job descriptions)

Phase 1 Findings

- Racial barriers hamper minority progress
- Arts management degrees carry both pros and cons
- Professional development can be hard to come by
- Mentors are important but rare
- Lack of exposure to board hinders advancement



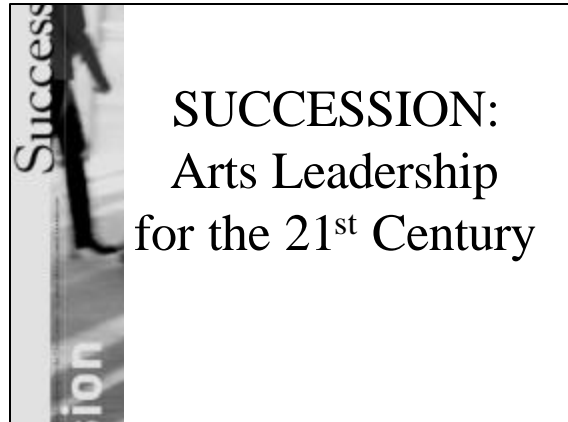
Emerging Leaders Focus Groups FINDINGS

Phase two objective:

- Determine whether and how the next generation of leadership is being made ready to take over when the Baby Boomers move on

Phase two findings:

- An arts career has inherent appeal
- The arts world also has some drawbacks
- Leadership development must take many paths



Phase two recommendations:

Current leaders must:

- Provide young artists with info about arts management careers
- Reward the skills developed in arts management degree programs
- Provide mid-career challenges and growth experiences
- Provide opportunities for professionals from the corporated sector to learn about arts management

Phase two recommendations:

- Accept some attrition as inevitable & provide mechanisms for those who leave paid positions to stay connected
- Create support systems for new leaders to help overcome the stress & isolation
- Encourage mentoring and communication among all levels of the field