

# TYPES OF INNOVATIONS IN CULTURAL ORGANIZATIONS

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## Abstract

**Background.** Gathering information on the innovativeness of public organizations is a contemporary challenge for public policy-makers. The arts and culture sector in Poland needs more coherent and comprehensive data regarding innovations. Yet, there is no single classification of innovations, which could underlay development of a system for monitoring innovativeness of this sector.

**Research aims.** The purpose of this study is to cognize the types of innovations in cultural organizations and to propose their consistent typology as a basis for further research.

**Method.** Typologies of innovations derived from literature review has been grouped according to the components of the Aesthetic-Economic Situation Model. This revealed the potential areas where innovations may appear, what was verified through an instrumental case study. In order to collect the empirical data triangulated methods were applied and encompassed: structured interview, organizational documents analysis, such as annual reports and organizational website, and visual sociology comprising analysis of photographs.

**Key findings.** Typology of innovations provided by Oslo Manual has limited applicability to draw the full picture of innovativeness of art and cultural organizations, however this classification, after some definitional modifications, may be useful. Nevertheless, additional types such as cultural innovation, perception innovation, and functional innovation have been confirmed to appear in organization from the arts and culture sector.

**Keywords:** Innovation, Typology, Cultural organization, Public sector

## INTRODUCTION AND BACKGROUND

Monitoring innovativeness of public cultural sector is a challenge for various bodies. Such information is important in the decision-making processes of cultural policy, and may for instance, be collected by culture observatories. Because the general classification of innovation provided by Oslo Manual does not reflect the essence of cultural activities sufficiently, and due to various and incoherent typologies of innovations in culture sector (Bakhshi & Throsby, 2010; Varbanova, 2013), some verification and systematization of those typologies is needed. The aim of this study is to cognize the types of innovations in cultural organizations and to propose their consistent typology that could possibly facilitate the analysis of innovativeness of public cultural organizations. Thus, this study first reviews previous works on innovations in culture organizations, then proposes some systematization and development of innovation typology, which is in the end examined and in a case study.

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## Typologies of Innovations in Cultural Institutions

Until recently only a few studies addressed the issue of classification of innovations across cultural institutions. They indicated some innovation types specific to the culture sphere (Zolberg, 1980; Thomasson, 2010; Varbanova, 2013; Lewandowski, 2014).

Garrido and Camarero (2010, p. 219) differentiated such innovation as: (a) product innovations concerned with delivery of new services, activities and improvements or variations in works displayed, (b) technical and technological innovations related to implementation of technologies in the realm of products, services and production processes, (c) organizational and managerial innovations concerned with organizational structures and administrative processes. Importantly, innovations connected with marketing and dissemination of museums are also classified in this group. Bakhshi and Throsby (2010, pp. 4-20) in turn differentiated (a) innovation in audience reach, including methods for expanding its audience and new ways of presenting cultural contents to current audience, (b) innovation in art form development, including e.g. artistic experiments, (c) innovation in value creation, including new ways of measuring economic and cultural value created for various groups of stakeholders, as well as new methods of harnessing these values by politicians, organizations funding cultural activity or private investors, (d) business model innovation, in particular centred on financing cultural activities. Other classifications were provided by Varbanova (2013, pp. 13-14) – she distinguished (a) program innovations, (b) process innovations, (c) marketing innovations or innovations in distribution of cultural products and services, (d) innovations in raising resources, (e) organizational and managerial innovations, (f) technical innovations. Those classifications of innovations take into consideration the specifics behind cultural activities, yet they stir a terminology chaos and make it difficult to define all types of innovations in a coherent manner. On the one hand, to some extent, it is possible to utilize the Oslo Manual classification given that:

1. Product innovations apply to goods as well as cultural and artistic services resulting from production and creative processes;
2. Marketing innovations also cover the manner of distributing cultural products and services, so thus innovations in audience reach;
3. Organizational innovations encompass the use of diverse management tools, including implementation of business models related to financing cultural activities.

On the other hand, a part of the core of cultural activity is still not captured.

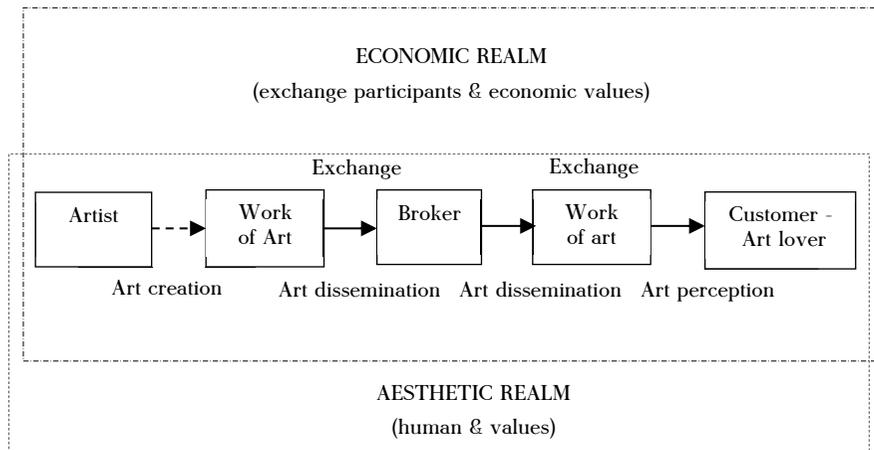
Zolberg (1980) outlined an aesthetic innovation regarding serious or academic art and music, pointing out the difference and relationship between innovations by artists and innovations by institutions. An aesthetic innovation by an artist is related to the artist who “goes beyond the exist-



ing corpus by stylistic or technical development, stylistic variation or revolutionary departure from existing canons or conventions" (Zolberg, 1980, 220). However, the existing canons or conventions are defined by the institutions implementing aesthetic innovations by (a) acknowledging the value of new works, (b) including previously excluded work, or (c) rejecting previously included works (Zolberg, 1980). From a different standpoint it concerns the ontological status of the work of art, which, in relation to the new forms of art related to Internet, was investigated by Thomasson (2010), who argued that the assumption on the work of art, on the level of ontological dimension, impacts the openness to see and acknowledge some of the new kinds of art.

The above classifications present different approaches to innovations in arts and cultural organizations. They may be synthesized on the basis of two models - Aesthetic Situation Model and Economic Situation Model (Korzeniowska-Marciniak, 2001) - embracing two important realms of artistic activity - aesthetic and economic. In fact, they are the two main theoretical frameworks which underlay discussion on innovations in cultural organizations (Zolberg, 1980; Bakhshi & Throsby, 2010; Korzeniowska-Marciniak, 2001). The Economic one considers a work of art or a cultural service from the economic perspective, and treats them as products - the results of production processes. Such a product is sold or exchanged for other goods on the market. This research tradition has shown some specificities of this market, like Baumols costs disease (Heilbrun, 2003) for instance. This approach suggests that, to some extent, the traditional innovation typology provided by Oslo Manual (OECD/Eurostat, 2005) can be applied for gathering information on artistic and cultural products. Also a concept of the economic situation of the work of art, derived from art literature supports this opinion (Korzeniowska-Marciniak, 2001). However, artistic literature strongly emphasizes the artistic point of view on innovations in artistic and cultural organizations, which may be depicted by the concept of an artistic situation (Korzeniowska-Marciniak, 2001), which incorporates the differentiation between innovations by artists and innovations by institutions indicated by Zolberg (1980). Both - the Aesthetic Situation Model and the Economic Situation Model - have been previously in the literature (Lewandowski, 2013) combined into one - Aesthetic-Economic Situation Model - which is more easy to apply (Figure 1).





**Figure 1.** Aesthetic-Economic Situation Model

Source: adapted from (Lewandowski, 2013; Korzeniowska-Marciniak, 2001).

This model indicates four key elements, which may be used for the synthesis of innovation typologies:

1. Key processes (creative process, art dissemination, art perception, art exchange),
2. Key actors (artist, art lover-customer, art broker),
3. The work of art itself,
4. Two main realms to assess are its economic and aesthetic value.

On the basis of this model previously identified types of innovations were grouped according to a particular component of the aesthetic-economic situation model (table 2).

A closer look at table 2 shows that there are many similarities between innovation types indicated by different authors. Generally, the main types identified in Oslo Manual apply, and comprise: product, process, marketing and organizational innovations, and, regarding previous editions of the Manual, also technological innovations. However, an updated understanding of those types of innovations is useful:

1. Product innovations – a new or improved cultural, artistic or handcraft product, comprising a good or service,
2. Process innovations – innovations in the process of production, preparation and delivery of cultural, artistic and handcraft products and services,
3. Organizational innovations – a new or improved instruments of management and organization,
4. Marketing innovations – a new or improved instruments of marketing and dissemination of cultural content.



**Table 2.** Innovation Types and the Elements of Aesthetic-Economic Situation Model

The element of aesthetic-economic situation model	Innovations types indicated in the reviewed literature
Art creation	process innovation; technical and technological innovations related to implementation of technologies in the production processes
Work of art	product innovation; program innovation; aesthetic innovation by artist; aesthetic innovation by institution; service innovation; new concepts of service; innovation in art form development, including e.g. artistic experiments, product innovations concerned with delivery of new services, activities and improvements or variations in works displayed; technical and technological innovations related to implementation of technologies in the realm of products and services
Art perception	new ways of presenting cultural contents to current audience
Art dissemination	new systems for delivering services; process innovation; marketing innovations; marketing innovations or innovations in distribution of cultural products and services; innovations connected with marketing and dissemination of museums; innovation in audience reach, including methods for expanding its audience
Art exchange	new platforms for cooperation with a client; marketing innovations
Economic realm	innovation in economic value creation, including new ways of measuring economic value created for various groups of stakeholders, as well as new methods of harnessing these values by politicians, organizations funding cultural activity or private investors; business model innovation, in particular centred on financing cultural activities
Aesthetic realm	innovation in cultural value creation, including new ways of measuring cultural value created for various groups of stakeholders, as well as new methods of harnessing these values by politicians, organizations funding cultural activity or private investors
Other	innovations in raising resources; organizational and managerial innovations; technical innovations; organizational and managerial innovations concerned with organizational structures and administrative processes; application of new technologies

*Source:* own elaboration based on (Lewandowski, 2013; Korzeniowska-Marciniak, 2001; Garrido & Camarero, 2010; Bakhshi & Throsby, 2010; Varbanova, 2013; Zolberg, 1980).

More culture specific innovations that are not comprised in the above classification concern the perception of art, new forms of art, and new types of outcomes pursued by the cultural organization or policy-makers.



In order to verify how this theoretical concept of three types of innovations can be applied to analysis of innovations in a cultural centre, a case study has been conducted.

## METHOD

### Data Collection Process and Methods

In order to achieve the research aims, the instrumental case study (Stake 2005) was undertaken. The data has been collected through a questionnaire based structured interview (computer assisted personal interview), an analysis of organization's documents and website, and visual sociology (Konecki 2005). The questionnaire based structured interview (30 minutes) was conducted with the director of Silesian Culture Center in Nakło Śląskie (CEKUS). The interview comprised inquiries on indicated types of innovations. Analysis of organization's documentation comprised program and financial annual reports which contained the full summary of CEKUS activities in 2013 and 2014. They were analysed for the category of outcomes of the new services and profit generated. Analysis of organization's website was conducted to describe the organizational setting of CEKUS. Also the Chronicle of CEKUS was analysed, and 248 photographs in particular were analysed and coded using Atlas.ti software. The codes designated the areas of innovative solutions, and the number of photographs reflect the activity of CEKUS in a particular area. This visual sociology method was used to confirm previous findings, which is one of the possible applications of this method (Konecki 2005). Gathered information concerned years 2013 and 2014, and was collected in the beginning of 2015.

### Setting

Silesian Culture Center in Nakło Śląskie was formally established on 27 April 2012 by adoption of the resolution of the Council of the District of Tarnowskie Góry. It started to operate on 01 January 2013. CEKUS is located in a palace completed in 1858, which, since then, for the first ninety years served as the residence of Henckel von Donnersmarck, and for the next sixty years, served as an agricultural school, and between 2006-2010 as an art gallery. The building has undergone extensive renovation in the years 2010-2012. The palace has been restored to its original appearance. The interiors and decorative elements such as stairs and wooden railings on a representative staircase, panelling in the vestibule, accidentally discovered ceiling in one of the rooms on the ground floor ([www.cekus.pl](http://www.cekus.pl)).



## RESULTS

Conducted structured interview revealed and Chronicle analysis confirmed that, in the researched period, some new methods of influencing audience perception of cultural content were implemented. They comprised:

1. Lighting methods of exhibits, scenes, or event venues (10 pictures),
2. Place of exhibition, presentation or event (9 pictures),
3. Methods or principles of exposure (45 pictures),
4. Type of participation (69 pictures),
5. Methods for increasing the comfort of acoustic or visual reception (18 pictures),
6. Methods to improve the quality of sound or image (6 pictures).

Regarding cultural innovations structured interview revealed and Chronicle analysis confirmed that in the researched period CEKUS implemented:

1. Works of art or design (which were part of the décor, not of the exhibits) (14 pictures),
2. Values (6 pictures),
3. Dress code and appearance principles (24 pictures),
4. The initiation of new or significant change in existing traditions or customs of the local community and audience (3 pictures),
5. The creation or significant change of ceremonies, rituals or rites of the local community (13 pictures),
6. The initiation of cyclic cultural events, which in the future may become part of the tradition (10 pictures).

The director of CEKUS pointed also that new patterns of communication and new awards or penalties were introduced, but no pictures were found to support this. The reason for this is that it is very rare and difficult to capture on a photograph the awards, penalties and communication forms.

New functions were deliberately pursued by CEKUS in the research period. The structured interview revealed and Chronicle analysis confirmed that functional innovations comprised:

1. Meeting the aesthetic needs (14 pictures),
2. Meeting the needs of artists and creators to promote and integrate (27 pictures),
3. Shaping demeanour and customs (2 pictures),
4. Transferring knowledge and skills (15 pictures),
5. Protecting cultural heritage (13 pictures),
6. Amateur artist development (10 pictures),
7. Social integration (31 pictures).

Uncaptured on photographs remains generating revenue or profit for the institution, which was strongly emphasized by the director and is



confirmed by the analysis of financial annual reports (loss in 2013, profit in 2014).

## **DISCUSSION AND CONCLUSIONS**

The study conducted allowed to cognize the types of innovations which appear in cultural organizations. Thus, the findings support the conclusion that the classification provided by the Oslo Manual should be further developed in order to facilitate the analysis of innovativeness of the cultural sector. Except product, process, marketing and organizational innovations, there are innovations related with (a) new types of the outcomes of cultural activity which are deliberately pursued (functional innovation), (b) new or significantly changed elements of culture, including organizational culture (cultural innovation), and (c) new or improved methods of perception of cultural content provided for the audience (perception innovation).

Each of these three innovations is discussed below. Next some suggestions for further research related with those innovations are indicated. Finally, concluding remarks point out the key findings.

### **Perception Innovation**

In the aesthetic realm there are two major processes which are the essence of cultural and artistic activity – creation and audience participation. Especially innovations related to art perception, shown in table 2, insufficiently encompass the forms of participation. McCarthy and Jinnett (2001) indicated three forms of participation in the arts: hands-on (direct active), through the attendance (direct passive), and through the media (indirect). These three forms of perception vary depending on the kind of art work. Also, technological innovations impact the perception and participation in artistic and cultural acts (eg. picture or sound quality depends on the equipment), like the case of implementation of museums PDAs and information kiosks which influence the ways in which visitors examine and experience exhibits (vom Lehn & Heath 2005). In fact, innovations in the area of art perception depend on primary innovative products or technological innovations. Changes in perception are one of the effects of innovations, however they may also be set as a criterion to distinguish innovation type. On the one hand, it blurs the line when one innovation becomes another, and makes the research process more difficult. On the other hand, regarding arts, perception is a key process, so the typology of innovations should embrace such innovations as a separate type. This should enrich the cognition of innovations in cultural institutions.



## **Cultural Innovation**

Artistic activity is too narrow to depict the variety of actions and activities undertaken by cultural institutions and communities. Thus, it is better to speak about wide cultural activity, encompassing artistic one. Such cultural activities would embrace for instance fine arts, amateur art, workshops, cultural tourism, preserving and disseminating heritage, cultural education, social events, lectures, meetings, concerts, hand craft etc. This fits not only various traditional institutional forms, such as theatre, opera, library, museum, gallery, cultural centre, but also to all mixed activities undertaken by cultural organizations (public, business, and civic) and communities. Proposed framework, based on aesthetic-economic situation, may be applied for the wide range of cultural activities. Moreover, innovations concern also norms, ceremonies, rituals, symbols, behaviours, community events, traditions etc. Such innovations are not goods nor services, but a separate type of innovation. They encompass aesthetic innovations (Zolberg, 1980), innovations in organizational culture (Białoń 2010, 21), or ethical innovations (Schumacher & Wasieleski, 2013).

## **Functional Innovation**

An aesthetic and economic perspective is not sufficient to evaluate the value of cultural or artistic goods and services. The theory of cultural functions describes different aspects of such a value and indicates that cultural and artistic activities: (a) maintain and improve social integration, (b) play an important role in upbringing, (c) form identity, (d) educate, (e) allow to satisfy aesthetic needs, (f) provide entertainment and allow to enjoy leisure, (g) enhance therapy, treatment or recovery, (h) support economic growth (Lewandowski, 2011, 32–33). All of them may be considered as a part of public value (Moore, 2014; Dooren, Bouckaert, & Halligan, 2015; Scott, 2013). Thus, an innovation in value creation should embrace all these dimensions. Such an innovation may be understood as using culture to create value in a new dimension (reflected by the function of culture) or a new methods of harnessing these values by politicians, organizations funding cultural activity or private investors. New ways of measuring value created for various groups of stakeholders would be rather an organizational innovation related to controlling.

## **Implications for Further Research**

The study conducted confirmed that innovations specific for culture sector exist. It points out a few directions for further research. First, it could focus investigating innovativeness of cultural organizations including functional, cultural and perception innovations. Also the relations between different dimensions of innovativeness seem an under-explored field. For



instance how do cultural innovations impact product innovations? Second, the applicability of those types of innovations to other organizations, not only public but also business and non-governmental could be explored. Third, the specific types of other sub-sectors of the public sector can be investigated for specific innovation types.

### **Concluding Remarks**

Several incoherent typologies of innovations in cultural organizations have been presented in the literature. Their inconsistency hinders gathering and comparing information on innovativeness of cultural organizations. This study built on Oslo Manual classification, on culture specific typologies, an Aesthetic-Economic Situation Model and provided more consistent classification encompassing seven types of innovations.

1. Product innovations – a new or improved cultural, artistic or handcraft product, comprising a good or service,
2. Process innovations – innovations in the process of production, preparation and delivery of cultural, artistic and handcraft products and services,
3. Organizational innovations – a new or improved instruments of management and organization,
4. Marketing innovations – a new or improved instruments of marketing and dissemination of cultural content.
5. Functional innovation – a new type of effect (regarding the cultural function) to achieve by application of a good or service,
6. Cultural innovation – a new or significantly changed element of culture, including organizational culture and aesthetic innovation,
7. Perception innovations – a new or improved methods of influence on the audience perception of cultural content (eg. the method of exposure, the type of participation, the methods of lighting, methods of using other senses, types of audience participation in culture).

This classification requires further empirical verification due to limitation of this study. It also points some new areas of investigation.

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## TYPY INNOWACJI W INSTYTUCJACH KULTURY

### Abstrakt

**Tło badań.** Pozyskiwanie informacji o innowacyjności organizacji publicznych jest jednym ze współczesnych wyzwań dla menedżerów publicznych. W przypadku polskiego sektora kultury potrzebna są kompleksowe i spójne dane dotyczące innowacji. Jednak jak do tej pory nie ma jednej klasyfikacji innowacji, która mogłaby być podstawą do stworzenia systemu monitorowania innowacyjności tego sektora.

**Cele badań.** Celem pracy jest poznanie specyficznych typów innowacji w instytucjach kultury oraz stworzenie ich spójnej typologii jako podstawy do dalszych badań.

**Metodyka.** Typologie innowacji, zidentyfikowane na podstawie analizy literatury przedmiotu, zostały pogrupowane według elementów modelu sytuacji estetyczno-ekonomicznej. Na tej podstawie wskazane zostały obszary, w których potencjalnie mogą wystąpić innowacje, co zostało zweryfikowane poprzez instrumentalne studium przypadku. Do zebrania danych zastosowano triangulację takich metod jak: strukturyzowany wywiad kwestionariuszowy, analiza dokumentów organizacyjnych, takich jak roczne sprawozdania i strona internetowa, oraz socjologia wizualna obejmująca analizę zdjęć.

**Kluczowe wnioski.** Typologia innowacji zaproponowana w Podręczniku Oslo ma ograniczone możliwości zastosowania dla pełnego monitorowania innowacyjności w organizacjach kultury, choć po pewnych uściśleniach definicyjnych może być wykorzystana do tego celu. Niemniej, potwierdzone zostało występowanie także innych rodzajów innowacji w instytucjach kultury, takich jak innowacja kulturowa, innowacja percepcyjna, czy innowacja funkcyjna.

**Słowa kluczowe:** innowacja, typologia, instytucje kultury, sektor publiczny

