

French Budget Act (LOLF) Indicators as Seen Through the Lens of the National Drama Centres: A Case Study

Simon Alcouffe, Pascale Amans, Isabelle Assassi, Fabienne Oriot

Introduction

In 2006, a performance measurement system was set up in France based on a battery of performance indicators called LOLF indicators. These take their name from the *Loi Organique relative aux Lois de Finances* (French Budget Act), promulgated in 2001 and aimed at reforming the management of state interests in France. The first application of the LOLF came into force in 2006. Its objective was to measure the performance of public organizations in order to ensure more democratic and efficient management of public expenditure.

Some 11 years later, we undertook to assess implementation of the LOLF indicators in publicly funded theatres. While this is a practical matter, it is also of theoretical interest, as it is positioned at the crossroads of management of arts and cultural organizations (ACOs) and management control, a subject on which relatively little work has been published (Turbide and Hoskin 1999). Research in these two fields has largely developed along separate paths (Chiaravalloti 2014), although issues associated with culture and accounting have recently been attracting interest (Donovan and O'Brien 2016). It is revealing that the literature reviews of neither Evrard and Colbert (2000) nor Pérez-Cabañero and Cuadrado-García (2011) on arts management address management control. Our work is therefore intended to build bridges between arts management and management control. More precisely, our aim is to explore three questions: How do French national drama centres (NDCs) perceive the LOLF indicators? What performance

paradoxes arise if we try to assess the performance of a publicly funded theatre on the basis of performance indicators? How can we account for these paradoxes to improve the performance measurement system?

Public funding of ACOs is considered an investment in France's cultural heritage (Poisson-de Haro and Montpetit 2012). Public funding dates back to the development of French royal patronages at the end of the 13th century (Farchy and Sagot-Duvauroux 1994). The present involvement of the state distinguishes France from Anglo-Saxon countries, which tend to give subsidies to independent organizations, which in turn are charged with dividing the allocated amount among ACO applicants (Benhamou 2011). In return for the resources provided, public funding creates demand for accountability regarding arts expenditure (Jeackle and Miller 2016). The need to demonstrate that public money is being spent appropriately and effectively has become an imperative in Western countries (Gillespy 1999). This need reflects the role of funding bodies in the field of performance measurement in non-profit organizations (Cancellieri and Turrini 2016; Turbide and Laurin 2009) and is in line with the broader New Public Management framework (Hood 1991, 1995; Pollitt 1995, 2004; Turrini et al. 2010).

The LOLF indicators appear to be a major tool for measuring the performance of ACOs, defined by Weinstein and Bukovinsky (2009) as "primarily not-for-profit organizations whose principal function is education in or dissemination of the performing or visual arts" (p. 44). In

Simon Alcouffe

(PhD) is an associate professor of Management Accounting and Control Systems at Toulouse Business School in France. His research interests include the diffusion of accounting innovations, environmental accounting, social entrepreneurship, and the adoption of performance measurement systems within various organizational contexts.

Pascale Amans

(PhD) is an assistant professor at Toulouse University's Laboratoire Gouvernance et Contrôle Organisationnel in France. Her research interests in the field of management accounting and management control include the organizational identity and organizational performance of complex organizations, with an emphasis on the interactions between actors and tools.

this article, we focus on one category of ACO, the NDC. NDCs offer a particularly relevant field for study because they have carried their implementation of the LOLF indicators further than other ACOs (Kessab 2009).

To answer our research questions, we rely on a theoretical framework based on the work of Van Thiel and Leeuw (2002), following Meyer and Gupta (1994), on performance paradoxes. We also study the NDC of a large French city, to which we were granted special access, which enabled us to explore these questions thoroughly.

This article is organized as follows. First, we review the literature on performance measurement in ACOs, particularly in performing arts organizations (PAOs), and describe our theoretical framework. Second, we describe our case study and our method for collecting and analyzing the data. Third, we present our results. Finally, we discuss our results as well as several managerial implications.



Performance Measurement and Performance Paradoxes in PAOs

Performance Measurement in PAOs

The literature on ACOs highlights the difficulty of measuring the performance of such organizations, given their specificities. By their very nature, ACOs are often ideologically opposed to the idea of control (Chatelain-Ponroy 2001; Chiapello 1998). For instance, Chiapello (1998) shows that it is not unusual to find opposition to management control tools, and performance measurement systems in particular, in ACOs,

which may have financial difficulties and show an independent spirit. Performance measurement raises many problems in ACOs (Kushner and Cohen 2011), which can be traced to the lack of managerial culture, difficulty defining objectives, the complexity of the link between financial and artistic goals, and difficulty quantifying artistic objectives (Badia and Donato 2013). ACOs tend to consider quality an essential issue when it comes to measuring their performance, which they believe cannot easily be measured in quantitative or financial terms (Lafortune et al. 1999). Zorloni (2012) discusses the practical difficulties of performance measurement, in museums in particular, describing it as “elusive” for most stakeholders, while Paulus (2003) warns of the risk of staff focusing on aspects that are measured at the expense of other important aspects. Despite these difficulties, presenting figures appears to be necessary. Turbide (2012), in her study examining whether good governance can prevent financial crises in ACOs, notes that organizations facing difficulties rarely present detailed figures and tend to be late in reporting their results. The performance measures used have to be consistent with the organization’s mission and its organizational objectives. If they meet these conditions, they can help to clarify priorities and manage change (Soren 2000). Different models for measuring ACO performance have been developed (Gilhespy 1999, 2001; Paulus 2003). In the case of museums, the most widely used indicators appear to be costs (and failure to keep within budget), ticket sales, the number of visitors, and the share of total revenue that comes from donations or subsidies (Paulus 2003).

The difficulties of using management tools that arise from the opposition between economics and art are even more salient in the case of PAOs,

Isabelle Assassi

(PhD) is a professor of Marketing at Toulouse Business School in France. From 1999 to 2012 she was head of the Management of Cultural and Creative Activities program. She is a board member and former President (1999–2016) of Les Éléments, a leading choir in France. Her research interests are focused on strategic marketing in the performing arts.

Fabienne Oriot

(PhD) is a professor and head of the Internal Audit and Management Control master’s program at Toulouse Business School in France. Her research interests include the design and use of performance measurement and management systems within various organizational contexts such as SMEs and non-profit organizations, the balanced scorecard and *tableau de bord*, and the management role of controllers and CFOs.

ABSTRACT

This article explores the way in which a government-imposed performance measurement system, the “LOLF indicators,” is perceived by French national drama centres (NDCs) and the performance paradoxes related to its use. The literature suggests that the LOLF indicators are difficult to implement because of the incompatibility of art with management control and because they might be seen as imposed by external stakeholders for accountability purposes. However, the interviewees in this case study of one NDC had no objection to measurement or to management control. The results nevertheless reveal several weaknesses in the LOLF indicators. In terms of performance paradoxes, the results highlight perverse and, to a lesser extent, positive learning processes at work. The causes of these processes are both unintended (elusiveness of policy objectives, contradictory goals) and deliberate (cream skimming and cherry picking). The authors explain how the indicators might evolve to overcome these weaknesses and paradoxes.

KEYWORDS

Theatre, indicators, performance measurement, performance paradox, management control

because of the complex nature of the performing arts. In the case of live performance in particular, whilst the necessary link between performance indicators and strategy has been highlighted by Weinstein and Bukovinsky (2009), following Kaplan and Norton's (1993, 1996a, 1996b, 2001) work on the balanced scorecard, the difficulty of implementing this link has also been described (Badia and Borin 2012). Accordingly, the set of performance indicators has to be considered as a whole, via a systemic approach, since "the evaluation of the results does not depend on a disconnected analysis of single indicators, but has to consider them in a unitary way" (Badia and Borin 2012, 48). The whole organization needs to be involved in building the set of indicators, like Kaplan and Norton's balanced scorecard (Badia and Borin 2012; Kaplan and Norton 1993, 1996a, 1996b, 2001; Weinstein and Bukovinsky 2009). What kinds of indicators are taken into account? Boerner and Renz (2008) point out that opera houses tend to employ quantitative indicators, although qualitative and subjective indicators would be more useful because they could assess quality. Also, Boerner et al. (2011) explain that, in theatrical organizations, performance indicators include statistics, ratios and costs, but not qualitative items such as the quality of the visitor experience.

Furthermore, Turbide and Laurin (2009) find that although artistic performance is regarded as of the utmost importance, in practice PAOs attach as much or even more importance to the measurement of financial performance. They examine the reasons for this focus, and question whether it has a detrimental effect on the achievement of artistic objectives. This unbalanced focus in favour of quantitative financial measures

is also highlighted by Badia and Borin (2012) in their study of the Municipal Theatre of Ferrara.

On the basis of the literature, therefore, we would expect implementation of the LOLF indicators in NDCs to be difficult because of the supposed incompatibility between art and management control and because these indicators are seen as imposed by external stakeholders for control purposes. In effect, the obligation to monitor and report these indicators comes with other regulatory requirements and potentially contradicts the historical culture of NDCs. NDCs emerged in the post-1945 period of cultural euphoria, and their culture remains influenced by the spirit of the National Council of French Resistance and the libertarian values of May 1968 that empowered artists (Darzacq 2006). This is attested to by recent statements by NDC Artistic Directors, such as the following: "How can we resist a certain performance ideology? I try to change perceptions on this specific issue in my work. How can we not comply, today, with the performance vocabulary and the obligation to succeed? How can we resist these orders? How can we let human beings express their complexity and become more emotional?"¹

However, one can also hope that the implementation of these indicators will have beneficial effects for NDCs, leading them to view the indicators more positively. Some French theatres have developed their own set of indicators in accordance with their strategic artistic objectives (Amans et al. 2015).

Organizations can use these indicators to communicate with their funders (Radbourne et al. 2009), which is essential for their survival. Stockenstrand and Ander (2014) point out that

Acknowledgements

The authors are grateful to all the professionals (theatre administrators, directors, regional councillors, etc.) they met with, for their generous assistance and for taking the time to answer numerous questions. They are also grateful to Professors Marie Boitier, Massimo Contrafatto, Marc Filser, Rebecca Siry and Johanne Turbide, as well as all the participants in the first joint Royal Holloway University/Toulouse Business School accounting research workshop, for their valuable comments and feedback.

RÉSUMÉ

Cet article examine, d'une part, la façon dont un système d'évaluation de la performance imposé par le gouvernement, communément appelé les « indicateurs LOLF », est perçu par les centres dramatiques nationaux en France (CDN) et, d'autre part, les paradoxes de performance liés à son utilisation. La littérature suggère qu'il est difficile de mettre en pratique les indicateurs LOLF en raison d'une incompatibilité entre l'art et le contrôle de gestion et parce que les indicateurs peuvent être perçus comme étant imposés par des parties prenantes externes à des fins d'imputabilité. Or, les personnes interviewées dans le cadre de cette étude d'un CDN n'ont exprimé aucune objection à l'évaluation ou au contrôle de gestion. Les résultats révèlent cependant plusieurs lacunes des indicateurs LOLF. En ce qui concerne les paradoxes de performance, les résultats soulignent la présence de processus d'apprentissages pervers et, à un moindre degré, positifs. Les causes de ces processus sont à la fois involontaires (caractère insaisissable des objectifs stratégiques, objectifs contradictoires) et intentionnelles (écrémage et picorage). Les auteurs expliquent comment ces indicateurs pourraient évoluer afin de combler ces lacunes et de remédier à ces paradoxes.

MOTS CLÉS

Théâtre, indicateurs, évaluation de la performance, paradoxe de performance, contrôle de gestion

some forms of cultural expression may be in danger of disappearing, simply because they are unable to justify their existence financially to their funders. On the basis of these findings, we could advance the opposite hypothesis, that, in ACOs, the practice of ensuring that funding bodies receive regular reports can favour the survival of an organization by giving advance warning of financial difficulties and helping to avoid them. Finally, the potentially positive effects of performance indicators, such as their contribution to decision-making and strategy implementation processes and their role in helping theatres to report to their external stakeholders, may induce NDCs to see them in a more positive light (Badia and Borin 2012).

Performance Paradoxes in PAOs

The performance paradox refers to a weak correlation between, on the one hand, performance indicators and the report they give on performance, and, on the other hand, actual performance (Meyer and Gupta 1994; Meyer and O'Shaughnessy 1993; Van Thiel and Leeuw 2002). Performance indicators are, then, unable to provide an accurate report on performance (Van Thiel and Leeuw 2002).

According to Meyer and Gupta (1994), four types of processes are involved in the deterioration of performance indicators: positive learning (when performance has improved to such a degree that indicators can no longer detect lower performance); perverse learning (when figures are manipulated); selection (of the most proficient performers, at the expense of the least proficient); and suppression (of measures that show persistent performance differences).

Van Thiel and Leeuw (2002) distinguish two sets of causes, depending on whether the performance paradox is unintended or deliberate. An unintended performance paradox may stem

from four causes: (1) minimal accountability requirements; (2) elusive policy objectives (which may be associated with multiple and potentially contradictory goals, resulting in their being difficult to hierarchize); (3) policy goals that are impossible to quantify and hard to measure; and (4) a strong emphasis on monitoring and efficiency (Van Thiel and Leeuw 2002). A deliberate performance paradox is associated with perverse learning and implies trying to hide a poor performance by misrepresenting or misinterpreting performance indicators (Van Thiel and Leeuw 2002). It can take several forms, which involve exclusively focusing the reporting on certain dimensions of performance in order to make the organization look more successful than it actually is: tunnel vision (focusing on quantifiable dimensions), sub-optimization (focusing on efficient parts of the organization), myopia (focusing on short-term objectives) and cream skimming (LeGrand and Bartlett 1993) (focusing on easy-to-satisfy customers to the exclusion of others).

According to Van Thiel and Leeuw (2002), certain characteristics of public sector organizations increase the chances of a performance paradox occurring, such as conflict between the policy objectives of politicians and the operational goals of executives, the impossibility of dismissing public servants, and the gap between income and expenditures, along with the fact that no sanction is implemented if it emerges that information has been manipulated.

In order to resolve performance paradoxes, organizations must resort to a set of uncorrelated, comparable and varying indicators (Meyer and Gupta 1994). They have to find a set of measures that corresponds to the right amount of pressure (Van Thiel and Leeuw 2002). Van Thiel and Leeuw (2002), following Bouckaert and Balk (1991), show that public sector organizations need to find optimal indicators, with the lowest dysfunctional effects and the highest functional

RESUMEN

En este artículo se explora la percepción que tienen los centros dramáticos nacionales (CDN) franceses de la medida de desempeño impuesta por el gobierno, los "indicadores de la ley orgánica relativa a las leyes de finanzas (LOLF)", y cuáles son las paradojas de desempeño relacionadas a su uso. La bibliografía sugiere que es difícil aplicar los indicadores LOLF debido a la incompatibilidad del arte con el control de la gestión, y porque se les puede ver como algo impuesto por actores externos con fines de rendición de cuentas. Sin embargo, los entrevistados en este estudio de caso de un CDN no se oponían a la medición, ni al control de gestión. Los resultados revelan no obstante algunas debilidades en los indicadores LOLF y destacan, en cuanto a las paradojas de desempeño, procesos de aprendizaje con efectos en mayor parte perjudiciales, aunque algunos, en menor medida, resultan positivos. Las causas de estos procesos son tanto involuntarias (vaguedad de los objetivos políticos, metas contradictorias) como deliberadas (efecto flor y nata y criba). Los autores explican cómo los indicadores podrían evolucionar para superar estas debilidades y paradojas.

PALABRAS CLAVE

Teatro, indicadores, medida de desempeño, paradoja de desempeño, control de gestión

effects possible, that allow for multiple interpretations of policy goals. In order to take into account the very nature of public service, they should also “reflect quality and effectiveness rather than ‘hard’ product attributes” (Van Thiel and Leeuw 2002, 277).



Research Method

Our research design is based on a qualitative approach, which is particularly apt when it comes to providing a rich understanding of processes and social reality (Moll et al. 2006). We employ a single case study approach, for several reasons. To begin with, two of our research questions are *how* questions. The case study approach (Yin 2014) is especially suitable when the research question concerns *how*. It is therefore relevant when researchers have limited control over events and when they are investigating a contemporary phenomenon in a real-life context. Case studies are a good way of keeping sight of contextual relationships in qualitative analyses (Maxwell and Chmiel 2014). The organization studied is the NDC of a large French city and its selection was based on an information content criterion – that is, the selection process can be used to maximize the utility of information derived from a single case (Flyvbjerg 2011). The name of the NDC cannot be disclosed since the interviewees asked to remain anonymous.

Guaranteeing that the names of the interviewees and the name of the theatre would not be revealed was part of the “agreements . . . negotiated to gain access to the case” (Moll et al. 2006, 393). We also expected, following the arguments of Irvine (2003) and Taylor (2015), that confidentiality would induce interviewees to speak more honestly, thereby enabling us to collect richer and more relevant data.

Context of the Study

NDCs have existed in France since 1945, with the dual purpose of democratizing and decentralizing theatrical creation. They were given the label “NDCs” in 1972 by a decree establishing a “decentralization contract.” They are directed by one or more recognized personalities from the theatre world appointed by the Ministry of Culture and Communication (MCC). The decentralization contract entrusts the Artistic Director of each NDC with a mission to create, produce and disseminate performances of dramatic art of national or international importance. This contract, which lasts three years and can be renewed twice, constitutes the NDC’s mission

statement and contains a number of obligations (Babe 2008; Goetschel 2004). In 2015, there were 35 NDCs across France, mostly presenting contemporary or classical theatre. Their budget ranged from €1.5 to €9 million (€3.8 million on average), with public subsidies of €0.5 to €6.5 million (€2.7 million on average), of which approximately 55% came from the state.²

The NDC studied is one France’s five largest, with a budget of approximately €7 million and 50 permanent employees. Public subsidies account for some 70% of its overall budget, one third of which comes from the MCC. At the time of our study, its Artistic Director, assisted by a Deputy Director for Artistic Projects, was in the third year of his first mandate. The NDC’s legal status is that of a simplified joint stock company. It has three performance venues with some 1,200 seats in total. It presents about 40 shows with between 150 and 200 performances a year. The attendance rate is relatively high, at roughly 80%, and the theatre has an average of 8,000 season ticket holders.

The MCC is represented in each region by a Regional Directorate of Cultural Affairs (RDCA) responsible for implementing the cultural policy defined by the national government. The RDCA provides advice and expertise to all bodies active in its local sector (e.g., ACOs and local authorities). It is therefore involved in disseminating the LOLF indicators and in measuring the performance of the NDCs in its region.

Data Collection and Analysis

We selected this particular NDC because it represented a unique opportunity to get firsthand access to the phenomenon of interest (Yin 2014). The study, conducted over a one-year period, used multiple sources of data, including interviews, archival records and printed documents. We conducted 10 semi-structured interviews with 12 different participants (see Table 1). First, within the NDC, we interviewed the Deputy Director for Artistic Projects (who was also Lead Administrator), the Deputy Administrator and the Chief Accountant, because these people are responsible for both managing the organization’s performance and reporting on the LOLF indicators. Second, we interviewed people from outside the NDC to see if they corroborated the NDC staff version (RDCA, City and Region) and to gather additional data on the case (Yin 2014). We believe that triangulating our information sources enabled us to limit potential bias in our data collection (Eisenhardt and Graebner 2007) and to ensure the greatest possible internal validity (Miles and Huberman 2013). All interviews were

conducted using an interview guide (see Appendix 1) and were recorded and transcribed. We recorded a total of 17.5 hours of interviews, representing 298 pages of verbatim transcription.

TABLE 1

LIST OF INTERVIEWEES	
Position	Organization
Deputy Director for Artistic Projects (and Lead Administrator)	NDC
Deputy Administrator	NDC
Chief Accountant	NDC
Theatrical Consultant	RDCA
Administrative Coordinator, Creation Program	RDCA
Deputy Director General for Cultural Services	City
Director, Administration of Cultural Affairs	City
Assistant to Director, Administration of Cultural Affairs, Finance	City
Director of Cultural Development	City
Regional Councillor, Vice-President for Culture and Heritage	Region
Assistant to Regional Councillor for Live Performance	Region
Project Officer, Theatre Section, Culture Department	Region

In parallel, we collected a large number of written documents and archival records, either directly from the people we met or from sources freely accessible online, in order to compile a documentary corpus as complete as possible and to gain a deeper understanding of the case (Stake 2010). Although this is not an exhaustive list, the corpus includes: the decentralization contract signed by the NDC's Artistic Director and the MCC; the artistic project of the NDC and that of the city; the organizational charts of the various bodies concerned; the RDCA's annual performance projects and annual performance reports; different archival records extracted from the management tools used by NDC staff (scorecards, budgets); several agreements between the NDC and its local stakeholders (City, Region); different tables used by the NDC, the RDCA and the MCC to compile the LOLF indicators; instructions for the LOLF indicators issued by the MCC explaining how

they should be calculated and to whom they should be disseminated; all legislation concerning NDCs (circulars, decrees, acts, labour agreements); and press articles on the arts and culture sector in France. This documentary corpus amounts to several hundred pages.

To analyze the data, we used a case description strategy (Yin 2014) and the principles of thematic analysis (Miles and Huberman 2013). This is one of the most common ways of approaching qualitative data analysis (Bryman and Bell 2011) and can be used both to capture "the important concepts within a data set" (Ayres 2008, 867) and to recontextualize data that have been decontextualized through coding (Ayres 2008). The data were fully coded by two of the authors using Web-based software and then analyzed separately by each author to allow for the emergence of various points of view. To ensure the validity of the analytic process, we then performed a comparative analysis in order to balance and contrast the views of the different authors. Convergences and divergences were identified and discussed in light of our research questions. The results of this analytic process are presented in the next section. We acknowledge the traditional limits inherent to single case studies, especially in terms of generalizability. However, as pointed out by Yin (2014) and several other proponents of the case study method (Eisenhardt and Graebner 2007; Patton 2002; Stake 2010), the generalizability of the results of this type of research should be questioned in terms of domain and theory and not from a "sample to population" (i.e., statistical) perspective.

Results

Description of LOLF Indicators

In the LOLF framework, the budget of the French state is divided into Missions, Programs and Actions. Missions correspond to major government policies, whereas Programs provide a framework for the implementation of these policies, by defining the objectives and the expected results. The role of Actions is to specify the destination of expenditure. The NDC under study, like all NDCs, is involved both in a (cultural) Mission and in a "Creation" program, as a key element in producing and disseminating contemporary French theatre. This Creation program comprises four Actions, four objectives and 11 LOLF indicators (see Table 2), designed to measure the performance of the different ACOs that it covers.

TABLE 2

CREATION PROGRAM: ACTIONS, OBJECTIVES AND PERFORMANCE INDICATORS
ACTIONS
1. Support for the creation, production and dissemination of live performance
2. Support for the creation, production and dissemination of plastic arts
3. Support for the creation, production, dissemination and promotion of books and reading
4. Economics of the cultural sector and its professions
OBJECTIVES AND PERFORMANCE INDICATORS
Objective 1 Encourage innovation and diversity in creation Indicator 1.1 Renewal of beneficiaries of schemes to support creation <i>Indicator 1.2 Degree of creation in the programs of subsidized production structures</i> Indicator 1.3 Number of new titles published in the slow-moving creative goods sector
Objective 2 Provide a robust financial and professional basis for creation <i>Indicator 2.1 Financial stability of operators</i> <i>Indicator 2.2 Job creation in the artistic sector</i> Indicator 2.3 Work to form agreements with subsidized production structures Indicator 2.4 Optimization of procedure for drawing up subsidy applications
Objective 3 Increase public attendance at cultural venues everywhere <i>Indicator 3.1 Attendance at subsidized venues</i>
Objective 4 Increase dissemination of cultural works and productions in France and abroad <i>Indicator 4.1 Efforts made to take culture into the field</i> <i>Indicator 4.2 Intensity in disseminating cultural productions</i> Indicator 4.3 Market share of independent bookshops
<i>Note: Indicators in italics are those that concern NDCs.</i>

TABLE 3

CREATION PROGRAM: INDICATORS RELEVANT TO NDCS AND ASSOCIATED MEASURES
1.2 Degree of creation in programs of subsidized production structures
Ratio of new works to number of seats available for sale (%)
2.1 Financial stability of operators
Average revenue per seat available (€)
Proportion of fixed costs in budgets of subsidized structures (%)
Coverage ratio of expenses of publicly subsidized structures (%)
2.2 Job creation in arts sector
Share of artistic payroll in total payroll (%)
3.1 Attendance at subsidized venues
Paid attendance (number of seats sold)
Ratio of seats sold to number of seats available (%)
Proportion of school audiences in paid attendance (%)
4.1 Efforts made to take culture into the field
Ratio of performances given outside the NDC's home city to total number of performances (%)
4.2 Intensity in disseminating cultural productions
Number of performances per production

The 11 indicators and the different measures associated with them are not all relevant to the different ACOs (theatres, museums, libraries, etc.). For example, only six of the 11 indicators of the Creation Program (see Table 3) and three of six measures of the attendance indicator (3.1) are relevant for NDCs.

The dissemination circuit of the LOLF indicators follows a relatively top-down and standardized approach, whose purpose is to give a snapshot of the situation of creation in France in order to account for the use of public funds. This approach has been “imposed” on all NDCs, with the question of adapting the indicators or involving local stakeholders never being raised. The MCC asks NDCs to provide the figures corresponding to these indicators several times per year, either directly or via the RDCA.

The first indicator evaluates the effort made by the Opéra National de Paris, the Opéra-Comique and five national theatres and NDCs to present new shows, in keeping with the missions of these organizations. The associated objective is to “encourage innovation and diversity in creation,” the associated measure being the ratio of new works to the number of seats available (in %) and the target is over 40%. The difficulty is that theatres also have to make room for other shows in order to promote the work of different companies and to stage revivals for longer diffusion and for financial reasons. Indicators 2.1 and 2.2 refer to the second objective: to provide a robust financial and professional basis for creation. Indicator 2.1, “financial stability of operators,” corresponds to three measures: average revenue per seat available (as organizations have to prove that they are capable of generating revenues; target = €60); the proportion of fixed costs in the budgets of subsidized structures (the aim is to contain rising costs related to buildings, insurance and human resources, which can be achieved by coproducing and by optimizing management; target = < 68%); and the coverage ratio of expenses of subsidized structures (target = > 45%, which can be achieved by finding new sponsors and raising specific prices, provided this does not prevent the organization from achieving democratization). Indicator 2.2 is “job creation in the artistic sector.” The associated measure is the share of artistic payroll within the total payroll, which must be over 40% in order to support production. Indicator 3.1, “attendance at subsidized venues,” is associated with the objective of “increasing public attendance at cultural venues everywhere.” The corresponding measures are paid attendance at subsidized venues (which gives an idea of the theatres’ impact on the public; target = 5,650,000

seats sold), the ratio of seats sold to the number of seats available at subsidized venues (in %) and the proportion of school audiences in paid attendance at subsidized venues (target = 18%, the aim being to reach a young audience and to renew the audience). Objective 4, to “increase dissemination of cultural works and productions in France and abroad,” is split into two indicators: “efforts made to take culture into the field” (4.1) and “intensity in disseminating cultural productions” (4.2). Indicator 4.1 is associated with the ratio of performances given outside the NDC’s home city to the total number of performances (target = > 35%). The aim is to allow people who do not live in the city where the theatre is located to attend performances. Indicator 4.2 is associated with the “number of performances per production” (target = > 22%), which is in keeping with the dissemination mission.

In the next subsections we describe how the LOLF indicators, and their related measures and targets, are perceived by our NDC interviewees. Our data show that they did not find the LOLF indicators meaningful in any way. We identified five reasons for this lack of meaning.

Indicators With Little Relevance for Internal Management of the NDC

The first reason why the LOLF indicators are meaningless for the NDC is that they do not help the organization to manage its affairs internally, since they reflect the needs of the MCC and convey an impersonal vision of all NDCs. For example, the target of indicator 1.2 (degree of creation in the programs of subsidized production structures) is not even shown to the Artistic Director by the Deputy Administrator: “I know that we don’t meet this target, so I don’t even worry about it. And then I can’t really see myself going and telling my director, ‘Well, I think maybe for your next show you should choose something easier. I know you’re really keen to do some Victor Hugo, but it would be better to pick something else, with 20 actors, because that’s what I need for my thingamajig indicator.’” (Deputy Administrator, NDC)

For its own management, the NDC therefore has either developed its own indicators (especially those for monitoring artistic profitability and wages) or adapted some of the LOLF indicators. Adapting the LOLF indicators may involve changing the way they are measured and/or setting different targets. For example, the NDC uses attendance figures for its management but sets its own targets, taking into account the specificities of its programming, independently of those laid down by the MCC, which are based on

maximum capacity: “We know that some shows won’t be sold out. We’re helping young artists to develop, with complex productions. With a work like [name of play – a new work], if we manage to sell 50% of the seats, we’re delighted! So, to be interesting for us, the LOLF indicators should take these forecasts into account.” (Deputy Director for Artistic Projects, NDC)

It is interesting to note that NDC personnel reserve the term “indicator” for their own indicators, refusing to use it to describe the LOLF indicators, which they call “statistics.”

Decontextualized Statistics as Indicators

The second reason why the LOLF indicators are meaningless for NDC staff is that the system of “objectives, indicators, measures and targets” is identical for all NDCs. This system assumes a sort of “average NDC” that exists only in the MCC’s imagination and with which NDC staff do not identify: “A small NDC with 12 employees and a single venue of 250 seats can’t be compared to one with 45 employees, a budget of €7.5 million and three venues. Yet the LOLF indicators are the same for both. You can’t have a uniform vision covering all French NDCs, which are of different sizes and which may operate in very different competitive or theatrical environments. . . . the region we serve here is one of the largest in France, but the LOLF indicators are merely accountants’ figures and take no account of who we are.” (Deputy Director for Artistic Projects, NDC)

In particular, the targets correspond to an average level of performance expected by the MCC at a national level and are not necessarily relevant given the particular characteristics of each NDC, its features and its artistic projects. For example, the NDC studied must devote at least 40% of its payroll to performers and at most 67% of its budget to fixed operational costs, like all NDCs. However, it is difficult if not impossible for it to meet these two targets, because of the technical characteristics of its facilities: “We simply can’t achieve some of these targets, and haven’t been able to for years. . . . in particular, in our case, the indicator dealing with the proportion of payroll for performers in relation to total payroll: we achieve just 17%, whereas we are supposed to achieve 40% and we just can’t manage it. We never get close.” (Deputy Administrator, NDC)

Another example is the indicator for taking culture into the field (4.1). The NDC studied, which has an ambitious program in terms of the total number of annual performances (200), is at a disadvantage compared to a theatre providing

fewer performances overall but the same number of performances outside its home city. Hence the MCC’s national target of 40% is more difficult to achieve for this NDC, which also feels penalized by the way in which its “work in the field” is measured: “This measure, which is the ratio for the number of performances outside the home city to the total number of performances, is meaningless, because there are theatres that put on a small number of performances at their home venue and a large number on tour. The measure just doesn’t mean anything. So, in the end, we just hand over the figures.” (Deputy Administrator, NDC)

Unreliable Indicators Open to Multiple Interpretations

The third reason why the LOLF indicators are considered meaningless is that the method for calculating them, as defined by the MCC, is apparently too complex for NDC staff, who are forced to interpret the instructions as best they can. For several of the indicators, exactly what falls within the definition of “operating costs” and what can be ascribed to “artistic activity” is subject to different interpretations and therefore to different calculations. The Deputy Administrator told us that his counterparts in other NDCs face the same issue, which may give rise to inconsistencies when the figures are aggregated at a national level: “We have NDC administrator meetings and we realize that we don’t all interpret this in the same way. For example, I believe communication costs should be associated with artistic activity because we only spend money on communication about shows, on the artistic side.” (Deputy Administrator, NDC)

Insofar as some of the data used to calculate the indicators are merely declared, with no supporting proof, there is a danger that the instructions for making the calculation will in some cases be influenced by a desire to embellish performance: “How am I supposed to measure the number of free entries? We don’t count them. All we can do is make statements about it, which may mean writing whatever we like. The information system shows me what other regions have declared, and sometimes I think, ‘They’ve been fiddling with the figures, that’s just not possible!’” (Administrative Coordinator for Creation program, RDCA)

Ultimately, it seems unlikely that reliable and relevant aggregate statistics can be compiled at a national level by consolidating figures that are not comparable, because the reality being described has not been measured in the same way in every organization.

Indicators Not Used for External Assessment and Without Consequences for the NDC

The fourth reason why the LOLF indicators are meaningless for the NDC is linked to the absence of any real follow-up by the MCC. Staff say they receive very little feedback from the MCC on the information provided and no analysis or assessment of their performance. When there is communication, it entails only “ticking boxes”; there is no discussion or analysis of the NDC’s performance: “When the MCC contacts us or asks questions, it’s all about providing the figures for the indicators and not about discussing what they mean. There’s no discussion of the real content.” (Deputy Administrator, NDC)

Achieving the targets, moreover, does not lead to any increase in subsidies. As a result, NDC staff do not seem motivated to achieve the targets related to the indicators, especially as the MCC shows no sign of being concerned about them: “Are [the LOLF indicator] targets adapted as appropriate for the different regions? No, they use a national average. They are identical for all NDCs. But they are a funny bunch [at the MCC], because once I called them and they told me, ‘Well, no, you see, they’re indicative!’ Seriously, what does that mean?” (Administrative Coordinator for Creation program, RDCA)

Worse still, as the NDC was judged to be doing well at the time, its grant was slightly reduced for the benefit of ACOs facing greater difficulties: “An institution like ours, they think we have nothing to worry about; everything works well, we have a loyal public, attendance rates are good, the accounts are balanced, so the MCC thinks everything’s OK. So they’ve got no qualms about withholding €10,000 out of a budget of €7 million – it’s a drop in the ocean.” (Deputy Administrator, NDC)

Even if it wanted to, the MCC would be unable to analyze the performance of each NDC, as it would not be able to make sense of the figures collected, due to the lack of contextualization and explanation. This is the key point made by our interviewees, and the RDCA’s Theatrical Consultant agreed: “It’s just mechanical reporting. They don’t even ask us to explain variations. So they want a load of statistics . . . But I can’t help wondering what good it all does. . . . they’re going to put it in a table, but how can they explain any changes? I think they have no idea.” (Deputy Administrator, NDC) “Just because a theatre is full every night, it doesn’t necessarily mean that the work it performs is interesting. Or, if it’s half empty, that the work is no good. If a theatre isn’t selling tickets, it’s more likely to be a relationship

problem with its public. To get to the bottom of this, you have to be there on the ground. But this is not at all what these figures are intended for in Paris.” (Theatrical Consultant, RDCA)

This corroborates the notion that the MCC indicators are used not to monitor NDC performance but to show parliamentarians the performance of an “average” NDC.

Indicators Not in Conformity With the Decentralization Contract

The fifth and final reason why the LOLF indicators are meaningless for NDC staff is that they are not consistent with the decentralization contract. While the themes are identical (creation, programming, dissemination, artistic employment and budget, balanced accounts), the measures contained in the contract are formulated in very different ways, with two exceptions: the proportion of fixed costs in the overall budget, and the share of artistic payroll in total payroll. And even for these two exceptions, the LOLF and the decentralization contract set different targets.

However, NDC staff do not see the LOLF as a “contract,” unlike the decentralization contract, which is signed by the Artistic Director and whose measures and targets (see Table 4) are the only ones perceived as legitimate by the NDC: “We stick to the targets of the decentralization contract, which say, ‘You must spend 50% of your budget on general costs and 50% on the artistic side; you must generate at least 20% of your total revenue; you must have the equivalent of X hours of the work of performing artists; you must spend two thirds of your artistic margin on production, etc.’ It’s written in black and white, it’s a decentralization contract. . . . if that’s what’s meant by a contract of objectives, then, yes, that’s what it is. And that’s how we are assessed.” (Chief Accountant, NDC)

The NDC does not necessarily understand the targets imposed by the MCC and does not feel obliged to meet them if they are not mentioned in the decentralization contract: “Regarding school audiences, the MCC tells us, ‘You are not meeting the quota for school audiences.’ So I say, ‘What are you talking about?’ And they say, ‘You see, that’s what the LOLF indicators are telling us.’ But I say, ‘This is the first we’ve heard of it. We don’t know anything about it!’” (Deputy Director for Artistic Projects, NDC)

In addition, the LOLF and the decentralization contract cover different timeframes: the LOLF is annual, while the decentralization contract is renewed every three years. This means that the NDC tends to prioritize the decentralization contract, because its timeframe is linked

TABLE 4

MEASURES AND TARGETS INCLUDED IN THE NDC DECENTRALIZATION CONTRACT IN FORCE DURING THE STUDY
General provisions
Every year the Artistic Director shall present at least two new shows that he has produced (or primarily co-produced) (Article 5)
The Artistic Director shall commission one or more directors to put on three of the shows provided for in Article 5 (Art. 6)
Three of the new works produced by the NDC during the course of the contract shall concern works by living authors writing in French, other than the Artistic Director. Each of these three new works shall be performed at least 10 times in the region defined by the contract (Art. 7).
Insofar as is compatible with his artistic project, the Artistic Director shall give performers employment contracts of at least 6 months (Art. 8).
At least one third of the total payroll distributed by the Artistic Director's company shall be paid to performers. At least one hundred months of salary each year should be paid to performers (Art. 9).
Each production provided for in Article 5 shall be performed at least five times at the home venue (Art. 10).
The Artistic Director shall take measures to ensure that, over the period covered by the contract, there are at least 30 performances of shows produced or co-produced by the NDC, in small and medium-sized towns in the region, outside the home city (Art. 11).
The Artistic Director shall invite guest theatrical shows to be performed in the area defined in Article 16 [. . .] Among these, the Artistic Director shall invite at least five shows per season – including at least one intended for younger audiences – produced by national companies or the smaller "scènes nationales" in a spirit of artistic excellence and solidarity (Art. 12).
Over the course of his contract, the Artistic Director shall generate at least 20% of revenue from ticket sales, etc. (Art. 13).
The Director shall not devote more than 50% of the NDC's total budget to administrative and technical costs (Art. 14).
Specific provisions
There must be at least 200 performances (including revivals) of the NDC's productions during the course of this contract, in the region defined in Article 16 (Art. 17).

to the Artistic Director's mandate and the question of its renewal, even at the risk of compromising the LOLF indicators at the end of the mandate.

Again, considering timeframes, while all of the indicators are supposed to be calculated on an annual basis, this does not prevent the MCC from requesting information from the NDC several times a year. For example, the MCC requests attendance data every quarter. For the other indicators, those more closely linked to the notion of the theatrical season are requested in June – that is, at the end of the season – and those related to the calendar year in December. This makes it difficult to be consistent, as explained by the Deputy Administrator: "Sometimes the figures we give to the MCC and the figures we give to the RDCA are different because they are requested at different times, which means that some include forecasts and some don't. And so I have the RDCA calling because they don't understand why we gave them such-and-such a figure." (Deputy Administrator, NDC)

Discussion

Performance Measurement and Management Control in ACOs and PAOs

By tackling the issue of how NDCs perceive the LOLF indicators, our work sheds light on the crossroads of the management of ACOs and management control, which has been little explored to date. Our case study generates several sets of results.

First, it confirms the findings in the literature concerning the difficulty of measuring performance in ACOs, especially interpreting the resulting measurements (Badia and Donato 2013; Kushner and Cohen 2011; Zorloni 2012). At the very least, measuring the performance of NDCs with the system of objectives, indicators, measures and targets contained in the MCC's Creation program is shown to be problematic.

Second, our results are rather surprising considering the extant literature on the subject, and this is where our main contribution to building bridges between the management of ACOs and management control lies. Although the literature might lead one to expect NDC staff to object to measurement and management control tools, we find no such thing. Our interviewees never



mentioned the difficulty, raised by Zorloni (2012), of measuring artistic performance. Furthermore, their responses show no trace of opposition to quantitative financial indicators in general, contrary to the observations of Lafortune et al. (1999), nor concern about the financial measurement of performance as described by Turbide and Laurin (2009). Finally, the doubts about these indicators expressed by NDC staff do not seem in any way linked to the ideological considerations about control advanced as an explanation by Chiapello (1998) and Chatelain-Ponroy (2001). In fact, they use indicators themselves to manage their organization, as in the theatres studied by Amans et al. (2015), but these differ considerably from the LOLF indicators, whose weaknesses are pointed out.

Third, our interviewees expressed five main criticisms of the LOLF indicators, which can be connected to the literature on performance measurement in ACOs and more specifically in PAOs. The first of these criticisms, which stems in part from the other four, is that the indicators are of little use to the NDC itself for internal management purposes. The indicators' lack of value is largely explained by the fact that they are devoid of context, which is the second criticism that we identified. The result is that they are not compatible with the NDC's mission and organizational objectives; according to Soren (2000), compatibility is necessary if performance measurements are to help clarify priorities and manage change. The issue here is that there is no link between the general indicators imposed from without and the strategy of the organization itself, while such a link should form the basis of any performance measurement system (Kaplan and Norton 1993, 1996a, 1996b, 2001), including in performing arts organizations (Badia and Borin 2012; Weinstein and Bukovinsky 2009). The results of our case study are therefore fully consistent with the extant literature on performance measurement and performance indicators.

Finally, the staff of the NDC also complained that the LOLF indicators are open to multiple interpretations, which inevitably makes them less reliable. This is one of the weaknesses mentioned by Paulus (2003). In addition, they expressed dissatisfaction that meeting targets generated no positive effects and, more generally, that there was no real MCC feedback on the indicators. The beneficial effects of establishing indicators to measure performance that we outline in our literature review, in terms of justifying and securing public funding, are nowhere to be seen, although none of the previous research pertains to the French context (Stockenstrand and Ander 2014; Turbide 2012). This fourth

criticism also calls into question the usefulness of the LOLF indicators for external stakeholders in their attempts to assess an NDC's performance. This may mean that the indicators are an ineffective communication tool and fail to achieve the required funding outcome (Radbourne et al. 2009). Finally, the LOLF indicators are not consistent with the terms of the decentralization contract. Thus, it is clear that the LOLF indicators were not meaningful for our interviewees and it is therefore unlikely that they would focus excessively on the aspects measured by these indicators, as suggested by Paulus (2003).

LOLF Indicators and Performance Paradoxes in NDCs

Our results also illustrate aspects of performance paradoxes: the inability of certain indicators to discriminate between good and bad performers, the processes that lead to performance paradoxes (two processes, present to different degrees), the causes of such paradoxes and the conditions that favour their occurrence. For instance, the decontextualized indicator 4.1, which addresses taking culture into the field, automatically improves greatly when the total number of performances per year is decreased. Hence, theatres such as the NDC studied that endeavour to offer a large number of performances per year are penalized, while theatres that do not make the same effort appear to be delivering a better performance.

Amongst the various processes identified by Meyer and Gupta (1994), perverse learning, which is associated with a deliberate performance paradox, best describes the situation of the NDC studied. Thus, some indicators are open to multiple interpretations. For instance, should communication costs be associated with artistic activity? This gives theatres the leeway needed to interpret costs to their advantage – hence the impression of the Administrative Coordinator for RDCA's Creation program that some regions have been “fiddling with the figures.” Even when a given interpretation exists, some indicators can be easily manipulated to exhibit a superior performance, as we have shown for indicator 4.1.

To a lesser extent, positive learning is also at work; or, rather, we can observe facts that are similar to those that result from positive learning, although in our case they are not the consequences of an improvement in actual performance. Still, some indicators seem to lack sensitivity when it comes to detecting bad performance, because corresponding targets are set by the ministry and are the same for all NDCs.

Some targets may therefore be far below what a particular NDC can achieve. In this case, the indicator gives information on whether or not the specified target has been met (usually, it has been met), but it gives no insight into the actual performance of the NDC. Finally, we observed no suppression or selection processes: to date, none of the indicators have been suppressed and none of the NDCs have disappeared.

Two of the causes of unintended performance paradoxes as identified by Van Thiel and Leeuw (2002) are present in NDCs: elusiveness of policy objectives and various contradictory goals, and policy goals that are frequently non-quantifiable and hard to measure. For instance, there is a contradiction between the measures (or, in two cases, the targets) associated with the LOLF indicators and those that appear in the decentralization contract. Besides, it is not surprising that, in line with the perverse learning process at work, NDCs might be induced to engage in cream skimming (cherry picking), which according to Van Thiel and Leeuw (2002) is one of the causes of deliberate performance paradoxes. This might lead theatres to avoid complex productions involving young artists, such as the one mentioned by the Deputy Director for Artistic Projects of the NDC studied, when the theatre is sure to be half empty.

NDCs feature all of the characteristics listed by Van Thiel and Leeuw (2002) as favouring the occurrence of a performance paradox. There is a contradiction between the policy objectives set by politicians and the operational goals of executives, as the policy objectives underlying the LOLF indicators do not take into account the specific needs and context of every theatre; they may therefore be of little relevance for internal management (in particular for the Artistic Director) and be in contradiction with the goals expressed in the decentralization contract. Also, there appears to be no rejection of public organizations: indicators are not used for external assessment and have no consequences for NDCs. Moreover, there is an obvious gap between costs and revenues, which is filled by public subsidies. Finally, no sanctions are implemented when information has been manipulated (for instance, when people have obviously “been fiddling with the figures”).

Managerial Implications

These results have managerial implications, mostly for public funders. The objective of the first Finance Act implementing the LOLF was to measure the performance of ACOs for the purpose of more democratic and efficient

management of public expenditure. At no time did our interviewees express opposition either to the idea that they should be accountable or to the measurement of their organization's performance. However, they highlighted weaknesses of the LOLF indicators that compromise the Act's ultimate objective. In terms of the democratic nature of the process, parliament certainly has statistics to inform its debates, but we would question the meaning of these figures, as they are supposed to describe an “average” NDC and are obtained by aggregating elements resulting from different interpretations that vary from one context to the next. It is also doubtful that the LOLF indicators are capable of responding to the need to assess the relevance and effectiveness of public spending (Gilhespy 1999).

How should the LOLF indicators evolve in order to overcome the weaknesses we have described and become meaningful for all concerned? As suggested by Meyer and Gupta (1994), organizations should rely on a set of uncorrelated, comparable and varying indicators. They have to find the right number of measures in order to avoid both excessive and minimalist pressure (Van Thiel and Leeuw 2002), with as few dysfunctional effects and as many functional effects as possible (Van Thiel and Leeuw 2002, following Bouckaert and Balk 1991), to allow for ambiguity and to reflect quality and effectiveness (Van Thiel and Leeuw 2002). According to Van Thiel and Leeuw (2002), we should also examine who actually develops the indicators. The organization only? The principal only?

NDCs could implement some kind of information system for counting free and paying entries separately, with the aim of providing more reliable figures on this aspect. This would help reduce dysfunctional effects, as would the development of shared indicators. Were the various stakeholders to build such shared indicators together, they might be able to develop indicators that can deal with ambiguity and take into account the various and potentially contradictory needs of the different internal and external stakeholders, without resorting to an excessive number of indicators. According to Van Thiel and Leeuw (2002), two risky situations could thus be avoided: when an organization develops indicators on its own it can more easily manipulate them, and when the principal develops its own indicators it obtains only the information that corresponds to these indicators. Here, the situation is slightly different, as the NDC is willing to develop its own indicators in order to monitor its performance and communicate with external stakeholders.

Collaboratively defining a set of indicators, measures and targets should imply that they take into account the decentralization contract and the specificities of each NDC. Measures that are seen as meaningless or that are inconsistent with the decentralization contract should be rethought. This is the case for the measure associated with indicator 4.1 (efforts made to take culture into the field), a ratio that penalizes theatres producing a high total number of performances, whereas the contract requires that at least 30 performances of shows be produced or co-produced by the NDC in small and medium-sized towns in the region, outside the home city. Instead of a ratio, only the number of performances outside the home city could be taken into account.

Accordingly, targets need to be adapted to each NDC's characteristics (which would not preclude the defining of a minimum and maximum at the national level) for data relative to attendance, to the degree of creation in the programs (target of indicator 1.2) and to the share of artistic payroll in total payroll (target of indicator 2.2). Targets should also be aligned with those included in the decentralization contract, such as that associated with the proportion of fixed costs in the budget (indicator 2.1) and, once again, that relating to the share of artistic payroll (indicator 2.2). In addition, a more detailed and clearer instruction guide should be drawn up by the MCC (preferably in collaboration with the NDCs) so as to reduce the interpretation margins for calculating the indicators and thereby increase the reliability of the figures. Finally, there should be more feedback from the MCC on the figures provided by the NDCs and no reduction of grants when targets are reached.

To conclude, this evolution also requires the sharing of work by those responsible for the performance management of NDCs and public funders. This appears to be feasible, as common work has already been carried out to build the successive decentralization contracts. The result of these joint efforts would help public funders to achieve the objective of more democratic and efficient management of public expenditure. Efficiency would also be improved at the NDC level, because more of the indicators (and their associated measures and targets) used to report to public funders would be useful for managing the organization. An interesting path for future research would be to perform a longitudinal study of the construction of such a set of shared indicators by the various stakeholders of a given NDC.

Notes

1. Statement by Eric Lacascade, former Artistic Director of the Caen NDC, in *La Terrasse*, 28 September 2014; translated from the French by the authors.
2. Source for all of the data: Web site of the Ministry of Culture and Communication (www.culturecommunication.gouv.fr/), accessed 28 August 2016.

References

- Amans, P., A. Mazars-Chapelon and F. Villesèque-Dubus. 2015. Budgeting in institutional complexity: The case of performing arts organizations. *Management Accounting Research* 27(1), 47–66.
- Ayres, L. 2008. Thematic coding and analysis. In *The Sage encyclopedia of qualitative research methods*, L. Given, ed. (pp. 867–89). Thousand Oaks, CA: Sage.
- Babe, L. 2008. *Cartographie nationale du spectacle vivant 2006*. Paris: Ministère de la Culture et de la Communication, Bureau de l'observation du spectacle vivant.
- Badia, F., and E. Borin. 2012. Opportunities and critical points for the introduction of performance measurement systems in theaters. *Encatc: Journal of Cultural Management and Policy* 2(2), 44–59.
- Badia, F., and F. Donato. 2013. Performance measurement at World Heritage Sites: Per aspera ad astra. *International Journal of Arts Management* 16(1), 20–33.
- Benhamou, F. 2011. *L'économie de la culture*. Paris: La découverte, Repères.
- Boerner, S., V. Moser and J. Jobst. 2011. Evaluating cultural industries: Investigating visitors' satisfaction in theatres. *Service Industries Journal* 31(6), 877–95.
- Boerner, S., and S. Renz. 2008. Performance measurement in opera companies: Comparing the subjective quality judgements of experts and nonexperts. *International Journal of Arts Management* 10(3), 21–37.
- Bouckaert, G., and W. Balk. 1991. Public productivity measurement: Diseases and cures. *Public Productivity and Management Review* 15(2), 229–35.
- Bryman, A., and E. Bell. 2011. *Business research methods*, 3rd ed. Oxford: Oxford University Press.
- Cancellieri, G., and A. Turrini. 2016. The phantom of modern opera: How economics and politics affect the programming strategies of opera houses. *International Journal of Arts Management* 18(3), 25–36.
- Chatelain-Ponroy, S. 2001. Management control and museums. *International Journal of Arts Management* 4(1), 38–47.
- Chiapello, E. 1998. *Artistes versus managers*. Paris: Editions Métailié.
- Chiaravallotti, F. 2014. Performance evaluation in the arts and cultural sector: A story of accounting at its margins. *Journal of Arts Management, Law, and Society* 44(2), 61–89.

- Darzacq, D. 2006. 1945–1970, les premières utopies, du théâtre populaire à la popularité du théâtre. In *Mission d'artistes, les CDN de 1946 à nos jours*, J.C. Penchenat, ed. (pp. 13–22). Montreuil-sous-Bois: Editions théâtrales.
- Donovan, C., and D. O'Brien. 2016. Governing culture: Legislators, interpreters and accountants. *Critical Perspectives on Accounting* 37, 24–34.
- Eisenhardt, K.M., and M.E. Graebner. 2007. Theory building from cases: Opportunities and challenges. *Academy of Management Journal* 50(1), 25–32.
- Evrard, Y., and F. Colbert. 2000. Arts management: A new discipline entering the millennium? *International Journal of Arts Management* 2(2), 4–13.
- Farchy, J., and D. Sagot-Duvauroux. 1994. *Economie des politiques culturelles*. Paris: Presses Universitaires de France.
- Flyvbjerg, B. 2011. Case study. In *The Sage handbook of qualitative research*, N. Denzin and Y. Lincoln, eds. (pp. 301–16). Thousand Oaks, CA: Sage.
- Gilhespy, I. 1999. Measuring the performance of cultural organizations: A model. *International Journal of Arts Management* 2(1), 38–52.
- Gilhespy, I. 2001. The evaluation of social objectives in cultural organizations. *International Journal of Arts Management* 4(1), 48–57.
- Goetschel, P. 2004. *Renouveau et décentralisation du théâtre: 1945–1981*. Paris: Presses Universitaires de France.
- Hood, C. 1991. A public management for all seasons? *Public Administration* 69(1), 3–19.
- Hood, C. 1995. The “new public management” in the 1980s: Variations on a theme. *Accounting, Organizations and Society* 20(2/3), 93–109.
- Irvine, H. 2003. Trust me! A personal account of confidentiality issues in an organisational research project. *Accounting Forum* 27, 111–31.
- Jeackle, I., and P. Miller. 2016. Accounting, culture and the state. *Critical Perspectives on Accounting* 37, 1–4.
- Kaplan, R.S., and D.P. Norton. 1993. Putting the balanced scorecard to work. *Harvard Business Review* 71(5), 134–42.
- Kaplan, R.S., and D.P. Norton. 1996a. *The balanced scorecard*. Boston: Harvard Business School Press.
- Kaplan, R.S., and D.P. Norton. 1996b. Using the balanced scorecard as a strategic management system. *Harvard Business Review* 74(1), 75–85.
- Kaplan, R.S., and D.P. Norton. 2001. Transforming the balanced scorecard from performance measurement to strategic management: Part I. *Accounting Horizons* 15(1), 87–104.
- Kessab, A. 2009. *Les indicateurs de performance dans les institutions culturelles publiques du spectacle vivant en France selon la Loi organique relative aux lois de finances (LOLF)*. Paper presented at 10th International Conference on Arts and Cultural Management, Dallas, 28 June–1 July.
- Kushner, R.J., and R. Cohen. 2011. Measuring national-level cultural capacity with the National Arts Index. *International Journal of Arts Management* 13(3), 20–40.
- Lafortune, A., J.-G. Rousseau and L. Bégin. 1999. An exploration of management control in the arts and cultural sector. *International Journal of Arts Management* 2(1), 64–76.
- LeGrand, J., and W. Bartlett. 1993. *Quasi-markets and social policy*. London: Macmillan.
- Maxwell, J., and M. Chmiel. 2014. Notes toward a theory of qualitative data analysis. In *The Sage handbook of qualitative data analysis*, U. Flick, ed. (pp. 21–34). London: Sage.
- Meyer, M.W., and V. Gupta. 1994. The performance paradox. *Research in Organizational Behavior* 16, 309–69.
- Meyer, M.W., and K. O'Shaughnessy. 1993. Organizational design and the performance paradox. In *Explorations in economic sociology*, R. Swedberg, ed. (pp. 249–78). New York: Russell Sage Foundation.
- Miles, M.B., and A.M. Huberman. 2013. *Qualitative data analysis: A methods sourcebook*, 3rd ed. Thousand Oaks, CA: Sage.
- Moll, J., M. Major and Z. Hoque. 2006. The qualitative research tradition. In *Methodological issues in accounting research: Theories and methods*, Z. Hoque, ed. (pp. 375–98). London: Spiramus.
- Patton, M.Q. 2002. *Qualitative research and evaluation methods*, 3rd ed. Thousand Oaks, CA: Sage.
- Paulus, O. 2003. Measuring museum performance: A study of museums in France and the United States. *International Journal of Arts Management* 6(1), 50–63.
- Pérez-Cabañero, C., and M. Cuadrado-García. 2011. Evolution of arts and cultural management research over the first ten AIMAC conferences (1991–2009). *International Journal of Arts Management* 13(3), 56–68.
- Poisson-de Haro, S., and D. Montpetit. 2012. Surviving in times of turmoil: Adaptation of the Théâtre Les Deux Mondes business model. *International Journal of Arts Management* 14(3), 16–31.
- Pollitt, C. 1995. Justification by works or by faith? *Evaluation* 1(2), 133–54.
- Pollitt, C. 2004. *Public management reform: A comparative analysis*. Oxford: Oxford University Press.
- Radbourne, J., K. Johanson, H. Glow and T. White. 2009. The audience experience: Measuring quality in the performing arts. *International Journal of Arts Management* 11(3), 16–29.
- Soren, B.J. 2000. The learning cultural organization of the millennium: Performance measures and audience response. *International Journal of Arts Management* 2(2), 40–49.
- Stake, R.E. 2010. *Qualitative research: Studying how things work*. New York: Guilford.

- Stockenstrand, A.-K., and O. Ander. 2014. Arts funding and its effects on strategy, management and learning. *International Journal of Arts Management* 17(1), 43–53.
- Taylor, R. 2015. Beyond anonymity: Temporality and the production of knowledge in a qualitative longitudinal study. *International Journal of Social Research Methodology* 18(3), 281–92.
- Turbide, J. 2012. Can good governance prevent financial crises in arts organizations? *International Journal of Arts Management* 14(2), 4–16.
- Turbide, J., and K. Hoskin. 1999. Managing non-profit arts organizations through management accounting systems: Mission possible? *International Journal of Arts Management* 1(2), 68–81.
- Turbide, J., and C. Laurin. 2009. Performance measurement in the arts sector: The case of the performing arts. *International Journal of Arts Management* 11(2), 56–70.
- Turrini, A., D. Cristofoli, G. Nasi and I. Soscia. 2010. Lifting the veil of Maya: Measuring the implementation gap of public management reforms in Italy. *International Journal of Public Sector Management* 23(1), 5–21.
- Van Thiel, S., and F. Leeuw. 2002. The performance paradox in the public sector. *Public Performance and Management Review* 25(3), 267–81.
- Weinstein, L., and D. Bukovinsky. 2009. Use of the balanced scorecard and performance metrics to achieve operational and strategic alignment in arts and culture not-for-profits. *International Journal of Arts Management* 11(2), 42–56.
- Yin, R.K. 2014. *Case study research: Design and methods*, 5th ed. Thousand Oaks, CA: Sage.
- Zorloni, A. 2012. Designing a strategic framework to assess museum activities. *International Journal of Arts Management* 14(2), 31–47.

APPENDIX 1

INTERVIEW GUIDE

Part 1 Presentation of interviewee and his/her organization

Interviewee

Who is the interviewee? (background, education, experience)

What is his/her title and what does this role entail?

In which section/department of the organization does he/she work?

Organization

NDC: history, budget and sources of funding, number of employees, number of shows per year, public attendance, stakeholders, etc.

Other organization: role of the organization in the funding of the NDC, relationships with the NDC and its employees, etc.

Part 2 Management tools

Which management tools do you use? (budget, cost calculations, indicators, decentralization contract, etc.). How do you use them? How often? For what purpose?

What performance data do you collect? How and when do you collect the data?

To whom do you report the data? With whom do you discuss the results?

Do you receive performance data from other organizations, other people?

Part 3 LOLF indicators

How do you use the LOLF indicators? With whom do you discuss them? When?

How do you compute them (if relevant)?

Do you receive information on the LOLF indicators from other people in your organization? From people in other organizations?

What do you think of the LOLF indicators? Are they useful to you? To someone else?

Do you use them to manage your activities?

Are the targets relevant? Easy/hard to achieve? Why?

How could these indicators be improved?

Have you noticed any changes over the years?

Part 4 Definition of a theatre's performance

How would you define the performance of a theatre? What are the different dimensions of this performance? How can it be achieved and measured?

How do you think your stakeholders would respond to these questions? [for NDCs only]

Reproduced with permission of copyright owner. Further reproduction prohibited without permission.