VALUE CREATION BETWEEN ART AND INDUSTRY – MUSICIANS AND THEIR ENTREPRENEURIAL INTENTIONS

Abstract
This article focuses on selected aspects of entrepreneurial intentions in the arts entrepreneurship. Referring to the specifics of cultural industries seen from the point of view of the cultural ecology rather than the cultural economy, some views on value in culture are presented, complemented by opinions of professional musicians active as entrepreneurs. The co-existence of the economic and cultural values is seen as an advantage enriching the context in which entrepreneurial intentions appear and develop.

SŁOWA KLUCZE: przedsiębiorstwo muzyczne, przedsiębiorczość

KEY WORDS: music entrepreneurship, entrepreneurial intentions

Introduction

The definition of the starving artist is someone who’s creating things that are very valuable to him, but not valuable to others. Focus on being valuable to others and on making money with music.

This piece of straightforward advice has been given to the students of the Berklee College of Music by Derek Sivers, a Berklee graduate, a successful entrepreneur, founder of CD Baby – a platform for online music sales and distribution for independent musicians. Sivers has been presented as a model representative of the music entrepreneur – an experienced musician motivated by the desire to help other musicians, balancing the creative and business side of his career. Such a model unveils however only one side of the phenomenon. In fact, “making money with music” is

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1 E. Jensen, Musicians are Natural Entrepreneurs, https://www.berklee.edu/institutional-advancement/musicians-are-natural-entrepreneurs [access: 2.05.2014].
not a universally accepted concept of music entrepreneurship. In this text we will have a closer look at some other facets of this complex and relatively little researched subject. First, we will review selected definitions of arts / music entrepreneurship. Assuming that entrepreneurship is about creating value, we will then consider possible aspects of value in culture, taking into account specifics of the arts and culture related industries. That will be followed by presenting the concept of the ecology of culture as a relevant framework for researching the way artists develop their entrepreneurial intentions. In conclusion we will look at possible areas of further research.

The study presented in this text is a part of a larger research project carried out by the author of this article. The research is still ongoing and it focuses on the careers of professional musicians in Poland. Entrepreneurship is one of the issues taken into account, next to education, professional development, significance of mentoring, etc., in the context of relationships between training and labour market of the so-called classically trained professional musicians. Within the interpretive paradigm, this exploratory study aims at understanding how entrepreneurship of musicians is seen as a way of creating value, as well as at outlining the context in which entrepreneurial intentions appear and develop. With the support of the relevant literature of the subject, conclusions are induced from the data collected through the technique of semi-structured interviews. The data has been elicited from 7 professional musicians (5 male, 2 female) whose professional experience ranges from 11 to 39 years; all of them graduated from a higher education institution and work in the public, private, as well as non-profit sector. All of the respondents studied at music academies in Poland and had some additional education opportunities abroad – master courses, summer schools, and Erasmus programme exchanges. The centre of their studies was so-called “classical music”, also defined as “art music”, but for some of them their professional experience extends beyond the classical music genre. Even though, for the purposes of this investigation the respondents focused only on their activities related to “classical music”. The size of the sample is an obvious limitation of the study presented in this article, however this limitation will decrease in the further stages of the research (snowball sampling is used as the sampling technique).

Back to some definitions

Entrepreneurship in the arts has been mostly researched in the framework of performing art organisation creation, which means setting up a new venture, or in the context of individual activity of freelancing musicians who want to be self-employed. One can notice that there is a certain gap in research of a broader context of arts entrepreneurship that would concern the areas outlined by some of the following definitions. Entrepreneurship is a highly interdisciplinary domain, benefitting from research carried out in sociology, psychology, management, or philosophy but in the

attempt to define the field the strongest (and the longest, historically speaking) influence have been made by the economists, starting from Richard Cantillon in the 18th century who pointed out the significance of risk taking and facing uncertainty in the entrepreneurial activities. Jean-Baptist Say (1767–1832) indicated “creating value” as an important result of entrepreneurial activity, through innovative moving resources from less productive to more productive areas. So, from the very beginning we deal with risk, innovation and value creation by a creative individual as the main traits of the entrepreneurial process. That was further strengthened by economics thinkers throughout 19th and 20th c. most notably Joseph Schumpeter and Israel Kirzner, and in the management field - by Peter F. Drucker.

Due to the fact that in the centre of entrepreneurial activities there is always a person (an entrepreneur), this phenomenon has been examined also by psychologists and sociologists. According to A. Kurczewska there are at least three main approaches of research of entrepreneurship in the psychology contexts: cognitive – discussing how entrepreneurs see the reality and how they think; an approach discussing the traits and qualities of entrepreneurs – what are they like? and the behavioural approach – investigating how entrepreneurs behave. As they operate in a particular environment, entrepreneurs experience a mutual influence and interaction of the environment conditions. This in turn remains a point of interest for the sociology of entrepreneurship.

S. Nambisan, comparing entrepreneurial activities in various fields comes up with a remark that even though the prevalent definition of entrepreneurship is limited to the creation of a new company, it is no longer valid for many domains, and he suggests a general notion of entrepreneurship as “pursuing an opportunity (that creates value) with passion and endurance”.

Definitions of entrepreneurship referring specifically to creative industries have also been developed over last decades. Some of them make direct reference to the economic aspects, such as this one: “Entrepreneurs in the creative economy [...] operate like Say’s original model entrepreneur but with an important difference [...] They use creativity to unlock the wealth that lies within themselves. Like true capitalists, they believe that this creative wealth, if managed right, will engender more wealth.”

Others are much more general – cultural entrepreneurship may be defined as: “the process of integrating two freedoms: artistic freedom as immaterial content oriented value, and entrepreneurial freedom as material value, supportive to immaterial (cultural) values”.

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Narrowing our reflection to the field of the performing arts entrepreneurship we might start with a definition offered by W.J. Chang and M. Wyszomirski who – after having reviewed 8 scholarly journals in arts administration and policy, in business administration and in nonprofit marketing published between 2003 and 2013, in search of articles on arts entrepreneurship – analysed various sets of meanings and their combinations referring to the subject. Chang and Wyszomirski propose the following definition: “Arts entrepreneurship is a management process through which cultural workers seek to support their creativity and autonomy, advance their capacity for adaptability, and create artistic, as well as economic and social value.”6. They stress that the process is a constant recombination of elements clustered in five categories: strategies (new venture creation, career portfolios, social enterprise etc.), tactics (new marketing approach, new funding source, networking, partnerships, etc.), competencies/skills (business skills, professional development), mindset (perseverance, tolerance of failure, risk-taking) and context (organisation, artistic field, local/regional conditions etc.).

The aspect of value creation appears also in the view on arts entrepreneurship proposed by R. Rentschler, who describes it as „a process of creating value for the community that brings together unique combinations of public and private resources to enhance social and cultural opportunities in an environment of change while remaining true to the creative mission of the organisation”7.

As mentioned earlier, most of the definitions, especially those that focus on the behaviour of entrepreneurs and its results, indicate the aspect of new venture creation. S.B. Preece, interested particularly in the non-profit sector of the performing arts, defined entrepreneurship as “the process of starting a not-for-profit organisation with the intent of generating artistic performances (creation and/or presentation)”8 whereas B. O’Hara, referring to music field, writes that in the research on the creative entrepreneurship the focus is on the “self-managed artist, that is, the creative individuals who find themselves undertaking business-related tasks as well as creative ones”9. Another author researching the professional musicians careers – A.M. Beeching – draws our attention to a definition created by J. Undercofler, who specified four zones of entrepreneurship, starting from “personal entrepreneurship” (or self-empowerment) through making a career for oneself, then creating a new and recognisable entity, up to launching a new and innovative non-profit or commercial venture. But her own view is characterised by a much broader approach, delineating

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entrepreneurship as “taking initiative to create something new of value that meets an unmet need”.10

The notion of creating value seems to be inextricably linked to arts and culture related entrepreneurship, therefore it is worthwhile to have a closer look at its dimensions.

What value?

B. Frey11, identifies measuring the monetary revenue as the most popular method of measuring the value of cultural objects or events. Such approach is the most frequent and usually expected by funders and policymakers, but it does not show the “full” value of the arts and culture activities, because it omits these values that are not present in the market. Frey points out the following “non-market” values: option value – the benefit that we could be getting from cultural activities even if we do not use them at this moment; existence value – we acknowledge the value of e.g. historic buildings which are impossible to get back when destroyed; bequest value – protecting arts and cultural objects for future generations, even though they do not express their demand right now; prestige value – significant in terms of national heritage and pride or cultural identity, and educational value – provided by events and objects that help develop creativity, aesthetic competences, etc. in such a way that the whole society benefits from them.

To the values specified by Frey, A.C. Brooks adds the value of the economic impact of performing arts, as well as the “cultural” (in the anthropological sense) value, especially with regard to artistic activities of particular groups such as indigenous peoples attempting to cultivate the group integrity.12

Another, slightly more focused view on cultural values has been presented by M. Hutter and R. Shusterman13. They offer an overview of various contexts created by aesthetics and economics thought throughout the history of European artistic culture and present several examples of what is really valued when we refer to artistic value. It may be for example art’s moral or religious vision expressed in a work, acknowledged even if this vision is not fully accepted by the audience. Art has been also valued for its expressiveness, transitive – when a work of art refers to a particular emotion or idea, and intransitive as well – when a feeling or sense is unclear. It is

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possible to admit that we appreciate a work of art because it is expressive even if it is difficult to specify what exactly it expresses. Another aspect of artistic value is the communicative power of art. Art transfers feelings and ideas between artists and their audiences. This communicative power has been strongly linked to the social and political value of art. Hutter and Shusterman underline that art works represent ideals, principles or beliefs of the society in which they are created, and even when they are revolutionary they refer to shared meanings – otherwise they would not be understood. In this aspect art is valued because it “provides an attractive repository of ideas and ideals that build social unity and stability, while enabling transmission over generations”\textsuperscript{14}. Art has been also valued for its cognitive qualities – enabling us to broaden our knowledge and enhance skills of processing the finest forms of information – through appreciation of form and meaning. A rather unarguable feature of art is its experiential value – ability to give us pleasure, amusement or distraction, but also shock or rage. It is also possible to describe aesthetic values of art works, which are parallel with their formal or design qualities, for example harmony, proportion, intensity, or dramatic tension. They are often connected with art-technical value originating from virtuoso technique, complex technical innovation or technically perfect performance. We are able to recognise this value even in a situation when the content of the work is not especially interesting for us or appealing to our tastes. Hutter and Shusterman mention also art-historical (when the artwork provides an evidence of a specific historical movement or influence) and artistic cult value of an artwork (when it has become an extraordinary example of a certain trend or period, etc.).

Some works of art also have a significant economic value which may be resulting from their artistic value influencing the patterns of demand and supply in the art world.

This theoretical framework outlined by Frey, Hutter and Shusterman finds its confirmation in most of the views presented by the interviewed professional musicians. For example, the experiential value has been mentioned more than once:

- You see those little lights inside that go up. I hope that people get enriched in a sense that they discover something inside themselves, something that is valuable for them.
- I believe that there is this exchange between the performer and the listener. It is a very strong feeling for me that something goes back from the audience and then you play differently, you listen differently. It is very interesting and you will not experience it anywhere else.
- They come here to get something. On the one hand it is a desire to experience new things, and on the other – as they told me – it is something that we would not find anywhere else. It is the atmosphere that does not exist elsewhere.

There have been indications that various aspects of social values can be provided by music initiatives:

- When I think about all those people who were coming to these workshops, how many professional contacts they got out of this, but also friendships. Several new ensembles were created or reconstructed through the workshops.

\textsuperscript{14} Ibidem, p. 198.
• A meeting of people. People come [to the festival] – some of them to perform, others to listen, and you put it together, integrate. You have got a feeling that many people benefit from what you do.
• When we set up the contact with the Foundation [a charity working with people with disabilities – M.S.], we could see that it was very important for them. Many people from the Foundation were coming to concerts [...].

Some musicians underline the strictly artistic and innovation value:
• But the main objective and value is creating a new type of institution, which breaks stereotypes that philharmonic concerts are serious and stiff. Our productions have got a different dimension [...] so we make it possible to experience other type of emotions [...] It is about creating a new platform, there are events like this, but we want to do it as an institution.
• The value is somewhere in-between. I have always had a source of income, so it was not necessary for me to start a new business. [...] I associate my own business with my artistic activity, whatever happens here is mine, my artistic pursuits.
• Another value was that if someone came to a concert and then needed musicians for their events, they knew that here they can find quality musicians.

Finally, there are also opinions that confirm the significance of economic values:
• Of course, there is the economic value – we employ people, we hire rooms, we pay for many other things, so other people earn money because of our activity. Musicians, not only – graphic designers, etc.
• [...] The concerts were always combined with fundraising, and as the president of the Foundation told me later, they managed to renovate the whole roof of their centre just using the money they collected at our concerts! [...] 

These examples might illustrate the views of W.D.A. Bryant and D. Throsby, who – discussing the particularities of creative processes and behaviour of artists – point out that motivation of artists can be influenced by many diverse factors “ranging from the pursuit of grand artistic vision to more mundane concerns of for pecuniary gain”15. They recall the views of B. Frey who wrote about internal (intrinsic) and external (extrinsic) stimuli that strengthen the propensity of artists to follow their creative paths. Bryant and Throsby claim (maybe in a slightly oversimplified way) that for those artists who are intrinsically motivated, and as such, focused on purely artistic matters, it is natural to see a connection between their creative output and cultural value, whereas those with extrinsic motivation, aware of market and guided by commercial profit will be likely to see economic value as a result of their activity. It seems that it is quite widely accepted that the motivation of arts entrepreneurs does not have to be linked to financial results, but – at the same time it is inextricably linked to being connected to the audience. While reminding that “artists-entrepreneurs may not necessarily even have set out to start a business. Their main focus may be on developing their own practice [...]”, R. Brown underlines that they have to find their way

in the commercial environment to continue their work and see the market as a “means of communicating with a larger audience”\textsuperscript{16}. He also reminds that value of symbolic goods (works of art) depends on the meaning that the audience associates with a particular work of art. Therefore the value is created both by the creative content and the appreciation of the audience. Similarly, A. Klamer stresses that being active in arts and culture means that entrepreneurs are not on their own, but need a responsive environment, as the value of art is realised in a conversation, being shared by the creator and “another” – individual or group\textsuperscript{17}.

Such approach has been recommended also by researchers in other areas. D. Melton analysing the activities of engineers points out that if entrepreneurs want to make an impact on society, they have to start with being connected to the world around them. This is regarded as “an essential component of an entrepreneurial mindset”\textsuperscript{18}.

Where is the value created?

What are then the circumstances in which all those aspects of value can be created? P. Burnard and E. Haddon state concisely: “professional musicians work within the music industry”, but they continue their thought with reflection that whatever constitutes this industry is changing quickly, being part of a broader framework of cultural or creative industries\textsuperscript{19}. Let us have a look at how those industries might be described, keeping in mind that analysing the difference between “cultural” and “creative” industries would greatly extend the scope of this text, therefore both terms will be used interchangeably, with a rather simplified meaning: based on creative ideas generated by artists.

The most general definitions of cultural industries see them as all those activities that communicate particular meanings to an audience. Here is one example: “[...] the cultural industries have usually been thought of as those institutions (mainly profit-making companies, but also state organisations and non-profit organisations) which are most directly involved in the production of social meaning”\textsuperscript{20}. They might include both industrial reproduction of cultural artefacts, and non-industrial methods – live music, live theatre performances etc. In the organisational dimension it is necessary to remember that this production has got a complex professional form,
involving many individuals, usually highly trained and specialised, and the relationship between the creative and commercial sides of the production can be tense. Artists, or “symbol creators”, as Hesmondhalgh calls them, might feel oppressed and constrained by the profit expectations of those who are responsible for acting as mediators between the artist and their audiences. The fact that the artist’s work is handled by various other cultural workers before it gets to the interested public is typical for the creative industries context. That is why the ability to collaborate within a complex environment comes to the fore both for creators and other cultural workers. Ch. Leadbeater and K. Oakley say: “the cultural industries are home to frequent job-hopping”21, and remind that the predominance of team-based projects require trust and collaborative working practices.

This aspect of strong interconnectedness of cultural entrepreneurs with their immediate environment has got an important support in the concept of the ecology of culture. It has been getting more and more attention especially since the report published by the UK’s Arts and Humanities Research Council. J. Holden, the author of the report, took as a starting point the definition offered by Ann Markussen: “An arts and cultural ecology encompasses the many networks of arts and cultural creators, producers, presenters, sponsors, participants and supporting casts embedded in diverse communities [...] In similar fashion [as in environmental ecology – M.S.] arts producers, advocates, and policymakers are now beginning to strengthen the arts and cultural sphere by cultivating a view of its wholeness and interconnectedness... We define the arts and cultural ecology as the complex interdependencies that shape the demand for and production of arts and cultural offerings.”22. The opinions of musicians quoted above confirm that the audiences and, in a larger perspective, all potential participants of cultural events, have got an influence on the final shape of the cultural offer. Holden underlines that when we focus in our research only on the “supply side” of culture – what producers do and how the are funded – we neglect the important role of audiences, participants who are consumers (or co-creators) shapers of the cultural ecology.

It is acknowledged, that it is always an individual who comes up with an idea and sometimes also the implementation of the creative work, but we can talk of “culture” only when the creative output is communicated and shared by those who want to appreciate it. Again we return to the issue of cultural value as all-encompassing merit that presides over arts and cultural activities – as Holden puts it: “If culture is treated as an ecology, then the analytical approach becomes one of identifying cultural value, by taking into account the multifaceted and pluralistic value of culture beyond, as well as including, the economic. Culture recovers [...] its creative capacity, its ability to generate new meaning, and the social and public goods that it produces, as well as

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– and certainly not ignoring – its economic return.” The “ecology approach” rather aptly links flows between sectors – public, private and so-called home-made culture (that ranges from amateur theatre or choir to the publishing self-produced films or music on dedicated websites) in all crucial areas: careers, ideas, money and products.

This intense interconnectedness of creators and their environment gives a particular angle in discussing the way in which entrepreneurial intentions of artists are formed.

Contextual model of entrepreneurial intentions

It seems that the well established models of entrepreneurial intentions, especially the Model of the Entrepreneurial Event and the model based on the Theory of Planned Behaviour might be relevant for the cultural entrepreneurship only to a certain degree. Elfving argues that it is crucial to include motivations and super-ordinate goals of the entrepreneur’s life to be able to analyse how the intentions emerge. She claims that the entrepreneurial intentions formation process is ruled by the entrepreneurial goals and their hierarchy. The super-ordinate goals are closely linked to motivation, but also to the perceived feasibility and desirability, and as such they influence the entrepreneurial intentions. Such goals cannot be detached from the perception of values that entrepreneurs consider as supreme in their lives and professional activity, which again brings us back to the rich environment of creative work.

Here are some examples showing how professional musicians formed their entrepreneurial intentions. We can find here both professional motivations:

- When we started to study there came this idea to get our ensemble to a higher level. And there was this initiative to set up an association, and to start organising sort of workshops where we invited artists such as Mr [...] from the National Philharmonics to work with our choir.
- When I auditioned for the philharmonic orchestra job and got in, I realised that I would have to be there every day for rehearsals, and I resigned, because I preferred to be independent in shaping my professional path.
- And as for the festival – the impulse came from the desire to improve what I was doing and to develop professionally. [...] I knew that – for me as a teacher – it is not enough to limit my activity only to lessons and nothing more. I wanted to realise my ideas and the festival was one of them – to make it possible to learn, to get to know more than what is done during a regular programme of studies.

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23 Ibidem, p. 12.
but also direct artistic motivation:

- *My aim was to get an artistic independence – to be able to do what I wanted to do, to earn my living from this and not to work for somebody else, as I had done for many years.*
- *Somebody is passionate about a certain type of music and needs an ensemble to perform it. He gets people together because he wants to make their passion a reality.*
- *Every ensemble that I established (I had a couple of ensembles) was created because I wanted to realise my own artistic vision. Starting up a group was secondary, it was a necessity. If I wanted to play what I wanted, I had to set up my own group. But it had happened not earlier than when I was 30 years old, before that I had preferred to play with people who invited me to join them and it was very satisfying.*

as well as social and educational dimensions triggering the intention development:

- *I do the workshops, because I like it. I like playing and I like sharing this with other people.*
- *I am motivated by people. I have to admit that people who come to work me are quite specific. Not everybody stays. They are people who know that we work for a particular idea. It is awesome.*

There is also a comment that confirms a strong interdependence of entrepreneurial activity with the direct environment within which the artists operates:

- *What motivates is the acceptance and feedback from the audience and the students. It is a huge satisfaction. Then the feeling that we were successful, you know, I am a perfectionist and before the festival I am terribly stressed and anxious. And when it is finished, everybody is happy, this feeling of being efficient [stimulates further activity – M.S.]. And then the human vanity, of course.*

### Conclusions

The field of arts (and more particularly music) entrepreneurship seems to be getting more and more attention, especially in the interdisciplinary research, but at the same time it remains full of mixed, sometimes contradicting approaches. On the one hand, we see a prevalent paradigm of searching for the economic value of the arts and culture entrepreneurial activity as justification for public support. On the other – the economics as science deals with entrepreneurship in a very limited scope.

There are certain areas that appear as especially interesting for further research. One of them is the significance of cultural (in the anthropological sense) determinants of entrepreneurship as analysed by B. Glinka25. For example, the system of professional artist education with prevalent attitudes of disregard towards practical aspects

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of the profession, or perception of entrepreneurship as alien to the arts world, as well as the attitude towards the state and its support for the arts, have got a strong influence on understanding and accepting entrepreneurship as a concept of creative exploration and venturing into unknown areas. How has it changed – if at all – over the last decades that have seen such a growth of interest in entrepreneurship in culture?

Another important issue is related to the misunderstandings regarding the entrepreneurial education in the arts. Focusing on business skills development has proved both counterproductive and misleading, and – in some cases – simply boring. A truly innovative approach is needed, and the responsibility remains both with practitioners and researchers in the field.

Finally it seems desirable that further research in the economic aspects of arts entrepreneurship is carried out, even if it would concern just the basic understanding of entrepreneurship as a new venture creation. We can hardly find any information on how many new businesses in the arts are being set up, how long they survive, to what extent these businesses are the results of the “coerced / enforced entrepreneurship”\(^{26}\), how much they contribute to the local or national economy, etc.

As we have seen in the comments of musicians quoted above, they are aware of the importance of the economic dimension of their work. Without losing the economic component of the entrepreneurial attitudes of artists it is crucial to keep in mind the wider implications of artistic endeavours, as Holden concisely puts it: “Economic approaches use money as the measure of culture […] assuming that the point of culture is financial gain. But culture is much broader […] involving the making of meaning, the expression of identity, and the construction of social lives as well as (sometimes) the pursuit of profit”\(^{27}\).

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\(^{26}\) *Ibidem*.

\(^{27}\) J. Holden, *op.cit.*, p. 11.


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