AN INVESTIGATION OF CORE VALUES
IN AMERICAN NOT-FOR-PROFIT THEATRE

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INTRODUCTION:

There is a debate raging in classrooms, in the blogosphere, on social media, at professional conferences, and in meetings across the arts industry. This debate centers on whether there are too many arts organizations; whether the industry should allow failing organizations to die; whether our theatres are indeed failing, who they are failing, and what can or should be done about it. These are bold, amorphous, thorny questions that continually reveal new complications as this debate evolves. These questions must be grappled with from all angles, and considered very carefully. On the internet accusations are flying, and it is tough to discern an academic argument within all the speculation. It is not a universally accepted truth that arts organizations are failing. One thing is clear, however: it is impossible to attempt to answer the question of whether an organization is failing without a definition of both success and failure. What is required to build a strong, healthy organization, and what might undermine that work?

Failure is a lack of success, a defeat, or collapse. Specifically, with regards to not-for-profit professional theatre companies in the United States, what might contribute to failure? What is not working, or missing, in a not-for-profit theatre company that does not survive for the long term? In the traditional sense, failure implies a prolonged lack of stable financing, to such a degree that the organization can no longer keep open its doors. This does not have to be the only definition. It is also possible for a theatre to fail because it has stopped doing relevant work or does not meet the needs of its artists or audiences. Perhaps the community is not interested in the theatre's work and therefore does not attend performances or donate money. Perhaps the overall arts climate in America is changing. Perhaps people do not want to act as a traditional, static audience but would prefer to be active participants, and do not find that opportunity at their local theatre; or perhaps it is just the opposite. Perhaps the finances of the organization are mismanaged. Perhaps the company does work that is either

too similar or of a lesser quality than work done by a nearby organization. Perhaps the leadership is misaligned with the goals of the organization. Perhaps the mission is not clear enough or the company is trying to do too many things at once. Each of these possibilities, or indeed a combination of all these factors, could be at fault in the case of an organization that fails.

So then, what is required for success? If success is defined as achieving the correct or desired result, then by this very definition a vital element of success is that an organization knows where it is headed and understands what it is trying to achieve in the world. In the not-for-profit sector, the most well-known means of stating the goals of an organization is a mission statement (also sometimes called a statement of purpose). In current practice in the nor-for-profit theatre, a mission statement often stands alone. A clear statement of vision and carefully chosen and articulated organizational core values are frequently lacking in not-for-profit theatres, which is unfortunate since these elements will bolster the mission statement to illuminate the organization's fundamental reason for existing and provide principles for how the mission should be achieved. Taken all together, these three elements give those in the organization, and the world around it, a clear indication of what the company intends to do. These elements provide a sturdy foundation for the organization, as well as a means of evaluating success or failure, both financial and otherwise.

While a mission statement and financial results are useful for evaluating the success of an organization's business practice and means of achieving immediate goals, the core values are broader principles that keep business goals and any changes in mission statement on track. Core values are fundamental and should underpin any specifics laid out in a mission statement. It can be helpful to allow a mission statement to grow and change over time (though not too frequently), to reflect the complex business realities and changing constituencies of the organization. However, if the mission statement is the only building

block the organization is using, it is possible as the mission changes to suddenly find that the organization is adrift, unclear exactly where it is headed. Core values provide continuity if a mission statement needs to change. Core values should function as roots that can be referenced to confirm the organization is still on track with its primary goals, even as it is able to continue to serve an ever-changing world.

To that end, this paper will argue that using clearly articulated core values to underpin mission, vision, and all decision-making within a not-for-profit professional theatre will contribute to stability and unity of purpose within the organization. Attention to core values allows the theatre to nimbly react to the needs of the world around it without losing sight of its reason for being. This paper will present the characteristics of clear, compelling core values, discuss when and how values should be identified, and articulate how those values can be utilized in support of programming, funding, hiring, company culture, and marketing. Finally, it will consider how core values can be useful in evaluating success. In concert with a mission and vision, core values provide the organization a clear understanding of its own purpose, and keep the whole company moving in the same direction for the same reason.

In order to assess core values as a tool in not-for-profit theatre management, Chapter One will look briefly at the history of not-for-profit theatre in order to understand how not-for-profit theatre evolved to the form it takes today. Chapter Two will break down the differences between a mission statement and a statement of purpose, a vision, and core values. Chapter Three will assess the characteristics of useful core values and outline a method for identifying them. Chapter Four will examine when it becomes necessary for an organization to incorporate core values: should they exist from the very beginning or is there a tipping point at which they become important? Chapter Five will delve into the impact of core values on staffing, programming, funding, and marketing; and Chapter Six will look at

how core values can be used for purposes of assessment and accountability. Finally, Chapter

Seven will examine not-for-profit theatre companies' use of core values today. However,

core values are not used across the board in these organizations and examples, especially

good ones, can be difficult to find.

CHAPTER ONE: A Brief History

Not-for-profit theatre companies, in the form familiar to us today, are relatively young. Their development, both ideologically and structurally, can be traced through the past century or so, beginning with the inception of Off-Broadway theatre in the early 20th Century.

In the early 1900s, while Broadway theatres were producing primarily musicals and looking for hit shows, Off-Broadway theatre emerged in New York City.[1] It took the form of companies such as the Progressive Stage Society, founded by Julius Hopp in 1905 and the Washington Square Players, and the Provincetown Players, both started in the 1910s.[2] These new companies wished to showcase plays more than musicals.[3] The Provincetown Players specifically stated that their aim was to present work without subjecting the writer to the "commercial manager's interpretation of public taste" and to allow artists the freedom of experimentation.[4] Next, the Civic Repertory Theatre, founded by Eva Le Gallienne in 1926, and Harold Clurman's Group Theatre, founded in 1929, prominently continued the trend of producing affordable, professional plays Off-Broadway. In fact, because she insisted that any investments in her work be donations, Le Gallienne could be considered the pioneer of the not-for-profit movement in New York.[5] Le Gallienne strongly believed in supporting an ensemble of working actors, and that such a thing was only possible through some type of subsidy, not through box office alone.[6]

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[1] Price pg. 2.
[2] Ibid.
[3] Ibid.
[4] Mackay pg. 17-18.
[5] Bolt Lecture 1/29/14.
[6] Ibid.

Continuing into the 1930s, Off-Broadway companies presented theatre of "political and moral consciousness."[7] They did not just intend to provide entertainment, but to present controversial ideas with an artistic standard, and though they hoped to cover their expenses, the companies were not aiming to make a profit.[8] Gains from one production were generally redirected into the next show, as any surplus in a not-for-profit company today is directed back into the company. The 1930s also saw the development of the Federal Theatre Project, headed by Hallie Flanagan, as part of Franklin D. Roosevelt's Works Progress Administration, which was intended to create jobs during the Great Depression.[9] Through the Federal Theatre Project, for the first time, the United States government subsidized theatre.[10] The project had a significant impact because it helped drive the establishment of theatres outside New York. Flanagan envisioned creating five regional theatres in bigger cities across the country that would produce work and then tour to smaller theatres within each region.[11] She placed emphasis on making work that was relevant to each region, and was not driven by the theatre in New York, or desires from Washington.[12] Though Congress cut funding for the Theatre Project in 1939, Flanagan truly had the vision of what regional theatre would ultimately become in America.[13]

In the 1940s, two very important theatre companies were established outside of New York City. Theatre '47, founded by Margo Jones in Dallas, and The Alley, founded by Nina Vance in Houston, provided a model for other "artistically motivated" companies that would

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[7] Dickenson pg. 15.
[8] Ibid.
[9] Conte pg. 116.
[10] London pg. 42.
[11] Ibid.
[12] Ibid.
[13] London pg. 40.

follow them.[14] Jones in particular "combined the attributes of intelligence, professionalism, and dedication to artistic integrity that remain the cornerstones of the majority of nonprofit theaters today."[15] Then in 1950, Zelda Fichandler, along with her husband Tom, and Edward Mangum started Arena Stage in Washington, D.C. By this time, it was abundantly clear that there was a desire for non-commercial, artistically driven productions, though most theatres, including those outside New York, still operated as for-profit companies. However, by the mid-1950s, the landscape for funding was about to change dramatically.

In 1957 the Ford Foundation pledged to give almost sixty million dollars to the arts.[16] In addition to theatre, the foundation gave money to opera and dance companies, symphonies, and schools. These other artistic institutions were already set up as not-for-profit corporations, their educational and community service worth having already been acknowledged, but theatres were not.[17] However, Ford made it clear that, in order to receive funding, theatre companies would also need to be not-for-profit, so companies began incorporating and applying to the Internal Revenue Service for tax-exempt status.[18] As a result of the money from Ford, there was an explosion of growth, and theatre companies were founded across the country during the early 1960s.[19] The final step in formalizing not-for-profit theatre in the U.S. was the formation of the National Endowment for the Arts, signed into law by Lyndon B. Johnson in 1965.[20] As with funding from the Ford Foundation, money from the NEA could only be given to not-for-profit organizations.[21]

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[14] Conte pg.115.
[15] Ibid.
[16] Ibid.
[17] Ibid.
[18] Ibid.
[19] Conte pg.118.
[20] Ibid.
[21] Ibid.

The number of theatres in the U.S. continued to grow rapidly into the 1970s and the model of having a large anchor theatre in a community, as well as a number of smaller satellite companies, became a reality.[22] Regional not-for-profit theatres are very active in the country today, and both not-for-profit companies and commercial producers continue to grapple with how the two halves of the industry should relate to one another, work together, transfer productions between their stages, and share expenses and income.

As of 2005, there were almost two thousand not-for-profit theatre companies in the United States.[23] This represents rapid growth in a relatively young industry. This youth contributes to the grappling, mentioned in the Introduction to this paper, around the definition of what constitutes success and failure in the theatre industry, as well as whether there are currently too many theatre companies in the U.S. Companies wishing to exist in the long term must have a strong sense of their purpose and be able to adapt over time to the needs of a changing world. This need for stability and yet flexibility is what makes a foundation of core values so vital as the not-for-profit theatre industry continues to grow up and look to the future.

A Side Trip to Explain What it Means to be a Not-for-Profit Organization

There are multiple steps to becoming recognized as a not-for-profit organization. A theatre company must first form a corporation by filing articles of organization with the state in which it wishes to do business. The requirements for these articles can vary somewhat by state, but the IRS requires the articles to include the organization's exempt purpose and to indicate that it wishes to operate as a charitable organization.[24] According to the Attorney

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[22] Bolt Lecture 2/12/14.
[23] *All America's a Stage.*
[24] *"Procedures for Forming and Changing a New York Not-for-Profit Corporation."*

General's office, in New York State the Certificate of Incorporation must include the

following:[25]

1. The name of the corporation

2. A statement that the business is a corporation as defined in section 102(a)(5) of

   the Not-for-Profit Corporation Law

3. Whether the corporation is charitable or not

4. The purpose for which it is formed (either using the formal charitable definition

   from the Not-for-Profit Corporate Law[26] or a more in depth purpose discussed

   later in this paper)

5. The county in New York in which the corporation will be located

6. The names and addresses of the corporations first directors

7. The duration of the corporation (if it is not perpetual)

8. Designation of the Secretary of State as the "agent for service of process and the

   address in New York or elsewhere to which a copy of any process should be sent"

   as well as the name and address for any registered agent for service of process for

   the organization

9. Additionally, the IRS requires an explanation of how any assets will be divided

   upon the dissolution of the corporation[27]

After incorporation, the company can apply to the Internal Revenue Service for

designation as a not-for-profit. This is done by filing IRS Form 1023 along with a copy if the

articles of organization. Not-for-profit status means the organization has a purpose other than

generating profit, and does not distribute any of its income to members, directors, or

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[25] *"Procedures for Forming and Changing a New York Not-for-Profit Corporation."*
[26] "Charitable" is defined in the N-PCL as "charitable, educational, religious, scientific, literary, cultural, or for the prevention of cruelty to children or animals."
[27] "Suggested Language for Corporations and Associations" IRS Website.

officers.[28] In the case of a theatre, in the process of deciding whether to grant not-for-profit status, the IRS will consider the statement of purpose and determine if the exempt purpose of the organization is indeed charitable, which allows it to fall under section 501(c)(3) of the Internal Revenue Code. This statement of purpose will be composed of the formal language from the Not-for-Profit Corporate Law, may elaborate on it with a more specific statement of purpose, or may be the same as the mission statement for the theatre company. However, as will be discussed in just a moment in Chapter Two, it is best if the statement of purpose and mission statement are separate.

Finally, it is important to remember that a theatre company incorporated as a charitable not-for-profit organization has a responsibility to provide services that are intended for the public good.

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[28] "Non-profit Organizations: An Overview."

CHAPTER TWO: Purpose, Mission, Values, Vision

The "About Us" section on the websites of most not-for-profit theatre companies will usually include a mission statement, sometimes a vision statement, and occasionally a list of core values. In order to understand the conversation around core values in this paper, it is important to first understand exactly what a mission statement, vision statement, and core values are, as well as to understand the differences among them. Additionally, it is necessary to differentiate between a mission statement and a statement of purpose. Though these two terms are sometimes used interchangeably, a mission statement and statement of purpose are related but should be distinct from one another.

Core Purpose / Statement of Purpose

Everything begins with an organization's core purpose, which according to business consultant Jim Collins, is the fundamental reason *why* a company exists.[29] A statement of purpose should encapsulate and articulate the organization's core purpose, be very clear, and fairly simple. "An effective purpose reflects people's idealistic motivations for doing the company's work, it doesn't just describe the organization's output or target customers, it captures the soul of the organization."[30] Put another way, the core purpose should illuminate the basic reason why those working bother to get out of bed in the morning, and why anyone should care about the organization and what it does.[31] In determining a core purpose, it is important to remember that a core purpose is never complete and will not change over the lifetime of the company. Additionally, a core purpose should not be confused with goals, which are milestones that can be reached, on the way to fulfilling a purpose. An example of a

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[29] Collins *Managing Strategic Innovation and Change* pg. 209.
[30] Ibid.
[31] Sinek pg. 39.

strong core purpose from the corporate world is that of the Walt Disney Corporation, "to bring happiness to millions, especially children."[32] This is a broad, but specific, purpose that Disney can aspire to achieve in all of its many varied ventures. A strong core purpose, supported by core values that stand the test of time, can outlive a visionary founder and sustain a company through transition.[33]

Another reason the statement of purpose is important is that a version may be included in an organization's articles of incorporation and also on its application with the Internal Revenue Service for tax-exempt status, Form 1023. The IRS indicates that in general, "if the articles [of organization] state the organization is formed for charitable purposes, without any further description, such language ordinarily will be sufficient since the term charitable has a generally accepted legal meaning."[34] However, at least in New York State, some organizations decide to employ a fuller explanation of purpose because government funding agencies or foundations may require the information and individuals considering contributing to the corporation may also look at the articles.[35] The articles of organization can be filed with the IRS up to twenty-four months after the articles of incorporation have been filed with the state.[36] Occasionally the statements of purpose in these two documents vary slightly from each other, but most organizations try to make them very similar.[37] It is rare to file an amendment to this paperwork with the IRS, so the statement should be clear about the purpose, but somewhat general.[38] Since a core purpose, articulated in the statement of purpose also does not change over the lifetime of an organization, these items easily go hand in hand.

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[32] Collins *Good to Great.* pg.196.
[33] Collins *Managing Strategic Innovation and Change* pg. 207.
[34] IRS Pub. 557 pg. 25.
[35] *"Procedures for Forming and Changing a New York Not-for-Profit Corporation."*
[36] Kowgios.
[37] Ibid.
[38] Ibid.

A good example of a strong statement of purpose comes from Theatre B, a small company in North Dakota. Its purpose is "to be an established professional theatre company built around a resident ensemble and enmeshed in the fabric of the community."[39] This example is good because it is simple, yet truly feels like the core of the company. A company that is very strongly ensemble-driven will not be the same company if that changes. In addition, this statement leaves room for flexibility in business practices in terms of how the company enmeshes itself in the community and with regard to the specific type of theatre the ensemble creates. The organization does not limit itself specifically to Shakespeare, musicals, or new work.

Mission Statement

If an organization has a very simple mission statement, it is possible the mission and statement of purpose will match each other exactly. If not, the mission statement can actually be somewhat more complex and build on the statement of purpose. Mission statements vary widely from organization to organization. There is no agreement as to what elements must be included in a mission statement, and this lack of consensus contributes to the variability. In its most basic form, the mission statement matches the statement of core purpose, which explains the primary goal of a company to the world. For example, the mission statement of the American Heart Association is "building healthier lives, free of cardiovascular disease and stroke."[40] This clearly states why the organization exists, its purpose, and nothing more. A slightly more complex version of a mission statement might set out what a company does *and* whom it serves.[41] The Tucson Arizona Boys Chorus does so with the following statement: "To provide boys in the community an enriched educational

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[39] Theatre B Annual Report, pg. 10.

[40] American Heart Association.

[41] Cullinane.

experience through the study and performance of choral music."[42] Still other mission statements indicate what the company does, who it serves, and also provides information as to how it is currently working to achieve its purpose: "Goodwill Industries International enhances the dignity and quality of life of individuals, families and communities by eliminating barriers to opportunity and helping people in need reach their fullest potential through the power of work."[43]

As with these examples, theatre companies' mission statements vary from broad to quite specific. In his book, *Theatre Management: Producing and Managing the Performing Arts*, David M. Conte acknowledges that general mission statements are appropriate for some institutions, and that some of the best not-for-profit companies utilize them.[44] Somewhat contradictorily though, he also states that a characteristic of a good mission statement is that it is unique and recognizable, and would not be suitable for any other organization.[45] The dichotomy between his statements makes clear why it is useful to have a mission statement that is separate from a statement of purpose. Creating a unique mission statement that includes too many details about who the organization serves, its current business practices, and how it aims to accomplish its vision, could lead to complication if this statement is the same as the statement of purpose, because if the organization wishes to alter any of these details it will be necessary to file an amendment with the IRS. However, if the mission statement is separate from the statement of purpose it can allow the organization to alter specific details of the mission statement as needed, without changing the articles of incorporation or reapplying for not-for-profit status, as long as the basic information in the

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[42] Tucson Arizona Boys Chorus.
[43] Goodwill Industries.
[44] Conte pg.122.
[45] Conte pg.121.

mission remains consistent with the statement of purpose.[46] If an organization does not wish to expound on whom it serves or on any of its current business practices, then having the statement of purpose and mission statement be one and the same may work well.

A mission statement that is detailed can elucidate not only why the organization exists (its core purpose) but also what the organization does, the *actions* it takes toward fulfilling its core purpose, as well as who it serves. Though it is a Canadian company, the Stratford Festival provides a theatrical example of a mission statement that does all three of these things. "With William Shakespeare as its foundation, the Stratford Festival aims to set the standard for classical theatre in North America. Embracing our heritage of tradition and innovation, we seek to bring classical and contemporary theatre alive for an increasingly diverse audience." Its core purpose is to "set the standard for classical theatre in North America." It does this by bringing "classical and contemporary theatre alive" and "embracing [its] heritage of tradition and innovation." And who it serves is "an increasingly diverse audience."[47]

To recap, the statement of purpose is essentially a one-sentence version of the mission, which states the core purpose of the company, and will not change over time. The full mission statement, meanwhile, will include that sentence plus two or three additional sentences, which provide more information. This allows for a simple, clear statement that can be used in a company's Articles of Organization and will not need to be changed, while still making space for a mission statement that can be a living representation of what is important to the theatre at a specific moment. The model of having a separate statement of purpose and mission statement is extremely useful, and should be more widely incorporated in the theatre.

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[46] Takagi.

[47] Stratford Festival.

Core Values

Core values are the principles that guide an organization. They reflect what is important to an organization, and provide a basis for how a company makes decisions, as well as both how employees treat one another and also others outside the organization. Like a core purpose, the values of the organization should not change over time. Along with the core purpose, the core values are part of the foundation for the vision of the company and provide principles for how the mission should be achieved. In the same way that values help to define who an individual is, they define a company's character and brand.[48] The core purpose is the organization's fundamental reason for existing, why it does what it does, while the core values are its guiding principles. Though it is nearly impossible to find information on the history of the use of core values in business, it seems to be more widespread in the corporate world, and still not a widely accepted practice in not-for-profit theatre. Though the business structure is different, there is still much that can be learned from examples of corporations that have used core values effectively. Such examples are scattered throughout this paper.

One example of a not-for- profit organization with a clear core purpose is Dance Exchange, whose purpose is to break boundaries. This manifests in the company breaking boundaries "between stage and audience, theatre and community, movement and language, tradition and the unexplored."[49] The core values of the company are that anybody can dance and that dance can happen anywhere.[50] These values are reflected in the work Dance Exchange does with community, in the diversity of the staff, performers, and participants, and in the continuum of locations where the company performs, from nursing homes, to national forests, to traditional theatres. The belief that anybody can dance and that dance can happen anywhere infuses all the decisions the company makes.

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[48] Hsieh pg. 184.
[49] "Mission and Vision" Dance Exchange website.
[50] Ibid.

Together, the core purpose and the core values form what Collins terms the "core ideology" of the organization: why it exists and what it values.[51] These items are extremely important for building the stability of the organization, but unlike the statement of purpose, the core values of an organization are not required for its incorporation paperwork or application for not-for-profit status.

Vision

A vision gives a sense of what an organization hopes to become, achieve, or create. In the theatre specifically, because it is a charitable organization, the vision should include some indication of the organization's hopes for the future of the community it serves. A vision, and the resulting vision statement, should be aspirational. It should grow out of the core values and core purpose of the organization and represent an area in which the organization believes it can be of use to the community. Apple Inc.'s core purpose, why it does what it does, is the belief that people with passion can change the world for the better. Apple helps provide those people with the tools to do so. Its vision, as recently articulated by CEO Tim Cook, is to leave the world a better place.[52] The core purpose and vision are certainly related, but not precisely the same. It is possible that a vision is so large it will never be achieved. Apple, for example, can likely continue working forever to leave the world as a better place. It is also possible that a vision will be achieved. For example, if an organization's vision is a world without cancer, and a cure is found, its vision will be achieved. In such a case the organization will need to find a new vision supported by its core purpose, or acknowledge that it is at the end of the road.

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[51] Collins *Managing Strategic Innovation and Change* pg. 207.
[52] Yarrow.

A Quick Recap

In summation: the core purpose of an organization is the reason it exists. The statement of purpose articulates the core purpose for use in legal documents. Core values are the principals that guide an organization, and give an indication of what is important to it. Together, the core purpose and the core values form the "core ideology" of the organization: why it exists and what it values.[53] The vision articulates the organization's hopes for the future of the community it serves. The mission statement provides more detail about some, or all, of these areas: at the very least, it restates the core purpose of the organization. It may also elaborate to include additional information about who the organization serves, what it does, and how it does it. The core purpose in the mission should never change, but other details about who, what, and how may be adapted over time. This allows the mission statement to be a living document, to be checked on, and revised when needed, without requiring any changes to the incorporation paperwork of the organization. Now, with this understanding of how core values underpin a mission statement and vision statement it is time to dive deeper into core values themselves.

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[53] Collins *Managing Strategic Innovation and Change* pg. 207.

CHAPTER THREE: Diving into Core Values

"Leaders die, products become obsolete, markets change, new technologies emerge, and management fads come and go, but core ideology in a great company endures as a source of guidance and inspiration."[54]

- Jim Collins

Characteristics of Core Values

Now, with a clearer understanding of how core values relate to core purpose, vision statements, and mission statements, let us take a more detailed look at core values themselves. As the principles that guide an organization, what makes for compelling and useful core values?

Core values should stand the test of time: they should be "so fundamental and deeply held that they will change seldom, if ever."[55] Core values are not operating practices, business strategies, or cultural norms, which will adapt to a changing world. This means avoiding buzz words and management fads that might be popular in the moment the company is deciding on its values. Arena Stage in Washington, D.C. revised its core values a few years ago and encountered this hazard. Artistic Director Molly Smith readily admits that Arena needs to consider eliminating one of its newly added values: "Promote the effective stewardship of cultural capital on behalf of our artists, our community and our field through effective partnerships, collaborations and practices designed to advance the field."[56] As we will come to see, there is more than one problem with this statement as a core value, but all

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[54] Collins *Managing Strategic Innovation and Change* pg. 207.
[55] Collins *Managing Strategic Innovation and Change* pg. 208.
[56] Smith interview.

else aside, it contains the incomprehensible buzz phrase "stewardship of cultural capital" which Smith says was popular with consultants as Arena was retooling its values.[57]

A core value should apply to the whole organization. If a value is only important to one or two departments within an organization, then it is a value of that department, or perhaps of the individuals who work in that department, but not the organization as a whole. In order to be truly at the core, a value should apply to everyone, and to everything the organization does. In *Delivering Happiness,* Tony Hsieh, the CEO of Zappos, notes that "to build the Zappos brand into being about the very best customer service, we needed to make sure customer service was the entire company, not just a department."[58] This value is translated as, "deliver WOW through service."[59] To that end, all Zappos employees, regardless of the position they were hired to fill, go through the same four-week training program before they start their new position, and all are also required to spend ten hours answering customer calls between Thanksgiving and Christmas each year during Zappos busiest season.[60] This means that even if an employee does not interface with customers on a daily basis, he will be reminded at least once a year during the mandatory phone hours that the company exists to serve its customers. In a theatre company with a core value that involves focusing on patrons, what would it be like if all staff members had to work in the box office once in a while, or serve as an usher?

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[57] Smith Interview.

[58] Hsieh pg. 131.

[59] Zappos explains WOW: "To WOW, you must differentiate yourself, which means do something a little unconventional and innovative. You must do something that′s above and beyond what′s expected. And whatever you do must have an emotional impact on the receiver. We are not an average company, our service is not average, and we don′t want our people to be average." Hsieh pg. 160.

[60] Cynova.

Core values should not be too complicated. If they are long and complex, it will be difficult for people to remember them and think about them on a regular basis. A verbose and detailed core value may also mean that it is so specific as to not apply to the entire organization. Let's consider Arena Stage again. Here is another of its values: "Champion diversity throughout the organization and within the community."[61] The qualifier "throughout the organization and within the community" is unnecessary. In fact, in a value later in its list, Arena also clarifies that it wishes to cultivate a diverse board, staff, audience, and community.[62] It would be much clearer to simply list "champion diversity" among the core values. If the value is applied across the entire organization it will include all those who work for the company, as well as the audience, the board, the artists, volunteers, indeed anyone who interacts with the company in any way: the entire community. Not only that, but if the value were applied universally, it would imply that Arena also champions diversity in all that it does, from education programming, to the plays it chooses to produce, to the items sold in its cafes and gift shops. Although core values should not necessarily be simplistic, they should be easily stated in a few words.

Core values are better expressed by using verbs than nouns.[63] In his book *Start with Why,* Simon Sinek astutely points out that companies sometimes state their core values as nouns. "Honesty. Innovation. Communication, for example. But nouns are not actionable. They are things. You can't build systems or develop incentives around those things. It's nearly impossible to hold people accountable to nouns."[64] Walgreens, the drugstore chain, provides a good example. Instead of just using the word "honesty," Walgreens sums up its

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[61] Arena Stage.

[62] Ibid.

[63] Sinek pg. 66.

[64] Ibid.

core value that includes honesty as "be real."[65] This is actionable, as well as brief, and easy to remember. Though the value can be summed up in two words, Walgreens also provides a brief explanation. "Be real" means, "I am open, honest, and respectful in my words and actions every day."[66] This extra sentence is helpful, but even without it, the general meaning of the value is clear. Be real: don't fake it, bring your true self to everything you do, and be honest. Sinek puts it this way: "Articulating our values as verbs gives us … a clear idea of how to act in any situation … Telling people to have integrity doesn't guarantee that their decisions will always keep customers' or clients' best interest in mind; telling them to always do the right thing does."[67] Sinek's rewording here is more effective. "Always do the right thing" is a much clearer statement than "have integrity." Integrity is "the quality of being honest and fair."[68] It is possible to possess that quality without acting on it. "Always do the right thing," on the other hand, is a call to action. It is more obviously a conscious choice if one elects to ignore it.

As a final example, consider the value from Arena Stage that was just discussed: "champion diversity." Championing diversity invites people to take real steps toward actively making choices that are diverse and encourages diversity across the organization. Simply stating the value on its own as "diversity" makes it feel like a dead thing. "Diversity" asks that an individual acknowledge it but not that the individual take any sort of action towards ensuring it. "Champion diversity," on the other hand, encourages the individual to activate around the value. It is not enough to say that diversity is important. Rather, every person in

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[65] Walgreens Corporation.

[66] Ibid.

[67] Sinek pg. 67.

[68] "Integrity" Merriam-Webster.

the organization must push for it, must champion it. Creating core values that are expressed with verbs is not a simple concept, but it ultimately allows the values to feel much more alive and exciting. It makes them a call to action and something that must be achieved.

Core values must truly be at the core of the organization.[69] It is important to make sure that the chosen values are not actually business practices or operating strategies. One value, listed by multiple regional theatre companies in one form or another, is "fiscal responsibility."[70] This is just good business practice. In fact, it's a necessity. Of course fiscal responsibility is important to the organization, but it is a business practice, not a core value. In his research into what makes a great company, Jim Collins noted that most of the companies his team identified as having achieved greatness had only three to five core values.[71] He says, "we found that none of the visionary companies we studied in our book had more than five [core values]: most had only three or four. And, indeed, we should expect that. Only a few values can be truly core - that is, so fundamental and deeply held that they will change seldom, if ever."[72] Of course, there is no prescribed formula for core values, so the number a company has will be unique to the individual company. However, it may be difficult for staff to keep in mind, and truly act on, too many core values. If an organization states many core values, it may be the case that some of the values are important, but not truly at the core. Identifying values requires incredible honesty and a relentless drive to understand what is truly central to the organization. If an initial list generates more than about six values, careful checks must be made to ensure that business strategies or operating

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[69] Collins *Managing Strategic Innovation and Change pg.* 208.

[70] See Table 1.

[71] In identifying companies that went from being good companies to being great companies, Collins and his team looked for companies that had cumulative stock returns at or below the general stock market for a period of fifteen years, and then a sudden point at which the returns began to grow, and then to maintain at least three times the market over the next fifteen years. They also required that a company do this independently of its industry, so if stocks for the entire industry showed this pattern, the company was not included in the study.

[72] Collins *Managing Strategic Innovation and Change pg.* 208.

practices have not been included.[73] Unlike core values, business strategies should react to the environment in which the organization operates and be altered when necessary.

Finally, there are no right or wrong core values.[74] In their research, the members of Collins's team noticed that there was not a particular value that was common to all the organizations on the list of great companies. They found that "core values are essential for enduring greatness, but it doesn't seem to matter what those core values are. The point is not what core values you have, but that you have core values at all, that you know what they are, that you build them explicitly into the organization, and that you preserve them over time."[75] Tony Hsieh at Zappos notes that what matters most is that a company comes up with core values to which it is truly willing to commit.[76] They must be values the organization is willing to live by every day, not just when it is convenient.

Identifying Core Values

Just as there are no right core values, there is no one right process for identifying values if an organization is implementing them for the first time. Often, a committee of employees will work together on establishing the values, but there are also occasions when they are created by one individual. Molly Smith says that when she arrived at Arena Stage as the new artistic director in 1998 she created values, along with a mission and vision. She acknowledges that values "often come through one person's mind, attitude, [or] ideas."[77] However, when Arena revised its core values three or four years ago (as the result of a shift into a different business model) more people were involved. Smith still tackled the first draft, but then additional staff and board members were involved in refining the values, with

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[73] Collins *Managing Strategic Innovation and Change pg.* 208.
[74] Collins *Good to Great* pg. 195.
[75] Ibid.
[76] Hsieh pg. 154.
[77] Smith Interview.

assistance from a consultant.[78] Smith feels that the potential downfall in this process is that it

is possible to end up with values that ultimately don't make sense.[79] This is the case with one

of the Arena values mentioned earlier, which she would like to jettison: "Promote the

effective stewardship of cultural capital on behalf of our artists, our community and our field

through effective partnerships, collaborations and practices designed to advance the field."

This value contains multiple ideas, buzz words, and business practices, and Smith feels it is

apparent it was "written by committee."[80] She would be right to eliminate this value. This

example illustrates that it is vital to have the right people involved in choosing core values.

Who those people are will be different in each individual organization.

Jim Collins suggests a method, which, while not right for everyone, at least provides a

solid starting place. The process begins with asking a group of 50 to 60 people in the

organization to nominate five to seven people within the organization whom they believe

represent the best attributes of the company.[81] Collins then outlines a list of six questions for

this group to work on to help them begin to identify values. Essentially, these reduce to

questions about values the individuals hold in their work, as well as questions pertaining to

what about the organization should never change.[82] What becomes clear from reading these

questions is that the work of identifying core values begins from the individual and carries

out into the organization. In having members of the organization choose the small group to

start the work, Collins has found that those doing the nominating tend to choose the best five

to seven people for the job.[83] They choose the people they respect, whom they feel truly do

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[78] Pool.

[79] Smith Interview.

[80] Ibid.

[81] Collins *Aligning Action and Values*.

[82] Collins's list of questions can be seen in Table 4.

[83] Collins *Aligning Action and Values*.

represent the ideals of the organization.[84] As long as the organization's managers, whether they are elected to the group or not, are willing to let the group do its work, Collins's experience indicates that the group tends to identify core values that management was considering anyway, but the fact that the values evolved from the staff tends to strengthen everyone's belief in them, regardless of where people fall in the organizational hierarchy.[85]

At Zappos, Tony Hsieh started the process of identifying the company's core values. "I thought about all the employees I wanted to clone because they represented the Zappos culture well, and tried to figure out what values they personified. I also thought about all the employees and ex-employees who were not culture fits and tried to figure out where there was a values disconnect."[86] Hsieh then asked all the employees what they thought the company core values should be, which resulted in a list of thirty-seven items.[87] Over the course of the following year, the company wrestled with what on the list most reflected what it wanted to be. Hsieh also stressed that he wanted to make sure they could really commit to the values, that they were willing to hire and fire based on them, and that the list did not sound too much like language from a press release. All employees were consulted via email on multiple occasions throughout the process, and eventually, the list of ten values that Zappos still uses today was created.[88]

This in-depth understanding of the characteristics of core values and how to implement them brings an organization one step closer to a stable foundation. The next piece is understanding whether values are present from the founding of the company, and if not, when and why they become important. This will be addressed in the next chapter.

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[84] Collins *Aligning Action and Values*.

[85] Ibid.

[86] Hsieh pg. 155.

[87] Ibid.

[88] This list appears in Table 5.

CHAPTER FOUR: The Tipping Point

When do core values become necessary?

We have discussed the characteristics that make up a useful core value, and a process for identifying them within an organization. The next question is, when do they become necessary? Should core values be established as an organization is being founded? During the incorporation process? At a later date? Essentially, is there a tipping point after which having clearly articulated core values becomes a necessity or are they important from the very beginning? This is a difficult question to answer.

Jim Collins firmly believes that core values cannot be instilled in an organization, only discovered. This means that it should not be possible to choose the values that will matter most to the company prior to it actually existing and running for a period of time. Paradoxically, Collins also believes that, when identifying the values in an organization, it is vital to ask individuals what they value in their work that they would continue to value even if they founded a new company in a different industry.[89] The transferability of values implied in this question, in concert with the fact that core values serve as building blocks for the vision and mission statements, point to the conclusion that, with some probing, it should be possible to determine core values for a new organization at the outset. So, should values be set from a company's infancy or evolve over time? Ultimately, the divergence here indicates that there is no fundamentally right or wrong time to establish core values. Though there are, perhaps, best practices.

Once core values begin to naturally develop in the company, what compels an organization to formally identify them? Zappos did not have core values for the first six or seven years the company was in existence. Hsieh says he considered core values very

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[89] Collins "Aligning Action and Values."

"corporate" and resisted creating them for as long as he possibly could.[90] However, an employee in the legal department finally convinced him it was necessary in order for the company to continue to grow.[91] In Zappos's case, this need grew most out of a desire to hire people who fit the company culture. However, it was not sustainable for the top executives to interview all applicants, and not all staff understood what was being sought when they were instructed to hire only individuals who were "culture fits."[92] Core values became a necessary part of defining that culture, and in retrospect, Hsieh wishes the values had been identified sooner. Sinek agrees that the importance of core values increases as a company grows. In *Start with Why,* he points out that the greatest challenge an organization will face is success. When a company is very small, often the founders are making all the decisions and, as long as they trust their gut, those decisions will "feel right." However, as the organization grows it becomes impossible for one or two people to make all the decisions, and additional employees must be given the power to make important decisions, as well as to begin making hiring choices. "And slowly but surely, as the megaphone grows, the clarity of WHY [the core purpose of the organization] starts to dilute."[93] This point in time, where responsibility within an organization is suddenly shared among more than one or two individuals, represents a tipping point. This is a moment of growth, at which point it becomes necessary to articulate values so that the organization can continue to grow in a healthy, aligned manner. These moments of company growth offer opportunities for articulating the core values that have been germinating in the organization all along.

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[90] Hsieh pg. 154.

[91] Ibid.

[92] Ibid.

[93] Sinek pg. 185.

Despite growth being an obvious time to initiate formal core values, some organizations find themselves quite well established and still without clear values. In this case, there are a few possible explanations. Core values may exist in the organization, and even be utilized daily, but without ever having been articulated. In these organizations, the values tend to be such ingrained parts of what the company does, how it functions and interacts with the world, that they just exist. It never occurs to anyone that there would be a reason to formally identify them. Yet, if the staff is questioned about the core values of the company, they can come up with remarkably similar lists. This can be particularly true in organizations that are still strongly influenced by an individual founder and that founder's vision. Such ingrained, but unstated, values may also be a more common phenomenon in smaller companies, where all employees have more consistent contact with one another, though it is not necessarily exclusive to them.

Another possibility within a well-established organization is that it managed to grow without formally articulating core values, but is now struggling in some way. In this case, core values can help align all the organization's endeavors. The method for articulating the values at this juncture will vary depending on the organization and the personality of the leader. In some cases, rather than involving the staff, a leader, or leadership team, may determine core values and announce them to the organization. This method is not uncommon, though one possible pitfall is that staff within the organization may have less buy-in to values that they are handed than to those that they have watched develop more organically. Depending on how aligned a leader is with a company, values created from above can potentially result in radical shifts in the company's purpose, goals, and staffing. If core values are initiated by a leadership team, without input from a broader sampling of staff, it is vital that the team carefully think back in the organization's history to make sure there are no

disconnects between any proposed core values and any past moments when those values may have been disregarded.[94] This type of disconnect will make it easy for everyone to dismiss the values as unimportant.

Of course special circumstances exist, but especially in not-for-profit theatre companies, which tend to be of a modest size, a method of identifying values that involves a cross-section of the staff is a better choice. The size of the company does not prohibit input, and workers who have some say in their own destiny will tend to be more satisfied. Core values should either grow from, or grow up with, the organization, and not be handed down from above based on the beliefs of the CEO.

In some cases, whether there are preexisting values or not, an organization experiences a reassessment, or the instigation of a formal values statement, when there is a significant leadership change, as with Molly Smith's arrival at Arena Stage in 1998. In writing core values she did not ask staff for input, though in writing a new mission, vision, and values for the company she took Arena's fifty-year history into account.[95] This is essentially an example of handing values down from above, though Smith was careful to acknowledge the history of the organization.

Another example of instituting values due to leadership change is Tim Shield's experience as the managing director at Milwaukee Repertory Theater. Over the three years prior to his arrival, the longtime managing director had retired and had then been briefly replaced by someone who turned out not to be a good fit with the company, after which the position had sat vacant.[96] Shields says, "And so I got there and it was a dispirited, unharmonious, and unfocused staff."[97] He decided that one of the best ways to begin to turn

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[94] "Six Things CEOs Should Know About Corporate Core Values"
[95] Smith Interview.
[96] Shields Interview.
[97] Ibid.

things around was to work with the staff on identifying core values. Through extensive

conversations, they identified values that they all agreed were important to the organization,

and Shields feels that the process itself was equally as important as the resulting values.[98] It

was vital that the staff realize through the process that he, as a leader, was interested in the

values, would stand by them, and that he was interested in the staff themselves and their

input.[99] In contrast to Smith, it was extremely important to Shields that he not come into the

organization as a new manager and "carry these [values] down off the mountain, and hand

these to [the staff] and say 'thou shalt live your life by these ten commandments'."[100] He and

the staff needed to work together to identify the values in order for the organization to move

from one stage in its life to the next.

Although organizational growth provides a logical point for formally identifying core

values, those values are likely to have emerged organically within the culture of the

organization already. Work must be done to formally identify them and determine which of

the values are truly the most important to the organization. There is no magical number of

employees or level of income that dictates the amount of growth that suddenly tips the

company into territory that necessitates formalizing core values. This growth moment will

likely be different for each organization, and needs to be determined on a case-by-case basis.

Ultimately, the most organic process for identifying core values is to be sure the founders

have shared values, then to allow those values to percolate as a young organization grows,

and to formally identify the values when growth and success dictate the need. Involving the

staff in the process of articulation leads to the truest expression of the organization.

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[98] Shields Interview.
[99] Ibid.
[100] Ibid.

To Share or Not

Once an organization has identified and formalized its core values, it must then decide how to share those values, both internally and externally. If the organization has taken an approach that involves staff members in identifying the core values, they will already be well aware that the process is underway. If organizational leadership or management has identified core values without involving the staff in much of the process, even more communication will need to take place at this point. The staff will need to be given the list of values, and management will need to listen to any concerns that are raised as a result, but stand firm that the new values are what the organization believes.[101] Once the values are identified, it is most important that all stakeholders in the company (staff, board members, artists) understand them.

The core values should be discussed at length and individuals should be asked to consider the impact of the values on their everyday working activities. It is not easy, but unfortunately, if anyone within the organization fundamentally disagrees with the core values, they will need to be asked to move on from the company.[102] As management asks the staff to realize the values, it is of paramount importance that they themselves model this behavior. Resources may need to be reallocated to support programs that align with the core values and other programming may need to be discontinued.[103] Although the process of recognizing and acting by the core values might initially feel as though it creates chaos (if staff departs and programming changes), it will ultimately create alignment across the organization. The degree to which any upheaval is felt will depend on whether values were already quietly present within the organization, in which case, most programming and staff

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[101] "Building Sustainability for Nonprofit Organizations" pg. 13.
[102] Ibid.
[103] Ibid.

are more likely to already fit, or whether the concept is entirely new, which could lead to a greater need for realignment.

Once everyone within the organization is onboard and taking steps to make sure they are doing their work based on the values, the organization must decide whether to share those values with the outside world. If the company has gone through all the work to identify the values and to make sure they are truly a part of the organization, why not share? Core values can only assist in making what matters to the organization clear to everyone. Publicizing the values and posting them on the company website, along with, or as a part of, the mission statement, also lets the outside world hold the organization accountable to the values. Particularly as a not-for-profit organization, with a charitable purpose and a responsibility to the community, it is important to be transparent with that community, and give it the necessary means by which to assess the organization.

Ultimately, though values can be articulated to the outside world, and perhaps should be for purposes of organizational accountability, it matters most that the values are clear to those on the inside of the organization. If a company truly lives by its values, those values will be very apparent even without being written down. Core values posted on flashy signs throughout an organization that still ignores them, are no better than not having core values at all.

Now, with an understanding of all the basics of what core values are, and how to identify and implement useful ones, it is time to look specifically at how they contribute to an organization's stability.

CHAPTER FIVE: Applying Core Values

Core values function as one of the fundamental building blocks of an organization. They are enormously beneficial because they are an ever-present resource that should be used to determine whether all parts of an organization are moving in the same direction. Values provide a basis for all decision-making in the organization and ensure that time and resources are not wasted moving in the wrong direction or rationalizing actions. This chapter will look specifically at how values can be used across an entire organization to maintain alignment and make decisions. It will consider the impact of values on staffing, programming, funding, and marketing.

Staffing

It is impossible to talk about staffing in the context of core values without also looking at company culture. Culture and values are necessarily intertwined. Core values are the articulation of company culture, which is the "way of thinking, behaving, or working that exists in a place or organization."[104] Tim Shields, the managing director at McCarter Theatre Center, believes that core values are present in an organization whether they are articulated or not, and regardless of what you call it, "there are ways that every organization decides that they are going to run themselves … and it follows into pieces of language like: well around here we do things this way."[105] That bit of language, "around here we do it like this" is a perfect example of how people within the company think and behave. Company culture is the unarticulated manifestation of core values.

Tony Hsieh at Zappos emphasizes the importance of company culture. In the mid-1990s, Hsieh founded a company called LinkExchange. Early in its life, the company was staffed primarily by friends of Hsieh and his co-founder. Then, in a seventeen-month period

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[104] "Culture" Merriam Webster.

[105] Shields Interview.

from 1996-1997 the company experienced extraordinary growth and the number of staff expanded greatly.[106] Hsieh says it was extremely strange to see people around the office and not only not know their job title or name, but not even recognize their faces. "At the time, I didn't think it was necessarily a bad thing. If anything, not recognizing people due to our hyper-growth made things even more exciting and fueled the 24/ 7 adrenaline high that we were all feeling. But looking back, it should have been a huge warning sign for what was to come."[107] He's referring to the deterioration of the culture inside the company, which would ultimately make him not want to get up in the morning and go to work.[108] Essentially, as the company grew it hired people who were smart and motivated but were more interested in resume building and then moving on than in dedicating themselves to LinkExchange. This eventually resulted in a culture that was all about "politics, positioning, and rumors."[109] It was no longer a cohesive, supportive culture with everyone working together toward a common goal. Hsieh learned through this firsthand experience that company culture is vital. At Zappos he did not want to repeat the mistakes made at LinkExchange, so the company prioritized developing its culture.[110] Though the core values came later, Hsieh recognized that the two are linked. Zappos ultimately developed its core values as a means of articulating the company culture to provide a basis for hiring decisions.

Truly committing to core values means being willing to hire and fire based on them.[111] As mentioned in Chapter Four, one of the first steps after formally recognizing core values within an organization is to part company with any staff members who feel they cannot support those values. Moving forward, all hiring decisions should reflect the core

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[106] Hsieh pg. 46.

[107] Hsieh pg. 47.

[108] Ibid.

[109] Hsieh pg. 48.

[110] Hsieh pg. 133.

[111] Hsieh pg. 154.

values. Hsieh acknowledges that Zappos has "said no to a lot of very talented people that we know can make an immediate impact on our top or bottom line. But because we felt they weren't culture fits, we were willing to sacrifice the short-term benefits in order to protect our culture for the long term."[112] Jim Collins agrees. In his research on companies that made the leap from "good to great" he found that the leaders of those organizations worked to get the right people hired prior to doing anything else.[113] These companies also focused their hiring more on character attributes than on skills. They figured that specific skills were more learnable, while things like "character, work ethic, basic intelligence, dedication to fulfilling commitments, and values" were more intrinsic parts of people's characters.[114] Dave Nassef of Pitney Bowes illustrated this to Collins another way:

> I used to be in the Marines, and the Marines get a lot of credit for building people's values. But that's not the way it really works. The Marine Corps recruits people who share the Corp's values, then provides them with the training required to accomplish the organization's mission. We look at it the same way at Pitney Bowes. We have more people who want to do the right thing than most companies. We don't just look at experience. We want to know: Who are they? Why are they? We find out who they are by asking them why they made decisions in their life. The answers to these questions give us insight into their core values.[115]

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[112] Hsieh pg. 153.
[113] Collins *Good to Great* pg. 13.
[114] Collins *Good to Great* pg.51.
[115] Ibid.

Simon Sinek provides yet another example in *Start with Why*. Through the 1980s Continental Airlines was the worst airline in the industry.[116] By 1994, the company had lost $600 million and was ranked last in every performance category measured by the industry.[117] A new chief executive, Gordon Bethune, was hired that year, and he could immediately see that the airline's biggest problem was that it was a miserable place to work.[118] In contrast to the previous leader, Bethune was able to show through his actions that he trusted and valued his employees. He was honest with them, and instilled in them a desire to win: to have the best ratings in the industry. The company suddenly valued acting with integrity and respect. Management treated the employees with respect, and the employees, in turn, treated the customers with respect.[119] In the process of this turn-around, Continental let go of forty of its top sixty executives who did not believe that the company could win. "No matter how experienced they were or what they brought to the table, they were asked to leave if they weren't team players and weren't able to adapt to the new culture that Bethune was trying to build. There was no room for those who didn't believe in the new Continental."[120] An organization must be willing to fire people based on [in order to achieve?] achieving its core values.

When employees fit with the organization and share its values, they will make sure the company succeeds because they will be doing so for themselves. Tim Shields articulates the ideal situation:

If you manage to surround yourself with a team of people that have that commonality, that have the sense of purpose, that like working together because the things that are

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[116] Sinek pg. 83.
[117] Sinek pg. 84.
[118] Sinek pg. 83.
[119] Sinek pg. 85-86.
[120] Sinek pg. 85.

present in [the company's] values are present in the workplace, and people are

responding to that in an affirmative way, you become an employer of choice. You

become an employer where people say, I want to be *there*. And the reason I want to

be there is that the work is good, my contribution to that work is valued, and I feel

that when I come to work I have a strong role to play in making that all come to

pass.[121]

Both employees and employers must be ruthlessly honest with themselves. Shields believes

that McCarter's values, though not formally articulated, become clear quickly to new staff,

including in the interview process when what a job "feels like" is described.[122] It is equally as

important for prospective employees to ask questions to be sure they understand the culture

and values of an organization as it is for the company to try to understand the values of the

applicants, as was done at Pitney Bowes. As this mutual understanding is achieved, both

parties must be honest as to whether their values match. If an individual's values do not

match the organization's, that person is likely to be unhappy in the long run. They will

perhaps feel unfulfilled in their work, and may not fit with the company culture since that is

based in the values. Even after being hired, both employee and employer must continue this

honesty, periodically checking in with themselves and each other to be sure the fit is still

good. If you find that "there is no longer the commonality of purpose and easily found areas

that [the employee and organization] … mutually believe" then it's time to acknowledge that

it is in everyone's best interest to part ways.[123] It is in the best interest of the organization to

have employees who believe in the work they are doing and who share the values. Especially

for a person working in the not-for-profit world, it is vital for the sake of the individual that

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[121] Shields Interview.

[122] Ibid.

[123] Ibid.

he or she be aligned with the values of the organization. The pay scale tends to be lower in the charitable sector, and an incentive other than the pay is required.[124] Alignment in core values can provide this incentive.

In the not-for-profit theatre, it is not just the staff and leadership of the organization who need to agree with, and support, the core values; the board of directors and any artists engaged in long-term work should also hold the core values. It is vital that the board of directors not just focus on the financial performance of the organization, but that they and the Organization's leadership work together to find measures of success, other than financial, that support the core values. This is not to say that financial health is unimportant, but that it is a business practice, not a core value, and success should be determined based on both.

Programming

Like staffing decisions, programming choices should be guided by core values. In the not-for-profit theatre, programming is not just limited to full productions, but also includes work in development, community outreach efforts, education programming, audience initiatives, etcetera. Core values impact both the type of programming provided by an organization as well as the content of that programming, and apply across the whole of the organization.

Two very different values can potentially result in the same type of programming, depending on how the values are implemented. So, for example, if an organization values stimulating a love of lifelong learning, it is not a great leap to think that one result could be an education program. However, the same programming result might be achieved by an organization that values fostering creativity. In this case, the education program would focus not just on learning, but on providing a creative outlet, possibly even for both youth and adults. The differences in these two education programs would be guided by the

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[124] Shields Interview.

organization's values. The first program, focused on learning, might provide opportunities for schoolchildren to see performances and also send theatre artists into classrooms to prepare the students for the experience. The organization in the second example, that values providing a creative outlet, might not believe that having students watch performances is providing them a strong enough creative opportunity. That organization's education program might be comprised of opportunities for students in schools to work on writing and then presenting a play of their own. Or perhaps the theatre would hold workshops for youth or adults to learn about different elements of theatrical design and then try their hand at creating a costume sketch, scenic model, or idea collage. In both cases, the education programming is growing out of the core values, but the programming is implemented in two very different ways.

If the organization values stimulating a love of lifelong learning or fostering creativity, either of which might manifest as some type of education program, how does this value apply elsewhere in the organization? Consider the staff. In the second example, the staff should work to foster creativity in all that they do and to provide opportunities for others to be creative, but the organization must also provide opportunities internally. For example, the 3M Company values the creative individual, and as a result, its scientists are allowed to spend fifteen percent of their work time on anything that interests them, giving them the freedom to be creative.[125] Or, in the first example, if the organization values stimulating a love of lifelong learning, then the staff should get to keep learning as well. This might lead the organization to provide support for staff to attend conferences or take part in other professional development opportunities, such as seminars or classes, that further their education.

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[125] Collins "Managing Strategic Innovation and Change."

Educational programming is only one of many possible examples when it comes to aligning programming with values. All of the productions a theatre company develops, or fully produces, are also a part of its programming. Those responsible for choosing plays in the organization should ask themselves how the works they are considering, or the artists they are asking to create those works, fit with the core values of the organization. If an organization values championing diversity, but the majority of the work that hits its stage is about upper middle class families, is all written by women, directed by middle-aged men, or performed only by Caucasian actors, then the company is not reflecting its value of diversity. If diversity is a value, how does that impact audience outreach? Does the organization take shows out to community centers in neighborhoods of mixed ethnicity that have less access to the work presented in the theatre's physical facility? If the company values diversity, is that reflected in the composition of the staff, artists, board of directors, and audience? The implications of any action need to be fully considered in light of the core values.

Alternatively, if one of the core values of an organization is to support the development of Native American voices, that is far less broad than embracing diversity. In this case, one would expect a large percentage of the writers, directors, designers, performers, and staff working on productions to be Native American. This does not mean they all have to be Native American, but the company's commitment to this value should be clear through its actions. Additionally, a company with this value might offer internships specifically for members of the Native American community or run some type of playwriting program in schools on federal reservations. A gift shop attached to the theatre might sell books by Native American authors and CD's by Native American musicians.

This attention to programming can be very complicated. It is easy to get excited about a new play that does not actually fit within the core values of the organization. In such a case, it is extremely tempting to rationalize why the particular play in question can fit within the

company's mission or values. Leadership within the organization must resist this temptation and rigorously consider whether the work in fact fits. In his companion work to *Good to Great*, entitled *Good to Great in the Social Sectors,* Jim Collins indicates that those not-for-profit companies that are able to reject resources that push them away from their core purpose and values "will be of greater service to the world."[126] Staying true to a core purpose and values means "above all, rigorous clarity not just about what to do, but equally, what to not do."[127]

Fundraising

Fundraising, which often relates to programming, can be particularly complicated when it comes to acting according to core values. Funding is often difficult to obtain in the arts, so if an organization is offered a large sum it may be tough to turn down. Since programming grows from core values, funds should only be pursued or accepted if they enhance programming or other goals that fit an organization's core values. Funds should be sought for programs that already exist. Programming should not be created to fit funding opportunities unless that new programming really does fit the values of the organization. Though it may be tempting to create new programming specifically to fit the parameters of a particularly large grant opportunity, or that will appeal to a specific large donor, this is a dangerous choice. Creating programming just to get money, versus finding funds that are appropriate for existing programs and goals, can cause an organization to have too many focuses and to create programs it does not really care about, leaving constituents in the lurch once the initial money is spent.

For example, if a foundation is offering grant money to organizations who do work with underprivileged youth, an organization that pursues this funding should be certain that

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[126] Collins *Good to Great in the Social Sectors* Location 330-332.
[127] Collins *Good to Great in the Social Sectors* Location 379-382.

programming related to underprivileged youth truly fits its core values. A good test is to ask: if this particular pool of money disappeared tomorrow, would the organization still be dedicated to finding the same amount of money, through other resources, to continue this program? It is vital that this question is answered honestly. If the answer is no, the organization would not pursue funding for the program by other means, then the money should not be pursued. Creating and maintaining relationships with granting organizations and filling out applications and reports can be time consuming. A company should only pursue those organizations that share its values and support programs that fit with those values.

It is entirely possible for an organization with clear core values to be led astray by proffered money, and it is particularly easy to get an organization headed in the wrong direction if there are no core values to assist in the decision-making. Creating programming to fit funds is a dangerous practice that can lead to extraneous programs that the organization does not really care about, and this ultimately leads to wasted staff time and resources. It is much more logical to seek funding that fits the programming. And it is always necessary to assess whether both the funding and programming fit the values of the organization.

Organizations should also be conscious of the message they are sending by accepting large gifts from individual donors. This is even more important if the money is going to come with any strings attached, or involves naming a part of the theatre building after the donor. If the donor has particular values and is active in other causes, the theatre may be thought to also be associated with those causes if it accepts the money. Therefore, it is important to be certain that the company is amenable to that association and that it does not violate the organizational core values. If the organization is not comfortable, it will be in everyone's best interest for the organization to turn down the funding, as hard as that may be.

Branding and Marketing

Tony Hsieh at Zappos says, "We came to the realization that a company's culture and a company's brand are really just two sides of the same coin. The brand is just a lagging indicator of a company's culture."[128] Hsieh realized that if he could create a positive, happy company culture, then his employees would provide service that leads to a happier customer, and a brand all about customer service. Branding, and how to build a brand that consumers covet, is a complex topic in and of itself. As a whole process, branding is multi-layered and somewhat unwieldy to define. This paper will touch on it briefly, and strive to understand it in broad terms, as it relates to core values.

Put simply, a product is the item a company sells. In the not-for-profit theatre, a product might be an education program in a classroom that an organization is trying to get school districts to buy, be that in terms of money or classroom time. Or a product may be the shows that the company performs on its stage, to which it is trying to convince a patron to buy a ticket. A brand is what is behind those products: it is a means of identification and differentiation.[129] If consumers know a company as a trusted brand, if they have purchased the company's products in the past, then when the company comes out with new products, they will feel they have a sense of what they are going to get if they buy from it again. In theatre, for example, this means that if a company is known for the high quality of its productions, that will be part of its brand. In buying their tickets, patrons will have an expectation that they are going to see a high quality performance, because they either know the company's reputation as a result of its branding, or have had personal experience with the brand (perhaps having seen another performance) in the past.

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[128] Hsieh p.151

[129] Verma pg. 24-25.

A brand goes deeper than an individual product, and good branding can unite all the products across a company. In his book *Branding: A Practical Guide to Planning Your Strategy*, Randall Geoffrey says, "A brand has an existence that is more than an actual product or service: it has a life of its own that feeds on the original product, but can also carry its values and identity into new product areas."[130] Charles Revson, the founder of Revlon Cosmetics is famously thought to have said, "In the factory we make cosmetics. In the store we sell hope."[131] What he is implicitly saying, and what has carried through since he founded the company, is that hope is part of the Revlon brand.

Ultimately, a company's brand is part of its identity and, like all other aspects of the organization, should be driven by its core values. At Zappos, Hsieh figured that building the company's brand on the best possible customer service would happen naturally if he focused first on getting the company culture he wanted. This is because both the company culture and the brand are supported by the core values. The values tell those within the organization how to act toward each other, and toward the outside world. If Hsieh hired individuals who strove in their daily work to act according to the core values of the company, then the company would have a culture that valued a positive team spirit, was adventurous and open-minded, passionate, determined, and fun. If everyone working at Zappos can create that culture together, they are likely going to be happy in their work, which makes delivering astonishingly good customer service much easier. Zappos' commitment to its values makes the difference between talking to a surly customer service agent who hates his/her job, and a positive team member who loves his/hers, and does not mind doing what it takes to brighten the customer's day too.

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[130] Randall pg. 4.

[131] Neff.

Marketing efforts, which will support the company brand, can, and should, be supported by the company's core values. This time, Apple serves as a good example. Steve Jobs said, "Marketing is about values. This is a very complicated world. It's a very noisy world, and we're not going to get a chance to get people to remember much about us. No company is. So we have to be really clear on what we want them to know about us."[132] This means an organization has to communicate its core values, *why* it does what it does. It is not about the product the company makes, but the underlying reason that it makes the product. When Jobs brought Apple back from the edge of failure, he thought about what the company stood for, and he discovered the core purpose: "Apple believes that people with passion can change the world for the better."[133] The result of this can be seen in the company's marketing in its "Think Different" campaign which "honors those people who changed the world."[134] This advertising campaign, from 1997, at the beginning of Jobs' second tenure at the company, even says that it celebrates the "misfits, rebels, troublemakers, and the ones who aren't fond of rules."[135] Over the years, Apple maintained this identity, outside the mainstream, appealing to people who think they might be rabble-rousers. Fourteen years later, Apple's campaign for the iPhone 5S was all about achieving dreams and using the phone to help do innovative things. The company is still honoring its core purpose, pushing people to think, to be passionate and share that passion, to dream and change the world.

Apple's marketing is also consistent with its values in terms of the partners with whom it chooses to work. It fits with Apple's values of innovation, and its alignment just outside the mainstream, that in 2003-2004 it ran an iTunes promotion with Pepsi.[136] This

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[132] Macboock.
[133] Ibid.
[134] Ibid.
[135] Ibid.
[136] Sinek pg. 165.

partnership fits because Pepsi's branding over the years has been primarily aimed at youth and at the next generation. Pepsi aims to be more hip than the classic, Coca-Cola. Based on its values, a partnership with Coca-Cola would not make sense for Apple. As a theatre company, this means, for example, that if a core value is to push boundaries and explode the theatrical form, it is probably not going to make sense to do a promotional partnership with a taxi company, but might make more sense to do that partnership with the newest ride sharing or bike sharing company in town. This would show that the company values partners who are pushing boundaries and creating alternatives in their fields too.

It is no simple task, but the goal of a charitable, not-for-profit organization, like a theatre, is to do good for the world, in some way.[137] Exactly what that means is unique to each organization, but across the board, doing good requires focus. It requires that the organization recognize its core purpose, and the values that support that purpose, in order to do work in a manner that grows from those values. It requires the organization to say "no" to staff, programs, initiatives, funders, and partners that do not fit with those values. And it requires the discipline to stop doing anything that does not match those values.

To maintain this discipline, it is not enough just to have core values. It is necessary for the organization to periodically assess its performance in relationship to the values and consider whether its values are reflected in its work and consulted in daily operations. The next chapter will look at such methods of assessment.

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[137] Bolt Lecture 2/12/2014.

CHAPTER SIX: Assessment & Accountability

Once core values are identified, how does an organization know that it is employing its values and living up to them? This requires some level of assessment, which can be both formal and informal. One question anyone in an organization can ask is, "do I think about the core values in the course of my daily work?" Or, "do I at least think about the core values in a moment of big decision?" Individuals checking in with themselves in this way, to make sure they are considering the core values in their day-to-day work, are executing an informal assessment. It might be useful to periodically remind staff members at staff meetings to ask this question of themselves. Company culture is also an indicator. If the company culture has shifted in an entirely different direction, it may be that the core values are not being realized. If staff is generally happy, but the atmosphere in the building suddenly takes a turn for the dark and dreary, with angry, argumentative staff, it may be time to look at the core values. Molly Smith uses this indicator at Arena Stage. One of its core values is excellence, and Smith believes that when her staff is morose the organization is not living up to that value.[138] Aside from this, Smith does not articulate any formal method by which Arena Stage assesses its adherence to its values on a regular basis.

Simon Sinek points out that most organizations have data to track their progress, but the metric is usually money. This data evaluates a company's success based on the products it creates. This is a clear metric for tracking the progress and growth of what a company does. Measures for ensuring that core values remain clear and are achieved are much less common and well understood.[139] This is especially true in the not-for-profit theatre world. It is challenging to convince a board of directors to focus on a bottom line other than money since

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[138] Smith Interview.
[139] Sinek pg. 191.

they have made a commitment to be financially responsible for the company. And so, the most common measurements of success are revenue and the number of people who see performances or attend other types of programming. As an industry, and as individual companies, the theatre needs to strive for additional means of measuring success that will assess core values and the industry's contribution to society, which is much more complex than a product that can be held in one hand.

Nina Simon, the Executive Director of the Santa Cruz Museum of Art and History, wrote about this recently on the Museum 2.0 blog. Though it is complicated to have more than one bottom line, it is especially important to have multiple measurement criteria in a not-for-profit company that must also understand its charitable impact. This means that additions might include a social bottom line, or an environmental bottom line, for example. The difficulty is that if an organization ends up with too many bottom lines, it can find itself the servant of too many masters. Simon says, "In the nonprofit arts, since most of our organizations don't have one very specific, measurable mission (i.e. 'ending chronic homelessness'), we measure lots of things. The beautiful part of a broad mission is the opportunity to explore diverse facets of its fulfillment. The depressing part is the inability to see clearly and concretely whether and to what extent you are achieving your goals."[140] This statement clearly points out the necessity of core values. Core values help an organization understand what is truly important enough to be a metric for assessment, to be a bottom line, and to help an organization realistically and productively measure its success. In turn, the health of a values-based bottom line can then assist the organization in assessing whether it is actually adhering to its values.

Some companies, both inside and outside the not-for-profit world have begun assessing their adherence to core values. These assessment methods tend to start with the

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[140] Simon.

staff. Tony Hsieh mentions in *Delivering Happiness* that over time the company plans to restructure performance evaluations so that a large part will be based on how well an employee "represents and makes decisions based on the Zappos core values."[141] Tim Shields at McCarter Theatre also mentions a less extreme version. McCarter's assessment is not tied to staff evaluations, but it is tied to an employee survey that is conducted every twelve to eighteen months. Staff are asked in an anonymous survey to rate, on a scale from one to five, statements such as the following: "I have a clear understanding of McCarter's mission / strategic plan; I understand how my efforts contribute to the mission of McCarter; I am involved in decisions that effect my job; Overall I am satisfied with communication at McCarter."[142] In this case, the statements do not specifically address core values, but they do pertain to areas that are impacted by core values, such as communication and mission. Certainly, a staff survey could ask even more core value specific questions.

Shields assesses survey responses in coordination with a committee of members of his board of directors. It is important to the theatre that they not only ask staff how things are going, but that leadership holds themselves accountable to the results, and that the board assists in the process. This provides the leadership, the board, and the staff all a clear understanding of the state of the company culture. If McCarter does poorly in a particular area, Shields and the board take action to make changes, and then look carefully at the next survey to make sure it shows significant improvement. Shields believes that the surveys provide a "good window into the staff's attitudes and beliefs."[143] The survey, as well as what he feels happening around him on a day-to-day basis, keeps Shields informed on the state of the company culture, which is built from the core values.

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[141] Hsieh pg. 159.
[142] Shields Interview.
[143] Ibid.

Publishing an organization's core values on its website makes the values visible to the outside world. The core values then become more than something that influences how individuals within the company interact with each other and the outside world, but also a means by which the outside world can consider whether the company is living up to its intentions. Not all companies choose to do this: some have core values that are shared with staff but feel that their mission statement is sufficient for communicating externally. Zappos exists at the other extreme by not only publishing its core values, but also sharing its company culture via The Culture Book.

The Culture Book came into being one night when Hsieh and other employees, including a new hire, were hanging out together, and talking about how to make sure they continued to only hire people who fit the company culture. That night, each person wound up talking a bit about what Zappos meant to them, and ultimately Hsieh realized that what had been said would be extremely helpful to all new employees. He subsequently asked all of Zappos employees to write a few paragraphs about what Zappos means to them and complied the results, unedited, into a book. A new edition of the book is published each year and employees can contribute anonymously if they so wish.[144] Hsieh says, "every edition of our culture book includes both the good and the bad so that people reading the book can get a real sense of what our culture is like."[145]

The Culture Book was started internally as a means of communicating with new and existing staff about the company's culture, which is completely entangled with its core values. While the book was originally given to employees, partners who contributed to it, and new hires, it is now also available to the general public. That is a significant commitment to accountability.

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[144] Hsieh pg. 133-134.
[145] Hsieh pg. 134

At last, with a full understanding of what core values are, and how they should be applied within an organization, we will look in the next chapter at how they are currently being used in the not-for-profit theatre industry. While organizations with identified core values are fairly uncommon in that industry, it is even less common that an organization with values has a clear method for assessing its adherence to them. This assessment of the use of values is vital to the values' effectiveness and is an area that requires more focus in the theatre.

CHAPTER SEVEN: Not-for-profit Theatre

Examples of the use and implementation of core values, both from corporate and not-for-profit companies, are scattered throughout this paper. Now it is time to broaden the lens for a specific review of the use of core values by a sampling of not-for-profit theatre companies in the United States. This will be followed by in depth consideration of McCarter Theater Center and Arena Stage, and each company's relationship to core values.

LORT Core Value Overview

According to the National Endowment for the Arts, in 2005, there were 1,982 not-for-profit theatres in the United States.[146] In the context of this paper it is not possible to address that many organizations, but we will look at the League of Resident Theatres (LORT), as a sample group. There are currently 72 theatres that are members of LORT.[147] According to the LORT website, it is the "largest professional theatre association of its kind in the United States, with member theatres located in every major market in the U.S., including 29 states and the District of Columbia."[148] Certainly, this sample does not cover not-for-profit theatre in every location in the country, nor at every budget size, but it does give a general overview of the use of core values in the regional not-for-profit theatre. Additionally, the theatre companies referenced throughout this paper, and examined in depth in this chapter, are LORT members.

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[146] *All America's a Stage.*
[147] League of Resident Theatres.
[148] "About LORT"

Exploring each of the member theatres' websites reveals that nineteen of the 72, or 26.3%, have values that are publicly posted.[149] It is possible that the others have core values and just have not published them, though it is also possible they do not have them at all. Some companies may only publish core values internally, in employee handbooks for example, or may feel that their values are clear through their company culture, and do not need to be explicitly articulated. However, since core values should apply to everyone involved with the organization and across all elements of the business, it makes much more sense, functionally, to publish them in a way that is accessible to all potential artists, funders, board members, and patrons, not to hide them away in an employee handbook that only some people will see. Of course, this only makes sense if the organization actually adheres to its values and they are not just buzz words that are not truly part of the organizational DNA.

The nineteen organizations that publish values show a range of commitments, with some commonalities. Between them, they articulate a total of 106 core value statements, or an average of five to six each. Seven of the companies, or 36.8%, have five core values listed. Eight companies have more than five, while one, Round House Theater, has nine, the most articulated by any company. As previously noted, Jim Collins argues that only a few values can be truly core, and the companies he studied that made the leap from good to great most commonly had only three or four. Ben Cameron, of the Doris Duke Charitable Foundation, even advocates having no more than two or three, since if there are more it is possible they

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[149] See Table 1. I have recorded the values of the nineteen organizations that have published them on their websites and then categorized the values to see which are most common, and to assess how many each organization has. Similar values are articulated by the organizations in many different ways. Some values are unique to individual organizations while others are so unrecognizable as core values as to defy categorization.

will come into conflict with each other.[150] This low end is represented by the Cleveland Play House and the Goodman Theatre, with three core values each, primarily stated as single word nouns.

It is also worth noting in this analysis that in some cases a single statement contains more than one possible core value. An example here is Centerstage. It has a "belief in continual learning, exploration, and discovery."[151] This sounds like the company can't quite decide which of these it values most and instead has decided they are related and can be combined in one. Similarly, companies also have a tendency to try to make multiple very different values look like one by combining them. For example, two of the core values of the Arden Theatre Company (whose core values are listed in their strategic plan, but not actually on their website) are "Commitment to community and education" and "Collaboration and Accountability."[152] In both cases there are two entirely different values being squished together. Additionally, it is impossible to identify what the actual value is in fourteen of the statements. For example, The Geva Theatre Center lists "we create art of a national standard."[153] What exactly is the core value there? Is it art? Since Geva is a theatre company, one would certainly hope they value art.

The most frequently cited core values focused on some type of excellence or on education/learning: fourteen companies articulated the former and thirteen companies the latter. Community also made nine appearances, while collaboration made eight, and diversity made seven.[154] Cameron notes that a core value has a "consciously rejected yet equally viable opposite" that could instead have been identified as a value.[155] Taken in that light, excellence

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[150] Cameron.
[151] Centerstage.
[152] Arden Theatre Company Strategic Plan pg. 3.
[153] Geva Theatre Center.
[154] See Table 2 and 3.
[155] Cameron.

is not a core value. Who would value inferior work? Versions of values related to fiscal responsibility, or stewarding resources, also appeared on nine of the companies lists. As argued in Chapter Three, fiscal integrity is not actually a core value. It is simply an operating practice of a good business.

From these lists it is not possible to judge which of the core values articulated by these organizations are not truly core values to them. However, especially in the case of organizations with longer lists, those companies need to ask themselves carefully whether each item is truly a core value that will not change over the life of the organization, or if any business practices, which will change, have crept in to the list. Those values that apply only to a specific segment of the theatre's work, for example, are likely business practices. Core values should apply across the organization, not to a targeted group. Nearly one-fifth of the core values identified by the nineteen organizations apply to specific groups, as opposed to the entire organization. In some cases, with some rewording, they would apply to the full company and all those with whom it interacts. For example, a core value of Round House Theatre is: "engage our audience in an ongoing dialogue of ideas."[156] This applies only to the audience, and in fact, is more about how a core value might be implemented than it is actually a value itself. The underlying value here is either "encourage ongoing, open dialogue" or perhaps, "nurture new ideas." That the companies have chosen to single out specific groups indicates that these values are more likely to be business practices relevant to a specific moment in time.

Marin Theatre Company is the one company that has a list of core values that is composed entirely of business practices:

1. We value the engagement of our patrons in our work.

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[156] Round House Theatre.

2. We believe theatre should be intimate, engaging, emotionally powerful, and affordable to everyone.

3. We support the American Playwright from the conception through production of new plays.

4. We make it a priority to use and develop Bay Area artists.

5. We foster the happiness, excellence, and continued education of our staff and board.

6.We provide exceptional service and hospitality to our patrons.

7. We recognize that financial health and stability are essential to fulfilling our mission.[157]

The second, third, and fourth statements are far too specific. They should most likely be business practices, not core values. The second statement specifically clarifies the type of work Marin Theatre Company is interested in producing. The company wants to do work that is intimate, engaging, and emotionally powerful. It also believes that the work should be affordable for everyone. This affordability is a business practice that will impact the financial bottom line. To keep ticket prices and any other paid programming affordable, the company will need to make clear financial decisions about how it does that. Are there other financial resources or corporate partnerships that make up any difference not covered by ticket sales or are production budgets smaller? Or is there less programming outside of productions? These are all business decisions.

In separating core values from business practices it is important to remember that core values are so fundamental that if they cease to be important then the company should cease to exist. It should become a different company. Joe Papp founded the Public Theater in New

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[157] Marin Theatre Company.

York City with the idea that theatre should be free in order to be accessible to all.[158] This idea is important enough in the DNA of the Public Theater today that it still produces Shakespeare in the Park each summer with many free tickets, produces the Mobile Unit, which provides performances free of charge to those with very limited access, and has other various low price ticket options available for some shows in its downtown home. However, the company does not call this a core value, which means that it has been able to adapt its business practices and charge large sums for some tickets in order to help meet its costs as the financial pressures on the company have changed over the years.

Similarly, the third and fourth statements in the Marin Theatre Company values clarify what type of person's work the company produces and over what period of time. These values are specific to onstage programming and new work development. Reading these values indicates that Marin Theatre Company only produces new work and that it prioritizes working with Bay Area artists, which should mean that as long as there is a Bay Area artist available, the organization does not seek anyone from outside the region. Of course those individuals working for the company in the production or education departments will support this type of work if it is the work the company is doing, but this is not a value those individuals can specifically apply within their departments to impact their daily work or decisions.

A look at Marin Theatre Company's website indicates that five of the six productions in their current season are either west coast or Bay Area premieres. The sixth is a booking of the Reduced Shakespeare Company. None of these works have been supported by MTC from their conception. Ultimately the core value statements about supporting American playwrights from conception through production and prioritizing Bay Area artists may indeed be things Marin Theatre Company values, but they are not core values. To be fair, there is

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[158] Turan & Papp, location 990.

evidence of widespread confusion in the not-for-profit theatre industry as to the precise difference between core values and values that may be specific to one part of the organization and are therefore not at the core. Molly Smith, for example, uses the terms interchangeably to refer to the values at Arena Stage.

The first, fifth, and sixth statements more closely approach core values, but are still too specific. "Engagement" is complicated because it does not have a standard definition within the theatre, and in this case, it is also specifically confined to engaging with patrons. An all-encompassing idea that might get at the same purposes as engagement, but reflect more of a core value is "connect genuinely with others." This is a core value that everyone in the organization can use in his or her work. In statement five, ideally Marin Theatre would value happiness, excellence, or continued education in all that they do and for everyone, not just the staff and board. This statement currently is more about the practices they hope to support for board and staff specifically and not one concrete core value. Happiness, excellence, and continued education are also three entirely separate possible values. Number six, again, calls out a specific group, and is more about a business practice specific to how the company wishes to treat its audience. A true core value related to service would be about serving the patrons, but also about serving the larger community. This might manifest as staff outings to work with Habitat for Humanity, or in a local community garden, or food bank, for example. The seventh statement, as previously discussed, is a practice of good business.

Overall, about one-quarter of the LORT member theatres have core values that are accessible on their websites. The combined list of values from these companies indicates some confusion as to what constitutes a core values. The list of values includes many that are too specific to apply to a whole organization, as well as business practices and organizational policies that will change over time and are not actually core values. Additionally, stating

the departments give in all staff meetings a few times per year. Smith corroborates this, saying that a few values are presented by different departments at each staff meeting as a way to help keep the values alive.[162]

In terms of overall application of the values, everyone indicated that they do not think specifically about the core values in their day-to-day work or decision-making, but that they imagine that most people in the organization generally do their work in the "spirit of the values" and "live by them inherently."[163] Smith agrees, saying, "it's very important for the staff and board to take the values inside of themselves to be able to live through the values as far as decision-making."[164] When Smith was asked if the values were applied to programming decisions, she said that if she looks at programming "as a prism" she can see "areas reflected in the onstage programming, education, capital campaigns, and work with schools that reflect within the values."[165] This is not a ringing endorsement of Arena's use of core values as Smith is not able to say that the values are consulted regularly or speak specifically about their application. Additionally, Smith says, "I don't know if it's true that we wouldn't do a project that would not fit our values."[166] She feels it is important for the company leadership to lay out the core values and follow through on them, but that it is not necessary for every staff member to agree with the values.[167] These statements all indicate that Arena Stage is not using their values to full potential and therefore not experiencing the benefits, outlined in Chapter Five, that rigorous attention to values provides in terms of alignment and fostering stability and unity of purpose within the organization.

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[162] Smith Interview.
[163] Arena staff survey.
[164] Smith Interview.
[165] Ibid.
[166] Ibid.
[167] Ibid.

Using Arena Stage as an example, it is possible to illustrate the characteristics that make up useful core values. It is helpful to consider what is missing in Arena's current articulation of its values, where they are mixed up with business practices, and how they could be stated more clearly. The ultimate outcome will be to streamline and clarify Arena's list to get at the core of the organization. For reference as needed throughout this section, here are the core values of Arena Stage, presented slightly out of order, for purposes of discussion:

1. Create a work culture that reflects and borrows from the culture of the rehearsal hall which values experimentation and collaboration.

2. Pursue excellence in all aspects of our endeavor.

3. Champion diversity throughout the organization and within the community.

4. Promote the effective stewardship of cultural capital on behalf of our artists, our community, and our field through effective partnerships, collaborations, and practices designed to advance the field.

5. Create and steward financial resources to enable a vital Arena Stage.

6. Flourish by building a health, dynamic, and powerful artistic community.

7. Strive to instill in the public life-long love and participation in the theater arts through its education programs.

8. Cultivate an engaged, diverse, and responsive board, staff, audience, and community.[168]

Looking at the values one by one allows consideration of their adherence to the characteristics of a useful core value, as well as the specific application of each value within the organization. One of the staff noted a value which resonated with her personally, and this same value was also cited by Smith as being very important: "Create a work culture that

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[168] Arena Stage.

reflects and borrows from the culture of the rehearsal hall which values experimentation and collaboration."[169] This is a useful core value, which asks people to act and to create a specific culture, though it really combines two values: collaboration and experimentation. Smith indicates that if these two elements are not present at all times, it becomes impossible to move anything forward, which makes these two values sound particularly vital to the company.[170]

Smith also lists the second and third values in the list above, "pursue excellence in all aspects of our endeavor" and "champion diversity throughout the organization and within the community" as being particularly important among the values. The first of these is again, a clear, functional core value. Pursue excellence. The second half of the statement, "in all aspects of our endeavor" is simply unnecessary since the value should automatically apply to the organization, and all its work, as a whole. In terms of diversity, Smith notes that the company has worked very hard in the past five to eight years to make the board of directors more diverse. The staff and the onstage programming were already diverse in terms of race, age, and ethnicity, but the board was not, particularly in terms of race.[171] A look at the Arena Stage 2014-2015 season shows that seven of eight productions are written by men. The gender divide for directors is more even, at four and four. Three of the eight works are both written and directed by individuals of color, which is more in line with the value.[172] In ten mainstage presentations the previous season, among nineteen slots filled by playwrights or directors, only three individuals were not white, one writer/creator was female, and two works were directed by females other than Molly Smith.[173] Not a single non-white, non-black

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[169] Smith Interview.

[170] Ibid.

[171] Ibid.

[172] "Shows-Tickets: 2014-2015 Season."

[173] "About: History: 2013-2014 Season."

playwright or director appears in either season. This is certainly a small sample, but with a core value of diversity, a broader range of artists and work might be anticipated.

The next value on the list, about effective stewardship, was considered previously in Chapter Three. It is longwinded and simply does not make sense. Smith indicated that the next value, "creating and stewarding financial resources" is a given, but is written down as a core value because it is important to the board. Smith seems to understand that this does not belong on a list of core values, but its inclusion indicates confusion on the part of the board as to the exact purpose and necessity of the core values. This value, along with "flourish by building a healthy, dynamic and powerful artistic community" are necessary business practices in the theatre and not core values. If a theatre is not fiscally responsible and does not nurture artists at least a little, it would not continue to exist. The seventh value is also a business practice as it applies specifically to the company's education program, as well as only to the "public." If it were important to Arena to find ways to instill a life-long love of theatre in everyone, including patrons, students, and employees at all ages, then it could be considered a core value. As it stands, it is attributed to one department and part of how Arena runs its business. A look at the education tab of the webpage shows that three of the four featured programs are for youth. The fourth feature, the only one noted as being for all ages, is actually an endorsement for workshops and residencies that Arena can tailor and offer to groups who contact them to do so. The final value on the Arena Stage list, "cultivate an engaged, diverse, and responsive board, staff, audience and community" incorporates multiple ideas and is repetitive. It is unnecessary to specify that the value apply to board, staff, audience and community since it should apply overall, and it is the second value that refers to diversity.

Based on this analysis, the following are clearer core values for Arena Stage that are active, apply to the entire organization, and do not include any business practices, while honoring the intention of the original list:

Emphasize experimentation

Instigate a collaborative working environment

Pursue excellence

Champion diversity

Of course it is both common and useful to elaborate on what each of these means to the organization with slightly longer definitions that can go on the website or be printed in a staff handbook, but this list is a distilled version that is easy to remember and access from day to day. Referring back to the characteristics of strong core values presented in Chapter Three it is possible to see how this list can be beneficial. First, these four streamlined values can be applied across the organization. They are not specific to one department, and that means everyone in the company can be working to achieve the specifics of the mission statement through the same lens, creating a much stronger unity of purpose than if each person or department is working with their own, different, overarching goals toward fulfilling the mission. Additionally, this list emphasizes the verbs, which were frequently already present in Arena's core values, making them more important and calling everyone to action. Finally, this list is beneficial because it eliminates duplicate information from the longer list, clarifying the elements that truly appear to be at the core of the company.

McCarter Theatre Center

At the other end of the spectrum, McCarter Theatre Center, also a LORT theatre, is one of the 53 members that does not have core values listed on its website. In fact, they do not have specifically articulated core values at all. Nonetheless, Managing Director Tim Shields feels that something like core values are present, whether articulated or not, in all

organizations.[174] These are represented by decisions the organization makes about how it is going to run. Shields believes that whether values need to be explicitly articulated depends on where a company is in its evolution as well as the state of the company culture.[175] As mentioned in Chapter Four, when Shields started as the managing director at Milwaukee Repertory Theatre he felt that establishing core values, in collaboration with the staff, would help get everyone back on track after three years of upheaval.[176] Conversely, when he arrived at McCarter in 2009, despite the theatre not having written core values, he felt that the work of formally identifying them was not something that needed to be done. Consistent with his managerial style of not believing that there is only one way for things to be done, Shields saw no reason to push the issue.[177]

Though the values are not formally written at McCarter, Shields is able to easily articulate what he believes they are. He says McCarter and its staff are artist-centered, excellence-focused, compassionate, human, and serious about their work.[178] Strictly speaking, based on the definitions in this paper, none of these are exactly core values. Rather than the core values, Shields places emphasis on the type of workplace McCarter is, and specifically on the company culture. It is important to him that his staff have autonomy in their work, meaning that they are able to make decisions relevant to their work on their own, and also that they know why they are doing the work, and that they have the skills necessary to accomplish their work. He credits much of this thinking to the writer Daniel Pink and his book *Drive*, which is a study of what motivates people in the 21st century.[179] Pink articulates that scientific studies are beginning to show that "external carrot and stick motivators" (i.e. if

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[174] Shields Interview.
[175] Ibid.
[176] Ibid.
[177] Ibid.
[178] Ibid.
[179] Pink, location 2737.

you complete a task you will receive a dollar) may actually diminish motivation.[180] Scientists now believe that humans also possess what they have begun to call "intrinsic motivation."[181] This motivation is composed of the areas Shields mentions as important in his employees work: autonomy, purpose, and mastery.[182]

Shields clearly has a strong personal belief in core values and they blend into his work life. He considers core values to be "a professional moral compass that guides you through what the appropriate decisions are."[183] For the most part, in talking about this he references decisions he makes related to the staff. It is important to him to make sure the staff feels that they have had input, so that decisions and plans are not just being handed down from on high. Shields makes both small and large decisions every day, and believes values permeate those decisions as he asks himself, "Is this the right thing? Is it the fair thing? Have I done my best to do what needs to get done?"[184] Given his apparent belief that core values are important, both on a personal and organization level, it is odd that they are not clearly articulated at McCarter. Shields perhaps sees no need for them without a moment of crisis or disorganization as impetus, but specific values would reinforce the positive, human-centered, culture that Shields believes exists in his theatre. The values would afford the staff an additional tool to assess their work, support their autonomous decisions, and remind them why they are doing their work.

It is also worthy of note that McCarter has been operating with a deficit every year from 2009 forward. The amount of this deficit has varied widely from $305,000 at the low end in 2013 to $1.7 million at the most in 2012.[185] The financial crisis of 2008 must of course

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[180] Pink, location 169.
[181] Pink, location 2751.
[182] Pink, location 2779.
[183] Shields Interview.
[184] Ibid.
[185] McCarter Theatre Company, IRS Form 990, 2009-2013.

be taken into account, but it is also certainly possible that clear core values to consult in decision-making would help ensure that all the programming, both produced and presented by McCarter each year, is truly aligned. Especially with the volume of programming at McCarter it can be easy to get excited about a project but have no clear and cohesive reason that particular thing should be produced, other than that it is new work. Core values might be able to help streamline both spending and fundraising.

In contrast, while Shields was at Milwaukee Rep, after the core values there were identified, they were printed in the employee handbook, written on large boards for staff meetings, and posted in various rooms of the theatre for the first couple years. Shields does feel that the core values were lived in his time at Milwaukee Rep, but he also sounds a familiar caution that just because values are written down does not mean that they are effective or honestly observed.

The preceding examples show that the use of core values in the not-for-profit theatre industry is by no means ubiquitous. Reading through the values of these companies, it is also apparent that it is not clear to those working in the industry what constitutes a clear and useful core value. Many still confuse business practices with values. These practices are important to fulfilling a company's mission, and should be guided by the core values, but they are not core values themselves. Unlike core values, business practices can, and should, be able to change over time.

CONCLUSION

Core values provide not-for-profit theatre companies with both a foundation and guideposts for making decisions. The core values form a foundation because they do not change over the lifetime of the organization. These values permeate company culture and help those within the organization understand how to act toward one another and the outside world. They support decisions about hiring, programming, funding, and the company's brand.

Core values also support the mission statement, which the community, members of the theatre, funders, staff, board, and all other interested parties look to in order help assess whether the company is meeting its core purpose. The core purpose, along with any business practices the theatre is focusing on at the moment, should reflect the core values of the organization. If the theatre company is doing the things outlined in its mission statement, and doing them in the spirit of its core values, without doing anything extraneous that lies outside the values, all its efforts will be moving the company toward the same goal. The primary goal is the vision of the company, and because not-for-profit theatre companies are charitable organizations, that vision should include what the theatre company hopes to improve about its community through the work it is doing.

Core values are deeply entwined with an organization's company culture, which develops based on the individuals who comprise the company. Given this, it does not make the most sense to start an organization by outlining its values, since both the values and company culture need a bit of time to evolve. Founding a theatre is very hard work, and the individuals investing their time and other resources will be well-served by being certain that all founders personally possess values that are compatible with one another. Even if the founders do not quite know specifically which of their values will become the core of their

organization, they should at least know that they are working from a pool of shared values and mutually agree on what is important to them. Core values appropriate to the company will begin to emerge organically as it matures, but may be difficult to identify if the founders do not share common values. Even if they can be identified, it may be impossible for founders with fundamentally different core values to agree which ones the company should honor.

When a company is young and/or smaller, individuals may work closely enough together and have constant enough contact that a company culture that everyone likes will naturally develop. In most cases, as the company grows and more people take on hiring and decision-making responsibilities, it will become important to formalize the company culture by articulating the core values. Doing so will provide guideposts for everyone's work and keep the whole company moving together in the same direction, with the same overall focus. The most organic process for identifying and articulating these core values will be a process that involves the staff. Especially in not-for-profit theatre, where it is often the case that there is not enough revenue to pay people what they are truly worth, it is vital to involve the staff in this process. Most staff members are there because they find additional fulfillment in their work beyond monetary compensation, and the core values will support that fulfillment.

A much broader survey, perhaps conducted by the National Endowment for the Arts or Theatre Communications Group, would be helpful in filling out the full picture of core value use in the industry. Nonetheless, a wider acceptance and implementation of core values across the not-for-profit theatre industry would be beneficial. In addition to the internal uses outlined in this paper, if identifying and publicizing core values were standard practice, it would give the theatre industry another means, besides financial, of assessing success. It would be possible to ask what the core values of a theatre company are, if it is living up to them, and in what ways it applies its values in its work. It might even provide foundation

funders additional insight in the grant application process, which would allow a deeper assessment of the organization than is possible through mission and finances alone.

Assessing an organization based on its own unique core values could help eliminate a one-size-fits-all approach to analysis and open conversations between funders and theatres about what type of support is really needed. Speaking with the Nonprofit Financial Fund in February 2015, Ben Cameron pointed out that many funders currently ascribe a set percentage to administrative costs and firmly believe those cost should not rise above that number for any organization.[186] This assessment limits potential since each organization is not the same. Cameron notes that it is more effective to individually assess the percentage of administrative costs necessary to achieve desired results.[187] Core values can help identify and focus the desired results, giving both organizations and funders freedom to think outside the usual box, but still within some sort of parameter, though it will be much more specific to the individual organization.

In philanthropic foundation giving there is a trend toward placing a stronger burden on arts organizations to provide evidence of the breadth and depth of their impact on their community. The industry still seems to be struggling to find its footing in terms of measurements of success beyond the financial. An assessment of core values and their use might help illuminate social impact, and provide additional metrics, specific to the goals of each individual organization, by which to measure. Once these metrics are identified, more research would help companies understand how to apply them.

Additionally, it is exciting to think about the impact increased use of core values could have on arts leaders. Innovative arts leaders see not only a vision for the future of their

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[186] Bugg-Levine.
[187] Ibid.

organization, but a vision for the future of the world and their organizations' place in it.[188] As the conversation about impact of the arts continues, it is exciting to think about how the intersection of particular theatres and communities can be supported by core values that matter to both the organization and the community and how those values can be clearly outlined and supported by truly energized leaders.

Overall, core values are extremely useful in the not-for profit theatre when they are properly identified and applied. Moving forward, everyone in the theatre world should place more emphasis on their importance, and all companies should be encouraged to identify and publish their values. This will increase both the stability and adaptability of theatres, allowing them to better serve their communities.

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[188] Cameron.

APPENDIX

Table 1

Core Values of LORT Member Theatres

Core values listed below are from the websites of the companies. Values in grey are not included in the analysis in Table 2, as the primary value category could not be determined.

LORT Member Theatres with Published Core Values

Actors Theatre of Louisville	Louisville, KY
Creativity	
Collaboration	
Engagement	
Excellence	

Alley Theatre	Houston, TX
Creative Excellence	
Alley Artists	
Community Engagement	
Openness	
Education	

Arden Theatre Company*	Philadelphia, PA
A fierce commitment to excellence	
The effective and efficient use of all resources	
Collaboration & Accountability	
Risk	
Organizational Health	
Commitment to community and education	
Above and beyond	

Arena Stage	Washington, DC
Create a work culture that reflects and borrows from the culture of the rehearsal hall which values experimentation and collaboration	
Pursue excellence in all aspects of our endeavor	
Flourish by building a healthy, dynamic, and powerful artistic community	
Create and steward financial resources to enable a vital Arena Stage	
Champion diversity throughout the organization and within the community	
Strive to instill in the public life-long love and participation in the theater arts through its education programs	
Promote the effective stewardship of cultural capital on behalf of our artists, our community, and our field through effective partnerships, collaborations, and practices designed to advance the field	
Cultivate an engaged, diverse, and responsive board, staff, audience, and community	

Centerstage	Baltimore, MD
Rigorous pursuit of excellence	
Courage to take risks	
Commitment to diversity and inclusion	
Belief in continual learning, exploration, and discovery	
Fiscal integrity	

Cleveland Play House	Cleveland, OH
Artistry	
Community	
Lifelong Learning	

Geva Theatre Center	Rochester, NY
We make a commitment to excellence	
We produce work that celebrates the human experience	
We create art of a national standard	
We dedicate ourselves to a collaborative art form	
We serve our community through education and outreach	
We will provide exceptional service to our patrons and artists	
We achieve our mission in a fiscally responsible manner	

Goodman Theatre	Chicago, IL
Quality	
Diversity	
Community	

Huntington Theatre	Boston, MA
Excellence	
Community Outreach	
Professional Training	
Leadership	
Innovation	
Financial Health	

Indiana Repertory Theatre	Indianapolis, IN
Sustaining a professional, creative atmosphere	
Prudent stewardship of our resources	
Inclusiveness	
Heritage and tradition	

Laguna Playhouse	Laguna Beach, CA
Heritage	
Artistic Excellence	
Operational Excellence and Fiscal Responsibility	
Education	
Community, Collaboration, and Inclusion (partnerships with other orgs in the community)	

Long Wharf Theatre	New Haven, CT
Artistry	
Collaboration	
Community	
Discourse	
Freedom of Expression	

Manhattan Theatre Club   New York, NY
> Innovate
> Encourage
> Nurture
> Educate

Marin Theatre Company   Mill Valley, CA
> We value the engagement of our patrons in our work
> *We believe theater should be intimate, engaging, emotionally powerful and affordable to everyone.*
> *We support the American playwright from the conception through production of new plays.*
> *We make it a priority to use and develop Bay Area artists.*
> We foster the happiness, excellence and continued education of our staff and board.
> We provide exceptional service and hospitality to our patrons.
> We recognize that financial health and stability are essential to fulfilling our mission.

People's Light & Theatre Co   Philadelphia, PA
> Excellence in the quality of our plays and programs
> Service to our community
> Depth and longevity in our relationships
> Ongoing engagement with our company, audiences, students, teachers, and funders
> Dedication to arts education

Repertory Theatre of St. Louis
> *We value informative, entertaining, and challenging live professional theatre.*   St. Louis, MO
> We value excellence in all we do.
> We value life-long education.
> *We value a strong, vibrant arts community.*
> We value diversity.
> *We value the contribution of our artists and our staff.*
> *We value all who have a stake in our success.*
> We value the long-term viability of our theatre.

Round House Theatre   Bethesda, MD
> Prioritize the use of local artists of diverse backgrounds.
> Create a collaborative environment in which artists can do their best work.
> *Reflect the community that we serve.*
> Engage our audience in an ongoing dialogue of ideas.
> Encourage lifelong learning and participation in theater.
> Ensure that our work is accessible to patrons of all ages, cultural backgrounds, and economic groups
> Provide exceptional service and hospitality to our patrons.
> Foster the happiness, excellence, and continued development of our staff and board.
> Recognize that financial health and stability are essential to fulfilling our mission.

Theatre for a New Audience   Brooklyn, NY
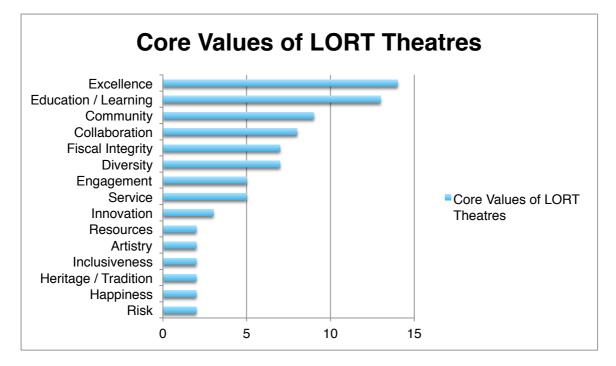   Reverence for language
    Spirit of adventure
    Commitment to diversity
    Dedication to learning
    Spirit of service

TheatreWorks   Palo Alto, CA
    Artistic Excellence
    Diversity
    Innovation
    Involvement
    Collaboration
    Celebrate the Human Spirit

Table 2

The graph below organizes core values based on the values most commonly expressed by the 19 theatres that published values on their websites.

Additionally, the following values are unique to individual organizations: Above and Beyond, Accountability, Accessibility, Adventure, Courage, Creativity, Discourse, Depth, Encourage, Experimentation, Freedom of Expression, Health, Human Experience, Human Spirit, Involvement, Language, Leadership, Love of Theatre, Nurture, Openness, Organizational Longevity, Quality.

Table 3

Most Frequently Mentioned Core Values Among LORT Theatre Companies

*This table illustrates the six most popular categories of values. Value statements under each heading are compiled from the 19 companies from Table 1, and are in each company's own words. This gives a sense of the many different ways that individual companies have found to express their commitment to the values in question.

Values about EXCELLENCE:
Excellence
Creative Excellence
A fierce commitment to excellence
Pursue excellence in all aspects of our endeavor
Rigorous pursuit of excellence
We make a commitment to excellence.
Excellence
Artistic Excellence
Operational Excellence and Fiscal Responsibility
We foster the happiness, excellence, and continued education of our staff and board.
Excellence in the quality of our plays and programs
We value excellence in all we do.
Foster the happiness, excellence, and continued development of our staff and board.
Artistic Excellence

Values related to EDUCATION or LEARNING:
Education
Commitment to community and education
Strive to instill in the public life-long love and participation in the theater arts through its education programs.
Belief in continual learning, exploration, and discovery
Lifelong learning
We serve our community through education and outreach.
Professional Training
Education
Educate
We foster the happiness, excellence, and continued education of our staff and board.
Dedication to arts education
We value life-long education.
Dedication to learning

Values about COLLABORATION:
Collaboration
Collaboration & Accountability
Create a work culture that reflects and borrows from the culture of the rehearsal hall which values experimentation and collaboration
We dedicate ourselves to a collaborative art form.
Community, Collaboration, and Inclusion
Collaboration
Create a collaborative environment in which artists can do their best work
Collaboration

Values about DIVERSITY:

Champion diversity throughout the organization and within the community
　　And from the same organization: Cultivate an engaged, diverse, and responsive
　　board, staff, audience, and community
Commitment to diversity and inclusion
Diversity
We value diversity.
Prioritize the use of local artists of diverse backgrounds
　　And from the same organization: Ensure that our work is accessible to patrons of all
　　ages, cultural backgrounds, and economic groups
Commitment to diversity
Diversity

Values about COMMUNITY:

Community engagement
Commitment to community and education
Community
We serve our community through education and outreach.
Community
Community Outreach
Community, Collaboration, and Inclusion
Community
Service to our community

Values related to FISCAL RESPONSIBILITY or RESOURCES:

The effective and efficient use of all resources
Create and steward financial resources to enable a vital Arena Stage
Fiscal Integrity
We achieve our mission in a fiscally responsible manner.
Financial Health
Prudent stewardship of our resources
Operational Excellence and Fiscal Responsibility
We recognize that financial health and stability are essential to fulfilling our mission.
Recognize that financial health and stability are essential to fulfilling our mission

Table 4

Jim Collins' list of questions for helping a company identify core values:

- What core values do you bring to your work - values you hold to be so fundamental that you would hold them regardless of whether or not they are rewarded?
- How would you describe to your loved ones the core values you stand for in your work and that you hope they stand for in their working lives?
- If you awoke tomorrow morning with enough money to retire for the rest of your life, would you continue to hold on to these core values?
- Can you envision these values being as valid 100 years from now as they are today?
- Would you want the organization to continue to hold these values, even if at some point one or more them became a competitive disadvantage?
- If you were to start a new organization tomorrow in a different line of work, what core value should you build into the organization regardless of its activities?

Table 5

Zappos Core Values:

1. Deliver WOW Through Service
2. Embrace and Drive Change
3. Create Fun and a Little Weirdness
4. Be Adventurous, Creative, and Open-Minded
5. Pursue Growth and Learning
6. Build Open and Honest Relationships with Communication
7. Build a Positive Team and Family Spirit
8. Do More with Less
9. Be Passionate and Determined
10. Be Humble

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