

Research on the Self-Sufficiency of Traditional Performing Arts Organizations According to their Mean Perception of Public Support

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Abstract

Objectives: To deduce the characteristics of public support, and investigate the relationship with the self-sufficiency based on the supported organizations and persons. **Methods/Statistical Analysis:** For this study, a sample of 267 organizations and the persons concerned with experience of receiving support from the Ministry of Culture, Sports and Tourism was drawn, and a descriptive statistical analysis and a multivariate analysis was performed. The reliability of the assessment tools was calculated to be ≥ 0.70 with the use of Cronbach's alpha coefficients, meaning satisfactorily reliable assessment tools. **Findings:** A hypothesis for investigating significant factors in the self-sufficiency of traditional performing arts organizations according to their mean perception of public support was adopted as it has significant influential elements. From a practical point of view, the study provides an important implication that their mean perception of public support can improve their self-sufficiency, and it can be saw that a higher mean perception score means their higher self-sufficiency. It will contribute to the implementation of follow-up studies on the field. **Application/Improvements:** But despite such an implication drawn, the limited value of the study is that only basic matters were assessed with only 267 people and organizations surveyed as a sample; and for a possibility of generalization it is necessary to implement follow up studies of larger scope with a sample of a group of subjects who have similar characters.

Keywords: Characteristics of Public Support, Development of Traditional Performing Organization, Mean Perception, Self-Sufficiency, Traditional Performing Arts

1. Introduction

Public support is defined as a method by which the central government, a local government, or an authority of one nation supports the planning and implementation of a policy on arts activities, including supporting the finances needed to perform them. It is characterized differently from private support. Support by a government or public institution is based on the annually planned budget or fund; and since the entire budget has pub-

lic purposes, public support for performing arts mainly targets most of non-profit organizations concerned with public interest. A non-profit organization is defined as an organization where the profits generated from its management or from its financing activities are utilized for realizing the purpose of its establishment, not the profits being given to some individuals who own or manage it. In Republic of Korea, when a foundation or corporation is established or something is designated as a professional arts corporation or professional arts organization,

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its non-commercial purpose is legally certified. In today's socio-economic sense, the certification is interpreted as an ability to survive in competition in the market economy where capitalism, the mainstream socio-economic system, is dominant. Until the 1990s, policies on traditional performing arts had been focused on projects highlighting the preservation and transmission of them through people engaged in the field and through arts organizations. After then, a problem was indicated: as a result, the policies were excessively biased towards the preservation and transmission, attention to the self-sufficiency of the traditional performing arts field was distracted, and eventually the government support excluded general consumers who actually enjoyed arts. An argument that participation of consumers, demanders of traditional performing arts, should be expanded as well as the self-sufficiency of artists and arts organizations, providers of traditional performing arts, should be enhanced has been put forward strongly to solve such a problem¹⁻³. If self-sufficiency means how long a performing arts organization can present performances steadily after securing a certain amount of financial resources for its own use, then it is not easy to present clear rules on the meaning. Suppose a performing arts organization that stopped its activities for several years due to a lack of financial resources manages to acquire financial resources and completes a work. In this case, it cannot be recognized as an organization with self-sufficiency. In addition, an organization that does performance activities depending upon public financial resources for most of its expenses also cannot be recognized as an organization with self-sufficiency. Therefore, the necessity of contributing to practical work as well as theoretical systematization through a study on the self-sufficiency of traditional performing arts organizations according to their mean perception of public support is presented.

2. Theoretical Background

2.1 The Concept and Precedence Factors in Public Support for Traditional Performing Arts Organizations

It was within bounds to say that the keynote of the policies on traditional performing arts of Republic of Korea was

'preservation' and 'transmission'. That was because the society had strong historical consciousness and cultural awareness that traditional performing arts, important intangible assets of its culture, should be preserved and transmitted to posterity. A broad consensus was formed on the stance that stressed the two words until the 1990s. It is said that National Gugak Center played an important role in policies on traditional performing arts has made its roles regulated by a presidential decree stipulating them as the words. Incidentally, starting from the late 1990s, a question began to arise as to the capabilities of people engaged in traditional performing arts and of traditional performing arts organizations and as to their overall activities. The question arose as to whether they actually had self-sufficiency as performing artists and performing arts organizations. That is, the question was as to whether traditional performing arts had 'a capability of surviving themselves'. Such questioning was also criticism of the government's policies on traditional performing arts. Several scholars and researchers pointed out that we should be more aware of the crisis. The nation's traditional performing arts survived only through the government's policy support could not compete with the performing arts imported from the West. Thus, it shall be re-considered from a perspective on the new public management theory as well as adopted one to the government sector after 1990. For this reason, they suggested that the government should actively support projects where the artists and arts organizations could pursue profitability, not taking the lead in pursuing profitability through projects related to traditional performing arts^{1,4-6}. In public support, the aid including financial support needed to perform arts activities is mainly provided by the central government, local governments, and other public institutes. The public support method through such public means is being adopted by most of the European nations, and the method can be referred to as a 'European style'. The support method is characterized differently from private one. Public support can be categorized into direct and indirect type according to the support methods for cultural arts. The direct support means that the government gives financial aid for creative activities related to cultural arts and to the relevant industries through a direct method, (e.g., the government can directly purchase artworks or pay subsidies to those engaged in the relevant field, the

public support acting as producers or consumers). The aid providers act as producers, who directly operate facilities related to cultural arts and as consumers by doing something such as purchasing. Indirect support can be seen as a tax reduction system and education and training system. A tax reduction system means giving tax breaks on certain amounts of income of people engaged in cultural arts and/or giving them to companies, groups, or individuals who support cultural arts. The system can encourage the beneficiaries to perform creative activities related to cultural arts by reducing their tax burden⁷.

2.2 The Concept and Precedence Factors in Self-Sufficiency of Traditional Performing Arts Organizations

The dictionary definition of sufficiency is ‘an ability to survive oneself’. That is, it is an ability to survive in competition in the market economy where capitalism, the mainstream socio-economic system, is dominant. If self-sufficiency means how long a performing arts organization can present performances steadily after securing a certain amount of financial resources for its own use, then it is not easy to present clear rules on the meaning. Suppose a performing arts organization that stopped its activities for several years due to a lack of financial resources manages to acquire financial resources and completes a work. In this case, it cannot be recognized as an organization with self-sufficiency. In addition, an organization that does performance activities depending upon public financial resources for most of its expenses also cannot be recognized as an organization with self-sufficiency. As for public subsidies offered to private performing arts organizations, standards for provision, execution, and calculation are to be set according to “The Rule on Management of Subsidies for Private Organizations (Official Order 197 of the Ministry of Culture, Sports and Tourism)” based on “The Law on Management of Subsidies (hereinafter ‘Subsidy Law’)”. It shall be pursuant to “The Guidelines on the Planning and Execution of Budgets and Funds” created by the Ministry of Strategy and Finance as well. Performing arts organizations that receive subsidy support are to prepare a certain amount of money that they must pay themselves, which is the

basic principle. A subsidy specified in the Subsidy Law is to be provided for financial aid when a corporation, organization, or individual (not the nation) implements a project. By “The Guidelines on the Execution of Plan on Administration of 2014 Budget and Funds (page 263)” created by the Ministry of Strategy and Finance, it is specified that they should make an effort to increase their local revenues, which aims to raise the accountability of the private organizations that receive support to increase their self-sufficiency by inducing them to prepare a certain amount of money that they must pay themselves. “The Rule on Management of Subsidies for Private Organizations (Official Order 211 of the Ministry of Culture, Sports and Tourism revised on December 11, 2013)” provides the subsidy proportion. A part of the total expenses of the project where a subsidy is provided must be paid by the private organization itself, and the proportion cannot exceed 90% of the total expenses. Hence it applies to the project ‘Culture and Art Promotion Fund’ implemented by the Korean Culture and Arts Committee, with authority, in the same manner. The^{1,8,9} elements that determine the self-sufficiency of performing arts are closely related to the revenue structure of the relevant organizations. In general, the revenue structure of domestic private performing arts organizations can be largely divided into 3 parts. Most of their revenues are generated from the revenues from performance projects and ticket sales revenues related to performance programs. Non-performance revenues can be secured from the influence of the fame, etc. of an organization: corporate donations, corporate sponsorship, being offered something by a company, individual donations, etc. Public subsidies can be referred to as public resources that fertilize the self-sufficient soil of private performing arts organizations. Cultural arts are becoming the keyword in various fields in the society (e.g., social welfare, corporate marketing, urban regeneration, national competitiveness) and culture has penetrated deeply into each citizen’s life. The self-sufficiency of traditional performing arts organizations through such self-sufficiency can draw positive influence factors such as competitive advantage, the justice of public support, an improvement in the status of employees, and marketing effects.

3. Survey Design and Hypothesis Verification

3.1 Survey Design

For the research task, the numerous scholars and researchers define the concepts of self-sufficiency and present competitiveness, the justice of public support, employee benefits, and marketing effects as the relevant effects. In^{2-6,8,10} based on such previous studies, the survey utilized 269 people, a sample, among organizations and the persons concerned that participated in the performing arts organizations in the entire nation that belonged to Traditional Performing Arts Foundation in July and

August in 2015. A descriptive statistical analysis and an exploratory factor analysis were performed as analysis methods. The data collected in the study was used to verify the reliability of the assessment tools based on the process of assessment validation¹¹. The verification of the reliability of the assessment model was performed as in Table 1.

3.2 Hypothesis Verification

To analyze the hypothesis for the study, the basic statistics on the tools for assessing how suitably traditional performing arts organizations belonged to other organizations and for assessing the self-sufficiency of the traditional performing arts organizations were calculated,

Table 1. Reliability test analysis

Division	No. of Questions	Cronbach`s α
Public support for traditional performing arts organizations	5	0.756
Self-sufficiency of traditional performing arts organizations	4	0.683

Table 2. Mean perception of how suitably traditional performing arts organizations belonged to other organizations

How Suitably They Belonged to Other Organizations	Mean±Standard Deviation (Mean±SD)
1. Public support is needed for the traditional performing arts organizations that belonged to the central government.	4.000±1.037
2. Public support is needed for the traditional performing arts organizations that belonged to a metropolitan government.	4.090±0.907
3. Public support is needed for the traditional performing arts organizations that belonged to a local government.	4.019±0.888
4. Public support is needed only for the traditional performing arts organizations that belonged to a private organization.	3.527±1.120

Table 2 Continued

5. Irrelevant to the organizations to which they belonged.	3.394±1.056
6. Public support is needed for unidentified persons (individuals) as well.	3.346±1.152

Table 3. Mean perception of self-sufficiency of traditional performing arts organizations

Self-Sufficiency	Mean ± Standard Deviation (Mean±SD)
1. The key to the self-sufficiency of traditional performing arts organizations is continued creative activities.	3.729±0.972
2. The key to the self-sufficiency of traditional performing arts organizations is distinctive performance contents.	4.045±0.837
3. The key to the self-sufficiency of traditional performing arts organizations is the designation of resident organizations and social enterprises.	3.398±0.950
4. The key to the self-sufficiency of traditional performing arts organizations is the implementation of independent management without public support.	2.943±1.117

and the results of the calculation are as in Table 2 and 3. In below the questions, a high score of 4.0 was produced for the followings: “Public support is needed for the traditional performing arts organizations that belonged to the central government”, “Public support is needed for the traditional performing arts organizations that belonged to a metropolitan government”, and “Public support is needed for the traditional performing arts organizations that belonged to a local government”. The highest score of 4.05 was produced for the question: “The key to the self-sufficiency of traditional performing arts organizations is distinctive performance contents”.

3.3 An analysis of Relationship between Public Support for Traditional Performing Arts Organizations and their Self Sufficiency

Table 4 shows the result of a multiple regression analysis of the hypothesis that public support for traditional performing arts organizations will significantly influence the self-sufficiency of marketing effects according to their mean perception of public support. According to the analysis result, it can be seen that among the self-sufficiency elements ‘Performance contents’ and ‘Designation

Table 4. Self-sufficiency of marketing effects according to traditional performing arts organizations' mean perception

Variable	Parameter estimate	Standardized estimate	Standard error	t-value	P-value	VIF
Intercept	2.136	-	0.275	7.76***	0.001	-
Continued creative activities	0.014	0.017	0.053	0.27	0.785	1.259
Performance contents	0.280	0.293	0.060	4.64***	0.001	1.234
Designation of social enterprises	0.193	0.228	0.050	3.86***	0.001	1.084
Implementation of independent management	-0.016	-0.022	0.042	-0.38	0.703	1.046
P-value=13.15***, adj R2=0.157, DW=1.993						

(Note)***: $p < 0.01$; **: $p < 0.05$; *: $P < 0.10$

of social enterprises' significantly influence marketing effects, the self-sufficiency effects produced by them.

Table 5 shows the result of a multiple regression analysis of the hypothesis that public support for traditional performing arts organizations will significantly influence the self-sufficiency of the justice of organizations according to their mean perception of public support. According to the analysis result, it can be seen that among the self-sufficiency elements 'Performance contents' and 'Designation of social enterprises' significantly influence the justice of organizations, the self-sufficiency effect produced by them. As for the regression coefficients for the self-sufficiency elements producing significant effects, the sign of the regression coefficients for 'Performance contents' and 'Designation of social enterprises' is (+), and it can be seen that if the elements become more important, the justice of organizations increases as well.

Table 6 shows the result of a multiple regression analysis of the hypothesis that public support for traditional

performing arts organizations will significantly influence the self-sufficiency of an advantage of organizational growth according to their mean perception of public support. According to the analysis result, it can be seen that among the self-sufficiency elements 'Performance contents' and 'Designation of social enterprises' significantly influence an advantage of organizational growth, the self-sufficiency effect produced by them. As for the regression coefficients for the self-sufficiency elements producing significant effects, the sign of the regression coefficients for 'Performance contents' and 'Designation of social enterprises' is (+), and it can be seen that if the elements become more important, an advantage of organizational growth increases as well.

Table 7 shows the result of a multiple regression analysis of the hypothesis that public support for traditional performing arts organizations will significantly influence the self-sufficiency of employee benefits according to their mean perception of public support. According to the anal-

Table 5. Self-sufficiency of justice of organizations according to traditional performing arts organizations' mean perception

Variable	Parameter estimate	Standardized estimate	Standard error	t-value	P-value	VIF
Intercept	2.365	-	0.276	8.56***	0.001	-
Continued creative activities	0.012	0.015	0.053	0.23	0.816	1.260
Performance contents	0.235	0.246	0.061	3.87***	0.001	1.233
Designation of social enterprises	0.215	0.256	0.050	4.29***	0.001	1.084
Implementation of independent management	-0.066	-0.092	0.042	-1.57	0.118	1.045
P-value=11.75***, adj R2=0.141, DW=1.687						
(Note)***: p<0.01**: p<0.05, *:P<0.10						

Table 6. Self-sufficiency of advantage of organizational growth according to traditional performing arts organizations' mean perception

Variable	Parameter estimate	Standardized estimate	Standard error	t-value	P-value	VIF
Intercept	2.584	-	0.293	8.83***	0.001	-
Continued creative activities	0.031	0.036	0.056	0.55	0.582	1.260
Performance contents	0.169	0.172	0.064	2.63***	0.009	1.233
Designation of social enterprises	0.205	0.237	0.053	3.88***	0.001	1.084
Implementation of independent management	-0.049	-0.066	0.044	-1.09	0.275	1.045
P-value=7.96***, adj R2=0.096, DW=1.804						
(Note)***: p<0.01**: p<0.05, *:P<0.10						

Table 7. Self-sufficiency of employee benefits according to traditional performing arts organizations' mean perception

Variable	Parameter estimate	Standardized estimate	Standard error	t-value	P-value	VIF
Intercept	2.861	-	0.323	8.85***	0.001	-
Continued creative activities	0.067	0.073	0.062	1.08	0.283	1.260
Performance contents	0.089	0.084	0.071	1.25	0.211	1.233
Designation of social enterprises	0.130	0.140	0.059	2.22**	0.028	1.084
Implementation of independent management	0.018	0.023	0.049	0.36	0.717	1.045
P-value=3.34** , adj R2=0.134, DW=1.804						
(Note)***: p<0.01** : p<0.05, *:P<0.10						

ysis result, it can be seen that among the self-sufficiency factors 'Designation of social enterprises' significantly influences employee benefits, the self-sufficiency effect produced by them. As the sign of the regression coefficient for the self-sufficiency factor 'Designation of social enterprises' producing significant effects is (+), it can be seen that if the factor becomes more important, employee benefits increase as well.

Therefore, judging by the results of the verification of the hypotheses, it can be seen that all of the specific hypotheses that traditional performing arts organizations' mean perception of public support significantly influences self-sufficiency are adopted partially; but as a result, all of them appeared to influence each other.

4. Conclusions

Cronbach's alpha coefficients for the reliability of assessment tools (e.g., factors in the self-sufficiency of performing arts organizations according to their mean

perception of public support) were calculated to be ≥ 0.70 , meaning the reliability of the assessment tools was significant. To find out the reciprocal relationship between their mean perception, the hypotheses, and self-sufficiency, a study (including an analysis) on self-sufficiency was performed with 4 sub-hypotheses set. The precedence factors according to public support - competitive advantage, the justice of public support, an improvement in the status of employees, and marketing effects - were drawn as positive influence factors, and their mean perception of how suitably they belonged to other organizations and of their self-sufficiency was calculated. And then, the influential relationship between their mean perception and the factors in self-sufficiency - continued creative activities, performance contents, designation of social enterprises, and implementation of independent management - was analyzed. After the verification of hypotheses, the hypotheses about their self-sufficiency according to their mean perception of public support were formulated, and thus their mean perception of public support was set as

an independent variable. The influential relationship between self-sufficiency elements was set as a dependent variable, and a reciprocal element was confirmed in the influential relationship. Accordingly, the existence of a significant element in the formulated hypotheses was adopted. Although there are limitations on this field of study, that is their mean perception of public support and their self-sufficiency, since the relevant studies are not adequate. Nevertheless, the question about how suitably they belonged to other organizations and the relevant competitive advantages, the justice of public support, an improvement in the status of employees, and marketing effects were drawn as positive influence factors to check their mean perception of public support and continued creative activities, performance contents, designation of social enterprises, and implementation of independent management. These achievements will contribute to the implementation of follow-up studies on the field. From a practical point of view, the study provides an important implication that their mean perception of public support can improve their self-sufficiency, and it can be seen that a higher score for their mean perception of public support means their higher self-sufficiency. But despite such an implication drawn, the limited value of the study is that only basic matters were assessed with only 267 people surveyed as a sample, and for a possibility of generalization it is necessary to implement follow-up studies of larger scope with a sample of a group of subjects who have similar human characteristics. In addition, surveys can have limitations in terms of variables that can be created in the real environment. The continuous and rapid growth of the traditional performing arts will be seen. Therefore, it will also be necessary to focus on not only educating people engaged in the industry and developing

the relevant products that are globally competitive, but making exchanges with other fields and raising the competitiveness of the traditional creative performing arts by having self-sufficiency, not to mention an understanding of public support.

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