

Importance of Retention for Arts Organizations

Nonprofit theatre organizations in the U.S. find it difficult to compete for talented employees and the 2013 average voluntary turnover rate was 14% in this industry (Nonprofit HR Solutions and Improve Group, 2013). This rate is significantly higher than the 1.9% reported for the private (nonfarm) sector for the same year (Bureau of Labor Statistics, U.S. Department of Labor, 2013). Attrition has a significant, negative financial impact on non-profit theatre organizations due to increased expenses caused by replacement and the loss of institutional knowledge, and valuable experience (Dey, 2009). Beatty, Huselid and Schneier (2003) found evidence suggesting that 30% to 40% of market value of an organization is connected to intangible resources connected to human capital. This is of particular concern in the Minneapolis area due to the fact that competition for experienced employees is intensified by the higher than average presence of nonprofit and for profit theater organizations. The Minneapolis area arts and culture industry has an economic impact of over \$1 billion dollars each year and provides nearly 30, 000 FTE positions (Minnesota Citizens for the Arts, 2015).

Leadership Traits Important to Non-Profit Theatre Leaders

In 2006 a questionnaire was answered by 374 representatives of arts organizations (contacts obtained from TCG Directory). The following traits were deemed as necessary for successful theatre leadership: Communication Skills, Vision/Strategic

Planning, Credibility, Strong Decision Manager, Maturity, Team-building, and Conflict Resolution (Rhine, 2006).

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