

**Gordon Institute
of Business Science**
University of Pretoria

**Why do companies invest in art?
The purpose and composition of art collections in the South African
financial sector**

Jenni Verschoor
15391893

A research project submitted to the Gordon Institute of Business Science,
University of Pretoria, in partial fulfilment of the requirements for the degree of
Master of Business Administration.

7 November 2016

Abstract

Companies around the world invest in art, be it through sponsorship activities or in the establishment of corporate art collections. This study explores the primary reasons why companies choose to invest in art collections, examining the South African financial sector from the perspective of a developing country. It then assesses the possibility of linking the purpose of an art collection with the type of art collected, to identify trends and create guidelines for businesses and arts organisations respectively. Finally, it examines the impact that leadership has on the implementation and continuity of an art collection and how changes in leadership can have a direct impact on the focus and composition of a collection.

The study employed exploratory research through the application of semi-structured, in-depth interviews with 13 individuals across 11 companies. These individuals represented a variety of roles, internal and external to the organisation, ranging from the chairperson to the Chief Executive Officer (CEO), to internal and external professional curators. The insights obtained from these individuals were collated and analysed from both a deductive and inductive perspective, to probe existing theories and generate new ideas based on the information collected.

The findings of this study indicate that corporations within developing countries prioritise the purpose and strategic intent of an art collection differently from companies in developed markets. While it was not possible to determine definitive guidelines on how the purpose of a collection impacts its composition, new insights were formulated on the general focus of corporate collections on local, emerging artists, with high investment potential. Finally, it was determined that for a collection to succeed and fulfil the strategic aims of the company, it needs to have the active support of leadership and be built into the fabric of the organisation.

Keywords

Art collections, intent, leadership, business, composition

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Jenni Verschoor

Date:

Table of contents

Abstract	i
Keywords	i
Declaration	ii
Table of contents.....	iii
List of figures.....	vii
List of tables	viii
List of illustrations.....	1
Chapter 1: Introduction to the study	2
1.1 Research area and problem	2
1.2 Background.....	3
1.3 Scope of the research	4
Chapter 2: Literature review	8
2.1 Avenues for art investment.....	8
2.1.1 Sponsorship.....	9
2.1.2 Corporate collections	9
2.1.3 Sponsorship vs the corporate collection	10
2.2 Art investment potential of corporate art collections	10
2.2.1 Leadership preference	11
2.2.2 Wellbeing	12
2.2.3 Education.....	14
2.2.4 Culture	15
2.2.5 Corporate social responsibility.....	16
2.2.6 Image and branding	18
2.2.7 Financial investment	20
2.3 Consequences of art investment	22
2.4 Summary to the literature review.....	22
Chapter 3: Research questions	23
3.1 Introduction	23
3.2 Research questions	23
3.1.1 Research question 1:	23
3.1.2 Research question 2:	24

3.1.3	Research question 3:	24
Chapter 4:	Methodology	25
4.1	Research design	25
4.1.1	Interviews	26
4.2	Population and sampling	27
4.2.1	Population	27
4.2.2	Sampling method	27
4.2.3	Unit of analysis	30
4.3	Data collection	30
4.3.1	Data collection process	30
4.3.2	Preparation	31
4.3.3	Interview guide	31
4.3.4	Interview process	32
4.3.5	Transcription and data analysis tool	33
4.3.6	Secondary research	33
4.4	Data analysis	34
4.4.1	Qualitative data analysis	34
4.4.2	Coding	34
4.5	Reliability and validity	35
4.6	Research limitations	36
Chapter 5:	Research results	37
5.1	Introduction	37
5.1.1	Sample	37
5.1.2	Interview process	37
5.2	Presentation of the findings	38
5.2.1	Research question 1:	38
5.2.1.1	Corporate social responsibility	39
5.2.1.2	Leadership preferences	40
5.2.1.3	Education	41
5.2.1.4	Financial investment	42
5.2.1.5	Culture, image and branding and wellbeing	44
5.2.2	Research question 2:	44
5.2.2.1	Contemporary art:	44
5.2.2.2	Status of the artist	46

5.2.2.3	Locality of the art.....	47
5.2.2.4	Social impact of the art.....	48
5.2.2.5	Corporate social responsibility	48
5.2.2.6	Leadership preference	49
5.2.2.7	Education.....	50
5.2.2.8	Financial investment	52
5.2.2.9	Culture	53
5.2.2.10	Image and branding	54
5.2.2.11	Wellbeing.....	55
5.2.2.12	Artworks.....	55
5.2.3	Research question 3:	57
5.2.3.1	Initial support from leadership	57
5.2.3.2	Management of the collection	58
5.2.3.3	Buying decisions	59
5.3	Conclusion	60
Chapter 6: Discussion of results		62
6.1	Introduction	62
6.2	Addressing the research questions	62
6.2.1	Research question 1	63
6.2.1.1	Corporate social responsibility	64
6.2.1.2	Leadership preference	65
6.2.1.3	Education.....	65
6.2.1.4	Investment	66
6.2.1.5	Culture, image and branding, and wellbeing	66
6.2.1.6	Conclusion	67
6.2.2	Research question 2	68
6.2.2.1	Corporate social responsibility	69
6.2.2.2	Leadership preference	69
6.2.2.3	Education.....	70
6.2.2.4	Financial investment	70

6.2.2.5	Culture	70
6.2.2.6	Image and branding	71
6.2.2.7	Wellbeing	71
6.2.2.8	Conclusion	72
6.2.3	Research question 3	72
6.2.3.1	Conclusion	74
Chapter 7: Conclusion	75
7.1	Introduction	75
7.2	Review of the research problems	75
7.3	Principal findings	76
7.4	Implications of the research	77
7.4.1	Implications for business	77
7.4.2	Implications for arts organisations	78
7.4.3	Implications for theory	79
7.5	Research limitations	79
7.6	Potential areas for future study	80
7.7	Conclusion	81
References:	83
Appendices:	88
9.1	Appendix 1: Interview guide	88
9.2	Appendix 2: Informed consent letter	90
9.3	Appendix 3: Code book	91
9.3.1	Atlas.ti code book: First iteration	91
9.3.1	Atlas.ti code book: Final iteration	92
9.4	Appendix 4: Ethical clearance approval	93

List of figures

Figure 1: Frequency of mentions regarding artist status	46
Figure 2: References to origin of art works	47

List of tables

Table 1: Purpose of owning an art collection	8
Table 2: List of interview respondents	29
Table 3: Saturation analysis	35
Table 4: Primary reasons for owning an art collection	39
Table 5: Analysis of less frequent codes	44
Table 6: Most referenced terms regarding collection composition	50
Table 7: Frequency of art mediums	56
Table 8: Comparison between the previous and current studies:.....	64
Table 9: Ranked order of the type of art contained within corporate art collections.....	68
Table 10: Intent and the composition of a collection	72

List of illustrations

Illustration 1: La Tristesse du Roi (1952) by Henri Matisse	13
Illustration 2: The Spear (2010) by Brett Murray	19
Illustration 3: Zanzibar Woman (1939) by Irma Stern.....	21

Chapter 1: Introduction to the study

1.1 Research area and problem

Globally, art institutions are constantly looking to develop new partnerships, either in the form of financial support for non-profit organisations or for income generation in the case of for-profit galleries and private enterprises (Daellenbach, 2012). Government funding is constantly stretched and limited resources have created higher levels of competition, which has forced arts organisations to look for new sources of support (Cray & Inglis, 2011). In view of this, business has become a significant player in the art market and a growing source of revenue for the arts.

There are several ways in which a company can invest in the arts, ranging from buying art for the purposes of decorating office space, investing in the arts for corporate social responsibility, or sponsorship activities for brand enhancement and customer relations. Typically, a collection will be initiated by leadership and their intentions around the purpose of the collection will then go on to influence the type of art that is collected, who it is targeted at, and ultimately, the intrinsic value of the investment (Lindenberg & Oosterlinck, 2011; Yoon & Shin, 2014). It is important, therefore, for businesses to understand how the purpose and strategic intent of a collection can influence the composition of that collection, and the impact this can have on stakeholders, in order to create a strategy centred on art.

As the market for corporate art support grows more competitive, it has also become necessary for arts organisations (i.e. private and public galleries, museums and even artists themselves) to become more tactical in how they interact business (Cray & Inglis, 2011). One way to achieve this is for the arts organisations to understand why businesses today have elected to create and develop corporate art collections and what impact this might have on the composition of the collection. It is also necessary to understand who to approach within the business in order to engender the most support. This will assist the arts organisations in determining the best strategy for partnering with these corporations in the future and help them to speak the same language as business, so as to establish meaningful partnerships (Cray & Inglis, 2011).

The purpose of this research, therefore, was to investigate the primary reasons why organisations invest in the arts and to understand the bearing this has on the composition

of a collection. The goal was ultimately to provide businesses with a deeper understanding of the advantages that exist in owning an art collection and how the composition of the collection can be utilised to their best advantage. In addition, the information gathered can be used by arts organisations to better manage their approach to and relationships with business.

1.2 Background

Corporate support of the arts is not a new phenomenon and can be traced back to around the 19th century (Yoon & Shin, 2014). Since then businesses in many industries have elected to involve themselves in the arts, building up collections to rival many formal galleries and museums. Deutsche Bank, for example, is thought to have the largest corporate art collection in the world with more than 57,000 artworks (Lindenberg & Oosterlinck, 2011; Sharf, 2012; Sooke, 2014); while significant pieces in the UBS's art collection have been exhibited in galleries such as the Tate Modern in London and the Museum of Modern Art in New York (Sharf, 2012; Sooke, 2014). For the most part, these collections are not just vehicles for owning art but have become a part of the company's corporate identity (Sharf, 2012).

A number of South African organisations have also invested in the arts, with companies such as Sasol, Hollard Insurance, and many of the top banks maintaining significant collections (Coulson, 2012). Generally, these companies tend to invest in locally produced art. ABSA's art collection, for example, dates back over 30 years and was once considered to be the biggest collection of African art in the world (Coulson, 2012). Sasol, on the other hand, sponsors a national art competition, the Sasol New Signatures competition, which acts as a platform for new artists to show their work and build credibility in the industry. Sasol also uses the competition as a channel for growing their own corporate collection (Anderson & O'Sullivan, 2013).

International research has indicated that companies with newer collections tend to invest in contemporary, local works, as they are typically less expensive and less risky if investment value does not increase or the collection does not succeed as intended (Behnke, 2007). An exception to this is when companies intend to build collections for investment purposes, in which case they will more than likely look for established pieces that have a greater likelihood of increasing in value (Korteweg, Kräussl, & Verwijmeren, 2016).

The 2008 global recession, however, slowed down the market for art investment, as business shifted focus away from investment activities to more fundamentally sustainable ventures (Bocart, Fabian & Hafner, Christian, 2015). In instances where these art collections have not had the support of leadership, they have generally been discarded or sold and the proceeds allocated to other business interest. Other leaders have maintained their collections despite the economic downturn. While funding for the collection may have ceased, they still maintain that the collection holds value for the organisation in tangible and intangible ways (Holloway Cripps, 2013). As the recession has begun to ease, one can see these art collections re-emerging into the public eye, being used as a tool once again to drive business interests (Coulson, 2012). And while caution still prevails and markets remain flat, it has become increasingly necessary for business to be more strategic in how they use their collections and how they align their collections with their intentions to derive maximum value.

At the same time, artists and art institutions, having gone through the recession themselves, are now find themselves facing greater competition for funding, in conjunction with a more discerning audience who want to ensure that their money is being well-spent (Cray & Inglis, 2011). To remain competitive, therefore, they need to develop new ways to approach business, with a value proposition that is mutually beneficial. By understanding the purpose of a collection, they can then best advise on which art works to include in the collection, thereby enhancing their competitive advantage and strengthening their relationships with the businesses concerned.

1.3 Scope of the research

There are a number of reasons why companies choose to invest in the arts. In each instance, the organisation seeks to achieve a particular function or group of functions (Lindenberg & Oosterlinck, 2011; Yoon & Shin, 2014). In the case of art collections, the reason behind the collections, as well as where the collection is displayed directly impacts the type of artworks incorporated (Behnke, 2007).

A body of research exists that examines why organisations on a global scale would choose to invest in the arts, these include:

- **Leadership preferences:** This typically occurs when a leader has a personal preference for the arts and elects to incorporate this within the context of their company (Lindenberg & Oosterlinck, 2011). Leaders may also drive certain

agendas through their collections, such as embedding corporate identity, reflecting culture, educating staff or reflecting a specific image.

- **Wellbeing:** When art is used within an organisation to decorate the walls or office spaces, specifically for the purposes of creating a pleasant environment for employees to work in. The institution of a collection takes this beyond the purely decorative and into a space where it becomes a vehicle that drives meaning, such as corporate identity (Cray, Inglis, & Freeman, 2007; Lindenberg & Oosterlinck, 2011).
- **Education:** Art as a teaching tool is growing in several parts of the world to enhance creativity and lateral thinking. It is often used by the Human Resources function to drive internal training, although it can also be used as a tool to encourage communication and promote innovation and inspiration (Cray et al., 2007; Lindenberg & Oosterlinck, 2011).
- **Culture:** When a collection is used to entrench a particular organisational culture and set of values within an organisation. Art can also be used to effect a change in culture (Kottasz, Bennett, Savani, & Ali-Choudhury, 2008; Weinstein & Cook, 2011; Yoon & Shin, 2014).
- **Corporate social responsibility (CSR):** This usually takes the form of patronage and is driven by the organisations CSR strategy. This will often link to branding, as it is typically done with the intention of driving a company's image (Kottasz et al., 2008; Lindenberg & Oosterlinck, 2011; Weinstein & Cook, 2011; Yoon & Shin, 2014). Corporate social responsibility is associated with patronage, citizenship and socio-cultural responsibility and the valued placed on these concerns can differ across nationalities, countries and markets (Munro, 2013).
- **Branding:** When a collection is used to promote a company's desired image, generally to the public. The company image can be aligned with an art work or certain artists, associated through terms such as modern, traditional, edgy; or it can be used for marketing or promoting the company through advertising or public relations events (Lindenberg & Oosterlinck, 2011).
- **Financial investment:** Applied when a company is collecting art specifically for the purposes of achieving a return on investment. This is generally not a primary motivator for owning an art collection, but is becoming more common as a

supporting reason to defend a collection (Freemantle & van Heerden, 2001; Lindenberg & Oosterlinck, 2011).

Each of these reasons has the potential to impact the type of art collected, which then reflects the message that the company is looking to portray. Companies may also align their collections with more than one purpose, which adds complexity and an additional layer of consideration into the buying and collecting behaviours of these organisations. In these instances, it is important for the collection to be purposefully managed and driven from the top, so ensure that it is being utilised to its full potential and aligns with the strategy of the organisation.

For the most part, little research has been done on these contributing factors of a corporate collection and yet taken together, they form a significant driver of the success of a collection. By understanding how a collection is supported from within the organisation, as well as its intention and composition, organisations can ensure a consistent message, as well as a measurable return on their investment. In addition, it can help arts organisations better cater to the requirements of their clients.

Considering the above, this study builds on the existing body of research by investigating why organisations choose to invest in the arts, in order to determine if there is a relationship between this and the composition of their art collection. The focus is specifically on companies from developing countries, to contrast existing literature which has tended to focus on developed countries. It then considers the impact of leadership on the initiation and continuation of a collection and how changes in leadership can affect the collection in various ways. The focus of the study was specifically on businesses in South Africa and within the financial industry. Global research has shown that financial institutions have a tendency towards corporate art collections. According to research by Lindenberg & Oosterlinck (2011) “since the 1980’s, financial institutions have been viewed as the most active corporate buyers of art” (p.5) and this is equally evident in the South African context.

The research was broken up into three parts. The first part explores the reasons why South African financial institutions have chosen to invest in the arts, in comparison to companies in other markets (particularly those in developed markets). It then proceeds to examine the types of art collected to show that a relationship exists between the

purpose of a collection and the type of art collected taking into account the origins of the artists, what stage of their careers they are in and the social impact of the art that they produce. Finally, it examines the impact of leadership on the establishment and continued management of a collection, considering how changes in leadership passions can influence the composition, longevity and ultimate success of the art collection. The findings contribute to the current body of knowledge regarding the intrinsic value of corporate art collections, that motivate corporate investment in the arts, and provide a framework that businesses and arts organisation can use to focus strategies, develop new policies and procedures and create new opportunities.

The next section of this report will review the literature around the various ways in which companies can invest in the arts and the primary reasons for doing so. It will examine existing literature on why organisations invest in the arts and what drives this investment, considering the type of art that companies usually invest in and the impact that leadership has on the company art collection. This will then lead to the definition of the problem and explain how this has been studied in the context of South African organisations within the financial sector. In Chapter 4, the report will go on to explain the research methodology that was applied and any limitations that resulted during the study. This will be followed by a breakdown of the data collected and a detailed analysis considering the research questions. Finally, in Chapter 7, the report will conclude with a discussion on the impact this research may potentially have on business, arts institutions and its contribution to existing literature.

Chapter 2: Literature review

Companies become involved in the arts for a number of reasons. Existing research shows the primary reasons to be the decoration of office space for the well-being of employees; for the implementation of employee cultural education; to improve or distinguish brand image; for corporate philanthropy; and finally, for the purposes of investment (Alexander, 2014; Bjerke & Ind, 2015; Korteweg et al., 2016; Lindenberg & Oosterlinck, 2011; Smiraglia, 2014). No option is mutually exclusive and it is likely for an organisation to have more than one reason for investing in the arts (Comunian, 2009). This can be evidenced in the research done by Lindenberg & Oosterlinck (2011), displayed in Table 1 below:

Table 1: Purpose of owning an art collection

	PURPOSE OF THE COLLECTION					Reasons
	Well-being	Education	Brand image	Patronage	Investment	
Fortis Bank	✓	✓	✓			4
Dexia Bank		✓	✓	✓		3
ING Belgium	✓	✓	✓	✓		4
AXA Belgium	✓		✓		✓	3
Deutsche Bank	✓	✓	✓	✓		4
Delta Lloyd Bank	✓		✓			2
Degroof Bank	✓		✓			2
Ethias		✓		✓		2
Cera	✓	✓		✓		3
National Bank of Belgium	✓	✓	✓	✓		4
Actors	8/10	7/10	8/10	7/10	1/10	

Source: Lindenberg & Oosterlinck, 2011, p. 8.

There are also various ways in which an organisation can invest in the arts, evidenced through the development of corporate art collections and through sponsorship activities, such as in-house exhibitions, sponsored events and financial support to artists and arts organisations.

2.1 Avenues for art investment

An organisation can choose to become involved in the arts through sponsorship or through corporate collections or a combination of the two.

2.1.1 Sponsorship

Sponsorships usually come about as a means for two separate organisations or entities to cooperate, so as to meet their goals more effectively (Dilys & Gargasas, 2014). It is a means for the sponsoring organisation to reach a broader target market and provides financial support, publicity and/or leverage for the sponsored entity; with the ultimate intention of gaining competitive advantage for both parties (Dilys & Gargasas, 2014; Kruger, Goldman, & Ward, 2014).

In the past, sponsorship of the arts tended to be largely one-sided, with the business providing financial support to the arts organisation from a largely charitable perspective, while the arts organisation acted as little more than a passive recipient. However, more recent studies have demonstrated that the relationship between the sponsoring organisation and the sponsored organisation can be mutually beneficial (Lewandowska, 2015). Moreover, the longer a sponsorship is in place, the greater the value-add, as the two entities start to work in partnership, modifying their respective behaviour to get the most out of the arrangement.

Typically, companies tend to become more proactive about their sponsorship activities as they become more independent and innovative and when a specific sponsorship policy has been put in place (Comunian, 2009). Organisational mindset has also been found to play a role in the development and implementation of arts sponsorship, which is then further impacted by the personal interests of certain leaders within the organisation (Daellenbach, 2012).

2.1.2 Corporate collections

Corporate art collections are thought to date back to 19th century (Lindenberg & Oosterlinck, 2011; Yoon & Shin, 2014) and have become relatively commonplace amongst larger multinational corporations. An art collection doesn't always start out as an art collection; rather it originates as a direct result of an organisation's need to furnish and beautify office space and is typically driven by leadership with a personal passion for the arts (Barry & Meisiek, 2010; Holloway Cripps, 2013). The collections only formally develop once the organisation is more established and is generating sufficient profits to justify reinvestment into the business.

Once the collections have been established they can add several benefits to the organisation outside of the purely decorative. Corporate collections can help promote the businesses image, as well as the homogeneity of the corporate identity, whilst stimulating creativity within the organisation (Comunian, 2009). They can also be used as a means of communication; promoting the sharing of ideas and inspiring new ways of collaborating (Lindenberg & Oosterlinck, 2011).

Research on the type of art incorporated into art collections has shown that they tend to focus primarily on local, contemporary artists, which may be a result of lower pricing structures for local works, as opposed to those of internationally renowned artists (Yoon & Shin, 2014). These pricing structures are particularly beneficial for newer collections, as it becomes easier to start and build up a collection when the works are less expensive. In addition to this, there is less risk associated with newer, more contemporary pieces, and less intrinsic knowledge about art and investment potential is required. Finally, contemporary art has also shown higher returns from an investment perspective in recent times, possibly due to their lower baseline pricing structures (Kottasz et al., 2008; Kräussl, Lehnert, & Martelin, 2016).

2.1.3 Sponsorship vs the corporate collection

Corporate art collections and sponsorship activities tend to go hand in hand, and many organisations will use the one to build on or enhance the other. Sponsorship, as a corporate activity, is not a new concept and as indicated above, substantial research has addressed the relationship between business and art and the impact this has on image (for both entities) through patronage and branding exercises (Daellenbach, 2012; Dilys & Gargasas, 2014; Lewandowska, 2015; Mazodier & Merunka, 2012). The corporate art collection, on the other hand, has multiple applications for the business outside of just marketing and brand promotion and is directly related to the interests of the business (Behnke, 2007; Korteweg et al., 2016; Kottasz et al., 2008; Yoon & Shin, 2014). As such, this report will focus primarily on art collections over art sponsorship, but will refer where applicable to the input of sponsorship activities.

2.2 Art investment potential of corporate art collections

Research has shown that business is becoming a leading patron of the arts (Comunian, 2009). The reasons for this seem to be quite diverse and much of the research focuses on either one element or another, or on the effects that a collection might have on an organisation. There is however, limited consolidated information on why a business

would choose to invest in the arts and what impact this might have on the type of art collected. What literature there is tends to be limited to art-specific journals, with very little available from quality, accredited business journals.

The research below looks at several pre-determined reasons that an organisation might invest in an art collection and analyses the general content of these collections, where information is available. These reasons have been derived primarily from research done by Lindenberg & Oosterlinck (2011), with additional inputs derived from other studies by Behnke (2007); Holloway Cripps (2013); Kottasz et al. (2008); Yoon & Shin (2014).

2.2.1 Leadership preference

There is a paucity of literature that examines a corporate collection purely from the angle of leadership preference. What literature there is confirms that, in many instances around the world, the initial driver behind a corporate art collection has been senior leadership (Lindenberg & Oosterlinck, 2011). Typically, these individuals have a personal passion for the arts, which they then bring into the business with the intention of decorating office space and creating an appealing environment in which to work (Kottasz et al., 2008). While it may not have been their intention upfront to create an art collection, as the business has grown and offices have expanded, so the organisation has continued to purchase art and a collection has developed. In the early stages, the leader of the company would typically choose art that appealed to their personal tastes, inadvertently creating a foundation on which the future collection would be based (Behnke, 2007).

These personal preferences of the leader can have a significant impact on the type of art collected. Kottasz et al. (2008) and later, Holloway Cripps (2013), argued that an organisation's founder/leader also determines the identity of the organisation and this can be linked to the type of art collected and the image that the leader is looking to get across. As leadership changes, so a collection is likely to change. A leader who is not partial to the arts or doesn't see the inherent value, may reduce funding or sell the collection altogether; while another leader might lead the collection in a new direction. Moreover, as the organisation's preferred image changes, so too will the collection evolve to reflect this (Holloway Cripps, 2013).

It is also likely that as an organisation grows, so top leadership has less time to devote to the management of the collection – buying and selling art, framing and restoration, as well as displaying the works and communicating internally and/or externally about the

collection to relevant stakeholders. In these instances, the collection can be handed over to lower management or professional art curators, both inside and outside of the organisation (Behnke, 2007). Without the same level of emotional investment, however, this can have a knock-on effect, further impacting the intention and composition of the collection. Leaders can counter this by delegating the management of the collection, whilst still maintaining an active involvement in the art collection, particularly when it comes to growing the collection and purchasing new works (Behnke, 2007).

In each of these scenarios personal preference plays an important role as it drives what type of art is collected. Art collections based primarily on leadership preferences tend to be highly subjective (Lindenberg & Oosterlinck, 2011) – individuals who understand art and the art market may choose to invest in more traditional works with recognized investment potential; while others might be looking purely for decorative work to fill space and create a colourful and vibrant atmosphere in which to work. As leaders change, the collection may evolve to include a variety of different preferences, with the risk of losing focus. If a collection is to maintain its purpose and remain effective, it needs to be homogenous, which may necessitate selling works or buying new works to maintain a consistent message (Lindenberg & Oosterlinck, 2011).

2.2.2 Wellbeing

There is a distinct difference between buying images to fill wall space and buying art to decorate office space. Purchasing art for the purposes of decorating an office space is not merely a question of aesthetics, it is more carefully considered, taking in to account congruency with the existing collection, the style of the work, the genre and the heritage of the artist. Additional considerations include how the art reflects the image and culture of the organisation and the message it is hoping to convey (Bjerke & Ind, 2015; Hoeken & Ruikes, 2005; Kottasz et al., 2008). In these instances, the collection is used to unify an organisation's corporate identity, providing a consistency in the company's furniture and decorations, to that which is reflected in their corporate imagery and other marketing material. The collection can be used to communicate the corporate identity to employees, as well as to visually portray the company's values and acts as a constant (background) reminder of what the company stands for (Kottasz et al., 2008).

According to research done by Kawabata and Zeki in Bjerke & Ind (2015), viewing art can elicit an emotional response and an organisation needs to ensure that it is evoking the appropriate response from the viewer – in this case, employees and other internal

stakeholders. Art can have more than one meaning – that proposed by the artist and what is interpreted by the individuals that view the work. Thus, the message in the work can be distorted. The risk of this is two-fold: On the one hand, the organisation can inadvertently introduce the wrong message into the workplace; while on the other side, the artist's message can be lost through the incorporation of their work into a greater collection (Bjerke & Ind, 2015; Freemantle & van Heerden, 2001). There is also the risk that the art goes unseen by its intended audience, becoming indistinguishable from the greater work environment, so that its presence is no longer acknowledged and the message is lost (Barry & Meisiek, 2010; Bjerke & Ind, 2015).

Illustration 1: *La Tristesse du Roi* (1952) by Henri Matisse



La Tristesse du Roi (1952)
Henri Matisse (1869-1954)
Prints and multiples, Colour lithograph on wove paper
35.3 x 53.3 cm

These issues have a direct bearing on the type of art collected. To promote a sense of well-being, in an environment that requires relative stability and cooperation, it is unlikely that a collection will contain controversial, offensive or radical art works. Rather, the organisation would select art that arouses positive sentiments, is

stimulating and enhances the existing environment (Lindenberg & Oosterlinck, 2011). Internationally renowned artist Henri Matisse illustrates this type of positive, colourful art in his work *La Tristesse du Roi* (1952) (See Illustration 1) (ArtNet, 2016). He goes on to explain:

What I dream of is an art of balance, of purity and serenity, devoid of troubling or depressing subject matter, an art which could be for every mental worker, for the businessman as well as the man of letters, for example, a soothing, calming influence on the mind, something like a good

armchair which provides relaxation from physical fatigue (Henri Matisse, 2011, para. 7).

In instances where the art does push employees out of their relative comfort zone, encouraging them to think and to have conversations, then it is likely that the art is being used as a tool to educate and inform (Barry & Meisiek, 2010).

2.2.3 Education

Studies have shown that art in the workplace can have a distinct impression on employees, depending on how they interact with the works. Smiraglia (2014) determined five ways in which art can impact employees and internal stakeholders – through an improved working environment (as discussed above) or by evoking emotional responses: creating the opportunity for social interactions, facilitating personal connections and promoting learning opportunities. Bjerke & Ind (2015) suggest that “if you want an art collection to have an impact on employees, they have to perceive how it connects to the wider world” (p.228).

Education by means of the arts requires active involvement by the organisation and the employees and is often driven by the HR Department. The intention is to stimulate creativity and innovation and provide a forum for open conversations (Barry & Meisiek, 2010). Communication is an essential component in the education process, as it allows the organisation to disseminate information on the collection throughout the organisation (particularly useful in instances where the company operates across multiple jurisdictions) (Kottasz et al., 2008). Vehicles for communication include:

- An internal website or intranet that provides open access to staff and on which material can be easily loaded and updated;
- Internal art lectures or exhibitions that inform employees on the various works in the collection (Kottasz et al., 2008);
- Focused story-telling around the art and its place within the organisation (Bjerke & Ind, 2015).

In each of these instances, the art is used to stimulate conversation within the organisation, to allow people to think creatively, unconstrained by their conventional mindsets and to learn something new and different. Education can also extend outside

of the organisation to the communities in which they operate, though this is only applicable in cases where an organisation has a public gallery or where they loan out their works to a public gallery or museum (Lewandowska, 2015).

Yoon & Shin (2014) attest that most corporate art collections are composed of contemporary work, based on the idea that contemporary art, particularly local contemporary art, is more representative of corporate identity as it entrenches the business within its local context. However, contemporary art can be challenging; it is often contentious, rebellious and thought-provoking, which can position it in conflict with the corporate identity that the company is looking to project (Bjerke & Ind, 2015). It is typically this type of art that is used in the education of employees. According to Bjerke & Ind (2015), “much of the contemporary art in corporate collections is focused more on stimulating the intellect rather than the senses” (p. 217), but it requires constant upkeep on behalf of the organisation to keep the collection top of mind.

2.2.4 Culture

As a collection can be used to reflect and communicate a company’s corporate identity, so too can it be used to embed the organisational culture and values of the organisation. Culture is typically determined by the founders and then built into the make-up of the company until it is represented in the norms of an organisation – the basic ideals shared by the majority of the employees. It is more than just identity, as it extends beyond the surface into the unconscious values and inherent beliefs built into the framework of the organisation, driving behaviour and performance (Daft, 2015; Kottasz et al., 2008).

Culture can also be aspirational and in this way, art can act as not just a conveyer of culture, but as a driver of culture as well. By building a collection to reflect an idealised state, and by engaging employees with the collection and the vision, leaders can start creating a culture of their choosing (Holloway Cripps, 2013). For this to be fully effective, however, it would need to be entrenched in all aspects of the organisation, of which the collection plays a part. The art incorporated in the collection would then vary according to the culture, becoming symbols of the company’s corporate identity (Hoeken & Ruikes, 2005). This can then manifest in a variety of ways:

- Established international art with a proven investment record can be used to reflect an international presence and a culture of wealth, exclusivity and superiority (Lindenberg & Oosterlinck, 2011);

- More traditional companies might consider traditional genres (landscapes, portraits), as well as traditional techniques (painting, sculpture) from reputable artists (Hoeken & Ruikes, 2005);
- New, abstract art might appeal to a more modern and innovative organisation (Hoeken & Ruikes, 2005), with the possibility of more creative styles, such as installation art;
- While local contemporary art can reflect a link between the organisation and the community, with a culture that is modern and innovative (Bjerke & Ind, 2015).

Culture has an impact on both internal and external stakeholders, acting as a vehicle for advertising to staff and clients alike. However, it does not need to be obvious – rather the art can act in the same vein as the furniture, the architecture and the décor; as an almost subliminal reminder of the culture of the organisation and one that resonates with the viewer even after leaving the environment (Kottasz et al., 2008). It also needs to be consistent – an inconsistent collection without a clear strategy can detract from the message (Hoeken & Ruikes, 2005; Johnston & Paulsen, 2014).

Finally, the collection needs to maintain a balance between the corporate and the art worlds. To achieve authority within the corporate environment, it needs to have the support of leadership and this needs to be reflected throughout all levels of the organisation (Holloway Cripps, 2013). The collection needs to be ‘owned’ by a department or division within the company. Its function and strategy needs to be ingrained into the policies and procedures of the company. On the other hand, an art collection that has no ties to the art world, and serves only to reflect an organisations identity and culture, loses credibility. For the collection to be taken seriously, it needs to maintain roots in the art world as well. This typically requires a curator with a well-defined strategy, clear purchasing objectives, an existing network and an established knowledge of the art market (Behnke, 2007).

2.2.5 Corporate social responsibility

A large portion of the literature that speaks to the relationship between business and the arts refers more to the philanthropic side of investment in the arts, that of Corporate Social Responsibility (CSR) or corporate citizenship, and specifically how this benefits arts organisations. Alexander (2014), however, argues that the nature of philanthropic investment automatically implies a return or *quid pro quo*, whereby the organisation

expects to receive some benefit for its contribution. And ultimately, this has proven to be a mutually beneficial relationship, in that it provides financial assistance to the arts organisations, whilst simultaneously enhancing the image of the organisation in the community in which it operates, as well as with its stakeholders. In cases where businesses are purchasing art from or sponsoring new artists, this can have a reciprocal effect of boosting the reputation or image of the artist as well (Hoeken & Ruikes, 2005; Lindenberg & Oosterlinck, 2011).

Philanthropy is most commonly applied in sponsorship of the arts, but in the case of art collections, philanthropic investment can be used to provide legitimacy to an organisation as it is considered to be socially responsible behaviour (Yoon & Shin, 2014). According to Munro (2013), incorporating “indigenous culture” into a corporate social responsibility initiative can entrench a company into its local environment and engender positive sentiments from relevant stakeholders (p. 81). As such, to qualify as socially responsible behaviour the art collection needs to reflect a specific type of art: typically that of local artists or local content. It needs to impact positively on local communities – achieved through public galleries or by lending the work out or exhibiting in public spaces. The artists tend to be unknown or emerging, and so the artworks are generally inexpensive; but the investment must be seen to have an impact within the local context (Kottasz et al., 2008; Lindenberg & Oosterlinck, 2011). The benefits of this type of investment are that the works have the potential of indirectly contributing to company’s investment portfolio, which can increase as the artists become more well-known or decrease, which will result in limited losses due to the inexpensive nature of the artworks.

The value placed on corporate social responsibility can differ according to the society or market in which the company operates. There does seem to be some consensus across the world that corporate citizenship, to some extent or another, is essential for any business in today’s global economy, but the focus and how it is implemented can differ significantly (Munro, 2013). Developing countries tend to have greater social needs than developed countries and so a focus on local involvement, such as community upliftment and employment, scores highly in these jurisdictions. Developing countries also experience the need for corporate social investment more substantially than developed countries (Koleva, Rodet-Kroichvili, David, & Marasova, 2010). There tends to be greater regulatory support in these markets, incentivising social investment for the purposes of economic empowerment. As such, companies within emerging/developing

markets, such as South Africa, tend to build corporate social responsibility initiatives into their company policies and corporate strategies (Lagoarde-Segot, 2011).

Publicly acknowledging the socially responsible angle of a collection can help in promoting an organisations image to both internal and external stakeholders. It can be used as part of the public relations strategy to engender positive feelings in employees and customers (existing and potential) and the community at large. This is of particular advantage in service industries where it is difficult to differentiate along product lines; the socially responsible aspect of the corporate art collection becomes a means of competitive advantage (Hoeken & Ruikes, 2005). It is also hugely beneficial to companies in the financial sector. Since the financial crisis of 2008, banks and other financial institutions have consistently scored the lowest levels of trust with stakeholders, across all industries globally. Corporate social responsibility initiatives can help drive a positive image of these organisations with the public and improve levels of trust with all stakeholders (Munro, 2013).

2.2.6 Image and branding

Image and branding within any organisation is a way for the company to communicate with stakeholders (Yoon & Shin, 2014). As the intention is primarily to interact with external stakeholders, there is a tendency towards sponsorship activities, because these entail a more public interaction than art collections. However, corporate collections can also act as a vehicle for public relations and a means of enhancing a customer's experience with the business. This is particularly useful in the service industry, where art involvement can help create an appealing or attractive image. Financial institutions, for example, are usually limited by the creativity that they can offer their clients with regards to the products and services that have available. Thus a corporate art collection can help enhance an image of being elite and exclusive (Lindenberg & Oosterlinck, 2011; Yoon & Shin, 2014).

According to Plaza, Haarich, & Waldron (2013) arts "representational and interpretable nature makes it a natural brand asset" (p.53). Creating a link between the image of the organisation and the artwork then results in a transfer of meaning, through which inferences can reasonably be drawn between the two properties (Comunian, 2009). This can be reflected in the type of art that a company chooses, such as 'innovative', 'creative', 'modern' or 'traditional' (Lindenberg & Oosterlinck, 2011; Yoon & Shin, 2014).

The concern is that each viewer or consumers may reflect on and interact with a work differently. The meaning and the impact of the work can then be altered by individual perceptions, which are in turn created by varied life experiences. While this does allow a brand to reach a broader audience (Plaza et al., 2013), it also has the potential to dilute or confuse the brand in the mind of the consumer. The intention, therefore, is to create a positive emotional response with the consumer, one that they can take away with them and that will colour their overall perception of the organisation (Lee, Chen, & Wang, 2014; Mazodier & Merunka, 2012). This might involve including art that is not particularly controversial, political or radical – art that does not evoke strong emotions; or the more contentious pieces may be incorporated into a greater collection that is generally more sedate, in order to neutralise the potential effects.

Illustration 2: *The Spear* (2010) by Brett Murray



The Spear (2010)
Brett Murray (1961 -)
Acrylic on canvas
185 x 140 cm

A collection that is orientated around image and branding would typically avoid a work such as *The Spear* (2010), by Brett Murray, which raised very public emotions due to its political and social commentary, as well as its nudity. The art work was published in a number of newspaper articles and magazines, evoking controversy both locally and abroad (see Illustration 2) (Burbidge, 2012). To avoid such controversy, an organisation might utilise art that has already been socially ‘accepted’, such as established art pieces by renowned artists.

It is also essential that the art maintains its status as art and not reproduction (Lee et al., 2014). The risk to the artworks is through their

commercialisation. One of the benefits of art is its uniqueness and when this is copied and printed repeatedly in a variety of marketing materials, the work can lose its meaning and its gravitas. The connection to the work, its integrity and its independence, then

becomes lost (Alexander, 2014). There is also the issue of copyright infringement and cutting and pasting an image to suit a company's specific marketing material can result in a breach of the artists' rights.

2.2.7 Financial investment

Art as an investment is a more recent area of study and is specific to corporate collections. To date, the majority of research has revolved around the intangible aspect of art investment (Daellenbach, 2012; Hagan & Harvey, 2000; Hoeken & Ruikes, 2005; Lee et al., 2014; Lewandowska, 2015; Mazodier & Merunka, 2012; Turgeon, 1992), with little verifiable, supported information available on the tangible aspect of art as an investment (Bocart, Fabian & Hafner, Christian, 2015; Dimson & Spaenjers, 2014; Korteweg et al., 2016; Lainé, 2016). Owning a collection reflects a tangible financial investment, whereas sponsorship adds value to the company from a purely intangible perspective (advertising or branding). Tangible assets have the ability to increase in value, while intangible assets do not (Lindenberg & Oosterlinck, 2011).

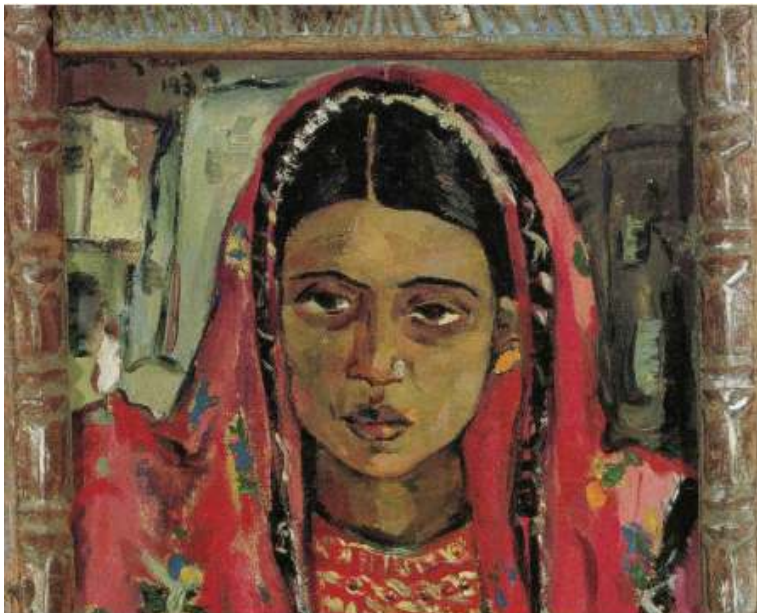
Investment for financial gain is also the least common reason for a company to invest in art. Typically, art is incorporated into the financial statements as a fixed asset, with little or no intention of being sold for a profit. The most common reason for an organisation to divest of an artwork would be for the purposes of homogenising a collection, rather than realising an investment (Lindenberg & Oosterlinck, 2011). Furthermore, art is considered to be a luxury item and so collections are limited by economic conditions. It is unlikely for shareholders to approve increasing or growing a collection in a period of economic turbulence or uncertainty (Yoon & Shin, 2014). Only as a company grows and accumulates the resources for further investment in the arts, does it start to consider the real, tangible value of investing in the arts, as well as the implications of building a congruent and harmonious collection.

As an investment vehicle, art collections allow a company to diversify investments and reinvest funds back into the organisation at the same time (Lindenberg & Oosterlinck, 2011). However, like any other investment, investing in the arts needs to be considered according to the impact on the business and the return on investment. This is determined to a large extent by the shareholder and their financial expectations. For investment potential to be a viable option for an organisation, it is essential that it employs some skill or expertise into the art buying process and in the development of its art collections (Kräussl et al., 2016). This would need to sit outside of the procurement department,

and formal processes and policies would need to be formulated to assist decision-makers, guided by art experts: either internal to the organisation or outsourced (Lindenberg & Oosterlinck, 2011).

Art can be used to diversify an investment portfolio, but research has confirmed that it does not provide sufficient returns (compared to equity investments) to justify a pure investment philosophy (Bocart, Fabian & Hafner, Christian, 2015). Nevertheless, it is a safe investment, specifically in times of market volatility, but it is largely illiquid, which implies that it cannot be sold quickly, and it requires a specific market. The more diverse a collection, the more secure it is as a financial investment. As with any other type of investment, the lower the risk, the lower the return (Dimson & Spaenjers, 2014).

Illustration 3: *Zanzibar Woman* (1939) by Irma Stern



Zanzibar Woman (1939)
Irma Stern (1894-1966)
Oil on canvas
61 x 52cm (within original Zanzibar frame)

The most appropriate works to include in a collection aimed at investment are those by established, widely-known artists and on more traditional styles (e.g. landscapes, portraiture, etc.). Korteweg et al. (2016) have articulated this concept further, with their research demonstrating that artists who have performed significantly well on a global scale have proven to be

good investments (typically the top 100 artists); while contemporary art has shown lower investment potential. On the other hand, this is contradicted by Kräussl et al. (2016) who list several contemporary artworks that have recently broken sales records. However, they do agree on the investment potential of established, well-known artists. One such local artists is Irma Stern, whose art works, specifically portraits, have earned record sales worldwide. This includes *Zanzibar Woman* (1939), which sold in London in 2014

on auction for £1,082,500 (the equivalent of around R19.2 million at that time) (Art Times, 2014). See Illustration 3.

2.3 Consequences of art investment

As the research has shown companies can use their art collections in a number of ways. But, art alone will not provide all the answers. Rather, it is a vehicle (one of many) that a company can use to attract and retain staff and clients, to communicate their identity and invest their funds. In considering in value of owning a corporate collection, research has revealed that there is not a significant difference between organisations that have an art collection and those that do not. Art investment seems to be a personal choice and is always initiated and most often maintained to some extent by leadership within the organisation. Without the active support from leadership, the collection will not meet the needs of the organisation and will likely be dismantled (Bjerke & Ind, 2015).

Regardless of how it is being implemented, an art collection should provide a consistent message, aligned with the business strategy, its values, behaviours, marketing message, etc. If the message is inconsistent, it is likely to be ignored, in which case the collection becomes purely decorative. An art collection also needs to be continually managed and actively administered – grown, reorganised, marketed – in order for it to maintain its effectiveness (Bjerke & Ind, 2015). Finally, it is essential for the organisation to preserve the cultural quality of art, to avoid absorbing it entirely into the business world; but to partner with the arts to the extent that both art and business benefit (Weinstein & Cook, 2011).

2.4 Summary to the literature review

In conclusion, businesses collect art for a multitude of reasons. The collection can be used to decorate office space and provide a pleasant and meaningful working environment; or it can be used as a means of communications – to educate staff; to promote corporate identity; to represent culture; as a vehicle for corporate social responsibility; and finally for financial investment. By understanding the primary purpose of a collection, one can then seek patterns in the types of artworks that are collected, so as to formulate a strategy around new buying decisions, diversification, and implementation. In order to be effective, a corporate collection needs to be constantly managed and requires the active support of leadership to truly achieve its objectives.

Chapter 3: Research questions

3.1 Introduction

Most of research to date has focused on the investment activities of international organisations, primarily in the United States and Europe. This existing research looks primarily at the intention behind a collection, often concentrating on one variable over another. All in all, there is less of a focus on the types of works that make up these collections and whether there is a link between the composition of a collection and its purpose. In addition to this, the literature on the impact of leadership on a corporate collection, is limited. Some research, incorporated into larger studies, has examined how leadership preferences can impact the start of a collection, but this does not extend into the management of the collection and how this is impacted over time by changes in leadership.

For the most part, existing international research has focused on the service industry, specifically financial services (Kottasz et al., 2008; Lindenberg & Oosterlinck, 2011). For purposes of comparison, the focus of this research was primarily on organisations within the financial industry, located within the South African environment. The research explored why these organisations invest in the arts, linking the reasons to existing research on the subject. Data obtained was then considered in relation to the overall composition of the collection and commonalities were tracked. Finally, the research examined the effects of leadership on corporate art collections from inception and throughout the management of the collection, probing how changes in leadership had a direct effect on the composition of an art collection.

3.2 Research questions

Given the state of research into corporate art collections, as described above, the research questions were exploratory in nature and aimed to provide new insights based on current literature. The themes explored included: why companies invest in the arts, how this might impact the composition of a collection and the role of leadership in the management of a corporate art collection.

3.1.1 Research question 1:

To what extent do companies in emerging markets differ to developed markets in the reasons that they collect art?

3.1.2 Research question 2:

How does the intent of the art collection influence its composition?

3.1.3 Research question 3:

How does leadership impact the management and composition of a collection?

The findings assist financial institutions in South Africa in better understanding their collections and help them to formulate a coherent strategy for effective management of their significant investments in art. In addition to this, it provides art institutions with a framework for targeting these businesses from a marketing and sales perspective and for future business partnership initiatives.

Chapter 4: Methodology

The intention of this research report was threefold: to explore why organisations invest in the arts; to determine if there is a relationship between their respective intentions and the composition of their collections; and the impact of leadership on the management of their collections. Because there is limited literature focused on this area of study, the research conducted was exploratory, with the aim of gathering new information to add to the existing body of investigation around corporate art collections (Saunders & Lewis, 2012). Qualitative, semi-structured interviews were conducted with relevant professionals, to provide a more in-depth analysis of the subject and the data was then analysed for common themes, which provide the underlying structure of the research.

This chapter explains and justifies the methodology used in gathering the data and discusses the shortfalls and limitations that have arisen as a result.

4.1 Research design

As defined by Easterby-Smith, Thorpe, & Jackson (2015), the intention behind research design is to organise data collection and other research activities and analyse the information gathered in the most effective way, to best answer the central research questions. The primary approaches to research include qualitative and quantitative research (as well as a combination of the two). Qualitative research is commonly aimed at developing new insights and formulating new theories; while quantitative research is more often employed to predict, measure and test existing pre-determined theories (Tharenou, Donohue, & Cooper, 2007; Zikmund, Babin, Carr, & Griffin, 2012).

Saunders & Lewis (2012) then posit that it is necessary to determine the intention of the research:

- Exploratory research aims at discovering new information or analysing an issue from a new angle. Exploratory research is typically conducted via qualitative methods.
- Descriptive research, on the other hand, looks to accurately describe the specificities of an event or situation, providing the details necessary to support the research questions. Descriptive research is most often supported by quantitative research.

- Finally, explanatory studies consider the reasons behind an event; why things happen the way they do. This can be undertaken through either qualitative or quantitative research (Saunders & Lewis, 2012; Zikmund et al., 2012).

As it was not yet clear from the existing literature whether a relationship existed between a corporate art collection and the types of works collected, so the goal of this research was to collate general information about the topic of art investment, with the intention of gaining new insights on the relationship between the purpose, positioning and composition of a corporate art collection. As a result, a qualitative approach was taken because this provides a more in-depth perspective into the research area than quantitative research might have done (Daellenbach, Thirkell, & Zander, 2013) Due to the qualitative nature of the research it was then determined that exploratory research would be the most appropriate means of gathering the data for the purposes of gaining new insights. This research would then form the foundation on which further studies could be based.

4.1.1 Interviews

In considering a range of qualitative, exploratory data collection methods, it was determined that in-depth interviews would provide the most relevant information (Lewandowska, 2016). According to Kvale (2007) qualitative research aims to understand social phenomena from an internal perspective – analysing experiences, interactions and communications. The interview process allows the interviewer to explore areas of interest directly with the participant. And in particular, of semi-structured or unstructured interviews, provide a flexible means of collecting data, as they are immediate, open-ended and allow the researcher to probe specific topics as they arise (Saunders & Lewis, 2012; Tharenou et al., 2007).

Semi-structured, face-to-face interviews were therefore used as much as possible in this study. The semi-structured format provided a variation of specific and non-specific questions that helped guide the conversation, ensuring that all pertinent areas were covered, but without limiting or confining the conversation (Kvale, 2007; Tharenou et al., 2007). The semi-structured interview also allows for a more free-flowing conversation, as questions can be answered in any order, as well as introduced or ignored, depending on the situation (Saunders & Lewis, 2012). Th approach was particularly appropriate to the exploratory nature of the research.

4.2 Population and sampling

4.2.1 Population

The population for a study needs to incorporate those best positioned to provide the most relevant and comprehensive data in support of the research questions (Easterby-Smith et al., 2015). For the purposes of this research, the population included businesses with a current art collection. The study was conducted in South Africa, as an emerging market, and focused solely on financial institutions, as globally they are known to have a strong presence in the arts and this would allow for comparisons to be made (Kottasz et al., 2008; Lindenberg & Oosterlinck, 2011; Yoon & Shin, 2014). Finally, all organisations were either based in Johannesburg or had an office in Johannesburg. This was less an aim of the research and more a result of Johannesburg being the financial centre of South Africa (Long Finance, 2016).

As no formal catalogue exists detailing corporate collections in South Africa, and the total size of the population is unknown. The companies used in this study were collated through media and promotional material issued by the organisations, as well as through referrals. Inherent in this form of data collection is the potential that the information collected will not be generalisable to the greater population (Saunders & Lewis, 2012); this risk was mitigated through contact with a number of other financial organisations, selected from the Business and Arts South Africa (BASA) members list, who have a known presence in the arts. BASA looks to connect and create partnerships between business and the arts in South Africa. Their member list includes large and small businesses, corporates and sole proprietors. Membership is voluntary and entails annual fees. BASA then breaks down their members list into industries, of which financial/investment is one (Business and Arts South Africa, n.d.). A number of these organisations were contacted, where contact details were available, to determine if they had an in-house collection and whether they were willing to contribute to the research.

4.2.2 Sampling method

As it was not possible to gain access to the full population of organisations in the financial sector who invest in the arts in South Africa, it would not be possible to generalise the results of this research onto the entire population. As such, non-probability, purposive sampling was used. Purposive sampling is a sampling method where the researcher uses their judgement in select the sample for study. This is typically used when it is not possible to gain access to a complete list of the population and so random sampling is

cannot be applied (Saunders & Lewis, 2012). Easterby-Smith et al. (2015) recommend purposive sampling be used when “the researcher has a clear idea of what sample units are needed according to the purposes of the study, and then approaches potential sample members to check whether they meet eligibility criteria. Those that do are used, while those that do not are rejected” (p. 82).

Judgement was applied to determine which organisations were best positioned to assist in answering the research question and which individuals within these organisation would be able to assist (Lewandowska, 2016; Saunders & Lewis, 2012). This took the form of narrowing down the list of companies obtained to financial services, with a contact strategy that started with the founders/leaders and worked down to the curator of the collection, if possible, followed by department heads, etc. The aim was to contact the most senior person in the organisation, with the most in-depth knowledge regarding the collection. Where contact details were available these individuals were contacted directly and in cases where no one was specified, then contact was made either through senior leadership, the Corporate Social Responsibility department or the general e-mail address for the organisation.

Snowball sampling was then used to determine additional interviewees who would be able to contribute further to the subject, following which convenience sampling was applied. Snowball sampling is another type of non-probability sampling, where a first contact is determined that is applicable to the study and they are then asked to refer additional participants in the same field. Convenience sampling then refers to selecting participants for the study who easiest to contact (Saunders & Lewis, 2012). For the purposes of this study, this implied potential sample members whose contact details were readily available.

In total, 20 organisations were contacted, both locally and abroad, of which 13 responded. Of the international companies contacted, all had offices and conducted operations in South Africa and would be able to provide perspective from both developed and emerging markets. None of the international companies responded to the interview request. Two other companies did not have a formal collection and so no follow up interview was arranged. Of the remaining 11, one individual asked to not be interviewed in person. Rather they sent through marketing material detailing the collection and then submitted answers via e-mail to cover any further questions.

The majority of face-to-face interviews were conducted one-on-one, with two interviews including two individuals. A number of the respondents asked to see the interview guide in advance, to ensure that they would be able to assist and that they had the relevant information available to them. Once all 11 interviews had been completed it was then determined that sufficient, quality information had been collated, implying that saturation had been achieved, as such no further interviews were arranged. This was later confirmed in the analysis process, where the coding reflected saturation after the 11th interview when no additional codes were generated (Lapan, Quartaroli, & Riemer, 2011). This is illustrated in more detail in Table 3.

The sample included members of the following organisations who are directly involved in the development/management of a corporate art collection (Table 2). Eleven interviews were conducted with 13 participants across 11 different companies within the South African financial sector.

Table 2: List of interview respondents

Company
ABSA
FirstRand
Grant Thornton
Investec Bank
Johannesburg Stock Exchange
Nedbank
Rand Merchant Bank
Sanlam
South African Reserve Bank
Standard Bank
The Fulcrum Group

Within these organisations, interviews were conducted with individuals from various levels, including the Chief Executive Officer, Chairperson, Head of Facilities and internal curators. Some of the participants interviewed were not members of their respective organisations, but acted as consultants and external curators to the art collection. The companies are listed in alphabetical order and not according to the order that they were interviewed. Furthermore, this does not represent the order in which companies and participants are referenced in Chapter 5, in the analysis of the data. This is done to preserve confidentiality of information.

4.2.3 Unit of analysis

The unit of analysis for this study is the company strategy (formal or informal) defining the purpose of the collection and the types of works that are purchased/exhibited.

4.3 Data collection

4.3.1 Data collection process

Information was gathered through face-to-face interviews with managers or curators of corporate art collections within the selected companies. These interviews were semi-structured, with primarily open-ended, non-suggestive questions to encourage free and continuous discussion, while still covering the necessary themes (Lindenberg & Oosterlinck, 2011). The questions were partially derived from an existing study by Lindenberg & Oosterlinck (2011) in order to ensure reliability. These were then extended, through further research and an examination of the existing literature, to ensure that all salient topics were covered. The questions were open-ended and included a number of differently phrased questions on a single point, in order to ensure the validity of responses, as well as consistency and generalisability (Miles & Huberman, 1994; Saunders & Lewis, 2012). See Appendix 1 for the interview guide.

The duration of the interview was aimed to be no longer than one hour. However, this was flexible so as not to rush anyone through an interview or cut a respondent short, should they have overrun on time (Cray & Inglis, 2011). The shortest interview was around 18 minutes and the longest was exactly an hour. One respondent refused to be interviewed due to time constraints but did send through existing research on the company's collection and answered any additional questions via e-mail.

All interviews were recorded with permission from the participant. The recordings were then transcribed to provide written text, for the purposes of data analysis (Saunders & Lewis, 2012)

4.3.2 Preparation

All respondents were contacted via e-mail, where the topic was briefly introduced and more information on the corporate collection was requested. The initial e-mail also included details from the consent statement, confirming that the participant's details would be kept confidential. In four instances the researcher was referred on to a more relevant person within the organisation. A number of respondents requested copies of the interview guide in advance to determine their suitability and to prepare for the interview. No respondents declined to participate in the research, indicating that the topic was of interest and added value to current research (Cray & Inglis, 2011)

Interviews were then set up at the convenience of the participant, either in their workplace, at their home or in a venue of their choosing (Richards, 2009). Meeting requests were sent electronically, to confirm the date, time and address, as agreed by both parties.

4.3.3 Interview guide

An interview guide, adapted from an existing study by Lindenberg & Oosterlinck (2011), was drafted to cover 5 main themes (Tharenou et al., 2007):

- Background: This helped to provide context to the company and to the collection. The background sought was primarily related to the creation and composition of the art collection.
- Purpose of the collection: As this was a vital portion of the research most questions were incorporated under this theme. These questions probed how the collection was started, its function within the organisation, its focus, and the strategy around growing the collection. A number of prompts (included in italics) were included to ensure that questions maintained focus.
- Constitution of the collection: This was the second largest section and addressed the type of art incorporated into the collection, including the selection process for purchasing new artworks and the budgets involved.

- Management of the collection: This section focused on the costs of maintaining a collection and how the company records it within their reporting.
- Evolution of the collection: This was an open-ended section exploring the organisation's future plans for the art collection. The final question required the participant to add any additional information that had not yet been included in the interview. Tharenou et al. (2007) opine that this helps wrap up the interview process, as it gives the participant the opportunity to cover any final topics that they feel are important.

In total, the interview guide consisted of 36 semi-structured, primarily open-ended questions. The questions were not numbered, as they could be asked in any order, and included or omitted as deemed necessary (Saunders & Lewis, 2012). Questions were kept brief and made easy to understand, without strong academic terminology. Where clarity was required, the researcher would probe the participant, repeating words and asking follow-up questions where necessary (Kvale, 2007). The interview guide is included in Appendix 1 of this report.

4.3.4 Interview process

All but one of the interviews were conducted face-to-face, with one interview being done in part via e-mail. Two of the interviews involved two people. Richards (2009) claims that the interview process needs to be an interactive one, involving a collaboration between the interviewer and the interviewee. Face-to-face interviews allow a rapport to be built between the two parties and to build trust, which encourages more open conversations. The interviewer can also observe cues, such as body language, that may assist in interpreting a participant's responses (Saunders & Lewis, 2012).

Prior to the interview, the participants were provided with a consent letter informing them that they could withdraw from the interview at any stage and that their details would be kept confidential (see Appendix 2 for a copy of the consent letter). The researcher then provided a brief background regarding the purpose and aim of the research. Kvale (2007) states that the first few minutes of an interview are critical, in that they provide the participant with a clearer picture of the interviewer and create an atmosphere of trust (this is further enhanced by the consent form which offers confidentiality and the opportunity to withdraw). Once trust has been established, it is easier for the participant to speak more freely. It is the responsibility of the interviewer to present him/herself as

attentive and respectful (Kvale, 2007). All participants interviewed face-to-face appeared enthusiastic about the topic and were eager to provide their insights and expound on the details around their collections.

Some of the potential dangers of the semi-structured interview process identified were that it can be relatively easy to digress or be side-tracked from the research topic and so it is important to adhere to the structure of the interview guideline. Interviewer bias can also influence the conversation and the indirectly influence the participants' responses (Richards, 2009).

4.3.5 Transcription and data analysis tool

All interviews were recorded and transcribed to provide text data. Specialist software Atlas.ti was then used to analyse the text data more efficiently, in order to identify patterns and develop data categories and/or codes. The purpose of such software was to help reduce observer bias and increase the reliability of the study. Once the text was coded, it was possible to draw inferences from the data, to track commonalities or differences. It was also possible to draw on quotes and examples mentioned in the interviews to support the research. Initially, a deductive approach was applied, where codes were generated based on existing literature, i.e. current theories dictated the development of the research questions and common themes were picked up and used as codes. An inductive approach was then used in order to develop a theory based on the information collected. This process required drawing themes from the information gathered and applying this to generalised theories (Saunders & Lewis, 2012).

All transcriptions were done by a specialist transcription company to ensure professionalism. The transcriptions were done verbatim. The researcher then reviewed and edited all transcripts to ensure accuracy to the recorded interview and to remove any identifiers, as per the consent letter. The transcripts were then labelled according to a pre-determined list to ensure confidentiality and consistency when referring back to them in chapters 5 and 6 of this report.

4.3.6 Secondary research

Secondary research then entailed examination of relevant company documents, where possible, to support the information received from participants. Four of the participants provided company documents including a list of artworks and associated values, and the buying criteria. This information was used to provide context and supporting evidence

to the formal interviews and assisted in the triangulation of data to ensure consistency in the findings (Yin, 2013).

4.4 Data analysis

4.4.1 Qualitative data analysis

Once the data had been collected, it was then necessary to analyse it, to answer the research questions. As this research is exploratory in nature, content analysis was used as the primary method of data analysis. Content analysis is a process of evaluating text data and it enables the researcher to better detect patterns in the data, on which to one can then create a narrative and start to build a theory (Tharenou et al., 2007). Each interview was transcribed into text data. This was then analysed using Atlas.ti and codes created. These codes assisted in finding commonalities and discrepancies within the various interviews. It also helped by deconstructing the interviews into separate, disparate parts, so that each could be analysed independently of the whole and patterns became more easily discernible (Richards, 2009).

Initially, a deductive approach was used to identify key themes raised in the literature and to align the data with the research questions. This provided the primary categories for the data analysis. An inductive approach was then applied, to determine if any new themes were identified. Code books were then generated in Atlas.ti.

4.4.2 Coding

According to Richards (2009) “qualitative researchers code in order to get past the data record, to a category, and to work with all the data segments about the category” (p. 95). It ultimately allows the researcher an overall view of each of the themes raised in the interview process.

In total, 61 codes were generated across the 11 interviews. The first 24 were generated through deductive analysis, based on existing literature and recurring themes on which the research problems and the three research questions were based. The remaining codes were derived inductively from the data received in the interview process. The data was coded in the same order that the interviews were conducted. As new codes were defined, these were cross-referenced against previous transcripts to ensure that they were relevant to the data as a whole. Over the course of the data analysis patterns emerged highlighting themes such as leadership, cohesion, and diversification of a

collection and an overarching commitment to the South African context. This aligned with research questions. Saturation was achieved after the 10th interview when no further themes could be detected relevant to the scope of this research. This is illustrated in Table 3 below:

Table 3: Saturation analysis

	Deductive codes	Interviews					Total
		1 to 3	4 to 6	7 to 8	9 to 10	11	
Number of codes:	24	17	13	5	2	0	61

The code book was then reviewed, with common themes consolidated where relevant and duplications deleted. Code families were created to link similar concepts and allow ease of analysis. A breakdown of the codes has been included in Appendix 3 of this report.

4.5 Reliability and validity

According to Saunders & Lewis (2012), reliability is evident when the research employs “data collection methods and analysis procedures which produce consistent findings” (p.128). The consistency implies that the results will remain the same regardless of whether they are repeated by another, independent researcher. There also must be clarity in how the conclusions were drawn from the research. Validity refers to whether the findings measure what they purport to be measuring. It implies confidence that the results are valid (Saunders & Lewis, 2012; Tharenou et al., 2007).

Reliability was achieved in this research by clearly expressing the topic at the outset and by defining what information was being sought. The interview guideline then provided further guidance and direction to the interview. Finally, by recording the interviews, it was possible to go back and re-analyse the data in more detail (Tharenou et al., 2007)

Validity was accomplished through the repetition of questions phrased slightly differently, to ensure consistency in responses. Participants were also asked to clarify certain comments to make sure that the correct meaning was understood. Finally, the interviewer repeated participant responses to verify accuracy.

4.6 Research limitations

The inherent nature of this study implies that it is not possible to generalise the results to the entire population. Rather, the results should be used to promote further testing and encourage debate. They can also be generalised to support the theory on corporate art collections (Daellenbach, 2012). The sampling method also resulted in a homogenous sample, which decreased applicability to the greater population and may have affected the reliability and validity of the research (Saunders & Lewis, 2012). Furthermore, as the study was limited to financial institutions in South Africa, there is no guarantee that the results will apply to other sectors or industries within South Africa or other markets. These limitations can lead to areas of future research (Comunian, 2009).

Interviews were conducted with nominated representatives within the chosen organisations. Since corporate collections are largely used to promote the business; it is feasible that the information provided by these representatives was predetermined by their organisations' own marketing/public relations propaganda and so certain pertinent facts may have been overlooked or misinterpreted. This is a risk commonly associated with exploratory research of this nature and was mitigated to some extent through the triangulation of data and the use of secondary research (Yin, 2013). On the other hand, validity has been enhanced through the analysis of the categories/codes generated by the interviews across the various organisations, as they all belong to the same industry.

The study only incorporates the opinions of individuals directly involved in the management of the art collections. Interviewing more than one individual per organisation at various levels may have improved that applicability and reach of the research. This might have included employees who interacted with the artworks, other managers and those who oppose or are indifferent to the collections. It may also have been interesting to interview individuals at organisations who do not collect art, to establish an opposing perspective (Kottasz et al., 2008).

Finally, there is a limited number of peer-reviewed internationally accredited journals in this area of study. This has limited the literature available for use in formulating the research.

Chapter 5: Research results

An analysis of the results follows, attained through the data collection process, as defined in Chapter 4 of this report. This chapter will discuss the information garnered from the participants in the sample in detail and examine the data obtained through the qualitative process. The results are presented in line with the research questions outlined in Chapter 3. A discussion of the results then follows in Chapter 6, in which observations and insights will be discussed in more detail, in relation to the existing literature confirming whether the research objectives have been met.

5.1 Introduction

The intention of this research was to investigate why organisations collect art, from the perspective of companies operating in an emerging market. It then considered the type of art collected by these organisation, to best reach their desired audience. Finally, it examined the impact leadership has on driving the collections and maintaining its momentum.

5.1.1 Sample

Thirteen face-to-face and e-mail interviews were conducted with individuals from 11 organisations over a period of 2 months. The participants were sourced from a range of diverse positions, extending from company executives to art experts, and were either employed by their respective organisations or were engaged as consultants to them. This enhanced the research, by providing a number of different perspectives covering the various themes within the interview guide (the interview guide is included in Appendix 1).

All 11 of the companies were in the financial sector within South Africa and the sample included banks, insurance houses and accounting firms, so as to cover more than one segment of the industry. The companies also ranged in size from smaller, national businesses with around 100 staff members to large, multi-national entities operating in multiple international jurisdictions.

5.1.2 Interview process

The first questions of each interview were relatively consistent, in that participants were asked to discuss the collection in general, when and how it was established and why.

The purpose of these questions was to frame the conversation and orientate the participants to think about how the collection first came about, identify the drivers of the collection and articulate how it has changed since then. Several of the participants were most enthusiastic about their collections and their responses to these initial questions incorporate additional research themes – questions from the interview guide were then adjusted accordingly. The last question was open-ended, asking participants to add any additional information that they believed had not yet been covered. This allowed the participants to reassess what had already been addressed and add additional information that they felt would be important to the research. In most cases, the participants appeared to find the topic quite compelling and many asked to be provided with the results of the research once completed, expressing that they believed that it was absent from existing literature and would aid in their current work.

The data collected from the interviews was collated and coded (as per the method described in Chapter 4). Initially, codes were determined deductively, in line with existing research. Additional codes were then created inductively, using common themes raised in the various interviews. The codes were ranked according to frequency and the results are presented below.

5.2 Presentation of the findings

First the research questions were structured to provide descriptive information regarding the area of study, namely the intent and composition of corporate art collections. In considering existing literature around the various reasons for investing in art collections, it was deemed necessary to determine what the primary reasons are from the perspective of an emerging economy, to assist in prioritising the information. This would provide a foundation on which the rest of the research could be built. The remaining research questions were then more exploratory, adding to current literature by examining the how and why behind corporate collections, their composition and their intended audience.

5.2.1 Research question 1:

To what extent do companies in emerging markets differ to developed markets in the reasons that they collect art?

According to the results, the primary reason listed across the 11 companies identified corporate social responsibility as the main driver behind a collection, followed by leadership preferences and then education. Financial investment came fourth, with

culture, image and branding, and wellbeing rounding out the reasons, with low frequency across all interviews. See Table 4 below with a breakdown of how each topic scored across the various interviews, regarding the frequency with which a reason was mentioned:

Table 4: Primary reasons for owning an art collection

Reasons	Frequency
Corporate social responsibility	29
Leadership preferences	28
Education	22
Financial investment	20
Culture	11
Image and branding	11
Wellbeing	6
Totals:	121

5.2.1.1 *Corporate social responsibility*

Corporate social responsibility was the most common participant response when discussing the main driver behind a corporate collection, occurring in 9 out of the 11 interviews. Participants used a variety of different related terms, such as patronage, corporate social investment, corporate citizenship and socio-cultural responsibility, which have all been included here under the single theme. The defining condition amongst the various terms was that the action needed to be in support of something (artists, society, etc.). It could not simply be for charitable purposes or just giving money away.

- Company 2: Participant 2 inferred that the purpose of a corporate art collection should be to leave the world “in a better place to what you found it.” And that in doing so, the company would be “creating sustainability”. They went on to add that “you can’t just do art for the sake of doing art. There must be a bigger reason to it, a strategy... We’re not doing it for the sake of amassing a collection. Our role is from a citizenship and making a difference and empowering individuals.”
- Company 6’s strategy documents detail how one of the primary intentions behind their collection is to “promote and sustain the image of an institution with interest in and concern for artistic and cultural development in South Africa.”
- Company 11: Participant 13 claimed that it was important for organisations to use their collections to “support the artist within the society that you live in.”

- Company 5: Participant 5 provided an opposing view, claiming that the physical impact of companies investing in the arts for the purposes of corporate social investment is minimal, “It certainly doesn’t provide a monetary input into a community or if it does, it is so insignificant really, it is a drop in the ocean.” They did concede, however, that while the impact to society might be minimal, corporate social responsibility did aid in providing visibility to both the artist and the organisation.

Several of the companies are also engaged in additional art sponsorship activities, which include sponsoring artists and curators, art fairs and festivals, and various art competitions, which highlights their social responsibility focus. This can also help promote their image and branding, projecting the organisation as one that supports local artists, etc. This self-promotion aspect was countered by the number of companies that choose to keep their collections private.

5.2.1.2 *Leadership preferences*

Eight of the 11 companies referred to leadership preferences:

- Company 1’s collection started in the 1950’s and was instigated by the organisation’s head, as a result of a personal interest in the arts. Participant 1 also indicated how the content of the collection changed according to the preferences of later leaders.
- Company 4’s collection was started and driven by the founder and CEO, based on their specific preferences. The founders wanted the art to represent prestige and a global presence, right from the beginning when they were still a solely South African organisation. According to Participant 4, as the collection has grown, the leaders have removed themselves to some extent from the smaller art buying decisions, but still have veto power on any purchases that are made and need to sign off on all larger purchases.
- Company 5’s collection was the result of a conscious choice, “the board made a decision that they were going to build an art collection” – Participant 5.
- Company 6’s collection was originally started by the chairman of the company and managed through the office of future chairmen: “At that time, the identification and selection of items for purchase relied on the individual preference of the Chairman, who displayed a strong interest in the fledgling collection”. According to documentation submitted by Participant 6, in the early stages of the collection “the

personal inclination of these individuals, their keen interest in art and culture, determined the direction and focus of the collection.”

Leadership preferences appear to have driven the foundation of many of these collections, while changes to leadership have altered the collections, either in terms of the composition of the collections or how they are managed:

- Company 5's collection has changed as leadership changed: What happened then over the years, depending on the management of the company, you know, the budget or the acquisitions of all the collection varied. It was either a certain amount or it was nothing... In 1988 they listed on the exchange so essentially a few things changed in the way the management operated. We had a board of directors and so on and so forth. And even since then the funding has been variable, depending on who the chairman or the CEO was – Participant 5.
- Company 6 documents stated that previous chairmen have played a vital role in managing and growing the collection. Ultimately, one of these leaders “assigned specialists in the art world to advise on and recommend purchases for the [Company 6] Corporate Art Collection. This significantly shifted the process of acquisition and likewise the shape and profile of the collection.” The budget for Company 6, however, is still determined by the Chairman of the organisation

5.2.1.3 *Education*

Education was the third most common theme in the interviews, mentioned by 8 of the 11 companies. Education arose in two different aspects in the interview process: Some of the companies utilised the art within their collections to stimulate conversation and drive creative thinking:

- Company 4 uses its collection to create conversation:

I think that of the art that's here, in the place where it fits in the world, does create a conversation on its own accord. We don't have anything that's political or is going to do that to make a statement... The conversation is about: What is that? What does that symbolise? What is it supposed to be? What was the meaning of it? – Participant 4.

- Company 6's documents outline how:

The role of art is not only to enhance a work environment, but also to contribute to our understanding of ourselves, collectively and individually, by exploring our identities, histories, hopes and fears. Contemporary art forms an important part of this endeavour and the measure of great works of art, arguably also the measure of a great collection is how successfully they engage with these concerns.
- The Company 8 collection “is a living collection to be used and enjoyed by people around the offices. To challenge them, to stimulate them and to get their creative juices flowing, that's the ultimate reason” - Participant 8.

Whilst other companies have used their collections to educate their staff about art:

- Company 7 invited galleries to exhibit within their offices, with the exhibitions being aimed at staff members: “So there is much more awareness within the whole group as far as exposing, especially staff, to art and trying to educate them and getting them more involved and so on” – Participant 7.
- Company 8 also uses its collection to educate staff; hosting exhibitions within the building and “exposing our own staff to art where they wouldn't normally have that opportunity” – Participant 9.
- The art collection from Company 10 has generated a general interest in the arts amongst several employees that now extends outside of the business: “we have now probably about 10 people who, because of what we've been doing, are really very interested. So whenever there is an auction or an exhibition of anything, they clamour to be there” – Participant 11. The impact to the staff is small, as only those interested in the arts will follow through, while others may be unaware of the art altogether: “there are some who, who just ignore it entirely, who just have no interest in it” – Participant 11. Company 10 does also actively manage the collection to keep it interesting, renting art and rotating art around the business to keep it current.

5.2.1.4 *Financial investment*

Perhaps surprisingly for financial institutions, financial investment was only the fourth most prevalent theme that emerged during the interviews, arising more as a supporting factor, than as a primary driver for an art collection. Many of the companies reaffirmed

that they had established the collections for corporate social responsibility, or to promote education. The works that they bought were not initially purchased with the intention of increasing in value, though this may have changed as the collection has increased in value:

- The Company 1 collection is primarily targeted at prestige, with investment supporting this:

It's seen as a status symbol and there's a prestige associated with it. There's also the CSI responsibility, or component, which is that we are helping to contribute to a more diverse sense of South African art history... But the main thing is the prestige and now the investment value of it – Participant 1.

- According to Company 4, “when they were bought, it wasn't big money but today they are substantial value”. “We had been very, very fortunate that a lot of the pieces that were bought many years ago have got really good value today because of when they were purchased” - Participant 4.

- Company 7's collection also evolved over time:

Initially we bought quite a lot just to fill offices. We always try to buy quality works although it was important for them that it must be enjoyable works, it's not like thought-provoking works. And we bought lots of multiples and we've now made quite a drastic change in that we are much more selective and we buy larger works and obviously, we do take into consideration that it is an investment as well – Participant 7.

- Company 10 disregards the investment value of most of their pieces:

We don't see this an investment, it's not something that we're saying, well we got something on the wall that's going to increase in value, that's absolutely not important for us at all and in fact there may be some that we might want to actually return, or sell, or give back – Participant 11.

From a tangible investment perspective, across all organisations, works would only be sold if this helped to diversify a collection – where too many of one artists or genre were evident – or where the works were of poor quality. Several participants raised the issue of limited wall space due to the growing trend of open plan offices. In no instance would the company consider selling an art work for financial gain. In addition to this, while all

the collections were valued regularly, none of them reflects in the company financials as free-standing items. Where participants were aware of the collection on their balance sheets, it was typically incorporated into furniture and fittings or equipment.

5.2.1.5 *Culture, image and branding and wellbeing*

The remaining three factors were mentioned in the interview process, but their frequency was significantly less, occurring in 50% or less of the interviews. Company 11 made the most references to culture and images and branding, which further impacted the results:

Table 5: Analysis of less frequent codes

Purpose	Company											Total
	1	2	3	4	5	6	7	8	9	10	11	
Culture	1	0	0	1	0	1	0	0	1	5	2	11
Image and branding	0	0	0	1	1	0	0	1	0	6	2	11
Wellbeing	0	0	0	0	2	2	1	1	0	0	0	6

5.2.2 *Research question 2:*

How does the intent of the art collection influence its composition?

Literature has identified why a company might own an art collection but does not reflect common trends between factors. As discussed in the previous section, corporate social responsibility is the most referenced intention for owning and managing a corporate art collection, followed by leadership preferences, education and financial investment. Making up the final three are culture, image and branding and wellbeing.

5.2.2.1 *Contemporary art:*

When considering the type of art that a company could collect, several factors need to be considered. Art can span a number of eras, but contemporary art is the most common type of art the corporate collections investigated in this study. Reference to contemporary art occurred over 40 times throughout the various interviews; it was raised in every interview and constituted a portion of every collection.

- In reference to the Company 3 collection, “It’s just contemporary art. It’s not trying to represent South Africa...it’s just contemporary” - Participant 3.

- Company 4 looked at contemporary art on a global scale, building their collection on “international contemporary: American/European contemporary artists” – Participant 4.
- Company 6 has a more diverse collection that represents a variety of periods: “Although the majority of current acquisitions for the collection are contemporary artworks, important historical works continue to be acquired.”

In cases where older works were included in the collection, these were typically long-standing collections with existing historical works, which would then be reinforced by acquisitions:

- Company 1 has been collecting art since 1954 when the original collection was composed primarily of landscapes. New acquisitions would, therefore, be considered in support of the existing collection, but with the aim of diversification:

We focus on the period 1930 to 1980. I think it's the only explicitly historical collection, corporate collection, in South Africa. It must be of a historical value; it must be of an international standard. Eight times out of 10, it must diversify the collection, so either artists of colour or women artists, because they are predominantly white men – Participant 1.

- Company 5 had also adapted its acquisition process to broaden the scope of the collection.

The idea is to try and build up a representative collection, so the collecting takes place across a broad front, from the late 19th century till the present. So one looks at where there are art historical gaps in the collection, sees if one can fill them – Participant 5.

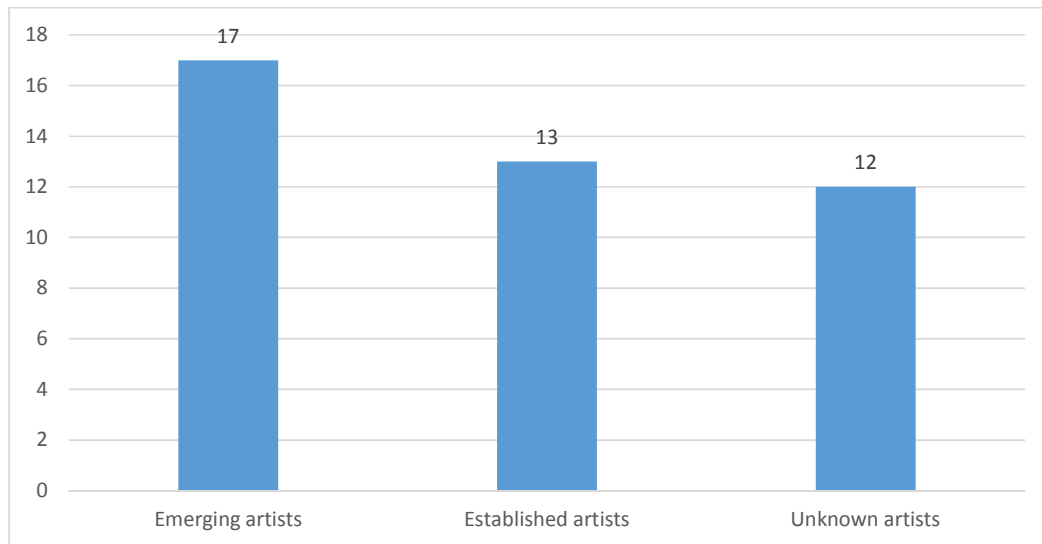
- Company 8's art collection had a large botanical component, as well as several old masters and so purchases may be done to fill gaps in the existing genres:

We had great niche areas like the botanicals and we had good old masters as well...if you're heading still in that direction, try fill those gaps. But obviously, there's a contemporary art scene, and you know, if you're looking at the world of art as it is now, it's all contemporary art – Participant 9.

5.2.2.2 *Status of the artist*

One can also consider the type of artist within the collection. Old masters were only mentioned in one of the interviews, but unknown, emerging/up-and-coming and established/renowned artists were more frequent. Figure 1 below illustrates the frequency of mentions between emerging, established and unknown artists:

Figure 1: Frequency of mentions regarding artist status



Established artists have a greater investment potential, as there is an existing track-record and as a result, the art tends to be more expensive (Korteweg et al., 2016):

- Company 5: “I would be prepared rather to pay the premium 10 years down the line when the artist knows they want to be an artist still, has established an exhibition record of sorts, doesn’t have to be big but they are still making work” – Participant 5.

Emerging and up-and-coming artists have less of a reputation and so there is less of a guarantee for financial gain. As such, companies are more likely to collect art from emerging artists for the sake of corporate social responsibility:

- Company 9:
They had to have a bit of lineage. It’s not just somebody on the side of the road, you know, who happens to draw a nice line drawing or whatever. So they had a bit of lineage but they weren’t globally known. And really, very smallest niche communities in South Africa art communities probably starting to talk about these guys, but they needed a foot up still – Participant 10.

The unknown artists bring the greatest risk but also provide the greatest opportunity for socially responsible investment. The artwork is also more affordable, which assist companies looking to invest in the arts for decoration, wellbeing, etc.

○ Company 2:

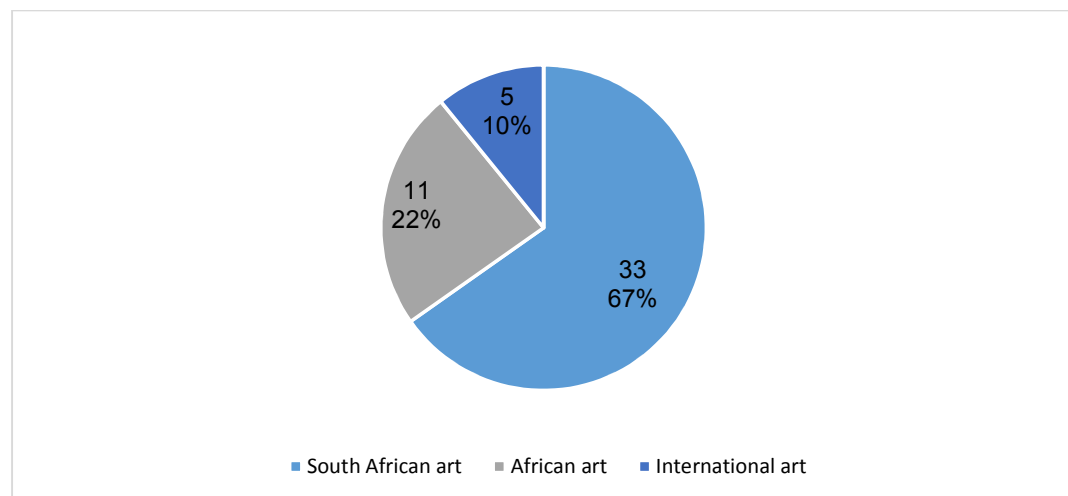
We acquired before the artist was a brand name... we saw the potential, we saw the ability of that artist. So, on the one hand by buying their works we got an investment, I think ahead of it, but at the same time, we were able to invest in their career, to give them the potential – Participant 2.

- Company 3: “And so we did need to decorate the offices, and then we started small, you know. We chose the things that would matter. In art, if you choose new artists that are unknown, you get a lot for a very small amount of money” – Participant 3.

5.2.2.3 *Locality of the art*

One also needs to consider where the art comes from, as this has direct implications on how the collection is viewed. South African art scored significantly higher than international art across all the companies analysed. Reference was made to South African art and South African artists 6 times more than international art/artists and all collections incorporate South African art to some extent. Several companies also integrated African Art into their collections. Figure 2 below shows the frequency in which participants referred to South African, African and international art in the interviews illustrating the significance of local art in a local collection.

Figure 2: References to origin of art works



5.2.2.4 *Social impact of the art*

Finally, one needs to consider the content of the art work itself, less from the perspective of genre and more in terms of the representivity of the art. The art within corporate art collections tends to be relatively conservative, leaning more towards decorative and away from controversial subject matter. Of the companies examined

- Company 3: “We don’t have controversy; we don’t have any controversial pictures. I’m not in the business of trying to make a statement” – Participant 3.
- Company 4: “We don’t have anything that’s political or is going to do that to make a statement” – Participant 4.
- Company 8:
I’ve found is that there's enough fantastic art that you can buy that doesn't fall into one those three categories that I mentioned [wars, violence and genitalia] and that is still challenging and innovative and stimulating, so we definitely don't go out of our way to buy stuff that is offensive – Participant 8.

Historic collections may include more risqué works, showing degrees of nudity, or reflecting political events, but these are generally avoided in new purchases. Company 5 was the only organisation that would consider purchasing controversial works, but these are generally isolated to their public gallery, as this provides “an insulating environment”, separate to the working environment – Participant 5.

Ultimately, none of the factors exist in isolation and they were evident in various combinations, creating an overarching theme for the collection.

5.2.2.5 *Corporate social responsibility*

Corporate social responsibility implies a need to support local individuals or communities (Munro, 2013), which, in the case of corporate art collections, would infer supporting local South African artists. This has led to a specific focus on unknown or emerging artists:

- Company 6 has used their collection and their various sponsorship activities to drive their citizenship agenda, which includes a “long-term commitment to its role as custodian in safeguarding South African cultural heritage”. The company claims that it’s collection “is an important and valuable repository of artworks, an archive that

illuminates the power, diversity and complexity of South African art, providing a broad range of contemporary artistic expression embedded in its art historical context.”

- In reference to their art buying strategy, Company 8’s strategy is in part to “build up an art collection of emerging and emergent contemporary South African artists... so that we can for generations to come say that we were there and we bought what was current and helped artists” – Participant 8.
- Company 9’s collection is chiefly orientated around corporate social responsibility. The founder’s vision was to “support these young artists, and particularly young, black, struggling artists and particularly during apartheid. He felt it was his little bit of philanthropy to help these young, black artists.” As such, the collection consists of “97% South African art and artists. Some of them are now incredibly well-known artists. But the collection has always been about supporting upcoming, young, unknown artists” – Participant 10.

5.2.2.6 *Leadership preference*

Leadership preference is very much determined by personal tastes and so it would be difficult to pinpoint a single focus. In general, the companies focused on contemporary South African art, with the artists ranging from unknown to internationally renowned. Some of the comments regarding leadership and the composition of art collections are as follows:

- Company 1’s collection changed because of changing times and changing leadership. They explained how artworks were decommissioned based on personal tastes: “he hated Pierneef and had insisted that all the Pierneefs in the building be removed” - Participant 1.
- Company 1’s collection had developed from its origins in that the founder of the collection favoured landscape art and this has permeated to a large extent into the current collection but has been updated with more contemporary pieces.

Through most of the 60s, 70s, 80s and even the 90s, it remained largely a collection of landscapes by elderly white male artists.... So what I’ve done is, I’ve tried to diversify the collection a bit more. So, the one [thing] is to acknowledge that the landscapes are the core of the collection. So buying historical landscapes by a wider group of artists... Then we do collect contemporary art that, especially the art that plays with the idea of landscapes – Participant 1.

- Company 3's collection is still managed directly by leadership – “it just happens to be it’s a passion of mine” – Participant 3. This collection focuses primarily on South African artists: “We’re not trying to cover the South African spectrum; we’re trying to get South African artists” – Participant 3.
- Unlike many of the other collections that evolved over time Company 5's collection was started very strategically: “there is a board minute that states that they are going to start an art collection, partly to support South African artists for promotion of South African art and obviously to have sort of prestigious works in their offices.”
- Company 10 started out looking for artists with a “particularly African or local blend”, with a “simple urban kind of connection to it” – Participant 12. The collection has since diversified, but a number of the original urban pieces still form an integral part of their collection.
- Company 4 was the only company assessed that intentionally looked at international works over South African works, with a focus on “American/European contemporary artists” – Participant 4. These works are also primarily lithographs, with limited original pieces in the collection, to manage affordability.

The most commonly referenced terms used by participants to describe their leader-driven collections are illustrated in Table 8 below.

Table 6: Most referenced terms regarding collection composition

Common terms
Contemporary art / artists
South African artists
Decoration
Unknown artists
Reflection of society
Prestige
International artists

5.2.2.7 *Education*

Education refers here primarily to the education of staff, using the art collection. Typically, art collections are used to create conversations amongst employees, to stimulate creativity and promote learning within the organisation. For the art to be effective, employees need to be consciously aware of the artworks and this needs to be

driven by the company, in the form of workshops, lectures and internal communiqués. Artworks used for educational purposes would vie away from being purely decorative and would focus on more controversial content. Local works or local content is more likely to stimulate conversation, as it is more relatable. Some examples that arose came up during the interview process include:

- The company documents provided by Company 6 state that

The role of art is not only to enhance a work environment, but also to contribute to our understanding of ourselves, collectively and individually, by exploring our identities, histories, hopes and fears. Contemporary art forms an important part of this endeavour and the measure of great works of art, arguably also the measure of a great collection, is how successfully they engage with these concerns – Participant 6.

According to Participant 6, the focus on the collection is “mainly South African artists or foreign artists who engage with South African issues.” The collection also includes “a number of paintings indicative of contemporary artists’ preoccupation with looking back at the forces that shaped South Africa’s colonial and apartheid past.”

- Company 8’s collection started as a largely botanical collection that has grown into a more contemporary collection:

If you’re looking at the world of art as it is now, it’s all contemporary art. That’s all the big sellers, those are making the record prices at auction, not the old masters.... So, it was just a natural thing to start collecting more contemporary art, more contemporary art and more African artists” – Participant 9.

“We concentrate mainly in South Africa but we don’t exclude the rest of Africa, while we do exclude the rest of the world.” – Participant 8. The collection is also focused on three areas: unknown, emerging artists, as well as established, internationally renowned artists. The aim for their collection is to challenge staff, “to stimulate them and to get their creative juices flowing, that’s the ultimate reason” – Participant 8.

Company 8 have also created a gallery space within their offices to display some of their pieces and bring in artworks for sale. Information is provided on all of the works, including a background and brief explanation, with the aim of “starting conversations” – Participant 9.

5.2.2.8 *Financial investment*

As with any other investment vehicle, the more information that is available, the more informed the decision. Internationally renowned, well-established artists will have a track record through which one can track increasing value. These works tend to be more expensive, as the return is easier to project and so the risk is reduced. Emerging artists have less of a track record and the potential for the work to increase in value is less certain, but the works tend to be more affordable, with the potential for higher returns. Unknown artists carry the greatest risk as they have no past record (Bocart, Fabian & Hafner, Christian, 2015; Korteweg et al., 2016). These purchases would depend on the experience of the decision maker or would be the result of luck.

- Company 7 focuses on “new and established” artists, “younger, cheaper, but now it’s been a bit more obviously established artists, but even the young artist’s works are expensive.” When questioned about buying investment pieces and how one might determine if a piece will increase in value, Participant 7 responded:

You don’t know, you don’t know. It’s always a risk that you take, unless it’s an artist that had been established for a long time. So, with younger artists... all one can hope and believe is that he will continue with his career and not disappear because that very often happens – Participant 7.

- Company 8 previously split their purchasing decisions:

We used to split our budget, our art collection in two, what we call non-investment art and investment art and we had a cut-off limit from years ago that said that anything under R7,000 was regarded as non-investment art and above had the potential. If you're buying for R7,000 now, potentially in years, you can have something worth R50,000 - R60,000 and that is what we still do. We very, very seldom buy these days what we call non-investment art – Participant 8.

- Company 9:

I think there was always like a hope that it would invest, that the investment value would grow. But I really do think the underlying meaning or intention was to support young, struggling, up-and-coming artists.... This collection now represents some established and renowned South African artists, but when they were originally purchased this was not the case. And in some instances the works did not increase in value: “some I would imagine were brought for R1 000.00, are probably still worth R1 000.00 – Participant 10.

On a global scale, African art is showing significant returns, as it indicated by some of the participants:

o Company 11:

African art that's made today, contemporary African art is probably the highest return you're going to make in art over the next 10 years.... Because you start from a very, very low base. We are busy fighting to link local to global.... The minute it's linked, it's just multiplied by – I don't know how much – Participant 13.

5.2.2.9 *Culture*

Art can be used to reflect a company's culture to reinforce staff familiarity or drive customer awareness. The type of art that one incorporates within a collection can act as a purveyor of an existing culture or can aid in establishing a new culture; but it is important that it is consistently reflected throughout the collection and across the organisation. The culture within an organisation is typically led by leadership (Holloway Cripps, 2013; Kottasz et al., 2008).

- o Company 4 is an international institution with offices in multiple jurisdictions. The company generally looks after a wealthier clientele and looked to reflect this in their art collection. As previously mentioned, the collection is composed primarily of international art or mostly European and American heritage:

I think they saw the bank as being an international bank in those early days before it even got to them". And as the company has grown, so the collection has remained consistent: "the look and the feel must be the same... there's a thread that goes through it – Participant 4.

- o Company 9, on the other hand, is a smaller boutique business. They wanted to use their collection to reflect their uniqueness:

Our financial services business, it's relatively new. We started six years ago, and what we do is kind of unique in terms of our place in the market... We just wanted to try and be different and that so; we wanted to make some sort statement about our work – Participant 11.

With this in mind, they elected to start their collection with South African and African art, emphasising urban scenes.

As with leadership preferences, very little consistency arose from the interview process regarding a specific type of art to represent organisational culture.

5.2.2.10 *Image and branding*

Art can be used to market a business, to create or enhance a desired image and to promote a specific agenda. In these instances, the collection is typically aimed at the public or external stakeholders.

- Company 4 uses its international collection to represent its international status:

If you look at the art that it's around, I think that in the market, it identifies with [Company 4]. So in itself it's created its own niche or brand or whatever you want to do. Because I think, it's synonymous with [Company 4] that they do have Miro's, they do have Chagall's, they do have Picasso's, they – you know, the Leger's we've got them – Participant 4.

- Company 10 has also utilised their collection in this manner:

We've just relaunched our brand, we've had a couple of functions around the country, but typically that's not what we do. So, what we wanted to do is to have an annual event which we would tie around art and people would recognize us in a very minor way... But just to indicate that this is what we are and we are different, our place in the market is different and we like to identify ourselves as different – Participant 11.

- Company 11:

What art does in a company, it's facilitating the communication within the corporation.... What it does enormously is, it is soft communication to your client base.... You can touch your client base in a soft way... and by doing it, you also reflect onto your own company and the way you look after your own socio-cultural responsibilities – Participant 13.

The collection generally needs to be used as a whole, as opposed to using individual works, because this can raise questions about the ownership of the work. In Company 4's case, they don't own the original pieces, only the lithographs and so they are not able to include artworks in advertising to prevent miscommunication. Participant 5 has limited the use of Company 5 artworks in marketing and branding initiatives, as the works need to be reflected in their entirety, titled and fully acknowledged, which causes some

inconvenience to marketers and advertisers. Finally, one needs to be aware of the inherent meaning in the individual works. Artworks that can be interpreted by a viewer differently to what is intended by the organisation, can create confusion and mislead the viewer about the company's image.

5.2.2.11 *Wellbeing*

Art collections that are concerned with the wellbeing of staff tend to focus on the decorative element or art (Lindenberg & Oosterlinck, 2011). These collections are used to establish a pleasant environment in which to work and to inspire staff. Principally, organisations that look to centre their art collections around wellbeing will avoid controversial pieces, including political or social commentary. Art works incorporated in these collections tend to be colourful, visually appealing, with a positive message.

- The intention behind Company 7's collection:

Was merely to decorate and to fill offices with lovely art and enjoyable art... We always try to buy quality works although it was important for them that it must be enjoyable works, it's not like thought provoking works... We look for works that are uplifting, so nothing political, nothing about trauma, nothing that's depressing – Participant 7.

New purchases by the company have included the works of “new young black artists that are doing very beautiful, colourful, happy works.” Company 7 focuses on South African “contemporary art, by young artists”, and their collection comprises “2-dimensional works, no photography, all the other mediums and minimal sculpture”.

5.2.2.12 *Artworks*

While companies may choose to collect art for various reasons and the type of art they collect may differ, there was some consistency in that all organisations focused on the visual arts. Table 9 illustrates the most commonly used terms brought up in the interview process.

Table 7: Frequency of art mediums

Art medium	Frequency
Paintings	26
Sculptures	20
Photography	15
Prints	13
Drawings	8
Ceramics	2
Total:	84

Two issues that were raised regarding the art mediums and corporate collections were with sculpture and photography. Sculpture requires a lot of space to display it, which is not also available in the corporate setting. There is also the risk of damage, which largely goes unreported.

o Company 5:

There is a problem with sculpture... to actually display it you need four times that area, pedestal plus space to move around it and of course, it is easy to move. So this sort of thing doesn't go very well in unsecured spaces. So you'll see very often a lot of corporate collections either will have permanent installations of large-scale sculpture, very few have collections of portable sculpture or small works – Participant 5.

With photography, the difficulty arises in justifying cost, especially when presenting to a committee, not all of whom will have an arts background:

o Company 8:

We've just started, sort of, branching into photography. It's an area we're a bit cautious of and I think also when we talk about our art committee, it's not necessarily easy to understand how you can just take a photograph and have a few editions of it, or prints of it – Participant 8.

Typically, organisations will not look at video art or performance pieces, based how these works interact with their environments. Video work needs a designated space and may have a sound element which could disrupt a business environment, while performance pieces are generally temporary and more suited to a gallery setting.

5.2.3 *Research question 3:*

How does leadership impact the management and composition of a collection?

The importance of leadership came up numerous times in the interviews. In most instances, the leader was instrumental in starting the collection and leadership was deemed necessary by a number of participants in the ongoing longevity of the collection.

Of the 11 companies examined, nine direct reference to the influence of leadership in the start of their collection. Of those nine, six companies still have leadership involvement in either the management or composition of the collection, including in the buying decisions. Two of the company's collections have lost momentum or stopped growing due to a lack of drive from leadership, or even an absence of leadership in support of the collection.

5.2.3.1 *Initial support from leadership*

This has been discussed in some detail already under the section on leadership preferences and how this impacts the beginnings of a corporate art collection.

- Company 3's collection originally came about as a result of them moving to new offices and leaders at the time decided that they needed an art collection. This was ultimately run by the then Executive Director because "I was the most interested executive at the time and so I just ran it". Participant 3 is now at the senior-most level of the company and still directly manages the collection "Only because I'm the person who sees to the issue. If there was another youngster who was happy and willing to make the decisions, it doesn't have to be done by me. It just happens to be it's a passion of mine" – Participant 3.

- Company 7's collection was also started by leadership.

It was led by the three founders of [*Company 7*]. They actually saw a very big cultural exhibition that was sponsored by Sasol at the then UJ [University of Johannesburg] and fell in love with the art that was on display and decided that they wanted to go that route... to decorate and to fill offices with lovely art and enjoyable art – Participant 7.

- Company 10's collection also started as a result of moving into new offices and the need to decorate the space with something that was not ordinary, something slightly different: "And I guess we were looking to find something just a little different to put in our offices, rather than buy some of the stuff from well whatever" – Participant 11.

This collection then developed using some rented pieces, to establish tastes, preferences and imagery – all driven by a collaboration between senior leadership and senior management.

5.2.3.2 *Management of the collection*

Once a collection has been established, it needs momentum to stay relevant. Leadership can have a significant impact on whether the collection continues or ceases. They can also largely determine the type of art that is collected and the message that it is looking to portray.

- Company 3:

You do need someone who's passionate about this, by the way. You do need someone who feels that it's important to position it in a specific way, because what you don't want is that an art collection that is, what's the word, that's it sort of nebbish... trying to be everything to everyone – Participant 3.

Participant 3 is still the decision-maker on purchasing new works and what works to buy.

- Company 7 is still a relatively young company and has not experienced a significant change in leadership, so the early leaders are still involved in the collection: “Because the founding members have always been there. They are now at the age where they are starting to retire but they're still on boards and so on” – Participant 7. They went to add “I personally feel it's very important for someone at the top to be involved because that's the only way you are going to have continuity.”

- Company 8 supported this in their statement:

If anybody is thinking of starting a corporate collection, it is very important that you have top management who are interested and love art.... Otherwise, a collection will die very quickly. If you don't have people who understand and who are passionate about art, you have no hope of trying to drive it any other way – Participant 8.

Company 9 and Company 10's collections are no longer actively managed, due the deaths or resignations of the leaders and/or managers who drove the collection. This

highlights the importance of leadership in the management of a collection and how an absence of leadership support can have a detrimental effect on the growth of a collection.

o Company 9:

Well the collection, kind of, has stopped growing, if I can call it that for, two and a half, maybe three reasons. One, [*Founder*] has now passed away. He passed away about four and a half years ago. So the main driver of the art collection is no longer with us.... But nothing's happened to the collection since his passing.... Number two, the two senior partners in this firm really were the active drivers of the collection and curation of the collection, are no longer with the firm. One was our national chairman who also passed away, not that much longer after [*Founder*]. And then [*Marketing director*] was the marketing director and was a really big proponent of it. She left. So she was also the curator – Participant 10.

This collection remains important to the organisation, but is currently uncurated and no longer actively managed by the business.

- o The Company 10 collection was started and driven by a senior executive of the company and a senior manager. With the loss of their senior manager, the collection has plateaued, although its importance is still acknowledged by senior leadership and the company's external curator: "And I guess that lost a bit of momentum for a lot of things for us in terms of that, the drive, anyhow, we're kind of resurrecting all of that again." – Participant 11. This resurrection is being driven by senior leadership:

You know I think if I didn't drive it, I don't mean to sound arrogant by this, it probably wouldn't happen at all, because my other colleagues are quite neutral, they love it and they talk about it but they wouldn't do it.... I just need to get that momentum running again – Participant 11.

5.2.3.3 *Buying decisions*

The involvement of leadership is also evident in the buying decisions of the company – whether these are made by the leaders themselves, through committees or facilitated by internal or external curators. Budgets are usually derived from top management and if a collection is expected to continue and maintain its function for the organisation, then it needs financial support as well. This is reflected in some of the comments from the participants:

- Company 6:

Prior to 1993, there was no official policy drawn up as regards purchasing works of art for the [Company 6] Corporate Art Collection. Particular items were identified and acquired through the office of the Chairman at the time..., all of whom were actively involved in the development of the Collection. The personal inclination of these individuals, their keen interest in art and culture, determined the direction and focus of the Collection – Participant 6.

Company 6's new purchases are decided by a committee which has been in place since 2001. However, according to Participant 6, the budget for new purchases still remains at the discretion of the Chairman of the organisation.

- The growth of Company 5's collection was also determined by leadership and the budgets available for new purchases:

So, what happened then over the years, depending on the management of the company, you know, the budget or the acquisitions of all the collection varied. It was either a certain amount or it was nothing or there was some.... And even since then the funding has been variable depending on who the chairman or the CEO was – Participant 5.

- Company 10's senior leader makes the buying decisions for the business, in collaboration with their external curator:

We're not democratic about that at all.... It's very difficult to have a committee to do that you know... my colleagues were more than happy for me to do it anyway, they don't always like what we have but, but it doesn't matter. I think you couldn't get a committee to do that, I think it would be entirely wrong, it will be a mess – Participant 11.

5.3 Conclusion

This chapter has analysed the companies and interviews in light of the research questions proposed in Chapter 3. Data was referenced in the form of quotes from the interviews, e-mail correspondence and company documents provided. Frequency analysis was also done using codes generated in Atlas.ti. The insights gathered in this process have been valuable in providing concrete information on why organisations choose to collect art and in what instances this can be linked to the type of art they

collect. It also provides new light on the impact that leadership has on the initiation and management of a corporate art collection. Not all principles proposed at the beginning of this research have been upheld, and a definitive link cannot be seen between the variables of intent and composition. This will be discussed in more detail in Chapter 6. The research has provided some structure and some guidelines that will assist businesses in their decision-making processes and guide arts organisation in their partnership and sales strategies. The application of these results will be discussed in more detail in the following two chapters, in relation to existing research.

Chapter 6: Discussion of results

6.1 Introduction

This chapter examines the results found in Chapter 5 in more detail and in relation to the current literature detailed in Chapter 2. The data, collected through a process of in-depth, face-to-face interviews, e-mail interviews and formal company documentation, has been considered in line with the research questions, as well as in relation to existing theory. In this chapter, the results are analysed to determine how they conform with current literature, as well as contribute to it, by bringing new insights and new information for consideration of why companies collect art, whether this influences that type of art collected and the role leadership plays in the initiation and perpetration of their company's art collection.

6.2 Addressing the research questions

The research questions proposed for this study seek to investigate a variety of issues, for which various levels of literature exist. The first question examines at the primary reason why companies choose to invest in corporate art collections. This is a relatively well-studied area, but typically from the perspective of one reason over another: corporate social responsibility or financial investment, as examples. Rather this research looks at the pre-established reasons why a company would invest in the arts (Lindenberg & Oosterlinck, 2011) and ranks them by prevalence.

The above then leads to the second research question which examines how the intent behind a collection might impact the type of art collected. The composition of art collections arise in existing literature, but not as a subject in and of itself. Rather reference to the type of art that constitutes a collection is a brief mention as part of a larger research study, as is the case in Kottasz et al. (2008); Lindenberg & Oosterlinck (2011) and Yoon & Shin (2014). In light of this, the current study has examined the various reasons that companies invest in the arts, to determine if there is a connection between these reasons and the type of art collected. As businesses have shown, there is often more than one reason to invest in an art collection and as such, it has proven problematic to attempt to link one purpose with one to two clearly defined artistic fields. However, greater clarity has been achieved from an overarching perspective.

Finally, research question 3 considered the extent of the impact that leadership has on the initiation and perpetuation of corporate art collections. This research builds on the foundation set by Holloway Cripps (2013) by examining the various levels at which leaders need to be involved in the corporate art collections and how this drives the longevity of the collection.

6.2.1 Research question 1

To what extent do companies in emerging markets differ to developed markets in the reasons that they collect art?

Research question 1 sought to examine the reasons that businesses choose to invest in the arts and specifically, to build an art collection, from the perspective of an economy. In their study of the Belgian financial sector, Lindenberg & Oosterlinck (2011) considered the intent behind corporate art collections from 5 angles: wellbeing, education, brand image, patronage and investment (see Table 1 in Chapter 2). This was then adapted according to additional studies, which made reference to leadership and how leaders can influence an art collection; as well as the impact of culture in the application of an art collection (Behnke, 2007; Hoeken & Ruikes, 2005; Holloway Cripps, 2013). On this basis, a list of seven primary reasons was compiled for the purposes of the present research and analysed for relevance and frequency, as laid out in Chapter 2.

In the Lindenberg & Oosterlinck (2011) study, the most prevalent reasons for establishing an art collection were wellbeing and brand image, followed by education and patronage, and finally investment. Since leadership preference and culture were not a part of the past study, they do not feature in this outcome. The research conducted in this study, however, found marginally different results, as a result of examining companies within the context developing countries, as opposed to developed countries. The examination of 11 business within the financial services industry in South Africa found that the most prevalent reasons for owning an art collection were corporate social responsibility (most prevalent), leadership preference, education, financial investment, culture, image and branding and finally, wellbeing (least prevalent); as detailed in Table 4. Table 10 below shows a direct comparison between the two studies:

Table 8: Comparison between the previous and current studies:

Ranking	Lindenberg & Oosterlinck	Current study
1	Wellbeing Brand image	Corporate social responsibility
2	Education Patronage	Leadership preferences
3	Investment	Education
4		Financial investment
5		Culture
6		Image and branding
7		Wellbeing

Source: Adapted from Lindenberg & Oosterlinck, 2011, p. 8

6.2.1.1 *Corporate social responsibility*

The Lindenberg & Oosterlinck (2011) study shows patronage is a driver behind corporate art collections, but this is considered in conjunction with brand image. The authors contend that the two themes work together, specifically with patronage/corporate social responsibility helping to promote the image of a company that is concerned about social issues outside of normal business practice. This was further supported by Alexander (2014) who argued that the nature of corporate social responsibility implied a mutually beneficial relationship. Several of the participants in this study supported this theory by acknowledging that they wanted their collection to “promote and sustain an image”, while other organisations were looking purely to uplift certain segments of society, which was supported by a lack of publicity regarding the collection.

According to research done by Munro (2013), companies in developing countries tend to focus more on issues of social responsibility, as this has a directly impact on their business, their staff and the communities in which they operate. The South African companies included in this study showed a great affinity for corporate social investment, not only in the art collections, but in the sponsorship activities, than the companies operating from the perspective of developed countries (as per the Behnke (2007); Lindenberg & Oosterlinck (2011); and Yoon & Shin (2014) studies). This predilection was reflected in the frequency of references made to corporate social responsibility

throughout the interviews and the passion that the participants showed when discussing the issue. It is also evidenced by the number of companies that have arts competitions, scholarships and arts programmes that look to assist mostly young, unknown and emerging artist and curators. Of the 11 companies evaluated, four directly sponsored an art event of some kind, while two other companies acknowledged that they purchased art from these events to add to their collections.

6.2.1.2 *Leadership preference*

Leadership preference also scored highly in this study. Of the companies studied, 73% recognised the impact that leadership has had primarily on the foundation of the collection and how this had influenced the type of art collected down the line. This was shown to be evident from a decorative perspective, where leaders applied a personal affinity for the arts to the purposes of decorating new office space (as was the case for Company 3), or to drive a specific culture or identity (as in Company 4, who used their art collection to nurture an image of being an international, prestigious company, prior to even having international offices). This finding is supported by Kottasz et al. (2008), who argued that corporate identity is often set by the founders of an organisation and so a corporate art collection selected by the founders would then serve to reflect this identity. The collection could also be used by leadership to affect changes to their corporate identity.

A prominent finding from the interview process was how corporate art collections were often driven by a plurality of reasons, as opposed to just one. Leadership preference had a strong impact on the initiation of a collection and often impacted how the collection grew and changed going forward. However, in the more established collections, leadership preference played an underlying or supporting role to several other themes, such as culture and image and branding, as opposed to being prominent as a reason on its own.

6.2.1.3 *Education*

The education concept of education that emerged in the interviews differed to some extent from the education identified in the literature. In general, when the literature refers to education, it is from the perspective of physically using the art within a collection to teach employees and is usually driven by the Human Resources department through training initiatives (Barry & Meisiek, 2010). The education that was referenced in the interviews, however, was more passive, where the collections were used to stimulate

conversation and drive creativity; but less as a training tool and more as part of the design of the organisation. Several of the organisations would disseminate information using internal communication (such as e-mail or the intranet) or thorough interactive portals within designated gallery space. This information would centre around the artworks themselves, with the intention being to stimulate interest and drive interaction between staff and the collection. The approach also assisted in keeping the collection relevant and maintaining the attention of the staff, preventing the artworks from disappearing into the commonplace, as described by Barry & Meisiek (2010) and Bjerke & Ind (2015).

In other instances, companies would use their collections to educate staff about art and to stimulate a personal interest in the arts, outside of the business environment. This could be seen as supporting the wellbeing of the staff, but is only applicable to those employees who show an interest – other staff members who do not have an interest in the arts may gain no benefit from the collection and may be critical of the time and money spent on these endeavours, arguing that the investment could have been made elsewhere. When it comes to education, corporate collections are just one way of communicating with staff and other internal stakeholders.

6.2.1.4 *Investment*

The investment results were quite different to those reflected in the Lindenberg & Oosterlinck (2011) study, where investment scored last amongst participants. In this study, financial investment was the fourth most commonly referenced theme and supported a number of other themes. In spite of this, no organisations in this study would admit to selling works for the purposes of profit, nor was the collection listed as a separate line item in the financial statements. Works might be sold to help diversify a collection or because they were no longer of good quality, and almost all collections were incorporated with other assets in the company balance sheet. All companies valued their collections regularly, ranging from annually to every three years. This implies that the investment value of a collection is important to the organisations, but that it is not a primary reason for investing in the arts.

6.2.1.5 *Culture, image and branding, and wellbeing*

Culture, image and branding and wellbeing occurred with less frequency in this study than in previous literature. Company 11 swayed the results to some extent in that they were heavily in favour of both image and branding, as well as culture (see Table 5). The company has entrenched their collection into the fabric of their organisation, and actively

uses its collection to decorate office space, interact with staff and entertain clients. As Kottasz et al. (2008) explains, culture is more than just corporate identity, as it targets the unconscious values and beliefs that underlie a company's behaviour. For an art collection to be successfully used in this way, it needs to be incorporated into all areas of the organisation and the art works would need to be chosen with specific purpose in mind.

Outside of Company 11, very few of the organisations analysed used their collections to market the company. While some collections were open to the public, very few were actively employed in marketing the business as a whole or even the various products or services of the company. Most companies displayed their art in public spaces, where clients were typically entertained. In this way, the collection was used to imply a level of exclusivity and prestige (Lindenberg & Oosterlinck, 2011; Yoon & Shin, 2014), but once again it is a more passive means of using the collection.

Finally, wellbeing refers here to how a company employs its art to create a workspace that is pleasant to work in. This type of collection can be used to entrench a corporate identity through consistency – reflecting the company image in the uniformity it shares with the furniture and other decoration (Kottasz et al., 2008). Wellbeing was not referenced very often though the interviews and while some of the participants did refer to their collections in terms of its decorative element, this was never the most prevalent reason for owning a collection.

6.2.1.6 *Conclusion*

The research has shown that it is possible to determine and rank the primary reasons for which companies invest in the arts, but that this can differ across markets and geographies. While some similarities exist between the prevailing literature and the finding of this study, it is evident that these may be impacted by external factors and may not be generalizable across the global spectrum of organisations with art collections. Furthermore, it is clear that art collections do not operate in silos and that most organisations will have more than one reason for investing in art and for building a collection.

For the most part, South African organisations within the financial sector tend to invest in the arts primarily for the purposes of corporate social responsibility, education, culture,

image and branding and wellbeing, with each of these being supported to some degree by leadership preference and investment potential.

6.2.2 Research question 2

How does the intent of the art collection influence its composition?

As research question 1 has demonstrated, companies tend to invest in and maintain art collections for multiple reasons and so it has proved challenging to connect the type of art in a collection to a single reason. This was evident in the Lindenberg & Oosterlinck (2011) study, which identified that companies in the Belgian financial sector nominated between 2 and 4 reasons for their collections (as per Table 1 In Chapter 2). As research question 1 has shown, the companies analysed in this study also consistently highlighted more than one reason for owning a corporate collection. The art incorporated in these collections then varied across the board and so distinguishing a singular focus was not possible. Also, as the collections have grown over the years, the composition has changed and therefore many of them consist of a variety of different artworks, styles and eras that have been built up over time.

What was possible, was to examine what these companies focused their collections around and how they looked to grow their collections going forward. Table 11 below provides a breakdown of the results from all the interviews conducted and reflects how the companies prioritised the content of their collections:

Table 9: Ranked order of the type of art contained within corporate art collections

Contemporary art				
Ranking	Locality of the art	Status of the artist	Social impact of the art	Art medium
1	South African art	Emerging artists	Non-controversial art, decorative	Paintings
2	African art	Established artists		Sculptures
3	International art	Unknown artists		Photography
4				Prints
5				Drawings
6				Ceramics

In general, the companies sought to incorporate South African art within their collections, with a focus on emerging artists, although established and unknown artists were not far behind. The majority of art collected was non-controversial, avoiding topics such as

politics, wars, current events, social issues and nudity. As most of the organisation use the collections as decoration for their office space (amongst other things), the art tended towards being decorative. Finally, the focus of most collections was painting, sculpture and photography, with works on paper and other media occurring less frequently. This is a somewhat generalised outlook and more detailed examination of the research in conjunction with current literature is examined below.

6.2.2.1 Corporate social responsibility

The literature reads that a collection orientated towards corporate social responsibility needs to focus on local artists, specifically unknown and emerging artists (Kottasz et al., 2008). The works of art in this area tend to be relatively inexpensive (Yoon & Shin, 2014), with investment potential being an advantage, but not of primary concern. This research aligns with the literature by confirming the focus on local artists and local content. The companies examined here highlighted the point of providing support to unknown or emerging artists, with the intention of upliftment over financial gain.

6.2.2.2 Leadership preference

Leadership preference is more complicated, as it relies quite specifically on the personal tastes and predilections of individual people. Where a group of people come together to define the purpose of a collection (as occurred in Company 5), this can provide more direction on the type of art collected, but this is not commonly the case with corporate art collections. This conclusion is supported by the research which examines how leaders will often collect art that appeals to their individual preferences, which in turn has the consequent effect on what art is collected by the company in the future (Behnke, 2007). In additions, as and when leaders change, so new preferences can impact whether a collection grows, is decommissioned or evolves (Holloway Cripps, 2013), as was evident in Company 1. Finally, leaders can also choose art that reflects an idealised image of the company, as per Company 4, which then has a direct impact on the type of art collected (e.g. traditional, conservative, modern, etc.).

Ultimately, the literature and this study concur that it is not possible to limit a collection guided by leadership preference to a single focus – the compositions vary as opinions vary.

6.2.2.3 *Education*

According to Lewandowska (2015), if art is to be used to educate within an organisation, it needs to stimulate conversation. To achieve this aim, local, contemporary art is typically incorporated into the collection as this makes the collection relatable and provides context. Bjerke & Ind (2015) contend that contemporary art is often contentious and thought-provoking, which drives conversation; but may lead to disagreement and distress (as was the case with *The Spear* (2010) by Brett Murray discussed in Chapter 2 under Illustration 2). It must therefore be carefully managed, so as to drive the desired conversation, i.e. controversial, but not too controversial. To this end, the companies studied avoided overtly political or religious pieces, for the most part, but included works that reflected South African culture, identities and current events. The aim behind these collections were to encourage debate, but avoid aggression.

6.2.2.4 *Financial investment*

Research into the investment potential of corporate collections highlights a focus on established artists, specifically with a track record of increasing value (Korteweg et al., 2016; Kräussl et al., 2016). Contemporary art has proven to be a solid investment, based on recent sales globally, including South African art works – with portraiture achieving world record prices (Korteweg et al., 2016; TMG Digital, 2016). Participant 13 identified the investment potential of African art, albeit that growth was determined from a low base. Furthermore, in the study, where investment was considered, not as a by-product of other choices, but as an intentional decision, the works tended to be from more renowned and well-established artists, with some longevity and a proven track record in the art world.

From the perspective of financial gain, both the literature and the participants agree that works are only really sold for the purposes of homogenising a collection and not for the purposes of making a profit, indicating that a corporate collection is less a vehicle for actual returns and more a means of accumulating wealth (Coulson, 2012; Lindenberg & Oosterlinck, 2011).

6.2.2.5 *Culture*

The culture of any particular organisation is unique. Thus, an art collection would need to adapt accordingly so as to accurately represent the specific culture of an organisation. The companies within this study ranged from smaller, boutique firms, to larger multinational corporations and so their cultures were different as well. In light of this, the

type of art one company would purchase to represent distinctiveness, would differ from the type of art another company would choose to reflect prestige or global reach. This is largely supported to a large extent by the literature. And while no one piece of research examines all options, different notions can be identified across the research scenario: Lindenberg & Oosterlinck (2011), for example, discuss how a culture of wealth and exclusivity would be best portrayed by a collection of internationally renowned, investment-grade pieces; while Bjerke & Ind (2015), postulate that local, contemporary works link an organisation within their local context, driving a culture of community involvement, while also being modern and edgy.

As was the case with leadership preferences, the diversity of company cultures prevents allocating a specific type of art to align with the theme.

6.2.2.6 *Image and branding*

In the same way that it is not possible to allocate a specific artistic style or genre to leadership preference or culture, so a company's desired image precludes it from having a pre-defined type of art. Very little consistency arose in the interview process regarding what art would be considered ideal for a company that uses its collection to drive a certain image or brand itself in a certain way. What the literature does state, however, is that image and branding are typically directed at external stakeholders and so the art collected needs to have a distinctive message, with little room for misinterpretation. An incorrect interpretation of the message represented in a specific work can lead to a misperception in the market, which is then difficult to redirect and rectify. As such, the works incorporated in the collection should ideally not be contentious or complex; rather they should evoke a neutral to positive emotional response from the viewer (Lee et al., 2014; Mazodier & Merunka, 2012).

6.2.2.7 *Wellbeing*

Typically, the art used for the purpose of wellbeing is decorative as well as functional. To this end, participants typically used works that were modern and colourful, with limited depth of meaning. These works were chosen to create a positive work environment that was inspirational and uplifting. The literature supports this by reasoning that collections aimed at the wellbeing of staff and other internal stakeholders will avoid offensive or radical works, in favour of works that are stimulating and drive positive sentiment (Lindenberg & Oosterlinck, 2011).

6.2.2.8 Conclusion

Companies tend to invest in the arts for a variety of reasons and each of these can have an impact on the type of art that they choose to include in their collections. These reasons can be clear-cut and well-defined or they could hinge on the personal tastes and ideals of a single personality. For these reasons, it is not always possible to determine the exact parameters of what art is included in a collection, based on the driving purpose behind that collection.

What this research has managed to achieve is a guideline on how intent can impact composition, as set out in the following table:

Table 10: Intent and the composition of a collection

Purpose	Focus of the collection
Corporate social responsibility	South African artists
	Unknown and emerging artists
Education	South African artists
	Local content
	Non-confrontational
Financial investment	Established/renowned artists
	History of longevity
Image and branding	Non-confrontational
	Clear message
	Positive
Wellbeing	Non-confrontational
	Modern
	Colourful
	Positive

Overall, South African art was prioritised over other localities, incorporating emerging, established and unknown artists. Corporate collections tend to vie away from confrontational pieces and will typically include paintings, sculpture and photography.

6.2.3 Research question 3

How does leadership impact the management and composition of a collection?

Research question 1 has shown the importance of leadership preference on an art collection from inception, through the management of the collection. This foundation can then have a guiding impact on the collection into the future. Furthermore, as leaders change, their varying preferences can impact the growth of the collection and how it is administered going forward.

Of the companies interviewed for this study 82% made reference to the influence leadership had on the initiation of the collection. This influence was typically driven by a personal passion for the arts. In a number of instances, the collection arose as a result of moving into new offices and the need to decorate office space. Instead of buying generic posters and images, these leaders elected to purchase art. This is confirmed in the literature by Behnke (2007) and later supported by Kottasz et al. (2008), who examined how leaders would usually choose art to decorate office space, in line with their personal preferences. And while leaders may not have originally intended to start a collection, these personal preferences would ultimately dictate the future composition of the collection.

This research has built on the past literature by examining how the collections have been altered because of changes in leadership and the impact this has had on the composition of the collection. Company 1 illustrated how differing leadership preferences impacted how the collection was displayed over time; while Company 6 demonstrated how the personal inclinations of different leaders had a direct influence on the composition of a collection.

Each new leader can impact a collection in large or small ways and, with collections that have been in place for decades, this can ultimately affect the overall focus of the collection. In instances where collections have become too singular in their focus, it has proven useful to bring in external curators or to establish art committee to balance new purchasing decision and drive diversity in the collections (Behnke, 2007). Having a clear strategy and spreading out the decision-making processes helps to provide greater clarity to a collection, but it does still need to be driven by someone with a passion for the arts in a position with sufficient power to make an impact.

Leaders also employ budgets and buying decisions are also a big way for leaders to influence the company collections. Holloway Cripps (2013), mentioned how a leader who does not see the value in an art collection may withdraw funding, as was the case in Company 9. In this instance, the collection was not sold, but it is no longer actively managed and is not growing. Funding for the collection was reallocated to more pressing issues relating to the primary concern of the business, while the focus on the art collection has been suspended. Company 5 saw the budget vary depending on the CEO, which had a knock-on effect on what art could be purchased and the values of those pieces. For corporate collections to remain relevant and to keep growing, they

need to have a well-defined strategy and consistency in buying behaviour and this needs to be supported by top management, irrespective of any changes to leadership that may occur (Behnke, 2007).

6.2.3.1 *Conclusion*

Leadership has a significant influence on corporate art collections, to their foundation of them and their continuity. For a collection to remain relevant and viable, it needs to have the support of leadership – not necessarily in the day-to-day operations of the collection, but strategically. This support needs to cascade down through the organisation, driving commitment in making the collection work towards its intended purpose, entrenching it within the fabric of the organisation and providing consistency in support and funding, so that the collection serves its purpose and continues to grow.

Chapter 7: Conclusion

7.1 Introduction

Business today is an integral player in the art world, acting as a patron of the arts to a much larger extent than in the past (Alexander, 2014). Historically, support of the arts was the domain of state-funded institutions and artists were largely dependent on a limited number of museums and galleries for exposure. However, recent economic conditions have resulted in a reduction in government funding for these arts organisations, and so they have been required to look elsewhere for support. In addition to this, competition for funding in the art world is becoming more intense. Thus, artists and arts organisations alike are having to operate more like businesses than passive recipients of funding (Cray & Inglis, 2011).

Businesses, on the other hand, are also experiencing growing competition from a global economy, both inside and outside of the organisations. This is particularly evident in South Africa, where competition to attract and retain staff is as important as gaining and keeping new customers. Therefore, these organisations need to find new ways to market themselves to cut through the clutter (Daellenbach, 2012). One of these ways is through a partnership with the arts, either by means of sponsorship or through corporate art collections. For this partnership to be successful it must be mutually beneficial and requires a clearly defined strategy for both parties.

This research was aimed at providing a clearer understanding of corporate art collections – how businesses use them, what they intend to project and how they are managed internally – in order to provide a foundation on which these strategies can be constructed. This research has applied existing literature, consolidating disparate information into a single study, to assist both business and the arts in working together towards a mutually beneficial outcome.

7.2 Review of the research problems

Literature on the relationship between business and the arts is broad and covers a variety of topics. Generally, published research identifies the reasons why companies invest in the arts and the benefit in doing so. The majority of literature is based on European studies, with a significant focus on the financial industry (Comunian, 2009; Lindenberg &

Oosterlinck, 2011; Yoon & Shin, 2014). There have been little to no formal studies done on the South African market.

The purpose of this study was to consider the reasons why companies invest in corporate art collections, as determined by Lindenberg & Oosterlinck in their 2011 study, and rank them according to prevalence. These reasons were then examined to see if they had any impact on the type of art collected; and finally, the leadership was analysed to understand the impact it has on the establishment, management and composition of an art collection. The research questions were broken down as follows:

1. To what extent do companies in emerging markets differ to developed markets in the reasons that they collect art?
2. How does the intent of the art collection influence its composition?
3. How does leadership impact the management and composition of a collection?

The nature of the research questions was exploratory, aimed at providing a deeper understanding of corporate art collections and their significance to business. This would ultimately provide a necessary foundation on which future studies could be based. Applying a qualitative research method, semi-structured interviews were conducted with 13 participants linked to 11 corporate art collections in South Africa.

7.3 Principal findings

The results of the research have been laid out in Chapter 5 and discussed comprehensively in Chapter 6. The essence of these finding is reflected below:

- The reasons outlined by Lindenberg & Oosterlinck (2011) in their study of the Belgian financial sector are concurrent with this research conducted in South Africa, with the primary difference being in how the companies ranked their collections. South African companies in the financial sector prioritised the purpose for owning a corporate collection as follows: corporate social responsibility, leadership preference, education, financial investment, culture, image and branding and wellbeing.
- Leadership preference scored second on this list, but seemed to be an underlying reason behind most of the collections, as was financial investment. In addition to this, a number of companies chose more than one reason for owning an art collection, confirming the versatility of a corporate collection.

- Based on the complexities of why companies invest in corporate collections, it is not possible to identify exactly the type of art that would be included in those collections. However, this research has shown that there are guidelines as to the characteristics that are typically considered when diversifying or growing a collection. These tend to be: South African art and African art, incorporating emerging, established and unknown artists, most often in the form of paintings, sculpture and photography. Corporate collections tend to avoid confrontational works, including works with radical, political or controversial content.
- When considering the various reasons behind a collection, some commonalities can be ascertained. These are particularly relevant to corporate social responsibility, education, financial investment, image and branding and wellbeing. For the specifics regarding these reasons, refer to Table 12.
- Leadership within the organisation plays an essential role in the establishment and endurance of a corporate collection. Leadership preferences is typically the driver behind the foundation of the collection and without the continued support of leaders, a collection will most likely fail. As leaders change, so this can impact the type of art collected, how it is displayed within the origination and the weight it carries throughout the business.
- The ongoing management of a collection, as well as the buying decision, do not necessarily need to be owned by leadership, but it is important that a leader with a passion for the arts has an integral role in the strategy, budgeting and buying decisions and that their support for the collection filters down through the organisation. Through the support of leadership, the collection needs to be built into the fabric of an organisation, for it to be able to meet its intended purpose.

7.4 Implications of the research

7.4.1 Implications for business

The findings of this research will assist businesses in better understanding their collections and how they can be employed to greater strategic advantage. It encourages businesses to examine and clarify why they have art collections and what they intend to achieve through the collection. In many cases, art collections within organisations are historic and are maintained for the sake of continuity, with no active strategy regarding its application. By illustrating the various applications and utilisations of a collection and

how these can be driven by the type of art collected, businesses can start managing their collections proactively – as a means to educate staff, drive corporate identity, promote a specific organisational culture or market to customers (Lindenberg & Oosterlinck, 2011). By aligning the purpose of a collection with the business strategy and reflecting this in the composition of the collection, the value of the collection is amplified, not just financially, but intrinsically as well.

In addition, by understanding the impact that leadership has on the future prospects of a collection, companies can also guard against the deterioration or downfall of the collection in the future. Collections can be shored up now to protect against potential changes in the future, by building them into the framework of the organisation, creating policies and procedures in support of the current and future growth and by formulating a succession plan to ensure that it always falls under the management of a leader who understands its value and supports its purpose.

The fact that no respondent contacted declined to participate in the research and many requested access to the study once complete, further indicates the value of the research to business.

7.4.2 Implications for arts organisations

Arts organisations and artists who intend to partner with businesses, in order to contribute to their collections or participate in sponsorship activities now have a clearer understanding of what businesses are anticipating when collecting art and what they are hoping to achieve through their collections. By understanding the intent behind a collection and the type of art collected, as well as who best to approach in the business, these arts organisations can formulate a clear business plan/partnership agreements, based on the needs of the business. In addition to this, they can work together with business to build a strategy for embedding a corporate collection and driving it forward through growth and diversification (Cray & Inglis, 2011; Spanos, n.d.).

Cray & Inglis (2011), discussed in their research how it was becoming necessary for arts organisations to increase their levels of professionalism, to better communicate and partner with businesses. This research will help to create a language around corporate art collections to which both companies and arts organisations can relate. It will enhance communication between business and the arts and create avenues for collaboration.

7.4.3 Implications for theory

This research contributes to existing theory on the subject of art and business partnerships; the relationship between intent and composition; and the impact of leadership on a corporate art collection.

On the topic of why South African companies collect art and whether this differs from their counterparts in the developed world, this research builds on the present study by Lindenberg & Oosterlinck (2011), which looks at why companies in the Belgian financial sector choose to invest in the arts. This study considers the same concepts, but from the angle of South African companies within the financial sector, to compare and contrast views from different geographies. The findings illustrate that companies from different economies and with different cultural backgrounds view their corporate collections differently and this can impact the value that they place on them (Munro, 2013).

Furthermore, the research creates a foundation for future study around linkages between intent and composition. While no clear conclusions could be confirmed in this research, it has provided a basis for additional analysis. Much of the literature that exists today talks to the purpose of a collection, with limited reference to the type of art collected and specifically across all aspects (Behnke, 2007; Kottasz et al., 2008; Yoon & Shin, 2014). This research provides a general starting point, with a focus on local art and local content from primarily emerging artists, and builds this into more specific guidelines, in line with the intent of the collection.

Finally, it adds to the literature on leadership and its importance in managing an art collection. In her research, Holloway Cripps (2013), looks at the impact leadership has on corporate art and architecture, but less so on the implications that a change of leadership can have on a collection. This study therefore, complements existing research by examining how leaders can influence a collection and the bearing this has on the longevity of the collection, as well as its strategic focus.

7.5 Research limitations

The limitations to this research have been discussed largely Chapter 4 of this report. These include:

- The study is focused on the South African financial industry, which limits the generalisability of the research to other industries and other geographies. Rather, it is the intention of the research to encourage debate on the various themes and provide a foundation on which future research can be based (Daellenbach, 2012). The application to the greater population is also limited by the homogeneity of the sample (Saunders & Lewis, 2012).
- The participants involved in this research were representatives of the specific organisations, which brings a risk that the data gathered was based on official company communication and not candid information elicited through the interview process. This was at least partially mitigated to some extent by offering the participants confidentiality, as well as through the triangulation of data and the use of secondary data (Yin, 2013).
- On the whole, one interview was conducted per organisation, with a person directly involved in the management of the collection. Involving more people per company at various levels may have added an extra layer of complexity and reliability to the data, which could have bolstered the results further. These extra individuals could have included employees within the organisations who were both in favour of and against the art collection. The research also could have looked at other companies that did not possess art collections, choosing an alternate method, so as to provide an opposing perspective (Kottasz et al., 2008).
- An analysis of the literature on business and the arts repeatedly brings up the same authors, based on a smaller, more focused area of study. This has the potential to limit the diversity of opinions. While the literature has all been based on recent and relevant journal articles, arts journals are often not perceived to be on par with other peer-reviewed, internationally accredited business journals. This has limited the literature available for use in formulating the research.

7.6 Potential areas for future study

Several potential areas for future research emerged during the process of this study. Further research into these areas would provide a more all-rounded understanding of the relationship between business and the arts and provide for greater generalisation.

Firstly, this research is aimed primarily at the financial services industry in South Africa. It would be valuable to explore whether the findings are congruent with what may be

discovered in other industries in South Africa and if they correlate with the characteristics applicable to other global geographies. The research has demonstrated that there is a difference in how South African companies in the financial sector rate the purpose for a collection, versus findings related to companies from European countries. Further research could investigate why primary motivations vary between different geographies, by examining the countries from an economic, social and historic perspective to examine whether these factors influence the reasons for companies' investment in the arts, thus identifying what drives their collections.

While businesses have a long history of involvement in the arts, this seems to have grown in recent times and they appear to be providing greater value and a larger scope for artists and arts organisations than for government. This development seems to be a global trend, but would be worth further investigation into how government funding of the arts and business funding of the arts has changed, whether this differs across countries and continents and whether it is a case of business investment in the arts increasing at the expense of government funding, or if they are both moving in line with one another.

The research is aimed at managers and curators of corporate art collections and marketing initiatives that drive sponsorship. According to the literature, one reason for investing in the arts is the promotion of staff welfare and education. However, very little research has been aimed at the actual recipients of this intervention to determine if it holds value and how the impact is felt.

Finally, further research could examine the actual investment potential of current corporate collections – to track growth and determine value from a financial perspective regarding art investment. For the most part, corporate collections tend to invest in local art, so it would be worthwhile investigating how the art from different countries is performing as an investment vehicle.

7.7 Conclusion

The results of this research are important for companies with corporate art collections, on both a local and international stage. Locally, the research provides a structure around which companies can frame a strategy, in order to get the most out of their existing collection or for those possibly looking to start a collection. It also provides a guideline to arts organisations when approaching business for partnerships and other collaborative opportunities. On an international stage, it complements existing literature on corporate

art collections, supporting a number of premises and providing new insights from a different geographic perspective.

The exploratory nature of the study has provided a foundation on which future research can be based and new insights developed, regarding why companies choose to invest in the arts; the impact this has on the type of art that they include in their collections; and the importance of leadership in driving this process.

References:

- Alexander, V. D. (2014). Art and the twenty-first-century gift: Corporate philanthropy and government funding in the cultural sector. *Anthropological Forum*, 24(4), 364–380. doi: 10.1080/00664677.2014.947917
- Anderson, A., & O’Sullivan, J. (2013). Emerging artists celebrated at the Sasol New Signatures art competition awards. Retrieved May 6, 2016, from <http://www.sasolsignatures.co.za/content/emerging-artists-celebrated-sasol-new-signatures-art-competition-awards>
- Art Times (2014). Irma Stern continues success as Islamic beauty sells for £1Million (R19.4M). Retrieved November 7, 2016, from <http://arttimes.co.za/irma-stern-continues-success-islamic-beauty-sells-1million-r19-4m/>
- ArtNet (2016). Henri Matisse. Retrieved November 6, 2016, from <http://www.artnet.com/artists/henri-matisse/>
- Barry, D., & Meisiek, S. (2010). Seeing more and seeing differently: Sensemaking, mindfulness, and the workarts. *Organization Studies*, 31(12), 1505–1530. doi: 10.1177/0170840610380802
- Behnke, C. (2007). Corporate art collecting: A survey of German-speaking companies. *The Journal of Arts Management, Law, and Society*, 37(3), 225–244. doi: 10.3200/JAML.37.3.225-244
- Bjerke, R., & Ind, N. (2015). The influence of aesthetic investments on employees: An investigation of arts’ impact on employees. *EuroMed Journal of Business*, 10(2), 214–233. <http://dx.doi.org/10.1108/JEIM-07-2014-0077>
- Bocart, Fabian Y. R. P., & Hafner, Christian, M. (2015). Volatility of price indices for heterogenous goods with applications to the fine art market. *Journal of Applied Econometrics*, 30(2), 291–312. doi: 10.1002/jae.2355
- Burbidge, M. (2012). Gallery refuses to remove “spear of the nation” artwork. Retrieved November 5, 2016, from <http://mg.co.za/article/2012-05-17-anc-irate-over-spear-of-the-nation-artwork>
- Business and Arts South Africa (n.d.). BASA Membership. Retrieved September 26, 2016, from <http://www.basa.co.za/for-business/basa-membership/>
- Comunian, R. (2009). Toward a new conceptual framework for business investments in the arts: Some examples from Italy. *The Journal of Arts Management, Law and Society*, 39(3), 200–221.
- Coulson, M. (2012). The investment value of corporate art. Retrieved May 6, 2016, from <http://showme.co.za/lifestyle/the-investment-value-of-corporate-art/>

- Cray, D., & Inglis, L. (2011). Strategic decision making in arts organizations. *The Journal of Arts Management, Law, and Society*, 41(2), 84–102. doi: 10.1080/10632921.2011.573444
- Cray, D., Inglis, L., & Freeman, S. (2007). Managing the arts: Leadership and decision making under dual rationalities. *The Journal of Arts Management, Law, and Society*, 36(4), 295–314.
- Daellenbach, K. (2012). Understanding the decision-making processes for arts sponsorship. *International Journal of Nonprofit and Voluntary Sector Marketing*, 17(4), 363–374. doi: 10.1002/nvsm.1432
- Daellenbach, K., Thirkell, P., & Zander, L. (2013). Examining the influence of the individual in arts sponsorship decisions. *Journal of Nonprofit & Public Sector Marketing*, 25(1), 81–104. doi: 10.1080/10495142.2013.759819
- Daft, R. L. (2015). Chapter 14: Shaping culture and values. In *The Leadership Experience* (6th ed., pp. 426–459). Stamford, CT: Cengage Learning.
- Dilys, M., & Gargasas, A. (2014). Structural business model based on cooperation between sports organizations and sponsors. *Engineering Economics*, 25(1), 94–102. doi: 10.5755/j01.ee.25.1.2680
- Dimson, E., & Spaenjers, C. (2014). Investing in emotional assets. *Financial Analysts Journal*, 70(2), 20–25. doi: 10.2469/faj.v70.n2.8
- Easterby-Smith, M., Thorpe, R., & Jackson, P. R. (2015). *Management and business research* (5th ed.). London: SAGE.
- Freemantle, B., & van Heerden, E. (2001). Vehicles of meaning: ethnographic artefacts in a corporate environment. *South African Journal of Ethnology*, 24(4), 138–145.
- Hagan, J. O., & Harvey, D. (2000). Why do companies sponsor arts events? Some evidence and a proposed classification. *Journal of Cultural Economics*, 24(3), 205–224.
- Henri Matisse. (2011). Matisse in his own words. Retrieved October 7, 2016, from www.henri-matisse.net/quotes.html
- Hoeken, H., & Ruikes, L. (2005). Art for art's sake? An exploratory study of the possibility to align works of art with an organizations identity. *Journal of Business Communications*, 42(3), 233–247. doi: 10.1177/0021943605277111
- Holloway Cripps, K. G. (2013). Art imitates life: art and architecture as a driving force for change. *Journal of Organizational Change Management*, 26(1), 49–63. <http://dx.doi.org/10.1108/09534811311307905>
- Johnston, M. A., & Paulsen, N. (2014). Rules of engagement : A discrete choice analysis of sponsorship decision making. *Journal of Marketing Management*, 30(7–8), 634–

663. doi: 10.1080/0267257X.2013.838986

- Koleva, P., Rodet-Kroichvili, N., David, P., & Marasova, J. (2010). Is corporate social responsibility the privilege of developed market economies? Some evidence from Central and Eastern Europe. *The International Journal of Human Resource Management*, 21(2), 274–293. doi: 10.1080/09585190903509597
- Korteweg, A., Kräussl, R., & Verwijmeren, P. (2016). Does it pay to invest in art? A selection-corrected returns perspective. *Review of Financial Studies*, 29(4), 1007–1038. doi: 10.1093/rfs/hhv062
- Kottasz, R., Bennett, R., Savani, S., & Ali-Choudhury, R. (2008). The role of corporate art in the management of corporate identity. *Corporate Communications: An International Journal*, 13(3), 235–254. doi: 10.1108/13563280810893634
- Kräussl, R., Lehnert, T., & Martelin, N. (2016). Is there a bubble in the art market? *Journal of Empirical Finance*, 35, 99–109. doi: 10.1016/j.jempfin.2015.10.010
- Kruger, T. S., Goldman, M., & Ward, M. (2014). The impact of new, renewal and termination sponsorship announcements on share price returns. *International Journal of Sports Marketing and Sponsorship*, 15(4), 10–25. Retrieved from <http://dx.doi.org/10.1108/IJSMS-15-04-2014-B003>
- Kvale, S. (2007). *Doing interviews*. New York: SAGE Publications.
- Lagoarde-Segot, T. (2011). Corporate social responsibility as a bolster for economic performance: Evidence from emerging markets. *Global Business and Organizational Excellence*, 31(1), 38–53. doi: 10.1002/joe.21403
- Lainé, M. (2016). Can culture account for investment expectations? *Journal of Economic Issues*, 50(1), 72–94. doi: 10.1080/00213624.2016.1147895
- Lapan, S. D., Quartaroli, M. T., & Riemer, F. J. (2011). *Qualitative research: An introduction to methods and designs*. San Francisco: Jossey-Bass.
- Lee, H. C., Chen, W. W., & Wang, C. W. (2014). The role of visual art in enhancing perceived prestige of luxury brands. *Marketing Letters*, 593–606. doi: 10.1007/s11002-014-9292-3
- Lewandowska, K. (2015). From sponsorship to partnership in arts and business relations. *The Journal of Arts Management, Law, and Society*, 45(1), 33–50. doi: 10.1080/10632921.2014.964818
- Lewandowska, K. (2016). It's not all about the profit: an analysis of changes in arts and business relations. *Economics and Business Review*, 2(16), 107–126. doi: 10.18559/ebr.2016.1.7
- Lindenberg, M., & Oosterlinck, K. (2011). Art collections as a strategy tool: A typology based on the Belgian financial sector. *International Journal of Arts Management*,

13(3), 4–19.

- Long Finance (2016). GFCI 20 The Overall Rankings. Retrieved September 26, 2016, from <http://www.longfinance.net/global-financial-centres-index-20/1034-gfci-20-the-overall-rankings.html>
- Mazodier, M., & Merunka, D. (2012). Achieving brand loyalty through sponsorship: The role of fit and self-congruity. *Journal of the Academy of Marketing Science*, 40(6), 807–820. doi: 10.1007/s11747-011-0285-y
- Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook* (2nd ed.). SAGE Publications.
- Munro, V. (2013). Stakeholder preferences for particular corporate social responsibility (CSR) activities and social initiatives (SIs). *Journal of Corporate Citizenship*, September (51), 72–105. doi: 10.9774/GLEAF.4700.2013.se.00007
- Plaza, B., Haarich, S. N., & Waldron, C. M. (2013). The strength of an art brand in destination e-branding. *International Journal of Arts Management*, 15(3), 53–64. Retrieved from <http://eds.a.ebscohost.com/uplib.idm.oclc.org/ehost/pdfviewer/pdfviewer?sid=a4dbf255-fe08-4b18-9f8d-9bc06a92348c@sessionmgr4010&vid=10&hid=4208>
- Richards, L. (2009). *Handling qualitative data* (2nd ed.). London: SAGE.
- Saunders, M., & Lewis, P. (2012). *Doing research in business and management: An essential guide to planning your project*. Essex: Pearson Education Limited.
- Sharf, S. (2012). The top corporate art collections. Retrieved May 5, 2016, from <http://www.forbes.com/sites/samanthasharf/2012/08/02/jpmorgan-ubs-and-other-big-banks-boast-top-corporate-art-collections/#61bba6576c97>
- Smiraglia, C. (2014). Artworks at work: the impacts of workplace art. *Journal of Workplace Learning*, 26(5), 284–295. doi: 10.1108/JWL-11-2013-0097
- Sooke, A. (2014). Corporate collections: The greatest art you can't see. Retrieved May 5, 2016, from <http://www.bbc.com/culture/story/20140814-the-greatest-art-you-cant-see>
- Spanos, L. (n.d.). Art in the workplace: Targeting corporate America. *Art Business News*, 38–40. Retrieved from <http://artbusinessnews.com/2012/01/art-in-the-workplace-targeting-corporate-america/>
- Tharenou, P., Donohue, R., & Cooper, B. (2007). *Management research methods*. New York: Cambridge University Press.
- TMG Digital (2016). London now the place to sell South African art. Retrieved November 2, 2016, from <http://www.timeslive.co.za/local/2016/01/10/London-now-the-place-to-sell-South-African-art>

- Turgeon, N. (1992). The decision process involved in corporate sponsorship of the arts. *Journal of Cultural Economics*, 16(1), 41–51. doi: 10.1007/BF02275976
- Weinstein, L., & Cook, J. (2011). The benefits of collaboration between for-profit businesses and nonprofit arts-organizations. *SAM Advanced Management Journal*, 76(3), 4–9. Retrieved from www.freepatentsonline.com/article/SAM-Advanced-Management-Journal/27286626.html
- Yin, R. K. (2013). *Case study research: Design and methods* (5th ed.). SAGE Publications.
- Yoon, H., & Shin, H. D. (2014). Determinants of the number of artworks in corporate art collections. *International Journal of Arts Management*, 16(2), 19–28.
- Zikmund, W., Babin, B., Carr, J., & Griffin, M. (2012). *Business research methods* (9th ed.). Mason, OH: Cengage Learning.

Appendices:

9.1 Appendix 1: Interview guide

Background

When was the collection established?

What type of art does it include?

How many works make up the collection?

How many artists does it represent?

Purpose of the collection

How was the collection originally started?

Who was responsible for starting the collection?

What was the initial intention behind starting an art collection?

Currently, what is the primary reason for owning an art collection? *Historical reasons, patronage or sponsorship, decoration, corporate image, etc.*

Is the collection used for more than one purpose?

Who is the intended audience? *Employees, customers, the general public.*

How is the collection used? *Educate staff, decorate office space, to entertain clients.*

Does the company communicate information about the collection? If so, how and to whom?

Is the collection public or private? *Available to staff and visitors.*

Where are the works displayed?

How is the collection orientated around your business?

Can the works in the collection be sold?

For what reason would they be sold?

What would the proceeds be used for?

Constitution of the collection

How has the collection changed over time?

Who determines the budget for the purchase of new art works?

How is this budget constituted?

What is the average price of a new acquisition?

How many works are purchased annually?

Is there a predetermined set of criteria against which decisions are screened?

What considerations do you take into account when purchasing new works?

What are the selection criteria for new works? *Type of art, artist, period?*

Who is in charge of the acquisition process?

Describe the acquisition process, including the individuals involved?

Who makes the final decision?

Can this decision be challenged?

Management of the collection

Who currently 'owns' the collection within the business?

How has management support impacted the collection?

What are the operating costs of the collection?

Does the company record the value of the works in the collection over the years?

On which part of the balance sheet is the collection listed?

Does the company amortise the collection over the years?

What is the current value of the collection?

Evolution of the collection

Is there a plan to extend the collection and if so, to what degree?

Do you have anything that you can add that might be useful to our study?

Adapted from Lindenberg & Oosterlinck (2011).

9.2 Appendix 2: Informed consent letter

I am conducting research on corporate art collections and am trying to find out more about the intention behind a collection and whether this impacts the art works collected. Our interview is expected to last around an hour and in that time, I hope to explore why your organisation has chosen to invest in the arts, as well the content and accessibility of your collection and who it is aimed at.

Your participation is voluntary and you can withdraw at any time without penalty.

All data will be kept confidential and stored without identifiers.

If you have any concerns, please contact my supervisor or myself, our details are provided below:

Researcher
Jenni Verschoor
E-mail: jenni.verschoor@investec.co.za
Phone: +27 83 556 8708

Supervisor
Michael Goldman
E-mail: mmgoldman@usfca.edu
Phone: +1 510 809 6200

Signature of participant
Date:

Signature of researcher
Date:

9.3 Appendix 3: Code book

9.3.1 *Atlas.ti* code book: First iteration

First iteration:
Number of codes: 24
Contemporary art / artists
Corporate collections
Corporate social responsibility
Culture
Customers / consumers
Decoration
Duration of the collection
Education
Emerging artists
Established artists
Financial investment
Image and branding
International artists
Leadership preference
Leadership support
Original intent / aim of the collection
Private areas
Public areas
Size of the collection
South African artists
Staff / employees
Type of art collected
Unknown artists
Wellbeing

9.3.1 *Atlas.ti* code book: Final iteration

Final iteration: Number of codes: 61	
African art	Leadership preference
Balance sheet	Leadership support
Budget	Maintenance
Buying decisions	Marketing
Ceramics	No personal choice
Commissions	Non-controversial
Communication	Open plan offices
Conservative	Original intent / aim of the collection
Contemporary art / artists	Paintings
Continuity	Personal choice
Corporate collections	Photography
Corporate social responsibility	Prestige
Cost	Prints
Culture	Private areas
Customers / consumers	Private collection
Decoration	Public areas
Diversification	Public collection
Drawings	Reflection of society
Duration of the collection	Sale of works
Education	Sculptures
Emerging artists	Size of the collection
Engagement	South African artists
Established artists	Staff / employees
External curator	Storage
Financial investment	Strategy
Heritage	Type of art collected
Historical art	Unknown artists
Image and branding	Value
Internal curator	Watercolours
International artists	Wellbeing
International standard	

9.4 Appendix 4: Ethical clearance approval

Dear Miss Jenni Verschoor

Protocol Number: Temp2016-01666

Title: **The impact of intent on the composition of a corporate art collection:
Examining the South African financial sector**

Please be advised that your application for Ethical Clearance has been APPROVED.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards,
Adele Bekker