

# Comparing Strategic Management of Government-Owned and Private Cultural Organizations in Hong Kong

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## Abstract

This paper analyzes and compares a government-owned and a private cultural organization in Hong Kong. Comparisons focus on their corporate governance, organization structure and strategic management. There are debates about whether government-owned cultural organizations can help cultural development in a community while on the other hand there are private cultural organizations voiced out the hardship to achieve sustainable development and keep the operation running. Based on the comparisons and the operation experiences of the two types of cultural organizations, the paper addresses the issues concerning the role of government in art and cultural development in the region and the survival strategies of private cultural organizations. These issues throw some lights on planning cultural policy on government level and sustainable management on organization level.

**Keywords:** government-owned cultural organizations, private cultural organizations, corporate governance, organization structure, strategic management, role of government, cultural development

## 1. Introduction

In the literature concerning cultural policy and cultural development, there are discussions about the role of government in cultural development and criticizing the negative impacts government have given to culture (Arkes, 2008; Murray, 2008). There are also discussions and debates about the pros and cons if government-owned cultural organizations are privatized (Mulcathy, 2003). Tom Perlmutter, the 15th Government Film Commissioner and Chairperson of the National Film Board of Canada, delivered a speech in Montreal on 17 November, 2009. The speech was entitled "Do We Need Public Cultural Organizations?" In the speech, he discussed the role of government in art and cultural development in Canada. He questioned the role of government-owned cultural organizations. He commented the role of government in cultural development caused uneasy feelings to the public about the amount that government had intruded into our personal life. Perlmutter (2009) suggested that the role of government is "to facilitate the maximization of private choices. Anything beyond that it becomes intrusive. It undermines independence and limits liberty or it prevents the free exercise of what is deemed to be a necessary and morally superior way of life" (Perlmutter, 2009, p.1). This paper attempts to compare a government-owned cultural organization and a private cultural organization in Hong Kong and discusses the issues of government role in the cultural development of the area.

From a cultural manager point of views, there are pros and cons of government-owned and private cultural organizations (Arkes, 2008; Murray, 2008; Perlmutter, 2009; Lee, 2014). Government-owned cultural organizations have advantage of receiving stable sources of funding in facilities development and staff recruitment, operating with well-established systems and procedures, and providing events to the public at an affordable price. However the disadvantages are inflexible to change and the organization has lower autonomy on its own as well as for each staff because of a complex hierarchical structure. Staff re-positioning is also another issue for government-owned organizations. Inter-department staff re-positioning within the government is an issue always questioned and debated by the public. Government-owned cultural organizations have less incentive to maximize box office income because their mission is not revenue driven but aims at nurturing a better-off community. On the other hand, private cultural organizations are more flexible and they have staff with good relationships with the arts community and since they rely on multiple sources of income and as a result, they would be more sensitive to market changes. The problem private organizations facing are, of course, with limited resources for development, since they need to fight for subsidies from government with the competitors, and that they are largely affected by government policies. Table 1 presents a quick summary of the pros and cons of government-owned and private cultural organizations.

**Table 1. Pros and Cons of government-owned and privat cultural organizations**

<i>Types of organization</i>	<i>Pros</i>	<i>Cons</i>
Government owned cultural organizations	1. Stable sources of funding 2. experienced staff 3. well-established systems and procedures	1. inflexible 2. low autonomy 3. little incentive to maximize box office income 4. usually no programming 5. re-positioning of staff
Non-government owned or private cultural organizations	1. small team and flexible 2. experienced staff with good relationships with the arts community 3. rely on multiple source of income	1. limited resources and experience for development 2. no incentive from government 3. need to fight for subsidies from government 4. difficulty retaining staff

## 2. Government-owned and private venues case studies: Background information of Sha Tin Town Hall and Hidden Agenda Live House

The government-owned cultural organization analyzed in this paper is the **Sha Tin Town Hall** and the private organization analyzed is the **Hidden Agenda Live House**. Both of them provide performing arts venues in Hong Kong. Sha Tin Town Hall is a classic government-owned regional town hall and government-run organization and it is the biggest government-run venue in the East New Territories. The analysis of Sha Tin Town Hall can reflect the governance, management style and strategic management of typical government-owned cultural venues. On the contrary, Hidden Agenda Live House has experienced difficult moments in its operations with government regulations and the changing economic environment and thus it is selected to contrast and compare with classic government-owned venues in order to discuss government's role in art development in Hong Kong.

### 1.1 Sha Tin Town Hall

Sha Tin Town Hall is located within walking distance of Sha Tin train station and it is situated next to the biggest shopping mall in East New Territories. According to the Sha Tin Town Hall homepage (Note 1), the town hall is recognized as "one of the Hong Kong's finest performing arts centres". It comprises three major facilities: 1372-seat Auditorium, 300-seat Cultural Activities Hall, 378m<sup>2</sup> Exhibition Gallery and other minor and ancillary facilities with about 300 staff.

Sha Tin Town Hall is a community-focused organization and since its opening in 1987, it is "symbolizing the [Leisure and Cultural Services Department] department's commitment in the arts". It has an aim of supporting local arts and culture and promoting "cultural enrichment of the community" according to the mission statements stated in the official website. The revenue of the Sha Tin Town Hall mainly comes from renting out of the cultural venues. The financial figures presented in Table 2 shows a shortfall of about 10 millions in the year 2012/2013. The financial shortfalls in operation of the Sha Tin Town Hall are obviously supported by the funding from the government.

**Table 2. Financial Figures of Sha Tin Town Hall for 2012/2013, adopted from [http://www.lcsd.gov.hk/CE/CulturalService/Sha Tin/eng/about/intro.html](http://www.lcsd.gov.hk/CE/CulturalService/Sha%20Tin/eng/about/intro.html)**

<i>Expenditure</i>		<i>Revenue</i>	
Salaries	\$15,075,000	Hiring	\$17,232,000
Operating Costs (technical & specialist services maintenance and contract services, etc)	\$20,807,000	Other revenue	\$20,637,000
Electricity, Cleaning and Security	\$8,980,000		
Publicity	\$477,000		
Promotional Activities	\$2,159,000		
<b>Total</b>	<b>\$47,498,000</b>	<b>Total</b>	<b>\$37,869,000</b>
		<b>Attendance</b>	<b>378,442</b>

### 2.2 Hidden agenda

Hidden Agenda started by some post-80 music lovers in 2009. It began with a thought of transforming a band practice room, which was situated in a Kwun Tong industrial building, into a live house for independent music

[indie music] (Tjhung, 2011; Lee, 2014). A year went by, it became a local band scene's hot spot, and a nice venue for foreign musicians as they performing on their Asia tour. The music events organized were reported by magazines and online channels like Time Out Magazine (Hong Kong), Hong Kong Magazine and CNN Travel. However, the "Industrial Building Revitalization" act by the government affected its operation when the organizers were forced to terminate the venue because the premise was bought by a land developer as encouraged by the government "revitalization" project.

In a very short period of time, the organizers found a new location, in Tai Yip Street, Kwun Tong, Hong Kong, and restarted everything again. The new venue can hold more than 300 audiences, a bigger stage was built, and better sound system has been installed. A lounge for performers, a bar for drinks, and a place for street art products and indie label CDs called Hidden Shop were built inside the venue. Each year, Hidden Agenda organized more than 60 music shows for local and international artists, with diverse genre such as rock, heavy metal, jazz, folk, punk, post-rock, reggae, visual rock, hip-hop, experimental noise, techno etc. Hidden Agenda was picked by Time Out Magazine (HK) as the best venue in Hong Kong in 2010. In fact, until today, many artists from abroad are taking Hidden Agenda as the local version of the legendary New York CBGB club.

### 3. Corporate Governance and Organization structure

Most organizations have Board of Directors and there is no exception in cultural organizations. The main job of the Board of Directors is to direct the corporation or organization's management to accomplish specific objectives. The need of corporate governance is "to align as nearly as possible the interests of individuals, organizations and society" said by Sir Adrian Cadbury in Global Corporate Governance Forum, World Bank, 2000. This section discusses the corporate governance and organization structures of Sha Tin Town Hall and Hidden Agenda Live House.

#### *3.1 Mechanistic organization structures: Transparency issue in decision making in Sha Tin Town Hall*

Sha Tin Town Hall is one of the four town halls owned and run by the HKSAR government under the governance of the Leisure and Cultural Services Department (LCSD) under the Home Affairs Bureau of the Hong Kong SAR government. The LCSD is directed by Mrs Betty Fung Ching Suk-yea since 2009, whose previous government position is Director of Information Services. The organization chart of LCSD is shown in Figure 1. All cultural venues are under the Cultural Services Branch of LCSD and under the Performing Arts Division (shown by the Arrow in Figure 1). Under a very big organization tree, the organization structure of Sha Tin Town Hall is taking a mechanistic organization structure. Mechanistic organization structure is a hierarchical & bureaucratic organizational-structure characterized by the centralization of authority, formalization of procedures and practices, and specialization of functions. Mechanistic organizations are comparatively simpler and easy to operate, but difficult to cope with rapid change.

Organization structure is a "formal system of working relationships among people and the task they must do to meet the defined objectives." (Schermerhorn, 1993, p.163). There are two major types of organization structures. Tom Burns and G.M. Stalker in the late 1950s coined the terms mechanistic and organic organization structure. Sophie Johnson in Houston Chronicle (A printed and online newspaper in Texas, U.S.A.) mentioned that mechanistic organizations "have fine divisions of labor, resulting in highly specialized jobs; they rely on management for control, creating a bureaucracy; and they have many rules and a strict chain of command" (Johnson, 2015). The organization operates similar to a machine, its many parts synchronized to produce a standard and predictable output.

There are evidences of mechanistic organization structure of Sha Tin Town Hall from the very complicated procedure for hiring of the venue shown in the official webpage, the difficulties in arranging a site visit and the lack of transparency in the policy and decision made by the venue in selecting the venue partners, etc. Calley, Pin McElroy and LEE (2013) tried to arrange interview with managerial staff of Sha Tin Town Hall to research about venue management issues. Calley, Pin McElroy and LEE's study (2013) pointed out the difficulties to arrange interview with managerial staff in Sha Tin Town Hall showed the transparency issues in management of the venue. It was doubt that how much information is available to the public and cultural workers. It may also be possible that each managerial staff is working on his/her own specific area, such as a Front of House Manager have no access or have no obligation to provide information about programming decisions. Sophie Johnson criticized this kind of mechanistic organizational structure and commented that "inherent bureaucracy hampers efforts to quickly respond to outside market forces. Innovation has to wait on red tape. Rigid control and job specialization means employees aren't free to be creative problem-solvers" (Johnson, 2015). Furthermore, detailed division of labour contributes departmental isolation; as a result, interdepartmental cooperation and communication are suffered in mechanistic structures.

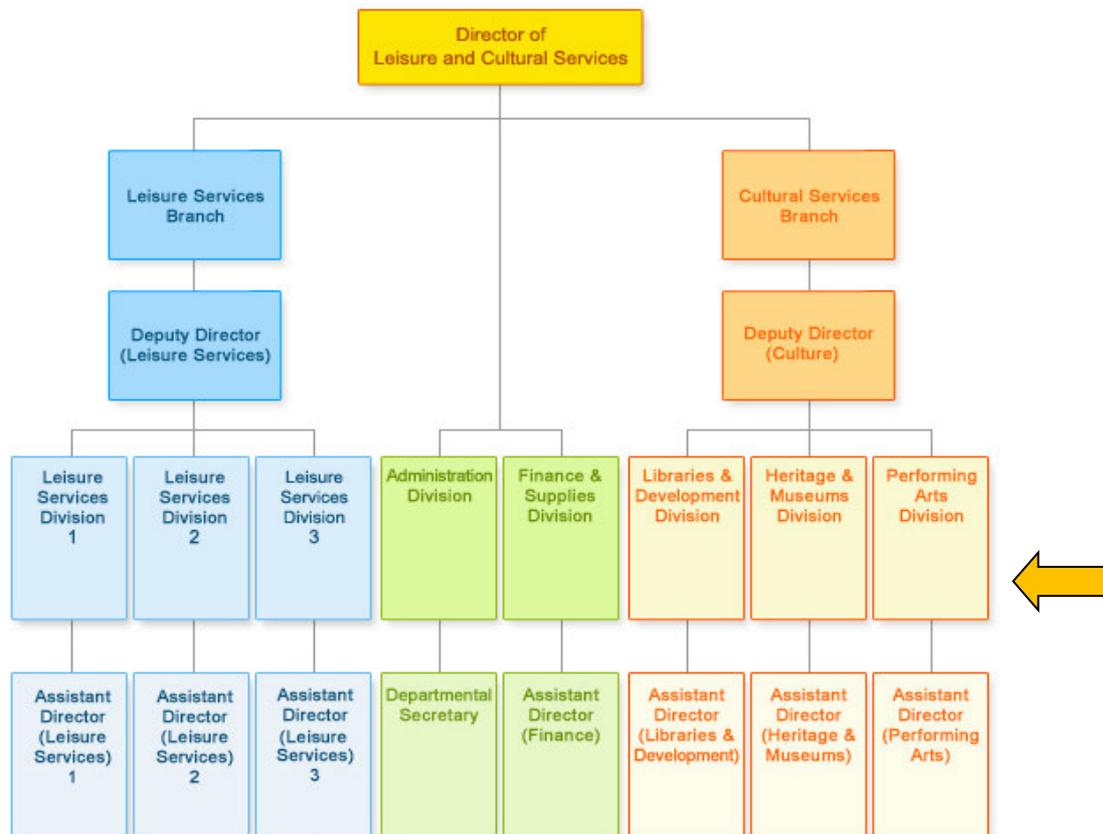


Figure 1. Organization Chart of LCSD and Sha Tin Town Hall

### 3.2 Organic organization structures: Hidden Agenda Live House's flexibility to change and reaction to external environment

On the contrary, Hidden Agenda is adopting an organic organization structure. Organic organizations value external knowledge and flexibly react to external environment. Participants or staff in the organic organization have equal levels, with no clear job descriptions or classifications, and rely on communication. Organic organization thrives on the power of personalities and relationships, lack of rigid procedures, and can react quickly and easily to changes in the environment, it is an adaptive form of organization. Decisions arise from the needs felt by individuals in the group, who propose changes to the group.

A telephone interview has been conducted and talked to the managerial staff of the Hidden Agenda Live House. The person responded to the telephone interview mentioned the simple e-mail booking procedure. It was reported in Apple Daily (the bestselling Chinese newspaper in Hong Kong) on 7 June, 2011 that Hidden Agenda Live House has 7 people in the managerial level. Although all of them are freelancers, they have built up good internal communication channels and effective division of labour. Each person has his/her specialized skills, some are good at stage design, some are event curators, some responsible for lighting (He, 2011). As stated in the Hidden Agenda's official webpage: "We include a Sound Engineer and Lighting Technician in every show, and an experienced planner for performances, parties and art events. We want our audience and artists to have the best possible indie experience." The mission statement shows the dynamic nature of the staff to cater the need of the market. Evidence of its organic organization structure can be shown when the organization was facing several crises in 2010 and 2011.

In 2010, Hidden Agenda was forced to move because a land developer bought the industrial building and kicked tenants out. The intrusion of land development was because of the government's "Industrial Building Revitalization Project" (Lee, 2014). Hidden Agenda Live House was forced to move to a nearby industrial building. In the telephone interview, the spokesperson said that "after a few discussions of the seven of us. We have a final music event on the last day until 3:00am and return the key of the premise in 9:00am on the same day". People wrote their names and words on the main door of Hidden Agenda, and the door was given to the Art Development Council as an artwork after the artists' parade against revitalization.

Not long after the first move, in 2011, the District Lands Office/Kowloon East received a complaint about unauthorized use at the subject premises. After the "official investigation", it was found that the premise had been used for musical performance and live music venue purposes. Since the premise was restricted to

industrial or warehouse purposes, the uses in music performances were in contravention of the lease conditions. Hidden Agenda must remedy this breach by 21 June, 2011. The Land Department acted as the landlord to “regularize” the breach requiring that the venue to seek permission from the Town Planning Board and apply for a waiver as well as paying a fee of about HK\$120,000 per year.

Hidden Agenda immediately announced an office statement in Facebook and in other social media stating that “people come for the music, music IS the very purpose. We suffer from the lack of sufficient income from the very first day, the reality is many friends support and help out for free. We believe that this Live House belongs to everyone, we treasure the bonds and loves we have priors to everything else.”

Hidden Agenda fought back in social media, such as Facebook, press releases, and public forums. Time Out Magazine (Hong Kong) used the subtitle “Bureaucracy and government policy may lead to the demise of one of Hong Kong’s most-loved music venues” to report the issue on, 6 Jun 2011 (Tjhung, 2011). Hidden Agenda Live House together with other musicians and artists in Kwun Tong formed a concern group, Revitalization Internalize Partnership, to continue negotiating with the government and protecting the rights of artists in the industrial area. The Revitalization Internalize Partnership group argued that an artist “has to do artistic work or performance. So, doing painting, busking, music performances are our art culture. Industrial buildings are the last resorts for us to keep this culture survive. If we have to move out, the culture will be shattered” (Khpyotha, 2010). The group called for the Hong Kong Arts Development Council to survey the needs of industrial-art tenants and insisted to help artists and raise the public awareness on hardships they face. The group blamed the lack of government’s care in cultural development in social media.

“Our government cares for rich people, not us. This policy doesn’t give a damn to any kind of artists working or living in industrial buildings. We artists are like grasses under a big stone – struggle a lot to survive. Now the government is trying to step them down. Make no mistake, this revitalization policy will lose Hong Kong its art development.” Khpyotha (2010).

To sum up this section, private organizations are more adaptive to changes and even fights for their own rights by means of internal communication within the organization and external communication with stakeholders and with the community. While, on the other hand, government-owned cultural venues are more rigid in rules and regulation and less responsive to external changes. Most of the government-owned cultural venues are running with mechanistic organization structure which is characterized by hierarchical & bureaucratic structures with centralization of authority.

#### **4. Discussions on Strategic Management: Branding, Marketing and Public Relations**

Strategic management concerns with responses to external issues such as in understanding customers' needs and responding to competitive forces. Porter (1996) identifies three principles in strategic positioning: (1) creating a "unique and valuable position", (2) making trade-offs by choosing "what not to do", and (3) creating "fit" by aligning company activities to with one another to support the chosen strategy. This section discusses the strategic management, paying special attention to branding, marketing and public relations, of the two organizations.

##### *4.1 Survival strategies of Hidden Agenda Live House and brand building*

Although there were lots of problems with government policy and restrictions, Hidden Agenda reacted quickly with the changing external conditions and has a very clear mission of serving the indie music in Hong Kong. Hidden Agenda had segmented the young indie musicians and indie music lovers covering a wide range of music genres, such as rock, heavy metal, jazz, folk, punk, post-rock, reggae, visual rock, hip-hop, experimental noise and techno etc. Through various social media, like press release, Facebook, Weibo, Douban, Song kick and independent media, like iQuest; Hidden Agenda had made use of the “misfortunes” and reached media coverage in relevant social media channels. Hidden Agenda had been building up a brand of “an organization for indie music” and projected to the community. The spokesperson of Hidden Agenda said in our telephone interview that, “Our shows can accommodate 200 to 300 persons” and “within a month, if there are 2-3 events are popular and full-housed, then we have enough money to operate and subsidies for other less popular shows, the main objective is to support indie music in Hong Kong.” This mission of Hidden Agenda is clearly defined, carried out and projected to the community.

##### *4.2 Branding of Sha Tin Town Hall: Effective or not?*

Sha Tin Town Hall had shown its segmentation of senior citizens in their selection of partners of the Venue Partnership Scheme. The Venue Partnership Scheme, which started since 2009, aimed to foster a partnership between the venues and performing arts organizations to build up the artistic image and character of the venue and its partner. The scheme also had purposes of enlarging the audience base, optimizing usage of facilities, developing venue-based marketing strategies, facilitating the solicitation of corporate/private sponsorship, encouraging community involvement in promoting the arts in the community. The Cantonese Opera

Advancement Association, which contained 18 sub-organizations promoting Cantonese/Chinese Opera, was the major venue partner in Sha Tin Town Hall's Venue Partnership Scheme.

The official data pointed out that the main auditorium of Sha Tin Town Hall can accommodate 1372 people, however, the data from the official website reported that the occupancy rate of the main auditorium is 36% (735 shows with an overall attendance of 366,000) in 2011-2012 and 37.9% in 2012-2013. The occupancy rate is indeed far from satisfactory. It seems the focus on senior citizens is not an effective strategy.

An audience survey was carried out by picking a random week, staying in the venue from 10:00am to 7:00pm from Monday to Sunday and interview people who were buying tickets, picking up pamphlets and looking at posters. 602 people were interviewed. The result showed that 42.33% of the interviewees would like to watch Cantonese Opera in the venue, while other potential audiences' choices were with other performances, such as music concerts, drama, dance and other art forms (Appendix I, Table 4). In addition, taking a look at the demographic data from 2011 population census (Appendix II, Figure 2) and data of population trends provided by the District Council (Appendix II, Figure 3), Sha Tin area had a median age of 41.5 in 2011 and a projected median age of 44.2 in 2021. This showed slight ageing population trend in 10 years. Government-owned organizations always followed general government's policy address. The policy focus of recent years was the societal ageing population, which raise questions in lack of labour force (Evans & Li, 2013). The ageing population issue was a hot topic and a bit exaggerated and leads to massive discussions about pressure in medical care and retirement benefits, as well as economic pressure of an increasing dependent population as a result of ageing population in the community. It seemed that the art and cultural field also cannot escape from the discussions and concerns about the ageing population issues. From the evidence showing the choice of partners of the Venue Partnership Scheme, the venue has segmented senior citizens and students at school to promote Cantonese Opera. However, making a branding of "promoting Cantonese Opera" not only will face competitions from, Town Halls of other districts, the Sunbeam Theatre (a privately funded Cantonese Opera theatre), the Bamboo Theatre of the West Kowloon Cultural District and even Hong Kong Cultural Centre, but also missed some potential audience in the region by neglected some of the art forms, such as such as music concerts (17.67%), drama (5.03%), dance (5.17%) and other art forms (29.8%) shown in the audience survey. Looking at the audience survey and the demographic data, the venue did not answer to some of the needs from the audiences or potential audiences, especially the youth, middle-income groups and the families living in the region.

With the advantage of stable government funding, ample space, facilities equipped and the location of the venue, Sha Tin Town Hall can improve in several areas, Sha Tin Town Hall can do better,

- (1) in marketing and public relations plan based on a growth strategy by developing audience from segments besides the elderly.
- (2) to anticipate and adapt to audience preferences and the social trends, such as age distribution, economic environment, population mobility, etc.
- (3) to develop art education programs, as an audience development plan, to allow young audience to get hands-on experience in visual art, dance, music and other art forms.

For healthy development of cultural organization serving the public, it is very important, on one hand, to build bigger audience population by understanding the needs of the public with appropriate marketing as well as public relations strategies and, on the other hand, to raise the interest of younger generation to appreciate and get hands-on experience in different art forms by art education programs collaborating with local schools so as to nurture potential artists.

"The classical music world has similar problems. The education is technically efficient, yet education alone is not building bigger audiences. It has been reported in various research endeavors that people are more likely to attend if they have a hands-on relationship to the music. If a child had played an instrument in band at school, they are more likely to attend a performance later in life." (The Independent Ear, 9 July 2012)

##### **5. Looking into future possibilities: Collaboration between government-owned and private cultural organizations?**

If we compare and contrast the two cultural organizations, we can see that Sha Tin Town Hall, as a classic government-owned cultural organization; and Hidden Agenda, a private cultural organization, have a lot of differences from management perspectives. Table 3 summarizes the major differences.

**Table 3. Comparisons between government-owned and private cultural organization**

	<i>Government-owned cultural organizations</i>	<i>Private cultural organizations</i>
Corporate Governance	<ul style="list-style-type: none"> <li>- With appointed C.E.O. and Board of Directors</li> <li>- Directors are subject to inter-department re-positioning within the government</li> <li>- Under the governance of government within a huge organization chart of the government</li> </ul>	<ul style="list-style-type: none"> <li>- Normally formed and run by people who are interested in the art form and share the same vision</li> <li>- Simple structure which foster internal and external communication</li> </ul>
Organization Structures	<ul style="list-style-type: none"> <li>- Mechanistic structures</li> </ul>	<ul style="list-style-type: none"> <li>- Closer to organic structures</li> </ul>
Strategic Management	<ul style="list-style-type: none"> <li>- Affected by the general government policy</li> <li>- Less responsive to market change and audiences' needs</li> </ul>	<ul style="list-style-type: none"> <li>- Follow the mission statement of the organization</li> <li>- More responsive to market changes, and driven by audiences' &amp; stakeholders' needs</li> </ul>
Branding	<ul style="list-style-type: none"> <li>- Follow the general government policy</li> </ul>	<ul style="list-style-type: none"> <li>- Follow the mission of the organization and adapt to the marketing information</li> </ul>
Marketing	<ul style="list-style-type: none"> <li>- Very limited budget is given to marketing and audience survey</li> </ul>	<ul style="list-style-type: none"> <li>- Marketing strategies are important, because the operation of the organization is driven by revenue and income</li> </ul>
Public relations	<ul style="list-style-type: none"> <li>- Very limited use of social media</li> <li>- Less reliance on PR</li> </ul>	<ul style="list-style-type: none"> <li>- Make use of social media, like press release, Facebook, Youtube, Weibo, etc.</li> <li>- Reply on PR to project the company image to the community</li> </ul>

The survival of Hidden Agenda Live House had given policy makers and cultural managers some insights. Cultural activists commented that government used the name of “revitalization”, but in fact it was “privatization of the industrial building, so as to sell to land developers”. This was a case when government policies based on economic consideration affected the development of cultural organizations in Hong Kong. Analyzing the operation and management of Sha Tin Town Hall, a government-owned venue, there seemed to be a mismatch between its strategic plans and the mission of LCSD, which claimed to “enriching life, promote professionalism, promote synergy within the community”. Government-owned cultural organizations, which are not driven by market trend and not reply on revenue, should have well-defined social goals in art and foster cultural development rather than merely response to general targets set forth by government policy address. By analyzing the experience and operation of the Hidden Agenda Live House, it seemed the government policies were not in favour of art and cultural develop. In the long-run, the policy makers or the government could consider the collaboration between government-owned and private cultural organizations since it is an emerging trend in another part of the world. New York City Department Cultural Affairs stated in their website that the cultural development of the city relied on the public-private partnership between the City and the members of the Cultural Institutions Group (CIG) since 1869, at that time State legislation provided use of the City-owned property to the private nonprofit organization

“Each institution's relationship with the City commenced in ways that reflected the City's cultural priorities at that time, and they vary widely in their organizational size, discipline, audience, and breadth of service. The strength of the Institutions is in their diversity; taken together, they offer New York City residents and visitors cultural riches that no other North American city can display, and only a handful of cities in the world can aspire to.” (New York City Department Cultural Affairs, 2013)

## 6. Conclusion

The government-owned cultural organizations' management strategies and the incident happened to the private cultural organization discussed in this paper, indeed, reminded us to revisit Perlmutter's 2009 speech. Perlmutter (2009) said, “The argument for public organization rests on the notion that government's prescriptive actions rests on an implicit understanding of what the public values and wants” (p.2). The case of Sha Tin Town Hall showed some mismatch of community's cultural needs and authority's vision. The case of Hidden Agenda

showed a victim who suffered from the mechanistic government structure and from the “city’s bureaucracy”. Even for the well-known music event in Hong Kong, the Clockenflap, did face some problems with the government restrictions as reported in the South China Morning Post on 23 November, 2013. In 2011, Clockenflap were taken in by the West Kowloon Cultural District, which was at that time still managed by the LCSD, but Clockenflap were not allowed to sell tickets and this led them to hold the event for free and a large budget shortfall. The organizers not only needed to work with the “city’s bureaucracy”, to pull together permissions, to liaise with police and fire departments, to license safety certifications, and to co-ordinate food vendors when organizing an open-air festival, but also suffered from this unexpected restrictions on ticket selling. The organizers commented in the public media, that the government departments are unsure about how to approach the cultural events and the rules of LCSD are always rigid and not flexible for negotiation. It is ironical if we look at the mission statement of LCSD as stated in the official webpage.

“We aim to provide quality leisure and cultural services commensurate with Hong Kong’s development as a world-class city and events capital”.

It is sad to see that the management strategies of the government-owned cultural organization and the experiences of the private cultural organization in this paper did not go in line with the LCSD missions of “enriching life, promote professionalism, promote synergy within the community”. These are some important points that future cultural managers and policy makers to be aware of. Cultural managers should do lots of marketing research to understand the cultural needs of the community population and plan cultural events accordingly. The main reason why Perlmutter (2009) raised the question, “do we need public cultural organization?” is that the society is always in transition and changing. The ways in which conflicting values can be “expressed, explored, debated and exchange” is through public forums, communications and open discussions. “At the end of the day, however, it falls short because the economic calculus makes of culture a fungible economic activity which can be displaced by another that delivers greater returns. The economic argument may be useful tactically. It should not displace the search for a more fundamental basis on which to ground an understanding and support for the public realm” (Perlmutter, 2009, p.3). Further research can be done on strategic plans of both public and private organizations and examine how effective that they can match community’s cultural needs as well as on the effectiveness of public-private collaborations in organizing cultural events.

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#### Notes

Note 1. <http://www.lcsd.gov.hk/CE/CulturalService/Shatin/eng/about/intro.html>

#### Appendix I: Audience survey

**Table 4. Audience survey in Sha Tin Town Hall (N=602)**

<b>Gender :</b>	Male	37%
	<u>Female</u>	<u>63%</u>
	Total	100%

<b>Age:</b>	10-30	35.30%
	31-50	27.70%
	<u>51+</u>	<u>37%</u>
	Total	100%

#### How do you know the venue?

live in Sha Tin	60.20%
parents/teachers	17.67%
internet	12.30%
friends	7.20%
<u>other channels</u>	<u>2.63%</u>
Total	100%

#### What kind of shows you like to watch?

Cantonese Opera	42.33%
Concerts	17.67%
Drama	5.03%
Dance	5.17%
<u>Various</u>	<u>29.8%</u>
Total	100%

Appendix I I: Population distribution

選區	人口			年齡組別	人口		
	男性	女性	合計		男性	女性	合計
(R01) 沙田市中心	9 654	11 905	21 559	0 - 4	10 411	9 589	20 000
(R02) 遼源	6 275	7 053	13 328	5 - 9	10 921	10 092	21 013
(R03) 禾輦邨	9 431	9 969	19 400	10 - 14	14 637	13 467	28 104
(R04) 第一城	7 034	8 963	15 997	15 - 19	19 082	18 243	37 325
(R05) 愉城	6 883	8 316	15 199	20 - 24	20 714	21 440	42 154
(R06) 玉皇	8 119	9 866	17 985	25 - 29	22 279	29 549	51 828
(R07) 沙角	7 635	8 422	16 057	30 - 34	21 326	30 772	52 098
(R08) 博康	7 861	8 494	16 355	35 - 39	20 174	27 578	47 752
(R09) 乙明	7 090	7 660	14 750	40 - 44	19 960	27 419	47 379
(R10) 泰豐	6 384	6 955	13 339	45 - 49	26 234	31 653	57 887
(R11) 新田圍	8 320	8 921	17 241	50 - 54	29 352	30 924	60 276
(R12) 翠田	7 470	8 493	15 963	55 - 59	25 840	26 270	52 110
(R13) 顯高	6 294	6 807	13 101	60 - 64	20 235	19 827	40 062
(R14) 下城門	9 612	11 033	20 645	65 - 69	11 231	10 106	21 337
(R15) 徑口	9 329	10 918	20 247	70 - 74	8 530	8 229	16 759
(R16) 田心	7 471	8 086	15 557	75 - 79	7 016	8 075	15 091
(R17) 翠濠	7 905	8 759	16 664	80 - 84	4 301	5 821	10 122
(R18) 大圍	9 856	11 412	21 268	85 +	2 808	6 168	8 976
(R19) 松田	9 129	9 946	19 075	<b>總計</b>	<b>295 051</b>	<b>335 222</b>	<b>630 273</b>
(R20) 穗禾	5 745	7 070	12 815	<b>人口比例 (百分比)</b>			
(R21) 火炭	7 811	9 293	17 104	年齡組別	男性	女性	合計
(R22) 駿馬	6 179	7 901	14 080	0 - 14	12.2	9.9	11.0
(R23) 頌安	9 993	11 276	21 269	15 - 24	13.5	11.8	12.6
(R24) 錦濤	9 677	10 833	20 510	25 - 44	28.4	34.4	31.6
(R25) 馬鞍山市中心	9 706	11 940	21 646	45 - 64	34.5	32.4	33.4
(R26) 利安	11 111	12 087	23 198	65 +	11.5	11.5	11.5
(R27) 富龍	8 666	9 568	18 234	<b>所有年齡組別</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
(R28) 錦英	8 260	9 401	17 661	<b>年齡中位數</b>	<b>42.0</b>	<b>41.2</b>	<b>41.5</b>
(R29) 耀安	7 821	8 260	16 081				
(R30) 恒安	10 468	11 235	21 703				

Figure 2. Population distribution of Sha Tin District (2011 population census), retrieved from: <http://www.census2011.gov.hk/en/district-profiles/sha-tin.html>

表 7 (續)：二零一三年至二零二一年按區議會分區和每五歲一組的年齡組別劃分的人口推算數字  
 Table 7 (Cont'd) : Projected Population by District Council District by Quinquennial Age Group, 2013-2021

區議會分區：沙田  
 District Council District : Sha Tin

(以年中計算 as at mid year)

年齡組別 Age Group	2011 #	2012 #	2013	2014	2015	2016	2017	2018	2019	2020	2021
0 - 4	20 000	21 600	22 100	23 000	24 200	25 500	24 900	24 400	24 800	24 700	24 500
5 - 9	21 000	20 800	21 600	22 300	23 600	25 200	27 300	28 200	29 000	29 000	28 400
10 - 14	28 100	25 900	24 300	23 100	22 600	23 100	23 100	23 700	24 800	26 000	27 100
15 - 19	37 300	36 800	35 300	33 400	31 500	30 100	27 500	25 900	25 200	24 400	24 200
20 - 24	42 200	42 100	42 200	40 900	41 300	42 700	41 800	40 400	39 000	36 500	33 900
25 - 29	51 800	51 100	51 700	52 300	52 600	54 000	53 700	53 800	53 400	53 400	52 700
30 - 34	52 100	53 500	54 900	55 700	57 100	59 000	58 600	58 100	58 800	58 400	57 700
35 - 39	47 800	49 600	50 100	51 000	52 900	56 100	56 700	58 000	59 200	60 000	60 200
40 - 44	47 400	48 000	48 700	49 100	50 100	50 900	52 000	52 200	53 200	54 300	55 800
45 - 49	57 900	56 000	53 100	50 900	49 700	50 000	50 400	51 200	51 900	52 100	51 200
50 - 54	60 300	60 400	60 600	60 100	59 500	58 500	56 800	54 200	52 700	51 600	51 000
55 - 59	52 100	54 300	56 700	57 900	58 800	60 100	59 800	60 000	59 800	59 100	57 700
60 - 64	40 100	42 000	43 700	46 200	48 600	51 200	53 200	55 600	57 000	57 800	58 500
65 - 69	21 300	24 500	27 900	31 000	34 900	39 000	41 000	42 800	45 400	47 600	49 800
≥ 70	30 900	52 200	53 200	54 600	56 300	58 500	62 000	65 800	69 800	74 500	79 100
<b>所有年齡組別 All Age Groups</b>	<b>630 300</b>	<b>638 700</b>	<b>646 000</b>	<b>651 600</b>	<b>663 600</b>	<b>683 900</b>	<b>688 700</b>	<b>694 100</b>	<b>704 100</b>	<b>709 500</b>	<b>711 700</b>
<b>年齡中位數 Median Age</b>	<b>41.5</b>	<b>41.9</b>	<b>42.1</b>	<b>42.4</b>	<b>42.6</b>	<b>42.6</b>	<b>43.0</b>	<b>43.3</b>	<b>43.5</b>	<b>43.8</b>	<b>44.2</b>

# 基年估計 Base year estimates.

Figure 3. Projection of population distribution of Sha Tin District, retrieved from <http://www.statistics.gov.hk/pub/B1120015052012XXXXB0100.pdf>