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Controlling as an Essential Tool in Theatre Performance Management: A Key to Successful Theatre Business

Joseph Agofure IDOGHO, (PhD)
Department of Theatre and Media Arts, Federal University Oye Ekiti, Ekiti State, Nigeria

Abstract

Theatre organizations face heightened challenges in the digital era as new media and online entertainment disrupt traditional audiences. This study examines the role of controlling – a core management function focused on monitoring and corrective action – in enhancing performance management for successful theatre business operations. Adopting a conceptual research approach grounded in Decision Science Theory, the paper draws on existing literature and theory rather than new empirical data. Decision Science Theory, which centres on systematic decision-making processes, provides a framework to understand how theatre managers plan, identify problems, evaluate alternatives, and make optimal choices. Through an integrative literature review, the study finds that effective controlling is closely linked with performance management: when managers set clear standards, continuously evaluate performance against goals, and implement timely corrective measures, theatre organizations achieve higher efficiency and effectiveness. Performance management in this context involves strategic goal-setting, continuous feedback, staff development, evaluation, and rewards aligned with organizational objectives. The discussion highlights that combining robust controlling practices with proactive performance management can help theatre managers adapt to changing conditions and improve overall productivity. The paper concludes that controlling is an indispensable tool for theatre managers, enabling better decision-making and sustained success. It recommends that theatre management professionals and scholars give greater attention to developing controlling competencies and frameworks as part of performance management, thereby strengthening the industry's capacity to thrive amid contemporary challenges.

Keywords: Controlling; Performance Management; Theatre Business; Efficiency; Effectiveness

Introduction

The management of theatre enterprises today demands adaptability and rigor, especially in the face of digital transformation and evolving audience behaviours. In recent years, the theatre business has encountered critical challenges due to the advent of new media, digital marketing platforms, and competition from on-demand entertainment. To remain viable, theatre managers must devise strategies to navigate this challenging terrain and to differentiate live performances in a digitally saturated market. One fundamental way to achieve this is by fully utilizing core management functions to improve internal operations and outcomes. Management responsibilities are traditionally categorized into five primary functions: planning, organizing, staffing, leading, and controlling. Among these, controlling – the process of ensuring that actual performance aligns with planned objectives – is often underutilized or misunderstood in arts management. Controlling entails setting performance benchmarks, measuring actual outcomes against those standards, and taking corrective action when deviations occur. This regulatory role of management is essential for steering organizations toward their goals and is particularly crucial in the dynamic context of theatre production and administration.

In theatre management, performance management provides a systematic approach to engage personnel in achieving organizational objectives. It involves aligning individual roles with organizational goals, continuous monitoring of performance, and providing feedback and recognition for achievements. As Idogho (2016) observes, theatre staff performance management encompasses capacity building, regular performance reviews, careful job planning with clear expectations, ongoing performance monitoring, and acknowledgment of exemplary work. Effective performance management is not a one-time evaluation but a continuous cycle of planning, coaching, and reviewing. In successful theatre organizations, managers and staff work together throughout the year to set goals, evaluate progress, develop skills, and reward contributions. This ensures that employees understand their responsibilities and strive to improve their performance, which in turn supports the theatre's artistic and financial objectives.

Despite its importance, the controlling function in many theatre organizations has not been fully leveraged to complement performance management. Controlling acts as the feedback and correction mechanism that keeps performance on track with strategic plans. When properly applied, controlling can motivate employees by clarifying expectations and by signalling management's commitment to achieving excellence. However, theatre managers sometimes focus heavily on creative and artistic processes while neglecting systematic control techniques that are common in other industries. This gap can lead to inefficiencies or missed opportunities for improvement in theatre operations. Therefore, the objective of this study is to examine the role of controlling as an essential management function and its impact on performance management as a key to running a successful theatre business. In particular, the study asks: How can controlling practices, informed by decision science principles, enhance performance management in the theatre industry to improve organizational effectiveness?

To address this question, the paper is structured as follows. First, it outlines the theoretical framework guiding the analysis – the Decision Science Theory of management – which emphasizes rational decision-making processes. Next, it reviews relevant literature on controlling and performance management, drawing examples from both general management and theatre-specific contexts. Following this, the analysis section conceptually integrates these ideas, highlighting how controlling functions and performance management practices intersect and why their integration is critical for theatre businesses. A discussion of findings situates these insights within the broader discourse of cultural and arts management, considering practical implications for theatre administrators. Finally, the paper provides conclusions and recommendations, suggesting how managers and stakeholders in the theatre sector can apply these concepts to achieve greater efficiency, effectiveness, and sustained success.

Research Methodology

This study employs a conceptual research approach using qualitative analysis of existing literature and theory. Rather than collecting new empirical data, the research synthesizes findings from prior scholarly work, industry reports, and theoretical expositions relevant to controlling, performance management, and theatre management. MacInnis (2011) notes that conceptual research is valuable for integrating insights and developing frameworks in a field. Accordingly, this paper draws on a range of sources – including management textbooks, academic journal articles, and practitioner-oriented writings – to build its arguments. The methodology is appropriate for the topic because the goal is to deepen theoretical understanding and propose a conceptual linkage (controlling and performance management in theatre) rather than test a specific hypothesis with quantitative or field data.

The rationale for this approach lies in the evolving nature of theatre management challenges. As an exploratory analysis, the paper benefits from the flexibility to incorporate interdisciplinary perspectives: general management theory, decision sciences, and arts administration literature. By examining established theories (such as Decision Science Theory) and documented best practices, the study develops a conceptual framework that can inform both scholarship and practice. All sources are cited in accordance with APA 7th edition style, and the reference list is curated to include both the original references from the draft paper and additional internationally relevant works that strengthen the theoretical foundation. This method ensures that the analysis is grounded in existing knowledge while also allowing for a novel synthesis tailored to the theatre management context.

Theoretical Framework: Decision Science Theory

A strong theoretical lens for understanding controlling in management is provided by Decision Science Theory – essentially the study of how decisions are made and how they can be improved through analytical methods. In the context of management, Decision Science Theory emphasizes systematic processes for decision-making, combining quantitative models and logical analysis to guide managerial choices. Herbert Simon's classic work on decision-making distinguishes between *programmed decisions* (routine decisions made by following established rules or procedures) and *non-programmed decisions* (novel or unstructured decisions requiring creative problem-solving). Programmed decisions are straightforward and often automated, whereas non-programmed decisions call for judgment, intuition, and innovative thinking (Simon, 1977). In practice, managers frequently face both types in varying degrees. For example, deciding the budget allocation for a theatre season might be a programmed decision following set guidelines, while responding to an unforeseen crisis on opening night would be a non-programmed decision demanding quick, creative action.

Decision Science Theory provides a step-by-step model for effective decision-making that is highly relevant to the controlling function. Typically, this process involves: (1) Planning and intelligence gathering – identifying objectives and collecting information, (2) Problem identification – recognizing when and where performance is deviating from the plan, (3) Generation of alternatives – searching for possible solutions to address the issue, (4) Evaluation of alternatives – analysing options using criteria such as cost, effectiveness, and feasibility, and (5) Choice and implementation – selecting the best option and executing the decision. This sequence mirrors the controlling cycle in management, where managers set standards, monitor results, compare them against the standards, and then decide on corrective actions. In essence, controlling is an applied form of decision-making: it requires managers to decide if performance is on track and, if not, what adjustments to make.

Mathematical and analytical models often support decision science approaches. For instance, common business decision models like the Economic Order Quantity (EOQ) formula for inventory management or the balance sheet equation in accounting are tools that help managers make optimal decisions by quantifying outcomes. These models illustrate how Decision Science Theory can bring rigor to controlling by providing clear criteria for decision-making. In the theatre context, while artistic decisions may not always be reducible to equations, the management decisions – such as scheduling productions, allocating resources, pricing tickets, or marketing strategies – can benefit from data-driven modelling. As an example, a theatre manager might use a decision-support system to forecast ticket sales under different pricing schemes, thereby choosing a strategy that maximizes revenue without sacrificing attendance. Indeed, the development of Management Information Systems (MIS), Decision Support Systems (DSS), and other analytical tools in management is deeply influenced by Decision Science Theory. These tools enable managers to simulate outcomes and make informed decisions, reinforcing the controlling process with evidence and projections.

In the realm of theatre management, Decision Science Theory encourages a mind-set where managers continually ask: *What does the data suggest about our performance, and what decisions will improve our outcomes?* By applying this theory, theatre managers are better equipped to assess progress toward goals and to plan more efficient ways of handling managerial challenges. For example, using attendance data and audience feedback (information phase), a theatre manager might identify that mid-week performances have lower turnout (problem identification). The manager can then brainstorm alternatives – such as targeted promotions, dynamic pricing, or special programs on those nights – and evaluate these options (perhaps by looking at results from other theatres or piloting one option). Finally, the manager chooses and implements the best solution, and later monitors the new data to see if the decision corrected the issue. This iterative improvement loop reflects Decision Science in action. By grounding the controlling function in Decision Science principles, managers make decisions that are not only reactive (fixing problems after they occur) but also proactive and strategic, using forecasts and "what-if" analyses to prevent performance shortfalls. In summary, Decision Science Theory provides a critical theoretical foundation for this study by linking the abstract concept of decision-making with the practical requirements of controlling and performance management in theatre organizations.

Literature Review and Conceptual Foundations

Controlling in management refers to the set of activities that ensures performance conforms to an organization's plans and objectives. It is a feedback process that helps prevent organizational "surprises" by identifying deviations from plans early and prompting corrective measures. In business enterprises, controlling is often formalized as a system of rules and procedures designed to maintain the desired state of operations while achieving profitability. In other words, controlling creates mechanisms in a company that "take care of maintaining the desired state" of affairs. This involves close cooperation between those who design the control systems (often controllers or accountants) and line managers; such collaboration increases organizational efficiency and ensures that planning and execution stay aligned (Kupec & Písař, 2021). Within both financial and performance domains, controlling typically encompasses setting targets, monitoring progress, and formulating action plans based on measured results. No matter the size or type of organization, managers carry the responsibility for oversight and must exercise control to keep activities on track (Gonos et al., 2016).

A concise definition offered in the literature is that *controlling is a management approach combining information management, planning, and supervision to enhance organizational outcomes* (Písař & Bílková, 2019). It is not limited to financial control; it also covers operational and strategic dimensions. For example, in a theatre company, controlling can involve budgeting for productions (financial), ensuring rehearsal schedules are adhered to (operational), and assessing whether strategic audience development goals are being met (strategic). By providing instruments for thorough monitoring across various functions, controlling improves coordination and speeds up decision-making in business processes. It creates accountability, as each manager is aware of the standards they need to meet and is alerted when performance falls short.

Classic management scholars have outlined several principles of effective controlling, which serve as guidelines when designing control systems. Drawing from Koontz and O'Donnell's early work (as cited in Awodiya, 2017) and other sources, these principles include:

- Goal Alignment: Control measures should be aligned with the organization's goals and structure. A control system must consider what the organization is trying to achieve and how it is organized, so that metrics and monitoring procedures are relevant to those objectives. Controls that do not map to strategic goals can lead to misdirected effort.
- Cost-Effectiveness: The control process should be worth the cost. An effective management control system is as economical as possible while still identifying the root causes of deviations from targets. This means avoiding overly complex or expensive control mechanisms that cost more to maintain than the benefit they provide.
- Timeliness and Feedback: Controls must provide information in time to take corrective action. Relying solely on after-the-fact feedback can be problematic. Instead, a mix of feedforward controls (anticipating problems in advance) and concurrent controls (monitoring ongoing activities) should complement feedback controls, so issues are addressed promptly rather than after major damage is done. Good controls direct attention to significant deviations early enough for management to respond.
- Control Responsibility: Each level of management should be responsible for the controls within its purview. According to the concept of control responsibility,

managers are accountable for keeping their portion of the organization in line with agreed plans. Higher management sets the tone and standards, but individual managers tailor the control process to their teams (the principle of control individuality). This ensures that control is not seen as an external imposition but as an integral part of each manager's role.
- Action Orientation: A control is only justified if it leads to action that improves performance (often referred to as the action principle). Control reports and metrics should be designed so that when a variance is detected, there is a clear course of action or remedy. The ultimate purpose of control is to guide decision-making. If a control measure does not trigger any decision or behavior change, its value is questionable.
- Consistency and Simplicity: There should be a set of uniform criteria or standards for measuring performance, developed using clear and objective criteria. While different departments might have different specific metrics, the overall control system should be coherent and understood by all participants. Simplicity in design often aids understanding – complex control systems can create confusion and resistance among employees.
- Focus on Results: Effective controls focus on outputs (results) rather than only on the procedures. The guiding principle is to ensure the achievement of corporate goals. Managers should be careful not to enforce control for its own sake (which can become bureaucratic); instead, the emphasis must be on whether the control process helps attain key performance outcomes, such as higher ticket sales, improved production quality, or audience satisfaction in the case of theatre management.

When applied to the theatre business, these principles mean that managers establish clear targets (e.g., attendance numbers, revenue, performance quality indicators) and continuously check performance against these targets. For instance, a theatre might set a goal for 90% average seat occupancy for a season. Through a controlling system, management would track ticket sales for each show, compare them to the goal, and investigate any significant shortfall or unexpected trend. If a particular production is underperforming, managers might analyse the cause (perhaps insufficient marketing or poor reviews) and take corrective steps such as boosting publicity or offering promotions for later shows. By maintaining such vigilance, controlling steers the organization toward its objectives even as conditions change. It is important to note that controlling in arts organizations should be balanced with creative freedom – too much control could stifle artistic innovation. Nonetheless, without any control, a theatre risks operational chaos and financial instability. Thus, skilful theatre managers find the appropriate level of controlling that supports creativity while keeping the business aspects sustainable.

Performance Management in Theatre Organizations

Performance management is a systematic, continuous process of communication and feedback between managers and employees that supports accomplishing the strategic objectives of an organization. It goes beyond annual performance appraisals; it is an ongoing cycle that includes planning work and setting expectations, continually monitoring performance, developing the capacity to perform, periodically rating performance in a summary fashion, and rewarding good performance (Armstrong & Baron, 1998; Awodiya, 2017). The aim is to improve both individual and organizational outcomes by aligning employees' work with the company's goals and by fostering employee growth and engagement. In the context of theatre, performance management must accommodate both the artistic dimensions of work (creative performance, rehearsal processes, ensemble collaboration) and the administrative dimensions (marketing, ticket sales, technical support, customer service).

A widely accepted definition by Armstrong and Baron (1998) describes performance management as *"a process which contributes to the effective management of individuals and teams in order to achieve high levels of organizational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people that will ensure it is achieved."* This highlights that performance management is strategic (linked to broad goals) and integrated (encompassing all of an organization's practices and culture) in driving success. Key components of an effective performance management system include clear goal-setting, regular performance monitoring, coaching and development, formal evaluations, and merit-based rewards.

In theatre organizations, the performance management cycle can be outlined as follows, adapted to the unique setting:

1. Planning and Expectation Setting: At the start of a season or project, theatre managers and team leaders (directors, production managers, etc.) jointly set clear expectations and goals for staff and performers. For example, objectives might include mounting a production by a certain date, achieving specific artistic standards, or attaining target audience numbers. Each individual – from actors and directors to marketing staff and stage crew – should understand their specific responsibilities and how those contribute to the theatre's mission. Establishing measurable performance criteria at this stage is crucial (e.g., timely completion of set designs, number of school outreach events conducted, or measures of audience engagement). These individual and team objectives need to align with the theatre's overall goals, creating a "line of sight" from daily tasks to the strategic vision of the organization. Employees are more likely to be committed when they see how their work matters to the bigger picture.
2. Monitoring and Continuous Feedback: Effective performance management requires continuous monitoring of work and ongoing feedback, not just end-of-year reviews. Theatre work often unfolds in real-time (for instance, during rehearsals or live performances), making immediate feedback especially valuable. Managers should regularly check progress against plans – for example, a stage manager might hold weekly meetings to ensure production milestones are being met, or a marketing manager might track weekly ticket sales against projections. When performance meets or exceeds expectations, positive feedback and recognition reinforce those behaviours. If there are shortfalls or challenges, timely feedback allows employees to adjust course. Awodiya (2017) emphasizes that providing on-going feedback helps individuals improve continuously and prevents minor issues from compounding over time. In a theatre, this could involve a director giving actors notes after each rehearsal, or a theatre CEO having informal check-ins with department heads throughout a project. This continual communication builds a supportive environment where staff feel guided and valued.
3. Development and Capacity Building: Developing employees' skills and competencies is integral to performance management. "Developing" in this context means enhancing performance through training, mentoring, and new opportunities. Theatres rely on the growth of their talent – both onstage and behind the scenes – to innovate and stay competitive. Managers should identify areas where team members can improve or take on greater responsibility, and provide resources or learning opportunities accordingly. For instance, if a lighting technician is struggling with a new digital system, additional training or pairing with an experienced mentor can improve their performance. Similarly, an actor might be given the chance to lead workshops or assist in directing to develop leadership skills. By investing in professional development, theatre organizations not only improve current performance but also build a pipeline of future leaders and a more versatile workforce. Employees who feel the organization is interested in their growth are typically more engaged and motivated, contributing to a positive organizational culture.
4. Evaluation (Performance Appraisal): At some interval (often annually or at the end of a production cycle), performance should be formally evaluated. This involves comparing actual performance against the previously set objectives and criteria. In the theatre context, evaluations might be both quantitative (e.g., a marketing officer's success in meeting audience growth targets) and qualitative (e.g., an actor's artistic development or a crew member's contribution to team cohesion). It is important that evaluations be fair, transparent, and based on evidence gathered during the monitoring phase. Some theatres may use 360-degree feedback (collecting input from peers, subordinates, and supervisors) especially for administrative staff, to get a well-rounded view of performance. The evaluation phase is an opportunity to document achievements,

identify persistent gaps, and update each person's performance plan. According to Awodiya (2017), a credible evaluation process sets the foundation for making informed personnel decisions, such as promotions, contract renewals, or in some cases, terminations (if performance has been consistently below standard despite support). It also provides a basis for merit-based rewards.

5. Rewarding and Recognition: A comprehensive performance management system concludes (and then refreshes) with rewarding performance that meets or exceeds expectations. Rewards can take many forms in a theatre setting. Formal rewards might include salary increases, bonuses (if the theatre's finances allow), promotions to higher responsibility roles, or public recognition at company meetings. There are also intrinsic and informal rewards: personal praise from a director or manager, acknowledgement in a newsletter or playbill, tickets to shows, or small perks. Recognizing and celebrating achievements is vital for morale. As the saying goes, "what gets rewarded, gets repeated." In a theatre company, this could mean honoring the technical crew for flawless execution after a premiere, or giving special acknowledgment to ensemble members who took on extra duties. Even when budgetary constraints limit monetary rewards, symbolic rewards and sincere recognition can reinforce a culture of excellence. It is also important that the reward system is perceived as fair; linking it clearly to the performance evaluations helps maintain trust that rewards are earned by merit.

When these elements are executed in an integrated manner, performance management becomes a powerful tool for theatres. It not only boosts individual performance but also fosters teamwork, as everyone is oriented toward shared objectives and success is mutually celebrated. Moreover, continuous performance management can help identify broader organizational issues. For example, if multiple employees are underperforming in a certain area, it may signal a flaw in the theatre's process or structure rather than individual failings. Management can then address those systemic issues – another way controlling and performance management intersect.

It should be noted that performance management in the arts might need to account for creative outcomes that are harder to quantify. Not every important aspect of a theatre professional's contribution can be captured by numbers; qualities like creativity, interpretive skill, or leadership influence are qualitative. Therefore, theatre managers should use a balanced approach, combining quantitative metrics (attendance, revenue, timing, etc.) with qualitative assessments (artistic quality reviews, audience feedback, peer review among artists). By doing so, they ensure that the performance management system is comprehensive and respects the unique nature of theatre work.

The Theatre Business Context and the Need for Integration

Managing a theatre is often described as walking a tightrope between artistic integrity and commercial viability. Theatre organizations typically operate under tight financial constraints, rely on fluctuating audience attendance, and must constantly innovate to keep performances engaging. Several intertwined challenges characterize the theatre business environment: securing funding and managing finances, marketing and audience development in a competitive entertainment market, building a strong brand reputation, and handling the logistics of productions (scheduling, technical management, personnel coordination) efficiently. Unlike some industries where outputs are uniform and predictable, each theatre production is a unique project with its own risks and uncertainties. This makes the coordination and control of resources particularly crucial – a poorly controlled production can result in budget overruns, missed deadlines, or a sub-par show that damages the theatre's reputation.

In this context, integrating the controlling function with performance management practices is key to running a successful theatre. Controlling provides the financial and operational discipline needed to keep the theatre company stable, while performance management ensures the human element – the staff and artists – are motivated and working effectively toward the company's goals. If controlling is implemented in isolation (focusing only on budgets, numbers, and rules), a theatre might achieve short-term efficiency but at the cost of employee dissatisfaction or artistic compromise. Conversely, if performance management is emphasized without solid control systems (focusing on creative goals and staff development but ignoring budgets or strategic targets), the theatre may produce great art but risk financial collapse or organizational chaos. Therefore, a balance is required.

For example, consider a theatre's goal to increase its audience base by 20% in two years. Performance management would translate this into team goals for the marketing department, perhaps tasks for outreach staff, expectations for the artistic director to choose a season line-up with broad appeal, and so forth – and managers would coach and support employees in these tasks. Meanwhile, controlling would track metrics like marketing expenditures, weekly ticket sales, audience demographics, and progress towards the 20% increase. If after one year the data shows only a 5% increase, controlling mechanisms would flag this shortfall. Management could then use performance management conversations to diagnose why (maybe the promotional strategy needs change, or the performances aren't attracting new demographics) and encourage the team to adjust their approach. Here, controlling provides the *information and impetus* for action, and performance management provides the *process and people-centered approach* to carry out improvements.

Another area of integration is in quality control of productions. The quality of a theatre production can be subjective, but certain standards can be set (e.g., no technical glitches, consistent actor performances, positive audience feedback scores). Controlling would involve monitoring these quality indicators – for instance, counting the number of technical issues per show or surveying audience satisfaction. If a particular show has frequent technical problems, the controlling perspective identifies that variance; then through performance management, technical staff would be counselled, perhaps retrained, and performance standards reinforced to fix the issue. This illustrates how controlling (identifying a problem through measurement) and performance management (addressing the human and process factors behind the problem) work in tandem.

In sum, the theatre business requires both creative excellence and efficient management. Controlling brings a fact-based, analytical approach to ensure efficiency and accountability, while performance management brings an adaptive, human-cantered approach to ensure effectiveness and continuous improvement. The literature strongly suggests that organizations – including those in the arts – achieve the best results when these two concepts are not seen as separate silos but as complementary tools. The next section will analyse more deeply how this complementarity plays out and why it matters for theatres aiming to thrive in today's environment.

Analysis and Discussion of Findings

The interplay between controlling, performance management, and theatre business success emerges as a central theme from the reviewed literature and theoretical insights. The analysis indicates a high likelihood that the three phenomena under investigation – controlling (as a management function), performance management, and the theatre sector's operational realities – are mutually reinforcing when effectively combined. In practical terms, controlling in a managerial role involves *continually measuring employees' performance in relation to the company's goals and making necessary adjustments to activities or strategies based on that feedback*. This closely parallels the essence of performance management, which is the continuous communication and guided effort between managers and staff aimed at meeting organizational objectives. Both controlling and performance management focus on aligning individual actions with the broader goals of the organization: controlling does so through measurement and correction, while performance management does so through motivation and development.

One key finding is that controlling provides a structured way to implement performance management. Performance management sets the stage by clarifying what is expected and fostering improvement, but controlling provides the concrete benchmarks and oversight to ensure those expectations are met. For instance, as part of performance management, a theatre's marketing manager may be tasked with improving social media engagement.

Controlling would kick in by establishing a measurable target (say, a 50% increase in followers or engagement within six months) and regularly tracking progress towards it. The controlling function might reveal after three months that engagement has only increased 10%. This objective insight then informs the performance management dialogue – the manager and their team can discuss why progress is slower than expected and decide on new tactics (perhaps increasing content frequency or investing in ads). In this way, controlling information feeds the coaching and planning aspects of performance management. The on-going feedback loop that performance management advocates is essentially made possible by the data and monitoring that controlling provides. As noted in the literature, effective performance management relies on good information to anticipate problems and intervene early; controlling systems are what supply that information consistently.

Conversely, performance management gives purpose and context to controlling activities. Numbers and metrics by themselves can't improve an organization – it's the people reacting to those numbers that drive improvement. Performance management ensures that managers and employees are engaged with the data produced by control measures and are prepared to take action. In a healthy theatre management system, when a control report signals an issue (like rising production costs or lagging rehearsal schedules), managers don't respond with blame or panic. Instead, they utilize the performance management framework: communicate with the team, solicit feedback on causes, collaboratively develop solutions, and support those responsible in implementing changes. Thus, controlling identifies *what* needs attention, and performance management guides *how* to address it in a constructive way. The result is an organizational culture where data-informed decisions are coupled with employee commitment – a combination that research shows leads to better outcomes (Gottlieb, Hansson, & Johed, 2021, on how management control and accounting can be institutionalized to support farm businesses is one example parallel from another sector). In theatres, this could translate to more reliable production timelines, improved financial stability, and a higher quality of performances due to iterative learning.

The discussion also highlights the important role of Decision Science Theory in bridging controlling and performance management. By applying decision science principles, theatre managers can transform the wealth of data from controlling efforts into rational decisions that feed back into performance planning. For example, a theatre manager using a decision-science approach might use predictive analytics (a decision science tool) on historical attendance data to decide the mix of genres in the upcoming season that would maximize audience numbers. That decision (which comes from a controlling analysis of data) then becomes a part of the performance expectations for the artistic team – e.g., expecting the artistic director to include a certain number of comedies versus dramas based on the model's recommendation. Throughout the season, controlling will measure if the decision is yielding the expected outcome (are audiences indeed larger when more comedies are staged?), and performance management will involve checking in with the artistic team on how they are balancing this directive with creative considerations. This kind of data-driven decision-making is increasingly feasible with modern technology and aligns with Decision Science Theory's encouragement of using models and analytics. It ultimately strengthens the case that controlling and performance management should not be viewed narrowly; they benefit from interdisciplinary techniques and knowledge (like decision science) to be fully effective.

Another significant point from the findings is the impact on organizational learning and adaptability. The theatre industry, like many others, has been forced to adapt rapidly to changes – whether they be technological shifts, unexpected events like pandemics, or changing consumer tastes. When controlling and performance management are both strong, an organization becomes more resilient and agile. Strong controlling means the organization has visibility into its operations and performance at all times – nothing important is running completely unchecked. Strong performance management means the organization has a mechanism to react and improve – employees are used to receiving feedback, discussing performance, and implementing changes. Together, they create a continuous improvement loop. The findings suggest that theatres utilizing both will be better at identifying emerging problems (declining season subscriptions, increasing costs, etc.) and addressing them before they threaten the viability of the theatre. This aligns with broader management research which shows that organizations with mature control systems and engaged workforces outperform those without such alignment (Písař & Bílková, 2019; Vuko & Ojvan, 2013, have noted the link between controlling practices and business efficiency improvements).

From a theoretical perspective, the combination of controlling and performance management in theatres can be seen as integrating strategy with operations. Controlling often has a strategic element – setting long-term standards, ensuring strategic goals like profitability or growth are monitored. Performance management is more operational day-to-day – working with people to get tasks done and improve. Our discussion indicates that treating them as interconnected yields a more cohesive management approach. In real terms, this might manifest in a practice such as the theatre's leadership team holding quarterly strategy reviews (a controlling activity, checking key performance indicators) and immediately cascading any insights into management meetings with staff (a performance management activity to adjust objectives or provide guidance). Over time, the organization learns to adjust quickly – for example, if mid-year revenue is below target, the controlling data triggers a revision of performance goals for the fundraising team or an added push from the sales team, rather than waiting until year-end to acknowledge the shortfall.

It is important to note potential challenges in this integration as well. One challenge is ensuring that the use of controlling metrics does not discourage the creative and collaborative ethos vital in theatre. Managers must implement controls in a way that is supportive rather than punitive. The discussion has implicitly assumed that managers use the data constructively; if misused, too much emphasis on control can create a culture of fear or compliance that undermines the open communication needed for good performance management. Hence, theatre managers need training in interpreting and presenting control information tactfully, framing it as feedback for growth (which ties into the performance management philosophy) rather than as rigid evaluation.

Another challenge is the diversity of metrics in theatre management. Financial numbers are straightforward, but measuring artistic success or community impact is harder. The integration of controlling and performance management should involve a broad view of success metrics – quantitative and qualitative – to capture the full scope of a theatre's mission. A finding from the literature is that many arts organizations are now adopting balanced scorecard approaches (originating from Kaplan & Norton's concepts) to include financial, customer (audience), internal process, and learning/growth perspectives in their control and performance measurements (Stefko et al., 2019, on tourism and cultural organizations' use of modern management tools, provides analogous insights). This multi-faceted controlling approach aligns well with performance management because it recognizes staff contributions in multiple areas, not just the bottom line.

Overall, the discussion confirms that when used properly, controlling and performance management are complementary tactics for improving the theatre industry's productivity and sustainability. Rather than viewing controlling as a bureaucratic necessity and performance management as an HR process, theatre leaders should see both as two sides of the same coin – one providing direction and correction, the other fostering growth and execution. A key takeaway is that a theatre can significantly boost its chances of success by building a culture where data-driven decision-making (controlling) and people-driven development (performance management) go hand in hand. This synergy is what will help theatre companies not only survive current challenges but also create conditions for future innovation and excellence.

Conclusion and Recommendations

In conclusion, controlling stands out as an essential management function that, when effectively integrated with performance management, serves as a cornerstone for successful theatre business management. This study's conceptual analysis, grounded in Decision Science Theory and supported by diverse literature, has underscored that controlling is far more than an administrative exercise – it is a strategic tool that enables theatre managers to compare actual outputs with planned targets and steer their organizations towards long-term goals. At the same time, performance management provides the human-cantered framework to carry out the adjustments and improvements indicated by the control process. Together, they form a continuous cycle of planning, acting, monitoring, and refining that drives organizational learning and performance improvement. In the theatre context, this means better alignment of productions and operations with the company’s mission, more efficient use of resources, and enhanced capacity to deliver quality artistic experiences alongside financial viability.

However, the analysis also revealed that many theatre managers do not fully utilize controlling techniques, sometimes due to a lack of awareness or training, and sometimes due to a misconception that creative enterprises are incompatible with structured management practices. Overcoming these barriers is crucial. Controlling, as a function of management, should be embraced not as a hindrance to creativity but as a safeguard that ensures creative endeavours can be sustained and supported. Effective controlling does not micromanage the artistic process; rather, it secures the foundation (financial health, timely execution, audience engagement metrics) upon which creative work can flourish. Meanwhile, robust performance management ensures that the theatre’s workforce – its most important asset – has the clarity, feedback, and development opportunities necessary to excel in their roles. When both are applied conscientiously, the result is a theatre organization that is efficient, adaptable, and high-performing. Such an organization is better positioned to maximize profits (or achieve financial self-sufficiency for non-profits) through careful planning and resource management, which ultimately supports its artistic and cultural objectives.

Recommendations: In light of the findings, several recommendations can be made for theatre managers, educators, and practitioners in the field of cultural administration:

- Develop Managerial Competencies in Controlling: Theatre organizations should invest in training their managers and administrators in modern controlling methods. This could include workshops on financial management for non-financial managers, introduction to data analytics tools for monitoring key performance indicators, and scenario planning exercises. By building skills in this area, theatre managers will be more comfortable designing and using control systems. Universities and professional associations in arts management should ensure that controlling (including basic accounting, budgeting, and performance measurement) is a core part of the curriculum, so that emerging theatre professionals see it as a natural component of their managerial toolkit.
- Foster a Culture of Data-Informed Decision Making: It is recommended that theatre companies gradually cultivate a culture where decisions at all levels are supported by data and analysis. This doesn’t mean replacing intuition or artistic judgment, but complementing them with empirical evidence. For example, before committing to an expensive new marketing campaign, a theatre should look at audience data and perhaps conduct small experiments. Regular management meetings can include a review of a “dashboard” of key metrics (ticket sales, donor contributions, performance execution quality, etc.), which keeps attention focused on important targets. When staff see leaders referring to data to make decisions, they will recognize the value of the controlling process and be more likely to engage with it positively.
- Align Performance Management Systems with Organizational Goals: Theatres should ensure that their performance management processes (goal-setting, appraisals, rewards) are explicitly linked to the theatre’s strategic objectives and the control metrics used to track those objectives. This alignment can be achieved by using the same or compatible indicators for both individual performance and organizational performance. For instance, if audience growth is a strategic goal tracked by the organization, then the marketing team’s individual objectives should reflect their contributions to audience growth. Performance evaluations and incentive structures should then reward progress in those areas. By doing so, employees perceive the controlling metrics as relevant to their own success, not just abstract numbers, which increases buy-in and motivation.
- Encourage Continuous Feedback and Adaptive Management: Implement policies and practices that encourage managers to give frequent, constructive feedback and to be open to feedback from their teams. This ties into performance management best

practices and creates a two-way dialogue that can catch issues early. In the fast-moving environment of theatre production, being proactive is far better than reactive fire-fighting. Managers might institute brief post-show or post-project reviews (sometimes called "after-action" reviews) to discuss what went well and what could be improved. These discussions, informed by any relevant data (e.g., budget adherence, audience reactions), make controlling a participatory process and empower employees to suggest corrective actions themselves. An adaptive management approach ensures that controls and plans can be revised as needed – flexibility that is often required in creative industries.

- Broaden the Scope of Controlling and Evaluation: Theatres should consider including non-financial and qualitative indicators in their controlling systems, reflecting the multifaceted nature of performance in arts organizations. Measures of community impact, educational outreach success, artist satisfaction, or diversity in programming can be part of a broader "balanced scorecard" for the theatre. This comprehensive view prevents an overemphasis on just financial metrics and underscores that controlling is about achieving all organizational objectives, not only profit. Such an approach will likely improve stakeholder support (from funders, boards, and the public) as it demonstrates accountability in artistic and social dimensions as well. It also gives staff a more rounded understanding of success, which can be motivating – for example, knowing that their work is measured by its cultural impact, not just ticket revenue, can reinforce the mission-driven nature of their roles.
- Future Research and Continuous Improvement: Finally, as a recommendation for the scholarly community and reflective practitioners, further research could be conducted to empirically test the concepts discussed in this paper. Case studies of theatre companies that have implemented strong controlling and performance management systems would be valuable to document best practices and pitfalls. Comparative studies between theatres (or arts organizations) that use these approaches and those that do not could provide evidence of the performance differences and help refine guidelines for the industry. Continual improvement should be a mantra not just for operations but for management practices themselves – by staying informed of new decision science tools, new performance management techniques (such as agile performance management or real-time feedback apps), and evolving industry trends, theatre managers can keep their controlling and performance management practices cutting-edge.

By adopting these recommendations, theatre businesses can enhance both their artistic achievements and business sustainability. In essence, every theatre manager and student of arts management should acquaint themselves thoroughly with controlling as a management function and performance management as a management concept, as understanding and leveraging these tools will improve their organization's performance and resilience. The synergy of controlling and performance management, underpinned by sound decision-making principles, offers a pathway for theatres to thrive even amidst uncertainty – enabling the show to not only go on, but to do so successfully and repeatedly.

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