TOMAS JÄRVINEN

The challengers of public cultural centres

Lectio praecursoria

The public examination of the doctoral degree of Tomas Järvinen was held on 16 March 2019 at the Black Box hall of Helsinki Music Centre. Dissertation title: The Challengers of Public Cultural Centers. A mixed method study on private cultural centers in Finland. *Opponent: Professor Eva Boxenbaum. Custos: Professor Tanja Johansson.*

At the relatively young age of 32, I was elected to the board of a private culture centre. Prior to this, I had arranged a number of different events in that very building. While on the board of this cultural centre, I was struck by the very different reality the board saw themselves in as opposed to the external event producers, whom I represented. I was intrigued both by the possibilities and the challenges that a private cultural centre faced, and some years later I started to research this very topic at the Sibelius Academy at University of the Arts Helsinki.

In the beginning of my research, I happened to read an article based on a survey by the Finnish Cultural Foundation given in 2013 (Finnish Cultural Foundation, 2013). According to the Finnish people, it is important to have opportunities to exercise and take part in local cultural activities. They particularly emphasised the importance of event venues, such as cultural centres. This is a very interesting result, considering how sports-focused Finnish people seemed to be. I also read a survey by Kangas & Ruokalainen (2012) in which public officials predicted that over the following decade cultural centres would cease to be a public service, as it was assumed that external producers would take over this service. Hence, the field of cultural centres seemed on the verge of evolving rather drastically, and thus seemed to be worth taking a closer look at.

My plan is now to root the technical treatise of my dissertation into the more general context of present day cultural centres in Finland.

My doctoral dissertation focuses on private cultural centres and their operational preconditions within the field of both private and public cultural centres in Finland. My research examines the processes of change within this organisational field, using institutional theory and resource dependence theory.

So what is a cultural centre? Cultural centres are venues in public use that create

a platform for people to both practice and take part in cultural activities (Stenlund 2010). In my study, the concept of cultural centre implies a building used in versatile ways for cultural activities, such as concerts, theatre and visual arts exhibits. The concept also includes cultural institutions and cultural halls, although venues used for a single purpose, as for example theatres, are not taken into account (Statistics Finland 2017). Any large venue arguably could function as a cultural centre, and that most likely was the case before the concept of a cultural centre was invented.

Generally, cultural centres do not have any artistic personnel of their own and mostly focus on productions (Silvanto et al. 2008). Public cultural centres commonly describe their primary mission as producing, by prioritising and coordinating, an exclusive cultural offering to the community.

The concept of arts facilities in residential areas, or cultural centres, was proposed during the Finnish cultural debates in the 1960s, followed by the expression 'democratisation of culture' in the 1970s (Silvanto et al., 2008). The main objective of cultural democracy was to highlight citizens' activities, needs and understandings of culture (Kangas 1988). Helsinki was the first city in Finland to plan a multi-purpose centre, and in 1984, Stoa, the first public cultural centre, was opened (Silvanto et al. 2008). Admittedly, there were venues such as the Turku VPK house built in 1892, that were previously used in the same manner as Stoa in Helsinki, which was established in 1984, but they simply were not called cultural centres back then.

Did you know that there are 189 Cultural centres in Finland (Statistics Finland 2017)? Or that there are over 5000 in Europe (Fitzgerald 2010)? Taking into consideration the number of centres, turnovers and vast palette of activities that they offer, it is clearly an under-researched field. As Lambert and Williams put it in 2017:

> It seems to be taken for granted that these complex, multi-million-dollar institutions will be built and maintained by communities, and be responsibly managed by whatever organization is working behind the scenes to support a vibrant and dynamic local art scene.

An interesting difference about cultural centres is that between Finland and western Europe. The majority of private cultural centres in Finland were founded after the state initiative (Statistics Finland 2017). In western Europe, however, the opposite seems to have taken place (Fitzgerald 2010). States began to build their own centres in the 1990s, after the private initiative of the art labs of the 1960s, which became private cultural centres in the 1970s and 1980s. Hence, in my study topic, Finnish private cultural centres bear the label 'challenger,' as per the incumbent/challenger distinction introduced by Gamson in 1975, according to which incumbents are the older organisations that dictate the political system and challengers are the new organisations who are trying to change the field.

My research focuses on the four different types of cultural centres that I encountered, whereas typically, three organisational characteristics are used to define them (Bozeman 1987): 1) ownership, 2) funding and 3) control. Because different

organisations fall differently within these dimensions, however, categorisation can be difficult. I have thus distinguished four different types of centres: 1) private centres, 2) public centres, 3) hybrid centres and 4) centres maintained by governmental companies. All told, in Finland, there are 66 private cultural centres, 105 public centres, 8 hybrid and 6 centres maintained by governmental companies. These different centre types also appear to have different preconditions, which makes this distinction even more interesting and will be discussed later. .

To clarify the theoretical portion of my study, it is necessary to provide some background on both the institutional and resource dependence theories mentioned at the beginning of this lectio.

Institutional theory provides valuable guidelines for analysing organisations, with an emphasis on expectations, norms, social rules and values as sources of pressure on organisations (Meyer & Rowan 1977). Resource dependence theory (Pfeffer & Salancik 2003), in turn, suggests that organisations cannot internally generate all the resources required to sustain their activities and must therefore conduct transactions with elements in the environment to secure a stable flow of resources. It could be said that these theories resemble one another, but a distinguishing difference between the two is that according to institutional theory, organisations conform passively to institutional pressures, while according to resource dependence theory, managers of an organisation may choose to act strategically and change the environment. As regards my study specifically, while institutional theory predicts conformity in both form and performative outcomes, resource dependence theory predicts diversification depending on the revenue sources at hand. Pairing these two theories helps my study examine how organisations react to different degrees of uncertainty and the multiple and diverse actions of other elements in their environment.

My doctoral dissertation explores how resource dependence influences organisations' strategic responses in the context of cultural centres (Oliver 1991). Private cultural centres are used as case studies to highlight the institutional change happening in the field of cultural centres in Finland.

The aim of this doctoral dissertation, which is presented today for public examination, has been to identify the strategic behaviours that private cultural centres utilise in interactions with their environment. The focus of this study is the behaviours they adopt due to environmental pressure and resource dependence, particularly whether and how private cultural centres choose to accept or resist institutional forces in their environment.

Institutional theory suggests that organisations end up adopting conformity in both form and performance outcomes, while Resource dependence theory suggests diversification based on sources of revenue (Oliver 1991). This in turn implies that the predictions of high conformity or isomorphism in institutional theory apply mostly to public cultural centres, whereas high diversification in both activities and revenue structures applies to private centres. 'Institutional isomorphism'

describes the process in which organizations gain increasing similarity in structure (DiMaggio & Powell, 1983). The remaining two centre types are placed on transitional stages between these two extremes and show that centres maintained by government companies tend to exhibit slightly more conformity, and hybrid centres slightly more diversity.

In practice, this implies that the more dependent a cultural centre is on a single source of revenue (in this study, the municipality), the higher the degree of conformity it displays. Similarly, the more dependent a cultural centre is on multiple revenue sources, the greater diversity it displays. This does not mean that either of the cultural centre types provides a better or worse offering of culture. It is rather an organisational difference. The private centres aim at developing their spectrum of activities with a vast number of inventive methods, while the public centres tend to actualise their mission quite statically. When the only tool you have is a hammer, you tend to see every problem as a nail.

My study applied a sequential mixed-method approach to analyse and investigate the findings as one phase of the study led to the next. Mixed methods research is the use of quantitative and qualitative methods in a single study (Creswell & Plano Clark 2011). Combining both qualitative and quantitative models of research to mix evidence or embed data helps to produce more significant results than either model can achieve separately. In this research, the findings of the first phase of in-depth, qualitative interviews are expanded and elaborated in the second phase using a questionnaire-based quantitative approach. The quantitative and qualitative data are then analysed together but with more emphasis on the latter.

In the first phase, this study drew on 20 semi-structured interviews with five interviewees each at four cultural centres. After an empirical and theoretical examination of cultural centres in Finland, it became clear that the cases selected should represent at least four contexts as the cultural centres displayed noticeable variation. Furthermore, they needed to provide sufficient information for the study. The four cases chosen for this case study were Grand in Porvoo, Korjaamo in Helsinki, Telakka in Tampere and Ritz in Vaasa.

In the second phase of the study, a quantitative questionnaire survey was employed to collect data from all of the Finnish cultural centres listed by Statistics Finland (2017), including both public and private cultural centres. The study achieved a 56% response rate, as 106 of 189 centres responded to the questionnaire.

Since this study focuses on private cultural centres, it is reasonable to ask why the questionnaire was sent to all four kinds of cultural centres, namely private, public, hybrid and centres maintained by governmental organisations. First, there are relatively few cultural centres in all of Finland: all in all, fewer than 200. Completely private centres number around 70. If I had not sent the questionnaire to all of the private cultural centres, I would not have had enough respondents to make any justified assumptions. In addition, I would not have been able to pinpoint the centres in

between (the hybrid and the governmental company centres) as no comprehensive lists on the ownership models of the Finnish cultural centres exist. Finally, if the aim is to point out how the private centres (and the hybrid) differ from the rest of the centres, there is a need for comparison, which cannot be done without material on the public and the government culture centres as well.

Analysing mixed-methods data included both qualitative and quantitative data analysis, and the data were integrated in the research. As stated, this research implemented a sequential design of mixed-methods research, analysing the qualitative and quantitative phases in chronological order (Creswell & Plano Clark 2011).

The qualitative findings presented an interpretation of the resource dependence and perceived institutional pressure among private cultural centres. The quantitative findings contributed statistical validation of both important factors and the variables affecting the perceived institutional pressure. When incorporating and discussing both the qualitative and the quantitative findings in more detail, this study aimed to answer the research questions through an integrated viewpoint. The results from this parallel analysis were compared to allow an explorative theory to emerge. This step involved examining the ways the two groups of research findings were related to each other to get a better understanding of the research problem.

What do the results of this study reveal?

Generally speaking, the interview respondents perceived their mission as filling a void since they perceived the current situation of public cultural offerings in their society as having left large areas of culture blank. The idea is not merely to act as a supplement to public cultural offerings but to present an alternative culture to patrons, a slight difference that the respondents highlighted. Private cultural centres do try to get revenue from different sources primarily to be able to display diverse cultural offerings. They want to preserve artistic autonomy without administrative intervention.

The respondents stressed the need for diversified funding as revenue streams are small and ticket sales insecure. Managing existing resources was also a central theme. The respondents developed their need for resources by enlarging their palette of revenue, using volunteers, restructuring their organisation, offering different services, collaborating with other organisations and using freelance workers and crowdfunding. Planning ahead and rethinking cost efficiency were also highlighted. The respondents were very clear that the artistic content was the most important, and the process of finding revenue streams and maintaining other businesses, such as restaurants, were only there to enable the cultural offerings. The respondents also felt they had autonomy in comparison to the public centres. Although some regulations also applied to them, private centres were considered to be deregulated organisations.

The respondents did not collaborate much with public centres but still saw themselves as offering the majority of the cultural offerings in their communities. The private centres feel that they react to their environment on a deeper level than municipal organisations and perceive the environmental view on their centres as positive. They feel very much a part of society, with a mission to make cities more enjoyable.

There were no signs of privatisation of public cultural centres. The respondents, however, perceived the need for a more efficient way of administering cultural offerings, which private centres see themselves as doing much better. In addition, the respondents emphasised the need for collaboration with other organisations as they perceived themselves as having environmental interdependencies.

Consistent with the qualitative interview results, the questionnaire participants in the quantitative research were able to share some perceptions of institutional pressures and resource dependence. In the results for institutional pressures, the qualitative results imply that private cultural centres experience institutional pressures from demanding legislation, such as laws dictating certain aspects of cultural centres' restaurant businesses. Ticket sales seem to be a constant pressure point for the private centres, who feel that cooperation with the municipalities could be much better than it is. Additionally, the quantitative results imply that public centres experience more pressure than private centres, mostly from the owners (municipalities) but also from the local communities. Private centres mainly experience pressures with bureaucratic origins, such as taxes.

Regarding resource dependence, the qualitative results suggest that private centres aim to secure diverse resource streams to balance their finances. The centres also experience insecurity and insufficient public grants. Furthermore, given the competition for event audiences and for public grants with public institutions, the private centres feel that they have to aim for diverse funding streams. The quantitative results support the qualitative results: The resource dependence of private centres leads to a higher degree of resource diversification, especially in terms of private funding and volunteer staff.

The qualitative results regarding legitimacy and the environment find that private centres have to constantly focus on collaboration. The respondents saw that new projects could bring more revenue to the centre and add value to society. The quantitative results indicate that cultural centres have large environmental interdependencies, supporting the qualitative results. In general, the qualitative results provide a clearer picture of the pressures and dependencies the cultural centres experience.

Some conclusions

This study indicates an asymmetrical relationship between public and private or-
ganisations, in which private organisations are more dependent on diverse funding
sources than public centres. The latter group is mainly dependent on its main funder,
the municipality. Diversification of resource dependence can be found among the
private cultural centres. This implies that the assumption of this study is correct: the
more dependent a cultural centre is on a single source of revenue – in this study, the
municipality – the higher the degree of conformity it displays. Likewise, the more
dependent a cultural centre is on diverse revenue sources, the higher the degree of
diversity it displays. In other words, the conformity presented by institutional theory
(DiMaggio & Powell 1983) correlates with a single source of revenue (or at best a
few sources), whereas the diversity presented by resource dependence theory (Pfeffer
& Salancik 2003) correlates with numerous diverse revenue streams.

When comparing the findings with theory, it appears that the heterogeneity of
the available services of the private cultural centre is what grants the centre its par-
ticular character. In addition, the diversity of funding sources, such as venue rentals,
alliances and grants, not only gives private centres economic security but also makes
better use of their resources. Adopting different funding sources is how private cul-
tural centres defy the institutional requirements challenging them (Oliver 1991).

Examining the quantitative data, it seems that there is more homogeneity among
public centres and more heterogeneity among private centres.

The constant theme among private centres of piloting and pioneering during the
interviews does not support isomorphism but rather isomorphism in reverse (Ham-
brick et al. 2005). The question arises whether private cultural centres were ever re-
ally institutionalised (Leblebici et al. 1991). As field norms and conventions become
less restrictive for private cultural centres, management seems to rely more on their
own understanding of the situations the organisation encounters, resulting in actions
derived from managerial decisions. Private centres are clearly applying a strategy of
resistance within the dimension of consistency in the institutional field. Their experi-
ence indicates that the pressures they feel are not consistent with organisational goals.

These findings, therefore, suggest that private and public cultural centres are on
opposite ends of the spectrum of diversity and conformity. Resource dependence does
increase diversity and institutional theory conformity. However, the array of cultural
centres is less structured than it appears. The alternative models—private, hybrid and
governmental organisation cultural centres—have increased and are now seen as legiti-
mate. This situation leaves the field of cultural centres in Finland somewhat divided.

The findings of this study furthermore imply that even if private and public
cultural centres share a common purpose and, to a certain extent, the same set of
activities, they may still exist in two separate fields. Alternatively, they have evolved
into such different organisational types that they are in the process of creating new

fields, a possibility also noted in earlier studies (Järvinen 2017).

The study findings show that cooperation with other organisations is very important for both private and public cultural centres. It seems as if the centres use their legitimacy as the centres of cultural activities in their communities and aim to efficiently build networks that provide completed artistic content (which means lower costs than making productions) and receive completed artistic content (which means more revenue for the centres' own productions).

The quantitative findings are hardly surprising and suggest that cultural centres do have significant environmental interdependencies, supporting the qualitative findings. The research material selected and interpreted indicates that no organisation is an island, and the core claim of resource dependence theory holds: every organisation needs to interact with its environment (Pfeffer & Salancik 2003).

WHAT DO THESE FINDINGS MEAN?

This study has aimed to further our understanding of the role of resource dependence in institutional change by exploring private cultural centres through case studies and four types of cultural centres in a more general questionnaire.

Institutional theory and resource dependence theory are both organisational theories that aim to further understanding of organisations' operational context, with institutional theory presuming an isomorphic approach, and resource dependence theory a strategic approach to gain resources. Integrating these theories, as this study has done, shows how a subject can be studied on a broader level. The empirical results linking the effects of resource dependence to a field in flux are mixed. In other words, resource dependence and institutional change should be examined jointly to avoid incomplete pictures of the performance of the private cultural centres.

This study suggests that organisations are not entirely passive as institutional theory proposes and therefore do not necessarily conform to the pressures laid upon them. Nor are organisations complete manipulators, as resource dependence theory suggests. The organisations in this study reveal the diverse traits of organisational actors and the nature of the pressures enforced upon them, but they also seem to possess a sort of political power. The private cultural centres can make sense of and change their environment and make strategic choices, including both compliance and resistance. This study does not disagree with earlier views of institutional theory and resource dependence theory but expands these views by arguing that these two theories are both complementary and interdependent on many levels, such as when explaining homogeneity, heterogeneity, isomorphism and diversification.

The study findings show that private cultural centres are devoted to shaping and reinventing their organisational field. They started out as late adopters of ideas and practices in an institutional field where public cultural centres are the early adopters,

with authenticated mission statements. Private cultural centres nonetheless have proven to be resilient to isomorphic pressures, confirming that isomorphism also works in reverse.

What does all of this mean for the management of cultural centres?

Two unfolding issues are the differing nature of the institutional environments of the cultural centres and organisations' strategic behaviour in this environment. Although this specific study focuses on a Finnish context, the results support some generalisations.

Regarding separation of ownership and control, the study findings imply a division of cultural centres into four different groups (private, public, hybrid and governmental organisations), which all have their own specific pressures and strategies. The institutional backgrounds of these centre types lead them to act spontaneously in ways seen to serve their own interests without looking after any institutionalised interests in the matter. As stated by Lambert and Williams (2017), it is important to consider the ownership, governance and management structure before founding a new cultural centre.

As an organisational strategy and activity, inter-organisational cooperation could clearly improve both organisation growth and economic stability. Managers should consider inter-organisational cooperation as a way to achieve sustainable growth and stability. For resource scarcity, which seems to be the largest difficulty among private cultural centres, acquiring and allocating resources should be planned ahead while staying within the frames of the mission statement. The field itself is not lucrative, so exploring the outskirts of the mission statement offers possibilities to gain resources. Regarding mission drift, managers should stay aware of the balance between focusing on the core content of the mission statement and possibilities to gain resources from activities farther from the core content.

For decision-making, this study implies that driven managers of private cultural centres lean towards different strategies to diversify resource streams and choose a strategic response to institutional pressures. Since private cultural centres may occupy only restricted resources, centre managers might be compelled to carry out a set of limited strategies, with very few possibilities for alternative action. Furthermore, decision-making seems to be tightly connected to regional needs and expectations. Managers need to know the specifics of the communities where cultural centres are located and make decisions accordingly. Regarding change, this important aspect of cultural centres is quite under-explored by earlier research. This study attempts to expand our understanding of this aspect as institutional change adds to the development of cultural centres in the contexts of western societies.

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