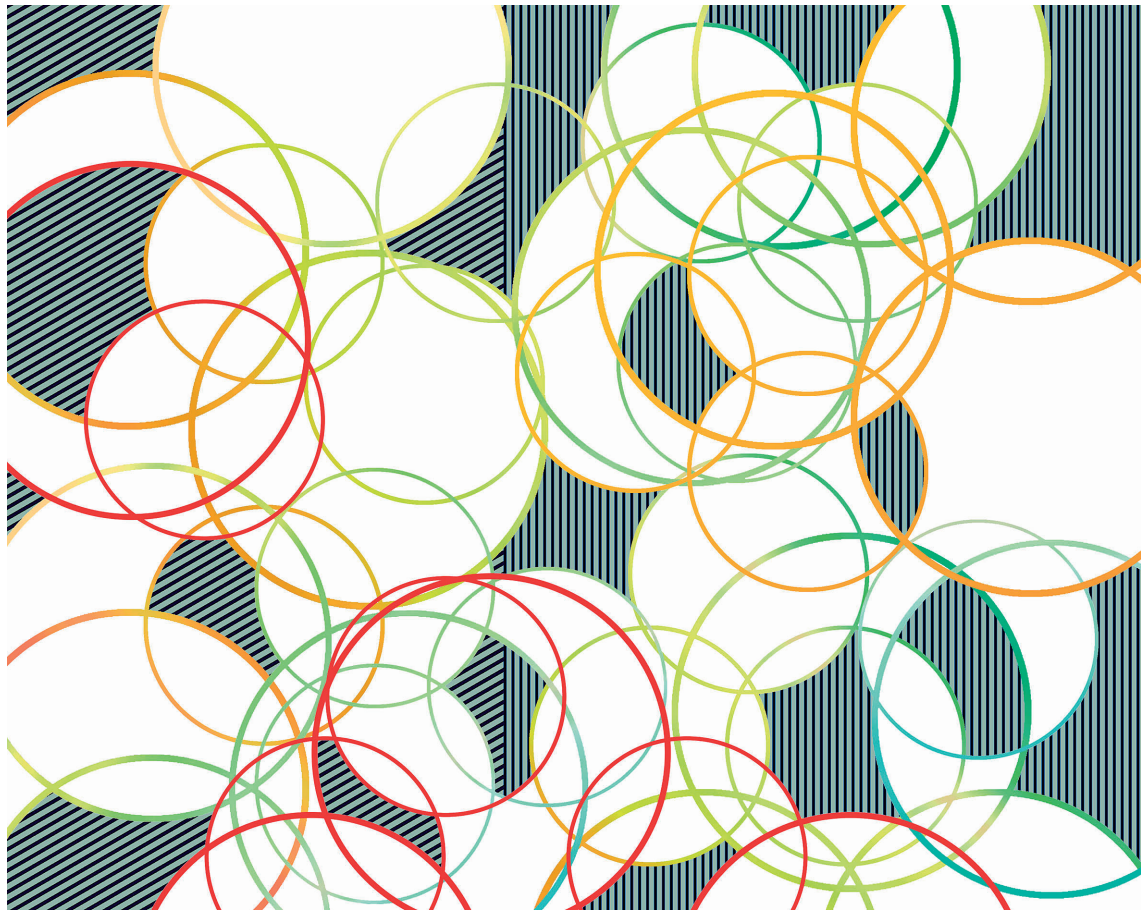Minna Ruusuvirta

Does sector matter?

Plural characteristics and logics in third sector festival organisations

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SOCIAL SCIENCES

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Cover picture: Emmi Lahtinen

ABSTRACT

The starting point for the research has been the idea that society is divided into three relatively distinct areas of activity, i.e. separate sectors: the public sector, the market sector and the third sector. According to this understanding, each of these sectors has specific characteristics and core logics guiding its activities. Over recent decades, however, the boundaries between the sectors have been becoming blurred. This leads to different hybrid organisations, which combine the practices and principles of various sectors.

This research aims to increase the understanding of hybrid organisations, their characteristics and the mechanisms behind hybridisation. Drawing from the ideal sectoral characteristics and logics, the research focuses on the exploration on third sector festival organizations and manifestations of market sector characteristics and logics in their operations. Empirical research focuses on Finnish arts and culture festival organisations. The data contains both qualitative and quantitative information and has been analysed by using mixed methods.

According to the results, hybrid operating models are typical for festival organisations. While they express ideal third sector characteristics and manifest typical third sector logics in their operations, they have embraced lots of features and logics that originally derive from other sectors; the market sector, in particular. Festivals are mainly hybrid in terms of their means; that is, the actions by which the main purpose or goal can be achieved. In terms of their core mission and values, festivals still emphasise characteristics and logics typical to the third sector. Thus, it can be argued that also in hybrid organisational models, an organisation's prime sector provides the core values and the basis of organisational identity the organisation reflects on its activities.

The study shows that hybridity does not always cause conflicts, but different logics may also be parallel and support each other in implementing the organisation's purpose. Resource dependence and relationship with public authorities, among other things, were identified as factors that can both promote and prevent marketisation in festival organisations.

Keywords: third sector, hybrid organisations, festivals

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TIIVISTELMÄ (FINNISH ABSTRACT)

Tämä tutkimus on tarkastellut suomalaisia taide- ja kulttuurifestivaaleja osana kolmatta sektoria ja sen muutosta. Tutkimuksen lähtökohtana on ajatus, yhteiskunnan jakautumisesta kolmeen sektoriin (julkinen sektori, markkinasektori, kolmas sektori), joista jokaisella on kullekin sektorille erityisiä ja sille tyypillisiä ominaisuuksia. Viimeisten vuosikymmenien aikana sektoreiden väliset rajat ovat hälventyneet. Tätä sektorirajojen ylittämistä ja sektoreiden välistä sekoittumista kuvataan usein käsitteellä hybridisaatio.

Tutkimuksessa tarkasteltiin kolmanteen sektoriin kuuluvia taide- ja kulttuurifestivaaleja ja niiden toimintaa sektorikohtaisiin ideaaliominaisuuksiin ja sektoreilla hallitseviin institutionaalisiin logiikkoihin pohjautuen. Tutkimuksen empiirisessä osassa kysyttiin, millaisia erityisiä kolmannen sektorin ominaisuuksia ja logiikkoja festivaaliorganisaatiot heijastavat toiminnassaan. Erityisen tarkastelun kohteena oli festivaaliorganisaatioiden markkinaistuminen, ilmiö, jossa kolmannen sektorin organisaatioiden toiminnassa ilmenee markkinasektorille tyypillisiä ominaisuuksia ja logiikkoja. Tutkimuksessa selvitettiin, miten markkinaistuminen ilmenee festivaalien toiminnassa sekä miksi markkinaistuneita toimintatapoja omaksutaan festivaaliorganisaatioihin. Lisäksi tarkasteltiin sitä, miten organisaatiot sovittavat erilaisia, joskus ristiriitaisiakin, logiikkoja osaksi omaa toimintaansa. Tutkimuksessa hyödynnettiin sekä määrällistä että laadullista aineistoa.

Tutkimusten tulosten mukaan erillisillä sektoreilla ja niihin liitetyillä ominaisuuksilla on vahva rooli siinä, miten festivaaliorganisaatiot näkevät oman roolinsa yhteiskunnassa, miten ne legitimoivat toimintaansa sekä mitkä käyttäytymismallit ja arvot ne omaksuvat toimintaansa. Festivaaliorganisaatiot ilmentävät toiminnassaan perinteisiä kolmannen sektorin ominaisuuksia, mutta niiden toiminnasta tunnistettiin myös tyypillisiä markkinasektorin ominaisuuksia kuten tuottojen saaminen kaupallisilta markkinoilta sekä pyrkimys yleisön tarpeiden tyydyttämiseen. Tutkimus osoittaa, että hybridiys ei aina aiheuta konflikteja organisaation toiminta vaan erilaiset ominaisuudet ja logiikat voivat toimia rinnakkain ja tukea organisaatiota sen tavoitteiden saavuttamisessa.

Asiasanat: kolmas sektori, hybridit organisaatiot, festivaalit

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FIGURES AND TABLES

FIGURES

TABLES

CONTENTS

1 INTRODUCTION

Traditionally, the sectors of society - public sector, market sector, third sector - have been regarded as relatively separate entities with their own logics and roles (see e.g. Salamon & Anheier 1992a; 1992b; Billis 2010). Over recent decades, however, the boundaries between the sectors have been becoming blurred. This development is often described with the term hybridisation. This leads to different hybrid organisations, which combine the practices and principles of various sectors. As a result, there is increasing evidence that the traditional understanding of sectors of society does not represent the present institutional or organisational reality very well (Sanders 2012; Eikenberry & Kluvert 2004).

This thesis aims to increase the understanding of hybrid organisations, their characteristics and the mechanisms behind hybridisation. The focus is on third sector organisations. In the third sector organisational field, hybridity is not a new phenomenon; it is also wide in scope. Some scholars even regard hybridity as a constitutive and permanent character of third sector organisations (Evers 1995; Brandsen et al. 2005). The underlying question is as follow: what is the meaning of an organisation's prime sector (Billis 2010, 56–58), if any, if it mixes logics and characteristics of other sectors in its operations?

Contemporary theorisations of sectors of society most often use models of three of four distinctive sectors. Each sector has its own ideal types that represent the common characteristics of the sector. This research uses the three-sector model that includes the public sector, the market sector and the third sector (e.g. Billis 2010).[1] The public sector refers to government agencies and local authorities that are governed according to the principles of public elections and with work driven by the principles of public services and collective choice. The market sector refers to for-profit companies and enterprises acting according to market forces and aiming to produce profit for their owners. The third sector, in turn, refers to an organisational universe that emerges between the state and the market sector, and which is comprised of various kinds of non-profit

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[1] In the model of four sectors, households and/or unorganised and informal civil society activities are regarded as separate sectors as well (e.g. Williams 2002).

organisations, such as associations, foundations and new co-operatives. (Billis 2010; Corry 2010, 11.)

Evidently, the inherently diverse third sector organisational field has never fit neatly into singular definitions. Kendall and Knapp (1995), for example, described third sector as a 'loose and baggy' monster. (See also Osborne 2008.) Some researchers have even questioned the existence of a separate third sector and argue that the third sector organisational field comprises only a large variety of hybrid actors (see e.g. Kramer 2004; Brandsen et al. 2005).

This research contributes to the discussions of distinctive sector characteristics and logics and, consequently, argues as a starting point that the idea of a separate sector suggests that these sectoral entities, however diverse, together make up a coherent whole – with each sector having its own distinct type of social form and practical logic (Corry 2010, 11). Sectoral boundaries are important sources of legitimacy and origins of identity and identification. According to Foreman and Whetten (2002, 622) members of organisations are likely to identify not only with their local organisation but also with its encompassing organisational form. Even though organisations inside a particular sector may be different, they share some common properties and characteristics and, consequently, exclude those that do not belong to the same sector (Lorentzen 2010, 21). There is a variety of strategic interests holding together the idea of a distinctive sector, since it brings about shared strength, advantages and value (Alcock 2010; Macmillan 2012).

Hybrid organisations, in turn, combine the features of different sectors in their operations and, thus, face a plurality of rationalities that shape their behaviour (Skelcher & Smith 2015; Greenwood et al. 2010; see also Skot-Hansen 1999). They combine for example different sources of income, different values and cultures and different modes of governance. In this research, special emphasis is placed on third sector organisations' relationship with the market sector and on the process of marketisation. Marketisation is one dimension of hybridisation. In general, it means that economic and market-oriented pressures increase in those sectors and fields of activity that are not, at least in the first place, market oriented and organised according to market sector principles.

Today's society is full of institutionalised practices linked with economisation and marketisation (e.g. Eikenberry 2009; see also Salamon 1993; Çalişkan & Callon 2009, 2010). Brands and consuming, for example, are essential elements of the lifestyle of many people and, thus, are a powerful life-shaping force (Kronberger 2010, xii; see also Klein 2001). Public spaces are increasingly becoming places of consumption (e.g. Low & Smith 2006). Organisations from other than the market sector also adopt market sector methods and approaches to guide their operations and management. In the public sector, different policies that aim to promote free trade, privatisation, outsourcing and an increased role of the private sector in service provision have gained popularity all over the world (e.g. Eikenberry & Kluvert 2004; Belfiore 2004; Anttiroiko 2010). The third sector, in turn, has faced new kinds of organisations and actors entering the field. Furthermore, traditional third sector actors have adopted new ways of doing

things. (See Alapuro 2010; Siisiäinen & Kankainen 2009; Saukkonen 2013, 6.) Third sector organisations increasingly deliver public services, acquire financing from commercial sources and use market sector management models in their activities, for example (e.g. Dees 1998; Weisbrod 1998; Maier et al. 2016, 70–71; Meyer et al. 2013). This development over recent decades has led scholars to use the concept of a new third sector to refer to new models of third sector activities that differ in many ways from the traditional member-centred and voluntary work-based third sector operations (see e.g. Huotari et al. 2008; Saukkonen 2013; Sivesind & Selle 2010).

Hybridisation and marketisation are challenging traditional sector-based definitions. The ideal types of separate sectors cease to exist when organisations adopt models and practices from other sectors. It has been argued that the development and growth of various forms of third sector hybrid organisations, with characteristics normally associated with markets or the public sector, risk what some might see as the sector's essential identity (Macmillan 2012, 7). In an 'ideal' type of a hybrid organisation, this organisation no longer represents any particular sector, but instead it dynamically embraces and uses models and modes of action from different sectors to suit its specific needs and situation (see e.g. Besio & Meyer 2014). In organisational hybridity it is not just a question of exactly where the boundary between different sectors is located and of what the defining criteria are of each sector; it is also about the implications of creating any dividing line on future policy and practice (Westall 2009, 2).

Next, in this introductory chapter, a look is taken at the definitions and theoretical approaches that have been used when attempting to understand the whole of the third sector. In addition, a short introduction is given of the Finnish third sector's characteristics, with particular attention to cultural organisations. In this research the theoretical pre-knowledge about the ideal characteristics and logics of separate sectors, the third sector in particular, provides a starting point for the analysis; these characteristics and logics of the third sector will be returned to more closely in sub-chapter 2.2. The introductory chapter continues by outlining both the research questions and setting. In the final section of the introduction, structure of the research report is presented.

1.1 Third sector as a research object

The contemporary understanding that the third sector or civil society constitutes its own sphere of activity distinct from the state can be traced back to the nineteenth century. G. W. F. Hegel, for example, made a distinction between political society and civil society. According to him civil society was an area between the family and the state. (Kaldor 2003.) The term third sector first appeared in the academic literature in the 1970s when Amitai Etzioni (1973), in his article 'Third sector and domestic mission', regarded the third sector as an alternative sector separate from the market and public sectors. Since then, the research focusing on third sector issues has increased markedly. In addition,

academic journals publish in the field and there are academic centres and degree programmes dedicated to, e.g. non-profit management, voluntary organisations or civil society (Taylor 2010, 1–2).

In addition to the concept of third sector, there are several other terms or labels in use, such as non-profit sector, civil sector, voluntary sector or nongovernmental sector. Different terms comprise a conceptual family, and often they emphasise differently the third sector's relation to other sectors. However, they do not necessarily share a common set of characteristics or attributes. (See Corry 2010; Lorentzen 2010.) Furthermore, the same term may be used and understood differently. For some scholars, third sector refers, in the first place, to the category of service provider organisations in the larger field of non-profit organisations. In this research third sector is used as a 'catch-all' term for organisations that emerge and operate outside the state and market. (See Taylor 2010, 1.)

1.1.1 Characteristics of the traditional and new third sector

Theories and definitions that regard the third sector as a singular and meaningful category, a group of actors with its own specific characteristics, have been applied as a starting point in this research. These definitions offer differing views on both what the third sector is made up of and what is excluded from this category. (See e.g. Salamon & Anheier 1996; 1999; Billis 2010; Salamon et al. 2012; see also Corry 2010.)[2] They often place the third sector in relation to other sectors of society, i.e. the market sector and the public sector. These theories can be further divided into American and European perspectives. The former sees the third sector as a distinct sector with sector specific characteristics, whereas European perspective often emphasises that the third sector is a hybrid phenomenon that combines and connects other sectors. (Corry 2010, 12.)

Often these explorations mention the difficulty to classify the third sector under one singular definition (Osborne 2008; Kendall & Knapp 1995). Despite the complexity, scholars have found some common third sector characteristics. Salamon and Anheier's (1992a) structural operational definition is the most commonly referred to third sector characterisation. According to their definition, the third sector is a collection of organisations which apply at some level most of the following five common features:

1) organised,

2) private (i.e., institutionally separate from the state),

3) not profit distributing,

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[2]   In addition to sector specific roles and characteristics it is important to consider different sub-fields or sub-systems inside each sector or in a society. The distinctive characteristics or practices may vary considerably across the particular sector and are dependent on the specific sub-field, such as social care or culture. (Macmillan 2012, 10.)

4) self-governing and

5) voluntary.

Billis (2010), in his theorisation of hybrid third sector organisations, defines the ideal organisational types of each sector. His core idea is to find the distinguishing characteristics of the third sector, the public sector and the market sector. He (ibid., 52–58) concentrates on five core structural elements (ownership, governance, operational priorities, human resources and other resources) and principles under these elements that distinguish sectors from each other. Billis (ibid., 53–55) considers that an ideal type of the third sector is best typified by a non-profit association that pursues a nonpecuniary mission. In addition, an association is typically run by its members and volunteers, and the governing body is elected by the membership in private elections. Furthermore, an ideal type of third sector organisation is financed by dues, donations and legacies.

Along with traditional third sector definitions and characteristics, a new kind of hybrid activity is emerging all the time (e.g. Wijkström & Zimmer 2011). Scholars have used the term new third sector to describe the new actors, as distinct from more traditional third sector organisations (e.g. Huotari et al. 2008; Saukkonen 2013). The third sector organisational field has been seen as an especially fertile ground for the rise of hybrid organisational forms as the actors in the field often face complex and diverse tasks, legitimacy or resource environments. In particular, the multiple stakeholder structures of accountability of third sector organisations leave them particularly vulnerable to hybridization. (See Pache & Santos 2013; Knutsen 2012; Zimmer & Evers 2010.) Thus, in the third sector organisations, hybridity is often regarded to be the rule rather than the exception and as a constitutive and permanent character of the third sector organisation (Evers 1995).

According to the structural-operational definition, a core feature of the third sector is that it is an organised, thus formally constituted, entity. This criterion excludes different informal activities such as family or unorganised groups from the third sector category. This informal voluntary work and unorganised activity is sometimes seen as a separate fourth sector (e.g. Williams 2002). However, sometimes they are also included in a variety of third sector actors and as a characteristic of a new third sector (Table 1). The terms 'under the radar' or 'below the radar' have also been applied to describe these small community groups or informal activities that often have no legal status (McCabe et al. 2010). This type of activity is growing, as people use for example social media to gather around some issue in a flexible and fast way.

The second, third and fourth criteria of the structural operational definition distinguish third sector organisations from the state and market actors and emphasise third sector organisations' independency and ability to control their own activities. In the first place, the independency refers to the third sector organisations being self-governing; thus, their ability to determine their own purpose and act without the influence of the government or other external actors. Being a private organisation, for example, means that third sector organisations

are independent from the public sector. However, because even a fully private organisation operates under a set of rules and legislation established by a government, it can be argued that all organisations are invested with some publicness (Bozeman 1987, 79–83).

According to the research literature, third sector operations are moving from political, ideological or wider societal agenda towards public service production and cultural, sports and recreational activities. Developments from voice to service, private to half public and from self-governing to external control have been described as the characteristics of a new third sector. (Sivesind & Selle 2010, 96–99; Siisiäinen & Kankainen 2009; Möttönen & Niemelä 2005; Anheier 2009.) These developments are in many ways connected to changing public policies and practices and are discussed more fully in the next sub-chapter that focuses on the changing relationship between third sector organisations and public authorities. Third sector organisations' dependence on public funding and other external stakeholders has been considered a threat to their independence. (Table 1.)

The lack of profit motive is regarded to form the core of third sector activities and can be seen in definitions of the third sector. Due to their non-profit orientation, third sector organisations are regarded as more autonomous in regard to economic and market considerations. Henry Hansmann's (1980, 1987) non-profit theoretisation, introduced in sub-chapter 1.1.2, suggests that third sector organisations are more trusted than other organisational types. This distinctiveness arises from the characteristics of non-profit organisations and from their status of non-profit distribution. (Anheier & Kendall 2002; see Macmillan 2012.) Non-profit orientation has no single trans-historical or transnational meaning but reflects specific legal definitions, cultural inheritances and state policies in different national societies (DiMaggio & Anheier 1990, 137, 147). In Finland, the rules regarding the non-profit orientation of an organisation are defined in the Income Tax Act (1992/1535). These rules are presented in sub-chapter 1.1.3.

For third sector organisations and actors the non-profit orientation means more than just the status of non-profit distribution and tax exemption coming from the legislation. It refers to the ideas of common good, value base and ethical and social responsibility. Third sector organisations are described to be values driven. This means that they are motivated by the desire to achieve different social goals rather than the pursuit of profit (e.g. Westall 2009). Here, values refer to an organisation's inherent and driving (moral) values, ethics or ways of working and, thus, not to the outcomes or value provided for external beneficiaries or 'existence' value that a community group has by just being (about different approaches to values in the third sector context, see Westall 2009). Values are at the very heart of the third sector's operations. Salamon et al. (2012) argue that because of growing cooperation between sectors and an increasingly competitive environment, it is vital for third sector organisations to uphold their core values. Otherwise, they will no longer be trusted. The value base of third sector operations is examined more closely in sub-chapter 2.2.1.

The research literature also describes how third sector organisations are increasingly moving from a non-profit orientation towards a more business-like operation (e.g. Maier et al. 2016). This phenomenon is largely described through two main developments: First, through the rationalisation of third sector organisations via the adaptation of market sector management models (e.g. Meyer et al. 2013; Beck et al. 2008; Alexander & Weiner 1998; Kaplan 2001; Jäger & Beyes 2010); second, through the expanding role of markets where the increasing amount of market sector income in the third sector organisations is regarded as a sign of third sector marketisation (e.g. Dees 1998, Young 1998; Eikenberry & Kluvert 2004; see also Maier et al. 2016). (Table 1.)

Thus, in reality, the independence of third sector organisations may sometimes seem rather superficial as there are many links that connect and relate third sector actors to both the public sector and the market sector. Still, the independence of third sector organisations comes out in many ways from third sector definitions and characterisations. The field's actors emphasise this feature also. (See Macmillan 2012, 7–8.)

Voluntary involvement is a special characteristic of third sector activities. It refers to the third sector's roots in civil society and collective action around shared interests. In third sector organisations membership is not legally required, and they attract some level of voluntary contribution of time or money. The use of voluntary workers also distinguishes third sector organisations from the public sector and the market sector which mainly employ paid personnel. Recent research literature has described both the decrease of traditional membership-based volunteering and the increase of new volunteering that is done by other than formal members of an association (e.g. Wijkström 2011, 37–39; see also Hvenmark 2008). People are no longer so willing to commit themselves to the non-profit community and its activities for years to come and instead want to take part in a more superficial way or only over a limited period of time. (Stranius 2009; see also Hustinx et al. 2010; Table 1.)

The previous literature sees professionalisation of third sector organisations as a strong trend. During the last few decades there has been a clear transition from volunteer staff to paid employees in many third sector organisations (e.g. Ruuskanen et al. 2013; Hwang & Powell 2009; Smith & Lipsky 1993). In Finland, there had been an increasement in both the amount of paid work and the number of third sector organisations that employ personnel. Between 1990 and 2011 growth has been rapid, especially in social and health care organisations, but the amount of paid personnel has increased also in cultural, sports and recreational organisations. (Ruuskanen et al. 2013, 17–20.) Even though a professional organisation operating on a non-profit basis is not a new phenomenon, there are arguments that the wider professionalisation of third sector organisations may deeply affect the core characteristics and values of non-profit activity as organisations become more rational and formal and move away from their voluntary roots (e.g. Hwang & Powell 2009).

Table 1.　　　　　Traditional and new third sector

Traditional third sector	New third sector
Institutional, organised	Unorganised, informal
Organised communality	Social individuality
Voice	Service
Private	Half-public
Self-governing	External control
Not-for-profit	Close to business
Members-volunteers	Professionalism – new voluntarism

Adapted from Saukkonen 2013, 8.

1.1.2　Emergence and roles of third sector organisations

Different political regimes and social and economic structures have been used for explaining the sectoral emergence, roles and positions (Salamon & Anheier 1996). Barrington Moore Jr. (1966) identified social forces behind the emergence of democracy and fascism. According to Gøsta Esping-Andersen (1990), the history of political class coalitions is the most decisive cause of the welfare-state variations. He (ibid.) identifies three different welfare-regimes: liberal, corporatist, social democratic. And each of these has its own discrete logic of organisation, stratification and societal integration. In the liberal welfare state regime social benefits are typically modest. Instead, the state encourages market sector activity. In corporatist welfare states, market efficiency and commodification are the dominant ideology, and the granting of social rights is hardly ever a seriously contested issue. Corporatist regimes are typically shaped by the church and committed to the preservation of traditional family values. In social democratic regimes, the emphasis is on principles of universalism and the decommodification of social rights. This model is committed to a heavy social-service burden. (Ibid., 26–28.)

　　　Both in Esping-Andersen's own classifications (1990, 1999) and in comparative studies testing his typology (e.g. Powell & Barrientos 2004; Saint-Arnaud & Bernard 2003) Finland and other Nordic countries are most often included in the social democratic regime-type. In the Nordic welfare states, the combination of a large public sector, generous social benefits and free market capitalism with rather high levels of equality has been referred to as a Nordic success story that has succeeded to combine economic efficiency and social equality (e.g. Kuisma 2016). However, unlike Sweden, Norway and Denmark which are consistently categorised as social democratic welfare states, in the studies applying the model of the welfare regimes the classification of Finland ranges between different regimes, mostly from being a conservative regime to a social democratic regime.

　　　Esping-Andersen's welfare regimes have also been used for identifying characteristics of the third sector and its position in a particular regime. Salamon and Anheier (1996, 18–19) modified Esping-Andersen's analysis by building a model of four third sector regimes. These regimes – liberal, corporatist, social democratic and statist – were differentiated in terms of the extent of government

social welfare spending and the scale of the non-profit sector. In the model, Nordic countries are again included in the social-democratic or welfare state regime, where public authorities finance and provide welfare services and third sector organisations, in turn, have a large role for the expression of political, social or recreational interests. The market sector, consequently, is a place for producing or consuming different goods and services. (See also Salamon et al. 2000.) However, political regimes, their characteristics and the roles nations are providing to third sector actors are changing in Nordic welfare states too. There has been a change towards more liberal politics in Nordic countries as nations have been reshaping their public policies and public service provisions (ibid.). The financial crisis of 2007–2008 followed by the global economic downturn has fueled this development by forcing public authorities to reorganise their service provision and their relationship with third sector organisations.

This division of different regimes has been criticized for providing only stereotypical or ideal models and for not sufficiently considering the variation between countries included in a certain regime. Nor does the regime model detect the diversity within countries. (E.g. Baldwin 1996; Kasza 2002; Scruggs & Allan 2006.) This is, of course, true - no single pure case exists. But even though ideal typical political regimes cannot offer a complete explanation for the emergence, roles and positions of third sector organisations, this approach provides a good basis for analysis and a historical perspective on the development of the third sector. This, in turn, is important in order to understand and analyse today's complex, dynamic, international, intercultural and constantly changing world. These regimes have truly shaped many institutional norms and behaviours that are applied in organisations also in the cultural third sector.

In Finland, for example, cultural third sector organisations often operate in close connection with public authorities. The relationship between cultural third sector actors and the public sector, i.e. state and municipalities, has traditionally been strong and intense. The relationship is based on the public funding of the third sector, but also on cooperation and various administrative solutions that have brought together cultural third sector organisations and Finnish municipalities. Many connections between local authorities and third sector cultural organisations come from the 1950s and 1960s, together with the development of the Finnish version of a Nordic welfare state. In the 1960s, many art and cultural services previously maintained by third sector actors were transferred to the state and especially under the municipalities' control. (Sallanen 2009, 68–70.) The Finnish welfare state's cultural policy strove for both cultural democracy and the democratisation of culture. This was accomplished by creating cultural institutions and increasing the participation on culture. (Helminen 2007; Sallanen 2009; Kangas 2003; Sokka 2005.)

In economic theories, the different roles of societal sectors are explained by the failure of a particular sector and, consequently, the need for other sectors to repair this failure (Weisbrod 1972; 1975; Hansmann 1980; 1987; Salamon 1987). Burton Weisbrod's (1972; 1975) public goods theory argues that the state

provides services according to the needs of an average citizen, and the consumers are likely to be left in non-optimal positions in both private and government markets. Third sector provision is one possibility to adjust this dissatisfaction:

> (…) a class of voluntary organisations will come into existence as extra-governmental providers of collective-consumption goods. They will supplement the public provision (which can be zero) and provide an alternative to the private-sector provision of private-goods substitutes for collective goods. (Weisbrod 1972, 14.)

As Weisbrod's theory concentrates on only the provision of public goods, it lacks in explaining the third sector organisations' provision of private goods. In addition, it does not explain why third sector organisations rather than for-profit companies arise to fill the public goods service gap. Henry Hansmann's (1980; 1987) contract or market failure theory is complementary to the public goods theory. It argues that consumers or financiers have greater trust in non-profit organisations in situations in which the quantity or quality of the service is difficult to evaluate. This is because the non-profit operations are conceived as lacking the profit maximisation and personal profit seeking. This theory applies both in the situations where third sector organisations provide services that are difficult for the purchaser to evaluate and in organisations that rely mostly on donations and grants for their financing.

Both Weisbrod's and Hansmann's economic theorisations are demand based theories. That is, they present reasons why consumers may prefer or choose a third sector organisation instead of public organisations or for-profit firms. The demand of course explains the origins and growth of an organisation, but only partly. However, they have been faulted for their reductiveness. They are also unable to explain the variations of the third sector organisational field across the world and nations. (E.g. Kramer 2004, 219.) Lester Salamon's (1987) theory of voluntary sector failure rejects the view that the third sector is merely a response to failures of government and the market sectors. According to Salamon (ibid., 38–42), the third sector can be viewed as the origin and creator of many collective goods and services. If economically successful, third sector originated services may be adopted by markets or, consequently, in the case of voluntary failures, government support may be needed. Salamon lists four main sources for voluntary failures: philanthropic insufficiency, philanthropic particularism, philanthropic paternalism and philanthropic amateurism (ibid.).

Economic reasoning gives precepts for defining different goods and why a certain sector is the best producer of a certain good. According to economic theories, third sector organisations are on the first hand suited for the provision of quasi-public or merit goods, i.e. where exclusion is possible and significant positive externalities exist. (Anheier 2005, 115–120.)[3] Externality is a consequence

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[3]   The theories suggest that the public sector is the best provider of public goods. Pure public goods are characterised by non-excludability and non-rivalry in their consumption. A good is non-excludable if a person's consumption of it cannot be excluded and non-rival if a person's consumption does not reduce the benefits of someone else's consumption of the good. If only one of the characteristics of a public

of an economic activity that is passed on to unrelated third parties (ibid., 116). A festival can have positive impacts for example on the attractiveness of the region or people's communality.[4] These positive externalities that third sector activities create have been regarded as an important role and outcome of third sector operations and, furthermore, something that justifies public support and distinguishes third sector actors from market sector organisations.

As third sector organisations act as a societal arena for discussion, deliberation and public discourse they are discerned as important creators of social integration and social capital, as well as promoters of democracy (e.g. Putnam 1993, 1995; Zimmer 2007; Zimmer & Freise 2008). The promoter of wellbeing, producer of creativity, innovation and new ideas are also regarded as the roles of the third sector (e.g. Siisiäinen 1996 21–25; Vogel & Amnå 2003). While the sector's role in service provision has increased, even more emphasis has been put on the economic contribution of third sector activities. There are more expectations for example regarding the sector's role as an employee. (Wollebaek et al. 2000, 87–103; Helander 2004, 17–18, 31; Möttönen & Niemelä 2005, 151–155.) Due to the position of third sector organisations outside of markets and the state, they form a counterbalance to both state centralism and the sole reliance on market forces (Salamon & Anheier 1999, 5). Within the third sector, different sub-fields, such as healthcare or culture, may have different roles and emphasis in their activities.

The role of nation state is still fundamental in regulating and supporting different sectors and organisations and professions within the sectors. Even though the role has lately been challenged by the increasing internationalisation and changes in societal structures, national and local policies still provide important factor for third sector organisations to emerge and to reflect on their actions. (Evetts 2003.) The relationship between public authorities and third sector organisations and, in particular, recent developments in that relationship have been argued to provide a good basis for the development of hybrid approaches in third sector organisations (Harris 2010; Milbourne & Cushman 2013; Åberg 2013; Eikenberry & Kluvert 2004).

In the present political environment, the dividing lines between different goods are not clear as the definition and value of different goods are negotiated and reformulated in political processes (Anheier 2005, 119–120). The definitions also change with time. The blurring of sectoral boundaries promotes the transition to the view that separate sectors and their potential benefits in the production of certain commodities are no longer so important. In recent years, this thinking has emerged especially in public service production. It is not so much a question of what sector produces the public service, but more important is that the service is produced efficiently and supports the set policy goals (e.g. Harris 2010, 29). Therefore, the fields of activity that are traditionally regarded as

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good is present, then it is a quasi-public good. (Anheier 2005, 117-118.) The market sector is usually regarded as the best provider of pure private goods that are excludable (it is possible to prevent those who have not paid for it from having access to it) and rivalrous (a good that can be consumed by one person at a time).

[4]   There can be also negative externalities, such as pollution.

outside of the market economy, such as healthcare, science, education or art, are more and more commodified and thus defined as private goods and brought under market forces. In recent years the political consensus favouring public support of cultural goods and services has been increasingly questioned, and public authorities are diminishing or even cutting down totally on their support for cultural organisations.

Strategic roles that public authorities provide for third sector organisations are useful in understanding how the external environment and resource acquisitions affect an organisation's behaviour (Kramer 2004, 224). These roles are not static but are in constant flux. The field of cultural policy has also become more marketised and economically oriented. Public cultural policy makers have adopted economic ideas and values, applied theories and practices as well as terminology and discourses from the markets sector. (Kangas & Vestheim 2010.)

There are several examples of this development from the Nordic countries also. Dorte Skot-Hansen (1999, 8) has analysed the internal tensions within national and local cultural policies. According to her, the public sector in Denmark, in other Scandinavian countries and in Europe as a whole has started to adopt economic ideas and values and to apply theories and practices as well as terminology from the market sector. The funding of arts and culture has been broadened to private sources in the form of subsidies, sponsorship and partnership. Instead of local or national recognition, quality has increasingly been measured with international appreciation and success. (Ibid., 14.)

Jenny Johannisson (2006), in turn, has explored the changing cultural policy in the city of Göteborg. According to her, local cultural policy has taken distance from a notion of culture that emphasises aesthetic values and quality. Through a focus on the promotion of welfare and participation, local cultural policy now stresses market orientation, individualism, networks and glocalisation. In their article, Saukkonen and Ruusuvirta (2012, 17) noted that the shifts mentioned by Skot-Hansen and Johannisson have taken place in Finland as well, and cultural services and artistic activities are approached from many different perspectives and put into a variety of roles. Simo Häyrynen (2013, 623) has studied state cultural policy documents from 1990–2010 and argues that the Finnish cultural political system, that was originally constructed for protecting free artistic expression and equal distribution of cultural possibilities, has been on the front line of political market orientation in Finland. (See also Kangas 2004.)

As part of the development public authorities adapt different market-oriented ways of doing and change their service structures and models (Forma et al. 2008; Belfiore 2004). They increasingly use new market-oriented methods of governance, such as public-private partnerships (PPP). Formerly public organisations are privatised, and private service providers are increasingly contracted out. Public funding is available through market-type relationships. (Suárez & Hwang 2012, 583–584; Eikenberry & Kluvert 2004.) The funding of arts and culture has been broadened to include private sources in the form of subsidies, sponsorship and partnership (Skot-Hansen 1999, 14). Consequently, third sector organisations are increasingly faced with new or newly modified

roles. They have become service providers and partners who participate in tender invitations and sign service contracts with public authorities and compete for these contracts with private firms, other third sector organisations, as well as public actors. (Pihlaja 2010; Rees et al. 2012; Evers 2005; Möttönen & Niemelä 2005, 151–155.)

There are research results indicating that due to the increase in market cultures and regulatory frameworks, the relationship between the public sector and the third sector organisation is moving from trust to control (Milbourne & Cushman 2013). The growing need for control and measurement is not only applied to service contracts but also to the control mechanisms of traditional grant giving are changing. Traditionally, the relationship between the state and the third sector is based on trust, and there has been no need for extensive control mechanisms. Consequently, grant receivers have been relatively free to decide how to use grant money. However, the move towards performance-based management has brought to the relationship elements that have narrowed the autonomy of grant receiving organisations. Public authorities consider that their position as a financier justifies and even obligates them to affect the terms and principles of the activities. (Saukkonen 2013, 20; see also Möttönen & Niemelä 2005, 105.)

Since control is often based on different quantitative indicators, it may increase different economic and market-oriented calculations in formally non-profit organisations. In the spirit of new public management – and because public authors need to prove their efficiency – it is more acceptable to adapt market-oriented methods also in non-profit third sector organisations. Customer orientation, efficiency, for-profit motive, competition and commercialism are concepts that are more and more extending into third sector activities as well. (See e.g. Dees 1998, 56.) According to Aila-Leena Matthies (1999, 40–45), the third sector is moving from ethical rationales (communal activities, flexibility, mutual caring) towards economic rationales where the emphasis is on the economic issues and quantitative evaluation. Miikka Pyykkönen (2010), in turn, has examined the traditional third sector communities' move towards more entrepreneurial ways of operating.

One much debated subject are the implications of a third sector organisations' dependency on public funding (Frumkin & Kim 2002; Smith and Lipsky 1993; Kendall 2009). While public funds may represent a critical source of revenue, concern emerges in regard to the progressive bureaucratisation of third sector organisations (Frumkin and Kim 2002). In the field of culture, there have been discussions on the autonomy of publicly funded private art institutions as they are required to respond to the public cultural policy objectives that may focus, for example, on instrumental use of culture in urban development or overcoming societal challenges (Vestheim 2009; Blomgren 2012).

Terms of financing directs third sector organisations towards partnerships and cooperation. Many funding criteria place emphasis on partnerships. Obtaining funding often requires collaboration between organisations both in the application process and in the implementation of plans once funding is obtained.

The underpinning rationale for organisational collaboration relates to efficiency and effectiveness, and the pressure on third sector organisations to work together has increased as the economic environment has worsened. Even though much collaboration still takes place between third sector organisations, organisational collaborations across sectoral boundaries are encouraged as well. Consequently, it is no longer unusual to find third sector organisations collaborating with for profit agencies, for example. (Harris 2010, 26–27.)

1.1.3 Third sector organisations in the field of arts and culture in Finland

In this thesis, organisational hybridity is empirically explored in the field of Finnish arts and culture, and more specifically in third sector festival organisations. In the field of arts and culture, third sector organisations, such as festivals, play a fundamental role in Finland. Historically, cultural associations and other civic organisations have been important creators and founders of modern cultural services. The development of professional art and cultural institutions is based on the tradition of third sector amateur activity. (Helminen 2007, 148–150.) The early forms of civil society organisations were formed and developed at the turn of the twentieth century, and many of them are still operating now. These organisations had motivations such as temperance, woman's rights and sports, and they often organised cultural activities as well. In addition, organisations that focused solely on cultural purposes were founded: the Finnish Literature Society was founded in 1831, the Finnish Art Society in 1846, the Artists' Association of Finland in 1864 and the Society of Swedish Literature in Finland in 1885. (Kangas 2003; Sokka 2005.)

Today, third sector organisations play a fundamental role in the field of arts and culture in Finland. Cultural third sector organisations are vital actors in preserving and developing cultural life. Third sector organisations are producers and organisers for most of the professional arts and cultural services, such as theaters, orchestras and museums. They bring together and mobilise people and provide a voice for different groups and art forms. In addition, they act as a platform for artistic and creative expression and provide places for recreational interests. (Heiskanen et al. 2005, 49–54; see also Salamon & Anheier 1996; Kangas 2003.)

Over recent decades the number and diversity of cultural third sector actors have increased in Finland, as has their share of all third sector actors (Siisiäinen & Kankainen 2009). However, despite their vital role in the cultural field, empirical research exploring third sector cultural actors from the sectoral perspective is rare when compared with research on third sector organisations for example in the field of social and health care. The latter organisations have been studied quite widely in Finland and worldwide (e.g. Särkelä 2016; Markström & Karlsson 2013; Ewert 2009; Alexander & Weiner 1998; Tuckman 1998). Further analysis is needed to provide a deeper and more detailed picture also about the cultural third sector organisations and their developments.

In Finland, the discussion and analysis of different sectors and organisations is usually based on a clear-cut legal status based definition and

distinction. Voitto Helander (1998, 62) has defined that the core of the third sector organisational field in Finland includes associations, foundations and some co-operatives (Table 2). In addition to these core organisational forms, Helander has made a wider categorisation in which he takes a much broader perspective to the third sector organisational field and includes actors such as unorganised groups, partnership companies or public associations.

Table 2. Third sector organisations in Finland according to structural-operational definition.

The core of third sector organisational field	Wider categorisation of third sector organisational field
Associations	Unorganised self-help groups
Foundations	Activity centers
Some new co-operatives	Partnership companies
	Public associations
	Churches
	Political parties

Adapted from Helander 1998, 62.

The existence of a common legal environment and tax regulations affects many aspects of an organisation's structure and guides organisations in their operations (DiMaggio & Powel 1983, 150). These structures are regulative institutions that have the power and ability to set rules and restrictions for organisations and organisational fields, as well as to monitor and control how organisations are complying with these rules. Organisations, consequently, obey the rules to avoid sanctions. (DiMaggio & Powell 1983.) The organisational legislation may vary considerably from country to country and, thus, also those organisational forms that are included in the third sector organisations vary. Next, the three main organisational forms of third sector organisations in Finland - association, foundation and co-operative - are presented. Focus is given to the introduction of these organisations in the field of arts and culture in Finland.

A member association is often considered as an ideal third sector organisation type. Associations are not-for-profit by law. The Finnish Associations Act (1989/503, 1 §) states that, 'An association may be founded for the common realization of a non-profit purpose. The purpose may not be contrary to law or proper behavior.' [5] In Finland there are also economic associations and associations governed by public law. The purpose of economic associations is to attain profit or other direct financial benefit for a member. Economic associations include actors such as forestry associations and mortgage associations. Public associations are founded to carry out public administration or service tasks or exercise public authority. In this report, an association only refers to private not-for-profit associations.

Finnish associations' activity is characterised by a two or three tier organisational structure in which local associations are members of national

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[5] 'Yhdistyksen saa perustaa aatteellisen tarkoituksen yhteistä toteuttamista varten. Tarkoitus ei saa olla lain tai hyvien tapojen vastainen.'

umbrella organisations. In addition, there may be a regional structure between the national and local levels. There are also independent associations that are not part of a wider organisational structure. (Helander 2004, 37; see also Helander & Laaksonen 1999.) The field of cultural associations is very diverse and contains professional art institutions and voluntary hobby associations, interest and fraternal associations and associations that produce cultural activities and services. Furthermore, there are associations that produce services only for their own members and others that produce services for non-members and audiences. (Ruusuvirta & Saukkonen 2015; see also Kosonen & Pekkarinen 2010.)

Estimates vary about the number of cultural associations in Finland. This is partly because of different definitions of culture, but also because there is no coherent model to categorise cultural associations. Many associations operate in diverse spheres of activities which makes the categorisation even more difficult. (Helander 2006, 100.) In 1996, as part of The Johns Hopkins Comparative Nonprofit Sector Project, there was estimated to be 28 000 cultural and hobby associations in Finland. At that time, this accounted for 40 per cent of all associations. In that research, the definition of a cultural and hobby association included sports clubs and sports associations. (Helander & Laaksonen 1999, 34–35.) According to Siisiäinen (2002, 99), the share of cultural associations of all registered associations was about 13 per cent in 1999, and there were over 20 000 cultural associations in Finland.

The Finnish Patent and Registration Office maintains the register of associations. The register uses a ten-grade classification, in which the cultural associations form a separate category. In 2018 altogether 71 700 associations were classified under the categorisation, and the share of cultural associations of all associations was 25 per cent (Finnish Patent and Registration Office, www.prh.fi). [6] However, it should be noted that the category of cultural associations includes also nature and environmental associations and science and research associations. Other actors included in the cultural associations group are as follows: educational and civic associations; associations related to music; associations related to performing arts; associations related to visual arts; other art associations; heritage and museum associations; associations for national traditions and food cultures; local heritage and village associations; family societies; and other cultural associations.

In addition to registered associations, there are a vast amount of non-registered associations. In fact, it has been estimated that most of the associations act as non-registered. Non-registered associations and other informal actors are often pre-stages of registered associations. (Helander 2001, 19–20.) New technology has made it possible to develop new informal ways of activities in the field of culture. These include for example book clubs on the internet or other literature pages. (Kosonen & Pekkarinen 2010, 24.) Despite the varying definitions, most scholars share the opinion that the amount and the share of cultural associations of all associations has increased in Finland, especially in the

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[6]   The register has a total of 105 000 associations (4/2018).

end of 1990s and in the 2000s (Helander 2001, 26; Siisiäinen & Kankainen 2009, 98).

The foundation can be defined as a separate, identifiable asset donated to a particular purpose (e.g. Manninen 2005). Like associations, foundations are not-for-profit organisations. The Finnish Foundation Act (2015/487, 2 §) states that, 'The purpose of the foundation cannot be to do business or to bring financial profit (…).'[7] In Finland, foundations are considered as the core of the third sector organisational field (Helander 1998, 62). However, the definitions and treatment of the foundations vary considerably among European legal systems; a foundation in one country may not qualify as such in another. The definitions vary for example in terms of the type of founder (private or public), purpose (non-profit or other) and activities (grant-making or operating). (Anheier 2001, 1-4.)

Foundations in Finland have one feature that distinguishes them from associations, co-operatives and limited companies: they do not have members or owners. Often there is a distinction made between grant-making foundations that primarily engage in grant making for specified purposes, operating foundations that implement their own programmes and projects and mixed foundations that have both features. (Manninen 2005.) The richest and wealthiest foundations control large asset portfolios and, thus, have a good basis for their operations and philanthropic work.

Cultural foundations in Finland can be divided into two groups. The first group comprises grant giving foundations that promote the arts, science and other fields of intellectual and cultural endeavour. Private funds and foundations play a significant role in Finnish cultural policy as funders of cultural activities. Over the last few years, the foundations' support for arts and culture has greatly increased, and considerably faster than public support from the state and from municipalities. (Ruusuvirta & Saukkonen 2015.) The second group comprises those foundations that maintain arts and cultural institutions. Two-thirds of all cultural foundations are grant giving foundations. However, those foundations established in the last two decades mainly maintain cultural institutions. (Oesch 2008, 20–21, 57.)

In 2014 there were about 2800 foundations in Finland (Finnish Patent and Registration Office, www.prh.fi). Estimations of the number of foundations operating in the fields of culture and recreation[8] vary from 24 per cent (Manninen 2005) to 27 per cent (Tervonen 2012) of all foundations. The number of foundations is increasing in Finland and in the EU in general. (Sälli et al. 2010; European Foundation Centre 2008, 8.)

Co-operatives are owned and run by and for their members. The Finnish Co-operatives Act (2013/421, 5 §) states that:

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[7] 'Tarkoituksena ei voi olla liiketoiminnan harjoittaminen eikä taloudellisen edun tuottaminen (…).'

[8] Kulttuuri- ja harrastustoiminta.

The purpose of a co-operative shall be to promote the economic and business interests of its members by way of the pursuit of economic activity where the members make use of the services provided by the co-operative or services that the co-operative arranges through a subsidiary or otherwise.[9]

Even though the outset of co-operatives is business oriented, they often have a dual-nature and have also non-profit oriented characters (Puusa et. al. 2013). There are co-operatives that can be viewed as third sector organisations. This applies, for example, to small or new co-operatives that operate on a non-profit basis and that have an artistic or cultural purpose. In these organisations the artistic or social needs and mission are more important than for-profit activity. (See e.g. Novkovic & Holm 2012; Asunta 2004, 43–46.)

In European research, co-operatives are usually regarded as part of the third sector organisational field because they are often created not for profit maximising but for a general or mutual purpose (Helander 1998; Evers & Laville 2004, 12-13). However, the US based third sector research usually excludes co-operatives. This was the case, for example, in regard to the large research project carried out by The Johns Hopkins University, which aimed to systematically compare non-profit sectors in different countries (Salamon & Anheier 1992b). In Finnish research exploring co-operatives in the field of arts and culture it was argued that organisations operating under a co-operative form might be both market or non-profit oriented and, consequently, should be regarded case by case. (Sivonen & Saukkonen 2014, 4, 7.)

In recent decades the amount of so-called new co-operatives has increased in Finland (Tainio 2009; Troberg 2008; Pättiniemi 2007). New co-operatives have been founded especially in those fields of activity where there have not been co-operatives before, such as in the creative sector and knowledge work (Moilanen et al. 2014). A co-operative as a legal form has been one answer for the networked information society and its people. Artistic production often needs cooperation between different skilled professionals. Co-operatives make this possible in an equal and flexible way. (Troberg 2005.) Pellervo, the Confederation of Finnish Cooperatives, keeps the registry of co-operatives. On the registry in 2013 there were 258 culture, publication and communication co-operatives and about 4000 co-operatives altogether. (www.pellervo.fi.)

Each organisation type has its own strengths and weaknesses and different organisational requirements. The chosen type depends on the organisation's objectives. An organisation's form gives a strong message to stakeholders as to its nature. Different sector labels and organisational forms are social constructs that have emerged from intentions to make organisations and their roles more visible and notable in the political system. For third sector organisations, important goals are to advance their mission in political processes or to promote access to public funding.

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[9] 'Osuuskunnan toiminnan tarkoituksena on jäsenten taloudenpidon tai elinkeinon tukemiseksi harjoittaa taloudellista toimintaa siten, että jäsenet käyttävät hyväkseen osuuskunnan tarjoamia palveluita taikka palveluita, jotka osuuskunta järjestää tytäryhteisönsä avulla tai muulla tavalla.'

From the sectoral perspective, the most profound feature coming from the legislation is the division between not-for-profit and for-profit organisations. The purpose of a business company is to produce profits for its owners and to pursue financial goals associated with revenue or profit maximisation; a third sector organisation, in turn, is mission-driven and created because of more general or mutual interests.[10] In Finland the non-profit orientation of an organisation is defined in the Income Tax Act (1992/1535). The Income Tax Act §22 states: an organisation is non-profit if it works solely and directly for the public good, its activity is not targeted only at limited groups of people and it does not generate financial benefit as such for the people involved in its activities. In addition to these criteria, tax authorities assess an organisation's non-profit orientation by evaluating the by-law of an organisation and its economic activities.

Non-profit orientation of an organisation is not a fixed state, but the organisation may lose its tax exemption if it is not fulfilling the requirements. In recent years, the tax authority in Finland has refined the interpretations in relation to non-profit activities. Because of these interpretations, the use of a recruited labour force or having revenue from the market sector may cause different consequences for the third sector organization, such as a loss of non-profit status. (Valliluoto 2014, 37–46; Similä 2016.) For example, the profitability of a third sector organisation can be a reason for losing tax exemption. Still, being not-for-profit does not mean that an organisation cannot be profitable. Literally, it means that an organisation cannot distribute profits as a return to individual investment. (Evers & Laville 2004, 13; see also Virén 2014, 9.)

Despite their legal forms, organisations may adopt very different behavioural models and combine characteristics from different sectors. Many non-profit associations differ from the model of a pure membership association in which there is a two-tier structure at the organisational level: the membership, which may consist of individuals or organisations, and a board, which is democratically elected by the members. In some organisations, membership is restricted to board members, and the governance structure is reduced to a single tier with a self-selecting board. The latter case gives the board greater control over who is selected to serve on it and offers the possibility that board members can be chosen for their experience and skills. (Cornforth & Spear 2010, 75–77.) On the board there might be persons from a business background, for example. In addition, an organisation's legal status may be private and not-for-profit but under the control of a public authority. There are associations that are founded by the group of public authorities where the authorities also form the board members. (Ruusuvirta 2013.) Consequently, even though legal structure provides a starting point when examining organisations from the sectoral perspective, as such it is not sufficient evidence of the sectoral orientation.

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[10] This research focuses on the organisational level of analysis. The diverse motives and purposes of the individuals working in the third sector or market sector organisations have also been widely researched. Young, already in 1983 (re-published 2013), argued that third sector actors and people working in third sector organisations may have a variety of market and non-profit motivations.

1.2   Research questions and setting

The purpose of this research is to examine third sector organisations from the sectoral perspective, especially focusing on the phenomenon of marketisation. Empirical research focuses on Finnish arts and culture festival organisations. An organisation is understood as a social unit of people that is structured and managed to work for a shared purpose. Organisations are viewed as open systems and closely linked with their environment. This research focuses on macro-level exploration of organisations, i.e. it studies the organisation, not individuals or groups inside the organisation (micro-level). The macro-level approach explores the behaviour and nature of organisations in their environments. (E.g. Scott 2008, 85–91.) Festivals, in turn, are periodically recurrent and temporary social occasions that often have diverse programme content (e.g. Kainulainen 2005, 66; Falassi 1987, 2). Here, an arts and cultural festival is defined as a series of events or performances focusing on art and culture. The multifaceted festival field was considered to be a good representative of the inherently diverse third sector organisational field. The festivals under study in this research are presented in Chapter 3.

The main research questions are:

1. What kinds of third sector organisations hold arts and cultural festivals in Finland? How are third sector characteristics and logics manifested in festival organisations?

2. How are market sector characteristics and logics manifested in festival organisations and why do festivals adopt market sector characteristics and logics?

3. How are multiple logics accommodated within festival organisations?

The first questions focus on third sector characteristics and logics in festival organisations' operations. The goal is to compare and categorise organisational features especially from the sectoral perspective and, consequently, to identify the core characteristics and logics in festival organisations. In the study, the default is that third sector is the prime sector (Billis 2010) of the festival organisations. This means that, in principle, they should be manifesting characteristics and logics inherent to the third sector. By answering these questions, the research seeks to increase the understanding of the diverse third sector organisational field and to contribute to the discussions on the meaning of sector-specific roles and characteristics in the operation of festival organisations.

Next, the focus is moved to the theme of hybrid organisations. Here, an organisation's hybridity refers to an inter-sectoral hybridity and a special focus is placed on third sector marketisation, i.e. the situation where market sector characteristics and logics manifest in third sector festival organisations. According to the previous research literature, also third sector organisations are

ingreasingly adopting approaches and methods from market sector (e.g. Maier et al. 2016). The second research question aims to detect and describe market sector characteristics and logics in the third sector festival organisations in question. In addition, the aim is to identify mechanisms that generate marketisation within third sector festival organisations. It has been argued that the third sector activities have certain features that support the hybridisation of these organisations. In order to understand hybridisation and hybrid organisations, it is vital to examine these mechanisms behind hybridisation, and marketisation in particular.

The third research question widens the focus to the examination of the ways the festival organisations apply hybrid practices in their activities and cope with hybridity. There are increasing arguments that the research on hybrid organisations cannot be based only on typologies based on sector characteristics, but the emphasis should be placed on the examination of different forms, levels and types of hybridity and how organisations deal with logics multiplicity (Skelcher & Smith 2015; Besio & Meyer 2014; Brandsen et al. 2005). Previous literature offers contradictory results about the consequences of logic multiplicity within organisations (Besharov & Smith 2014, 364). Organisational hybridity can create both conflicts and benefits (e.g. Albert & Whetten 1985; Besio & Meyer 2014). By exploring different forms and types of hybridity and how organisations cope with multiple logics it is possible to understand the factors behind the varied implications of logic multiplicity.

The analysis of the festival organisations focuses both on concrete and observable characteristics manifesting different sector orientations and dynamic processes of hybridisation, i.e. structures and mechanisms behind organisations' behavior (Mullins et al. 2012; Skelcher & Smith 2015). The theoretical pre-knowledge about the ideal characteristics and dominant logics of different sectors form the basis of analysis. Festival organisations are explored and described by looking at how they manifest ideal sector characteristics. Ideal types consist of characteristics that are common to most cases in given phenomena. A third sector organisation is considered to embody primarily the ideal characteristics and dominant logics of the third sector. The marketisation of the third sector, thus, is defined as the manifestation of ideal characteristics and dominant logics of the market sector in a third sector organisation's operations.

This research draws from the institutional logics approach to identify multiple logics that are shaping the behaviour of festival organisations (Thornton & Ocasio 2008; Friedland & Alford 1991). Institutions and institutionalisation have been a prominent theme in social sciences since the end of the nineteenth century. Early institutional theorists mostly focused their analyses on wider institutional structures such as constitutions and political systems, language, kinship and religious structures or the emergence and change of different institutions. Consequently, there was little attention given to organisations, either as institutional forms or the ways in which wider institutions shaped collections of organisations. (Scott 2008, 17; Suárez & Bromley 2016.)

The institutional perspective to organisations and their behaviour started to gain more interest in the 1970s (e.g. Meyer & Rowan 1977). Organisations were explored in relation to the wider institutional environment. According to the institutional perspective, organisations adapt, maintain and change their behaviour in order to gain a legitimate position in their organisational environment, and, furthermore, arrange their core activities according to accepted models or templates in that environment. These templates are patterns for arranging organisational behaviour that specify organisational structure and goals and reflect a distinct set of beliefs and values. There might be very repetitive and enduring, i.e. institutionalised, templates that are taken for granted among all organisations operating in the same environment. (DiMaggio & Powell 1983.) According to Scott (2008, 48–59), values, norms and beliefs are central ingredients of institutions.

Originally, organisational institutionalism mostly disregarded pluralism as an institutional phenomenon and instead argued that in order to gain legitimacy, organisations working in the same field become isomorphic, i.e. more similar to each other (DiMaggio & Powell 1983). Still, the diversity of institutional environments has long been recognised by scholars (Meyer & Rowan 1977). Zygmunt Bauman (2000) used the term liquid modernity, Anthony Giddens (1991) late modernity and Ulrich Beck (1992) risk society when describing contemporary societies and social worlds in which complex, dynamic and plural institutional orders were a prevalent feature. Lately, research on organisational institutionalism has focused more on institutional pluralism; the situation where organisations and organisational fields are characterised by multiple, often conflicting, normative orders and diverse claims from different stakeholders (e.g. Greenwood et al. 2010, 521).

According to the institutional logics approach, institutional logics provide symbolic and material elements that structure organisational legitimacy and actor identities. Furthermore, organisational practices and values are manifestations of different logics. The institutional logics perspective is a metatheoretical framework for analysing the interrelationships among institutions, individuals and organisations in social systems (Thornton et al. 2012, 2). It theorises institutions as plural and focuses on the effects of differentiated institutional logics on individuals and organisations in a larger variety of contexts (Thornton et al. 2012, 2; Thornton & Ocasio 2008, 100; Friedland & Alford 1991; Thornton & Ocasio 1999; Skelcher & Smith 2015). The concept of logic has the advantage of drawing attention to the multiple societal sectors that shape the cognitions and behaviour of organisations - the market, state, third sector – while also integrating agency within a multi-level mode of analysis (Thornton et al. 2012; Delbridge & Edwards 2013, 928). This helps to understand the variation in behaviour and how diversity is managed by organisations (Thornton et al. 2012, 4). This is valuable when exploring hybrid organisations that can be viewed as entities that face a plurality of rationalities that are institutional logics (Skelcher & Smith 2015). Skelcher and Smith (2015, 434) see hybridisation as a process in

which plural logics and thus actor identities are in play within an organisation, which leads to a number of possible [hybrid] organisational outcomes.

This research uses a realistic perspective to serve both as a guiding scientific philosophy as well as a metatheory to build a theoretical frame and methodology (Kuusela 2006, 13). The field of critical realism has a multitude of approaches, as well as different and partly conflicting interpretations. This research applies the realist philosophy that was first developed by Roy Bhaskar (1978) and that has since been developed and expanded by several authors (Archer 1995; Sayer 2000) as well as by Bhaskar himself (e.g. Bhaskar & Hartwig 2008).

The basic ontological assumption of critical realism is that there is a real world out there, and it exists independently of people's perceptions, language or imagination. It also recognises that part of that world consists of subjective interpretations which influence the ways in which it is perceived and experienced. (O'Mahoney & Vincent 2014, 2–3.) According to critical realism the world is stratified into three separable but interrelated domains: the real, the actual and the empirical. The domain of real refers to the structures and mechanism that can generate the actual world events. The domain of actual includes events that are generated if and when these structures and mechanism are activated. The empirical, consequently, is defined as the domain of experience, i.e. what we perceive to be the case. (Sayer 2000, 11–12; O'Mahoney & Vincent 2014, 9; Danermark et. al 2002.)

In contrast to the relativist idea that everything is relative and has no absolute truth, critical realism believes that there is an absolute truth and tries to describe real world phenomena as they are. Even though realism admits that the information provided by researches might be partial and incorrect, it argues that regardless of that the research can produce consistent information about the world. The more research is done, the more it is possible to receive deep and accurate information. (Sayer 2000; Danermark et. al 2002.)

An entity is real if it has causal efficacy. In other words, it influences behaviour. For example, both the actual decrease of public support and the belief that public support will diminish in the future may have consequences on organisations, even though the threat in the latter case does not necessarily actualise. While causal powers are real, the outcome is dependent on the relationality of structure and agency at a given time and place. The marketisation of festival organisations occurs as a result of the interplay between structural influences and festival organisations' activities, beliefs and interpretations about their situation in a particular spatio-temporal context. (Delbridge & Edwards 2013, 935.)

This research adapts an interdisciplinary approach in its research strategy. Social and public policy, and in particular cultural policy form an important perspective for the research. Cultural policy, here, is understood as choices and forms of power that apply to art and artists, or more broadly to culture.[11] In

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[11]   Thus, this research applies a broad understanding of cultural policy. In a narrower understanding, the field of cultural policy is confined to government actions that regulate, protect, encourage and support activities related to the arts and culture.

addition, this research has benefited from the contributions and concepts of economics to understand and examine the manifestations of market logic in third sector organisations.

The main empirical material includes the internet survey targeted at festival organisations that applied for state funding in 2014. The data contains both qualitative and quantitative information. Furthermore, both quantitative and qualitative methods are used to analyse the data. The empirical data and the methods of data analysis are described in more detail in Chapter 3.

1.3   Structure of the research report

The research has seven main chapters. This first chapter introduces the research topic and positions the study within the third sector research tradition, presents central concepts and gives an introduction to the characters of the Finnish third sector, with particular attention to cultural organisations. In addition, Chapter 1 outlines the research purpose and setting. Chapter 2 presents a theoretical frame of reference for the thesis, an approach of ideal type institutional logics and ideal characteristics of separate sectors, that is applied to analyse festival organisations' sectoral orientation and hybrid ways of operating. Chapter 3 introduces the research material and methodology and, consequently, moves the focus from theory to the interpretation and analysis of empirical cases. First, the main data source and the method of data gathering, an internet survey, is presented. This is followed by an introduction to the empirical research target; those arts and cultural festivals that applied for state funding in 2014. The last part of the chapter describes the analysis methods and presents the overall analytical framework of the study.

Chapters 4 to 6 constitute the empirical part of the thesis. Chapters 4 and 5 draw from the ideal types of sectoral characteristics and logics and aim to analyse the following: what kinds of third sector organisations hold arts and cultural festivals in Finland, how market sector logics manifest in festival organisations and why festivals adopt market sector characteristics and logics. In Chapter 4, festival organisations' goals and priorities are analysed through festival managers' interpretations of what is central about their missions, operational priorities and future strategies. Chapter 5 examines the relation of multiple resource environments to the hybridity of festival organisations. In this chapter, a closer look is taken at the human resources and financial resources that festivals use in their operations. In addition, festivals' relationship with co-operation and competition and well as their audience are examined. The chapter analyses those characteristics that support or prevent market sector oriented approaches in the use of resources. In addition, the chapter explores the relationship of festival organisations with the public authorities and the possible impact of this relationship on the hybridity of festival organisations.

Chapter 6 combines the results presented in the earlier chapter with new analysis. First, three organisational orientations identified via factor analysis -

effective professional organisations, congenial creative communities and non-profit independent actors – are presented and reflected on against the results presented in previous chapters. In this way it is possible to put together the core logics and characteristics of third sector arts and cultural festival organisations in Finland. Second, the focus is then turned to the phenomenon of hybridisation and its different configurations in festival organisations. The approaches that festival organisations - consciously or unconsciously - use in order to deal with hybrid characteristics in their everyday operations are identified and presented.

Finally, Chapter 7 summarises and discusses the main research findings and answers the research questions. In addition, the usability is discussed of the applied research framework used in the study of third sector marketisation. To end, the chapter points out some issues for the further research.

2   HYBRID ORGANISATIONS: MIXING MULTIPLE CHARACTERISTICS AND LOGICS

The following chapter introduces the theoretical foundation used in this study to examine and analyse hybrid third sector organisations. In general, hybridity can be defined as something of mixed origin or composition. In biology, the word hybrid refers to the crosses between plant or animal breeds such as a mule. Today, the concept of hybrid is used on various occasions: there are for example hybrid cars that use two or more distinct power sources. (New Dictionary of Modern Finnish 2018.)

In an organisational context, hybridity has been mainly researched as a phenomenon where an organisation mixes principles and practices of various sectors of society. The third sector or non-profit literature has theorised the hybridity largely as a descriptor of organisations comprising multiple features of the public, market and third sector trinity (Skelcher & Smith 2015, 433). Hybridity is often examined between two sectors and from the perspective of one particular sector (Koppell 2003; Billis 2010). Some scholars see the distinction between different sectors as a continuum of several dimensions (Dahl & Lindblom 1953; Karré 2012; Rainey & Chun 2007), whereas others see it more as a dichotomy having a clear cut off point evident between the sectors (e.g. Billis 2010, 56–57).

In this research, the prime sector approach used by Billis (2010) is chosen as a starting point. Referring to Billis (ibid., 47) it is suggested that 'all organisations have broad generic structural features or elements (such as the need for resources)'. However, each sector has distinctly different characteristics and logics in relation to these elements. For example, the public sector is typically resourced by taxation and the market sector by sales and fees, whereas the distinctive financial resources of third sector organisations consist of dues, donations and legacies. (Ibid., 46–48, 55.)

Together, these characteristics and logics represent an ideal type for each sector. Ideal types describe what is essential about a phenomenon and are formed from characteristics and logics that are common to most cases in given phenomena. Thus, the word ideal refers to a world of ideas, not to perfection or an average type. The aim of using ideal types in analysis is to provide rich yet generalisable understanding of the phenomenon. (Thornton et al. 2012, 52–53.)

Figure 1 presents a model of three sectors and their hybrid zones. Sectors are defined as collections of (non-hybrid) organisations. Organisations derive their strength and legitimacy from the characteristics and logics of their own distinctive sector. Hybrid zones are the areas where the circles intersect. Even though organisations act in one sector, it is possible for them to slide into one or more of the hybrid zones and, thus, to adopt characteristics and logics of the other sector. (Billis 2010, 46–48, 57.) In this research the specific focus is on third sector organisations and the hybrid area between the third sector and the market sector.

Figure 1.   Three sectors and their hybrid zones
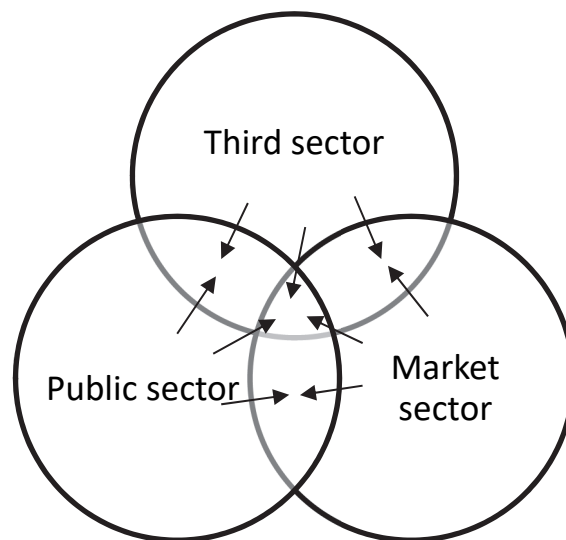
Adopted from Billis 2010, 57.

When studying hybridity, the first task should be to define the non-hybrid state of the phenomenon (Billis 2010, 46). As one purpose of this research is to understand the significance of sector specific characteristics and logics in third sector festival organisations' behaviour, it is vital to define the characteristics and logics in question. The next two sub-chapters aim to both identify and describe the characteristics and logics that define organisations acting in different sectors and to distinguish them from the organisations in other sectors. Reflecting on previous research literature, the focus is to define the ideal characteristics and logics of third sector organising. Even though these theoretical divisions of different sectors and the characteristics and logics inside sectors provide very general and simple assumptions about the functions and practices of separate sectors or sub-systems, they do provide a good basis for the analysis since there is more often than not a dominant set of attributes – such as non-profit – in the organisation that distinguish it from other types of organisation. (Wijkström 2011, 29; Billis 2010, 48.)

First, in sub-chapter 3.1. the model of ideal-typical logics of institutional orders suggested by Thornton et al. (2012) is presented. Next, the characteristics and logics behind third sector organising are examined. The focus is on four

logics identified as typical logics of either the third sector or the market sector activities: community, market, corporation and professional logics. In addition, a new non-profit logic is suggested for the framework of societal level institutional orders.

The separation of sectors at a theoretical level does not solve the empirical problem of delimiting where a separate sector ends and hybridity starts (Skelcher & Smith 2015, 435). It is true that pure ideal types very rarely exist in the organisational reality, and organisations vary in the degree to which they fully match the ideal model (Billis 2010, 48). Thus, most empirical cases will be hybrids (Skelcher & Smith 2015, 435). Therefore, the research on hybrid organisations should focus also on the nature of hybridity in organisations. The final sub-chapter looks at the types of logic multiplicity within organisations and how multiple logics are accommodated within organisations.

2.1 Institutional logics

The institutional logics perspective theorises institutions as plural. Ideal type institutional orders are theoretical models for how the boundaries of each institutional order are systemically defined and identified. The concept of logic has the advantage of drawing attention to the multiple societal sectors that shape the behaviour of organisations while also integrating agency into analysis (Thornton et al. 2012, 76–85; Delbridge & Edwards 2013, 928). This helps to understand the variation in behaviour of organisations and how diversity is managed by organisations (Thornton et al. 2012). This knowledge is valuable when exploring hybrid organisations that face a plurality of logics, i.e. institutional pressures, in their operations and at the same time are able to actively react to these pressures and shape institutions. (E.g. Skelcher & Smith 2015.) Skelcher and Smith (2015, 434) see hybridisation as 'a process in which plural logics […] are in play within an organisation, leading to a number of possible [hybrid] organisational outcomes.'

Thornton and Ocasio (1999, 804) define institutional logics as 'the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality.' Thus, to understand organisational or individual behaviour, it must be located in an institutional context. This institutional context both regularises behaviour and provides opportunities for both agency and change. The institutional logics approach emphasises that there is not just one but multiple sources of rationality within organisations and, consequently, provides an approach to theorise heterogeneity. (Thornton et al. 2012, 15; Thornton & Ocasio 2008, 104.)

According to the institutional logics approach, society is an inter-institutional system comprised of theoretically distinct normative structures, each of which has its own logic that provides a set of guidelines for action (Friedland & Alford 1991; Thornton et al. 2012.) There is no universal

understanding of what the inter-institutional orders are. For example, Friedland & Alford (1991) proposed five distinct institutional sectors: market capitalism, state bureaucracy, democracy, nuclear family and religion. Boltanski and Thévenot (1991) described six 'worlds': market, industrial, domestic, civic, fame and inspiration. Max Weber, in turn, identified separate economic, political, aesthetic, erotic and intellectual life orders or value spheres (Ritzer 2005, 626).

This research applies the institutional logics model presented by Thornton et al. (2012). In the model, they suggest seven ideal type societal level institutional orders: community, market, corporation, state, profession, religion and family. Ideal type institutional orders are theoretical models for how the boundaries of the institutional orders are systemically defined and identified. Each institutional order provides a frame of reference that preconditions actors' sense making choices.

Institutional orders are composed of elemental categories which represent the cultural symbols and material practices particular to that order. These elemental categories specify the organising principles that shape organisations' preferences and interests and how they act to attain these preferences and interests within the sphere of influence of a specific institutional order (Thornton et al. 2012, 54; Friedland & Alford 1991, 232). In their first version of the institutional logics model, Thornton et al. (2004) suggested three categorical elements representing distinctive and ideal-typical sources of legitimacy, authority and identity of each institutional order. Then they developed more elemental categories that, according to them, are not exhaustive and can vary in terms of which ones are most salient to a researcher's questions and research context (Thornton et al. 2012, 59).

The interplay between the ideal type institutional orders and the categorical elements constitutes an institutional logic. Institutional logics can be hybrids, which means they can be constituted from categorical elements of different institutional orders. Thus, there is a partial autonomy between different elemental categories of the interinstitutional orders. (Thornton et al. 2012, 59–61.)

A core principle of the institutional logics approach is that these logics have both material and symbolic (or cultural) characteristics. Here, material characteristics refer to structures and practices while symbolic characteristics refer to ideation and meaning, such as values, norms and beliefs. Rather than privileging either of these explanations of institutions, it is recognised that they are intertwined and constitutive of one another and that institutions are developed as a result of the interplay between both forces. (Skelcher & Smith 2015, 439; Thornton et al. 2012, 10–11.) As old institutionalism (e.g. Scott 2008) usually proposes separable structural (coercive), normative and symbolic (cognitive) carriers of institutions, the institutional logics perspective argues that various bases for structures, norms and symbols are integral parts of any institutional order (Thornton et al. 2012, 51).

An important principle in the institutional logics approach is related to the agency of an actor, which is situated and constrained by the prevailing logics. Agency means an actor's ability to have an effect on the social world (e.g. Scott

2008, 77). Institutional logics and agency are treated as related yet analytically autonomous and distinct social phenomena, and agency is seen as conditioned by logics rather than being tightly embedded in the phenomena (Delbridge & Edwards 2013, 929–936; Skelcher & Smith 2015). Institutional logics exist outside the perception that actors may have of them and outside of the context in which actors operate. However, the effects of institutional logics will depend on this context (e.g. Skelcher & Smith 2015, 437). Consequently, even though organisations are forced to operate in a certain institutional environment and are targets of institutional pressures, at the same time they actively take part and contribute to the processes that produce, maintain and reproduce institutions (Meyer & Rowan, 1977). Organisations can innovate and transform institutional logics by putting them into the context of their own formal structures, cultural frames and history and make them productive for their goals (Besio & Meyer 214, 237, 243; Thornton et al. 2012, 4).

According to the institutional logics theory, institutional logics are also historically contingent (Thornton & Ocasio 1999, 804). The importance and interplay of different logics within an organisation vary across time and across context (Thornton et al. 2012, 12–13). It has been argued that modern societies are typically more influenced by the logics of the state, the professions, the corporation and the market, for example (ibid., 12).

Organisations and their products also evolve over time. During their life cycle they go through different phases, such as: the founding and growing of the organisation (idea, introduction, growth); the maturity stage; and the decline of the organisation.[12] Depending on their age and the phase they are going through, organisations experience different political, economic and social contexts, can be in very different situations and face very diverse challenges. The age of an organisation affects the knowledge that the organisation has of its operational environment and, consequently, how this organisation identifies itself and interprets its current situation. (Delbridge & Edwards 2013, 935–936; Thornton et al. 2012, 83–84.)

2.2 Characteristics and logics in third sector organising

Institutional logics were originally conceptualised as societal level phenomena and, consequently, cannot as such be reduced to the dynamics of an organisational sector (Friedland & Alford 1991, 238). Still, the institutional logics perspective argues that institutions operate at multiple levels and that actors are nested in different levels, such as individual, organisational, sectoral and societal (Thornton et al. 2012, 13–14). According to this understanding, sectors of society, for example, are made up of a variety of organisations that have their values anchored in different societal level institutional orders. Consequently, these

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[12]   For more detail about the concept of product life cycle, see Levitt 1965, and for more about organisational life cycle, see e.g. Mintzberg 1984.

organisations base their operations and decision making on the dominant institutional orders of their sector (Friedland & Alford 1991, 235, 254). However, these institutional orders are not fully determinative, but organisations have partial autonomy from these orders. This autonomy explains why organisations in the same sector may also be different instead of becoming isomorphic. (Thornton et al. 2012, 50–74; about isomorphism, see DiMaggio & Powell 1983.)

Empirically, institutional logics have been examined at different levels and in different organisations. Knutsen (2012) applied the institutional logics approach in his analysis of the characteristics of non-profit organisations (NPOs). According to him, NPOs manifest, in particular, five institutional logics in their values. These are the logics of democracy, family, religion, professions and the state. Knutsen (ibid.) also argued that the non-profit sector is composed of diverse organisations that emphasise different logics in different ways. In their analysis of critical reviews of Atlanta Symphony Orchestra performances under conditions of logic conflict and change, Glynn and Lounsbury (2005, 1033) argued that in symphony orchestras there is increasing blurring of the long dominant aesthetic logic with the commercial market logic. Pache and Santos (2013) investigated work integration social enterprises embedded in competing social welfare and commercial logics. They showed that in their operations these organisations selectively coupled intact elements prescribed by each logic. Furthermore, the institutional logics approach has been applied for example in studies concerning higher education publishing (Thornton & Ocasio 1999), architects (Thorton et. al. 2005), accounting firms (Thornton, Jones, & Kury, 2005), third sector housing partnerships (Mullins et al. 2012), health care (Reay & Hinings 2009), designers working with shipyards (Delbridge & Edwards 2013) and professional associations (Greenwood et al. 2002).

Contemporary discussions and theorisations of separate sectors suggest that each of these sectors forms a coherent sphere with its own distinct rationales and practical logic. Different sectors and organisations acting in a particular sector have dominant and distinctive institutional orders or logics behind their behavior; that is, they constitute an area of institutional life and have a shared system of meaning that defines the appropriate ways of behaving (Greenwood et. al 2002; Thornton & Ocasio 2008; see also DiMaggio & Powell 1983). These logics are manifested in the characteristics distinguishing different sectors. Earlier research has shown, for example, that festivals coming from the public, market or third sector may differ considerably in terms of revenue sources, cost structure, use of volunteers, corporate sponsorship and decision making (Andersson & Getz 2009).

Table 3 presents the five ideal-typical institutional orders and four elemental categories that are used in this research to analyse third sector festival organisations. The selected logics have been included in the research on the basis of previous research and considering the topic of the study. From the seven institutional orders suggested by Thornton et al. (2012), four orders – community, market, corporation and professional – have been included in the analysis. Furthermore, a new non-profit institutional order has been proposed alongside

the other four orders. Organisations rarely fully comply with one institutional order only, but rather they adopt institutional logics under different institutional orders. Thus, from here on, instead of using the term institutional order, the term institutional logic (i.e. community logic, non-profit logic, market logic, corporation logic and professional logic) is used to refer both to institutional orders as a whole or to individual logics under each institutional order that are formed in the interplay between institutional orders and elemental categories.

Four elemental categories representing ideal-typical sources of legitimacy, authority, strategy and economic system of each institutional order have been included in the analysis. The elemental categories under each institutional order are not meant to be exhaustive but to assist the researcher in the comparative interpretation of different characteristics and logics within and across institutional orders (Thornton et al. 2012, 59). The previous studies on institutional logics show that the understanding of different instutional logics, as well as how institutional logics have been applied in different studies, is very diverse.

As there is no universal understanding about the concept of institutional logics or the elements included in different logics, a researcher must make choices about what logics are applied and how they are interpreted in the research. Table 3 describes the five institutional logics and four elemental categories under each logic applied in this research. Thornton et al.'s (2012, 73) original model has been modified in regard to the contents of the elemental categories; these modifications are described in the table. Sub-sections 2.2.1–2.2.3 discuss in detail the interpretations of these five logics, the characteristics expressing these logics and the logics' relations to the organisation of the third sector.

Table 3.   The ideal-typical logics of institutional orders and elemental categories used in this research

		Institutional orders				
		Community	Non-profit[8]	Market	Corporation	Profession
Elemental categories	Sources of legitimacy	Unity of will. Belief in trust & reciprocity	Lack of profit maximation	Share price	Market position of firm; bureaucratic roles[1]	Expertise[2], quality of craft[3]
	Sources of authority	Commitment to community values & ideology	Commitment to non-profit mission, independence	Shareholder activism	Board of directors, top management	Professional association
	Basis of strategy	Increase status & honour of members & practices	Increase the fulfillment of non-profit mission	Increase efficiency profit	Increase size and diversification of firm	Increase reputation
	Economic system	Cooperative economy[4]	Non-profit economy	Market economy[5]	Managerial economy[6]	Knowledge economy[7]

A source of authority manifesting market logic

Adapted from Thornton et al. 2012, 73:
[1] In Thornton et al. (2012) 'Bureaucratic roles' was included in the elemental category of 'sources of identity', but this category is not used in this research.
[2] In Thornton et al. (2012), 'Personal expertise'.
[3] In Thornton et al. (2012) 'Association with quality of craft' was included in the elemental category of 'sources of identity', but this category is not used in this research.
[4] In Thornton et al. (2012) 'Cooperative capitalism'.
[5] In Thornton et al. (2012) 'Market capitalism'.
[6] In Thornton et al. (2012) 'Managerial capitalism'.
[7] In Thornton et al. (2012) 'Personal capitalism'.
[8] Thornton et al. (2012) do not have a non-profit institutional order.

2.2.1   Community logic and non-profit logic in third sector organisations

Many of the characteristics identified in the previous research literature as typical of the third sector manifest themselves as community logic and non-profit logic. Thus, in this research, these two logics are regarded as dominant third sector logics. In the community logic the ideal-typical sources of legitimacy include the following: the unity of will and belief in trust and reciprocity, the sources of authority comprises the commitment to community values and ideology, the basis of strategy emphasises the increase of status and honour of members and practices and economic system is framed by cooperative economy (Table 3). Voluntary participation and the whole idea of non-profit activity being about people coming together because of shared interests are characters of the third

sector and can be interpreted as expressions of community logic. Derived from community logic, the structures of third sector organisations are often based on informal individual relations and not on formal structures and hierarchies like in corporation logic. Besides, trust is the key coordinating mechanism in the community form (e.g. Adler 2001, 217). Trust is at the very heart of third sector operations and is considered to be one of the most important assets of third sector organisations. Trust is related to the lack of profit motive that constitutes the core of the non-profit logic. (Hansmann 1980.) Collaborative strategy and co-operation, manifesting as community logic, are typical to third sector organisations. Co-operation is also an important resource for many third sector organisations. (Galaskiewicz & Sinclair Coleman 2006; Guo & Acar 2005; Zimmer 2010.)

Even though community logic provides a base for many third sector organisations to reflect their activities, it does not seem a sufficient institutional framework behind non-profit third sector activity when looking at the third sector characteristics described in previous studies. Consequently, it seems that the prevailing model of institutional logics overlooks one important institutional order: The one that forms a counter-force for profit-seeking market logic and, thus, provides the sources of meaning and legitimacy to many non-profit third sector as well as public sector organisations. Thus, a new non-profit institutional order has been proposed alongside the community logic to represent dominant third sector logics. Non-profit logic is one way of how civil society interests manifesting community logic may take form and organise.

Non-profit logic emphasises the following: the lack of profit seeking, the commitment to non-profit mission and its fulfillment and the organisation's independence in defining its own goals and ways to achieve it. (Table 3, p. 47.) In an organisation based on non-profit logic, the strategic aims emphasise the fulfilling of the non-profit mission. The mission aiming for non-pecuniary goals is at the very core of third sector operations. In the non-profit economy, the importance of general interest and non-profit goals is greater than the pursuit of economic gain. Non-profit community is driven not just by the economic disposition of goods and services but by a value system that orders its economy (Thornton et al. 2012, 68). Still, the present literature reveals also the ambiguity of non-profit organisations' strategies and performance measures (Young & Lecy 2014, 1322; Sawhill & Williamson 2001, 371). The management of non-profit cultural organisations may aim at maximising the quality, number of visitors or productions, and increasing their budgets. (DiMaggio 1987b, 206; Sorjonen 2004, 52; Luksetich & Lange 1995; see also Sawhill & Williamson 2001.)

A core feature of non-profit operations is that they are self-governing; that is, they are independent from external stakeholders when deciding upon their mission. The independence of non-profit operations is mentioned in Salamon and Anheier's (1992a) structural operational definition of third sector features. Brown et al. (2000, 7) defined civil society 'as an area of association and action independent of the state and the market in which citizens can organize to pursue purposes that are important to them, individually and collectively.' In the field

of arts and culture, there has traditionally been a strong ethos of autonomous and independent artists. In Bourdieu's terms, ideal type non-profit art organisations are positioned at the autonomous pole of the art field and, thus, are independent of external demands and economic considerations. The ideal financial resources in the non-profit economy come from dues, donations and legacies. In addition, the work perfomed by voluntary staff is an essential resource of non-profit organising. (Billis 2010.)

Community logic is also based on the members' commitment to community values and the unity of will. Third sector theorisations emphasise the importance of a common value base, and the link between values and third sector activities is well established. However, because of the variety of organisations and the environments in which third sector actors operate, the research has usually failed to define the core third sector values or orientations which distinguish third sector actors from the other organisations. Still, moral and values have been identified as key elements of the non-profit phenomenon. Rose-Ackerman (1996, 713) relates third sector operations to altruism, arguing that it is '(…) reserved for people who feel some moral obligation to help in the provision of charitable services and of jointly consumed goods not provided by the state'. According to Gassman et al. (2012), the third sector is mission driven, responds to perceived needs and is people oriented.

Salamon et. al (2012, 4) identified seven value dimensions commonly associated with the non-profit sector in the US. These features were: being productive, effective, enriching, empowering, responsive, reliable and caring. Furthermore, they found that when they asked third sector respondents, there was a relatively broad consensus that these seven attributes capture the core of the sector's values. In addition, when these responses were explored by organisational size and field of activity, there were interesting, albeit predictable, differences between different organisations. Children and family service agencies stood out in terms of the share that considered caring to be a 'very important' attribute of nonprofits. Similarly, arts and culture organisations stood out in terms of the importance they attached to being enriching. (Ibid., 7.)

Furthermore, the respondents were asked how they exemplify these seven attributes in comparison with the public sector and the market sector. The majority of respondents agreed that non-profits are better than government with respect to all seven attributes. However, the comparison with market sector revealed three values that the large majorities of the respondents felt non-profits exemplify better than for-profits. These values were:

- caring (serving underserved populations; providing services/programmes at reduced or no cost to disadvantaged populations; community focused)

- enriching (giving expression to central human values; providing opportunities for people to learn and grow; fostering intellectual, scientific, cultural and spiritual development; preserving culture and history; promoting creativity

- empowering (mobilizing and empowering citizens; contributing to public discourse; providing opportunities for civic engagement for the public good).

According to Salamon et al. (2012, 4, 11) these three values can be regarded as the true, special 'value-adds' of the non-profit sector in the minds of sector leaders. Even though Salamon et al. have defined the non-profit sector and its core values only from a North American perspective, their results provide one view of the values of the third sector that can be reflected against the results of this research.

However, third sector organisations share various other value orientations as well. Voss et al. (2000, 2006) found five organisational values that distinguish non-profit theatre organisations: 1) in an artistic value orientation an organisation prioritises the intrinsic drive for artistic creativity, innovation and independence; 2) in a prosocial value orientation non-profit organisations have a commitment to expanding community access to and appreciation for art; 3) in a market value orientation organisations aim for customer satisfaction and audience entertainment; 4) in a achievement value orientation an organization emphasises striving for public recognition and acclaim for the organisation's artistic activities and 5) in a financial value orientation an organisation prioritises the fiscal stability and security of the organisation.

Consequently, it can be stated that there are some core moral and ethical values related to third sector actions. However, in the examinations about the differences between third sector and market sector organisations, it is problematic to make decisive statements on what market and third sector values are (not) or should (not) be (Van der Wal et al. 2008, 467). Still, exploration of the present literature reveals that it is crucial to explore and analyse values when examining third sector organisations' core characteristics.

2.2.2   Market logic and corporation logic in third sector organisations

Here, market logic and corporation logic are regarded as the core logics of market sector organisations and, thus, important logics to focus on when examining the relationship between third sector organisations and the market sector. Market logic is expressed in the efforts of organisations to generate profits and in their orientation towards customer needs and competition. Market sector organisations are typically owned by their shareholder and governed according to principles of size of share ownership. As their economic frame is market economy, market sector organisations are mostly financed by sales and fees. (Billis 2010, 51–55.) In addition, competition is an essential character of an ideal market structure. Market sector logic emphasises rivalry over co-operation, which in turn was identified as a typical characteristic of third sector organising and an expression of the community logic (Table 3).

The corporation, in turn, is an institution that provides a framework for a wide range of economic activities and governance (Thornton et al. 2012, 67). Corporation logic is manifested in organisations as a focus on control, aim for more rationalised systems, hierarchical and clear division of tasks and emphasis on strategic decision making. Corporation logic is in many ways complementary with the goals of market logic. Previous studies have shown that when an organisation's activities in the market grow, also the need for control and division of tasks increases (Thornton 2002, 95–98).

The general societal processes where economic and market-oriented pressures are increasing also in those sectors and fields of activity that are not, at least in the first place, market oriented and organised according to market sector principles are often described with terms such as economisation and marketisation. There is no clear-cut dividing line between these concepts, and they are often used as synonyms. However, it can be distinguished that economisation is more about rationalising and standardising the organisational processes to increase efficiency and effectiveness and, thus, manifesting corporation logic. Marketisation, in turn, refers to the expanding role of the market in the third sector, and consequently orientation towards customer needs rests on the competition-based market alongside a system of supply and demand. (Suárez & Hwang 2013, 583; Ewert 2009.) In this research, the concept of marketisation is used to refer to both developments.

At the organisational level, a non-profit organisation's move towards the market sector or the hybrid state of an organisation between the market sector and the third sector have been conceptualised as becoming or being business-like (Maier et. al 2016), market oriented (Sorjonen 2004) or enterprising (Dees 1998). Organisational forms such as social enterprises, social cooperatives, social purpose businesses and socially responsible corporations also refer to hybrids situated between the market sector and the third sector (Young & Lecy 2014; Dees 1998; Nyssens 2009). In financial orientation a third sector organisation's emphasis is on fiscal stability, and an organisation's aims to secure the funding and/or find new sources of income and economic situation at least partly controls the programme planning (Voss & Voss 2000, 746). Entrepreneurial orientation (e.g. Davis et al. 2011), in turn, is linked to entrepreneurial behaviours of third sector actors; that is, behaviours that involve high degrees of innovation, risk-taking and pro-activeness. However, even though few decades ago the term entrepreneurship was not at all used in the third sector (Young & Salamon 2002, 437; Suárez & Hwang 2012, 583), the third sector has also been considered as a source of new ideas, creativity and innovation (e.g. Frumkin 2002, 23; Sokolowski 1998). Furthermore, Young already in 1983 (re-published 2013) argued that third sector actors have a variety of market and non-profit motivations.

Third sector marketisation has often been researched from the perspective of resource dependency theory. Resource dependency theory assumes that organisations require resources to survive and, consequently, must interact with others that control these resources. Hybridity is seen as the outcome of third sector organisations' efforts to manage income flows, often because of diminished public support. (Eikenberry & Kluvert 2004, 133.) In the non-profit context this hybridity most often refers to third sector organisations' increasing reliance on commercial revenues such as sales and fees. (Young 1998; Dees 1998; Weisbrod 1998; Heilbrun & Gray 2001; Maier et al. 2016, 70–71; Sorjonen 2004.) Commercialism is a basic character of a business company. It refers to a situation where the main goals of an organisation are related to salability, profitability and economic success. In third sector organisations the hybridity in terms of commercialism has emerged as a consequence of third sector organisations'

search for new sources of revenue from the market sector (Dees 1998; Weisbrod 1998; Heilbrun & Gray 2001). The motive behind commercialisation is often economical. Seeking income from the new markets may benefit an organisation's economic position by providing more diverse sources of income and hence making an organisation less dependent of one financial source. The goal is not necessarily seeking profit but just securing current activities.

Nevertheless, the result may be that a third sector organisation's activities become increasingly dominated by market logic. Many scholars have described problems when economy-driven logics enter contexts that were traditionally dominated by other logics (Weisbrod 1998; Frumkin 2002; Galaskiewicz & Sinclair Coleman 2006). The inherent dynamics of economy creates pressure on all other societal systems and, consequently, subordinates their activities to its own needs. Thus, in third sector organisations there is a fear that commercial activities become an end in themselves, thus diverting attention from the original non-profit purpose. (Anheier 2005, 105; Young & Salamon 2002; Hwang & Powell 2009.)

Bourdieu (1996, 218) argues that nothing divides cultural products more than the relationship they maintain with a commercial success. According to Bourdieu (1993, 1996) there are different poles in the fields of activities. The autonomous pole of the artistic field includes those actors that, independent from external demands, act according to the ideal characteristics of the field and maintain the ethos of pure art. In the heteronomous pole, in turn, actors are more linked with society and the power relations within it. Economic considerations, for example, belong to the heteronomous pole.

In third sector organisations commercial activities can take place on different levels and dimensions. It can relate to auxiliary or supportive activities (e.g. merchandise sales) that aim to get the word out about an organisation and, if successful, generate cash. These supportive activities may or may not relate to organisations' core activities. It can also refer to commercialisation and productisation of the core programmes or products of an organisation. (Dees 1998, 56.) Furthermore, the conversion of a non-profit firm to the for-profit form is, according to Goddeeris and Weisbrod (1998, 215), commercialism carried to an extreme. This can be the case for example when – according to Salomon's voluntary failure theory – the activities founded in a third sector organisation are discovered to be commercially profitable.

Market orientation or customer orientation refers to an approach where the aim of an organisation is to identify and meet the expectations of a customer. The final end of this is the sale of a product. There are two main conceptualisations or schools of market orientation given by Jaworski and Kohli (1993) and Narver and Slater (1990). Jaworski and Kohli argue that market orientation is behavioural and refers the actual implementation of the marketing concept. Narver and Slater (1990, 21), in turn, define market orientation as 'the organisation culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers'. In both approaches, however, the key emphasis is the orientation towards the customer.

Generally, market orientation is viewed as the degree to which an organisation's analysis of customers, competitors and industry influences its strategic planning (Sorjonen 2004; see also Duque-Zuluaga and Schneider 2008). There are different behavioural components related to market orientation. In their research on non-profit professional theatres, Voss and Voss (2000, 67–83) used three distinct strategic orientations: a) customer orientation, which is an organisation's commitment to integrate customer preferences into product development and marketing process; b) competitor orientation, which is an organisation's commitment to integrate competitor intelligence into product development and the marketing process; and c) product orientation, which is an organisation's commitment to integrate innovation into the product development and marketing process. Sorjonen (2004, 61), who researched non-profit theatre organisations, suggested interest group orientation alongside the customer orientation and competitor orientation. Interest group orientation means acquiring, spreading and responding to the information concerning peers, field professionals and financiers.

The commercialisation of the third sector has been recognised and debated by the scholars all over the world during the last few decades (Salamon 1993; Tuckman 1998; Dart 2004; Eikenberry & Kluvert 2004; Guo 2006; Jäger & Beyes, 2010; Maier et al. 2016). Some researchers, especially in the US, see a radical change taking place towards third sector commercialism (Dees 1998; Weisbrod 1998; Mullins & Acheson 2014, 1610). Others, in turn, think that there has not been a 'commercial turn' and that the commercialisation relates only to some individual activities or actors inside different fields (e.g. Child 2010).

Especially non-profit social and health care organisations have been researched from this perspective, but there is also research focusing on non-profit organisations in the field of arts and culture. In the non-profit theatre field, Voss et al. (2000, 2006) recognised that the prioritisation of a commitment to customer satisfaction and audience entertainment is one operational dimension that non-profit theatre organisations value. Korhonen (2013) noted that hybrid theater organisations in Finland produce different services, both non- and for-profit, for different target groups and that these organisations have different production models for different processes. Sorjonen (2004) examined performing arts organisations in her dissertation and found that theatres' programme planning is to a certain degree influenced by an analysis of customers and competitors. However, this analysis is more based on managers' intuition, their underlying assumptions and their beliefs about customers and competitors than it is on formal and systematic market-focused information.

Kainulainen (2005, 254–255), in turn, has studied Finnish festivals from the perspective of regional development. He argues that the festivals did not use market discourse that emphasises the commodification, commercialisation and market orientation of festival events to any great degree. Furthermore, market discourse was often merged with prevailing autonomy discourse[13] that defended the autonomy of the artistic and cultural programme of festivals by emphasising

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[13]   Koskemattomuusdiskurssi.

the quality of art and professionalism, for example. Mayfield and Crompton (1995) studied how festival organisers have adopted the concept of marketing in their operations. According to them, most festival organisers are visitor-oriented, but fewer engage in post-experience evaluation or undertake pre-experience assessments. In addition, the level at which the concept of marketing was implemented in the festival operations reflected the level of resources available.

Managerialism is one of the most powerful institutional practices in third sector organisations today (Meyer et al. 2013, 167–173). Managerialism is a set of beliefs, attitudes, values and practices that support the view that management is essential to good administration and governance. According to the managerial ethos an organisation should be governed by formalised organisational management knowledge and should adopt practices such as strategic planning and performance measurement (Hvenmark 2013; Suárez & Hwang 2012, 583). Furthermore, managerialism can refer to managerialist discourses that are used to better present an organisation in funding and volunteering markets (Skelcher et al. 2005). Thus, managerialism manifests corporation logic.

Rationalisation, often introduced to an organisation as a result of managerialism, refers to the aim to achieve an organisation's goals as efficiently and effectively as possible (Meyer et al. 2013). Efficientness and effectiveness are terms that are often used interchangeably, but there is a clear distinction between them (Karlöf 2004). Efficiency highlights the economics of resource allocation in goal achieving. Effectiveness, in turn, focuses on getting things done and can be achieved also through inefficient processes.

According to Meyer et al. (2013, 167–173), managerialism displays itself in third sector organisations through three managerialist accounts that are used by organisations to legitimate them: efficiency and effectiveness, stakeholder's needs and innovation. In addition, managerialist organisations see themselves as operating in a world of constant change. Organisations must manage this change in order to face any threats it may bring. Along with change, and the anticipation of the future, the expectation of potentially unlimited progress is inherent to managerialism in organisations. Often this is envisaged as growth. Consequently, managerialist organisations typically emphasise future-oriented strategies, such as constant improvement. (Ibid., 175.) Non-profit organisations, in turn, typically emphasise more functional choices over longer-term strategies (Anheier 2000, 7; Alexander & Weiner 1998).

Financial and competitive pressures have created a favourable climate for third sector organisations to adopt managerial practices and approaches from the market sector (Kaplan 2001; Beck et al. 2008; Lindenberg 2001; Anheier 2000). Third sector organisations' adoption of managerial ideologies and practices and the increasing use of market discourse in the third sector's activities have been widely recognised (Meyer et al. 2013; Wijkström 2011; Kenyon 1995). It has been argued that managerialism brings contradictory elements to a third sector organisation's identity and values (e.g. Albert & Whetten 1985; Ashforth & Mael 1996; Glynn 2000; Voss et al. 2006).

However, neither development and innovation nor growth as such are distinctive features of the market sector or typical only of managerialist organisations. Third sector organisations have also been considered as sources of innovation. Festivals, in particular, because of their short duration, have been regarded as good places for trying and experimenting with new approaches (e.g. Kainulainen 2016). As argued before, non-profit organisations may have different strategies for development and growth. In addition, effectiveness was suggested as a core third sector value by Salamon et al. (2012). Kai Amberla (2011, 71), the director of Finland Festivals, has argued that nowadays festivals, despite their organisational form, are similar to business companies. According to him, festivals are professional 'production machines' that produce, inform, create strategies and know the legislation.

It is important to note that the adaption of business practices and managerial approaches from the market sector is linked to the size of the organisation. Large organisations tend to resemble each other regardless of whether they are for-profit or non-profit. They face similar needs to control operations and use more detailed procedures. Similarly, smaller organisations — whether for-profit or non-profit — are often characterised by low job specification and fewer departments and managers. (Beck et al. 2008, 157–158.) According to Billis (2010, 58–62), an organisation's hybridity often results from the steady accumulation of external resources. Over many years, an organisation may have moved organically from shallow to entrenched hybridity. Thus, the above mentioned theorisations suggest that the smaller and younger the organisations, the more pure or ideal the form of the third sector they represent.

2.2.3   Professional logic in third sector organisations

Professional logic emphasises expertise and the quality of craft as sources of legitimacy. Professional associations that seek to promote a particular profession or the interests of people in that profession hold authority by negotiating and managing debate within the profession (Greenwood et al. 2002). The increase of reputation is an important strategic aim of persons and organisations based on professional logic. In a knowledge economy, knowledge, skills and innovative potential are key economic resources. (Table 3.)

In an organisational context, professional logic can manifest, for example, in professionally organised structures and methods or through skills and competences or values expected from a professional organisation. Professionalisation is an important source of normative isomorphism, especially because of formal education and professional networks across which new models and approaches diffuse rapidly. Isomorphism refers to mechanisms through which organisations acting in the same operational environment tend to become more similar over time (DiMaggio & Powell 1983). Scholars have pointed out that widespread efforts to professionalise are likely to have the effect of making a heterogeneous collection of organisations into a distinct and coherent sector with a common set of organisational routines (ibid.; Hwang & Powell 2009, 275).

Professional third sector organisation is not any new phenomenon. However, many characteristics related to professionalism, such as paid professional staff or professional management practices are more generally conceived as being part of public or market sector behaviour. In ideal third sector organisations the distinctive human resources consist of members and volunteers, whereas market sector (and public sector) organisations usually use paid employees (Billis 2010; Salamon & Anheier 1992a). Especially in recent decades, there has been increasing emphasis on professionalism in third sector organisations (e.g. Evetts 2012; see sub-chapter 1.1.1). In the third sector context, the professionalism often refers to an increase of paid personnel in organisations that previously mainly operated on a voluntary basis.

In third sector organisations the motivation to employ paid staff often arises from a need to scale up and to co-ordinate activities (Billis 2010, 80). The development towards the use of paid personnel has been augmented by key stakeholders, notably government funders, who have pressured the third sector for greater efficiency and accountability. In addition, increased public financing can provide an organisation with the possibility to employ more staff. (Hwang & Powell 2009, 271; Cornforth & Spear 2010, 80; Smith & Lipsky 1993.) Third sector organisations in general are often strongly related to public authorities and are a target of a variety of political pressures as public authorities are reorganising their service provision and their relationship with third sector organisations. If a third sector organisation wants to act as a service provider, it needs to provide similar quality and professionalism as public or business organisations. Even simply participating in bidding processes or making a fund application demands knowledge and determination (time) that voluntary workers may lack. Thus, resource pressures have compelled third sector organisations to professionalise in order to remain competitive with their public and for-profit peers. (Smith & Lipsky 1993.)

Anther reason an organisation may employ is to draw on professional expertise. Professionalisation is promoted by educated third sector administrators and managers, who see professional practices as essential for growth and survival (Hwang & Powell 2009, 271). Third sector organisations employ both traditional and new professionals. Traditional professionals have competence and expertise in a specific substantive field, such as arts and culture. New professionals, such as managerial and administrative experts, move easily across organisations, substantive areas and sectors and relate to new conditions of occupational legitimacy whose features include issues such as accountability, privatisation and self-regulated, client-focused work. (Evetts 2011.)

Traditional professionals may often be highly institutionalised, legitimate and tightly bound to their normative orders. They may be less adaptive to external trends and more able to shield themselves from environmental pressures and retain control over workplace procedures. (Scott & Meyer 1991, 129–130; Hwang & Powell 2009, 276.) However, it has been argued that traditional professionals with specific competence in a particular field have lost their power and autonomy because contemporary knowledge societies with

neoliberal climates favour flexible (and hybrid) specialisation, especially with an emphasis on consumers, cost control and performance management. (Noordegraaf 2007, 762–763.) The demand for managerial and administrative expertise has become pervasive in many third sector organisations as well (Hwang & Powell 2009). These new occupational demands have created a profession of non-profit managers with its own unique characteristics. Similarly, in the field of culture, alongside with artistic education, different programmes have been founded to educate cultural/festival managers, cultural administrators and cultural economy professionals. Many of these work in third sector organisations. (Saukkonen 2013, 23; Halonen 2011.)

Previously mentioned managerialism and rationalisation are closely linked with the professionalisation of third sector organisations. There is an increase of managerialism in third sector organisations and, furthermore, a collision between the management professionals and traditional substantive professionals. Frumkin (2002) notes that the third sector has both expressive and instrumental elements, and the professionalisation of the non-profit sector is oriented towards a dominance of the instrumental logic as expertise and competency are valued over a mission-oriented service ideal that an expressive logic represents. Non-profit arts organisations have also become more managerial in the past several decades (Alexander 1996). Most cultural institutions have identities made up of contradictory elements because they contain actors (artisans and administrators) who come from different backgrounds and professions (Glynn 2000, 285). Hwang and Powell (2009, 291) point out the tension between substantive orientation (curatorial-artistic goals) and managerial professionalism (business values). This tension was captured by the interviews they made in their research. One director of an arts organisation asked, 'Why does everyone equate professionalism only with business practices?'

Furthermore, Katri Halonen (2011, 63–69) explored how cultural intermediaries find their occupational position in the field of cultural production and especially at the junction between art and business. She identified five types of cultural intermediaries: 1) artists' assistants who serve artists for art's sake; 2) production assistants that deal mainly with organisational and managerial issues and serve clients for profit oriented aims; 3) mediators who recognise both artistic and business goals in the production and who often use art as a tool to promote wealth; 4) independent producers that balance between the artists and the client with their aims; and 5) double agents who use artistic content for their business oriented goals.

Alongside the increase of managers and administrators, the traditional professionals are experiencing pressures to act more market oriented. Traditionally, professional ethos is most commonly described as an altruistic 'ideology that asserts greater commitment to doing good work than to economic gain and to the quality rather than the economic efficiency of the work' (Freidson 2001, 123). In this context, professionals are described as a guardian of the public interest that espouses values of autonomy and independence. However, there is a competing idea that arises from the reality that it is not only professionals who

need to generate revenue, like in any other business, but they are placed in an extremely advantageous position to do so. (Suddaby et al. 2009, 414.) According to this idea, commercialism exists as an inherently contradictory, and often suppressed, element of professionalism (Suddaby & Greenwood 2005; Suddaby et al. 2009).

Relatively rapid professionalisation of many third sector organisations has affected the nature of volunteering that is – as discussed earlier – one of the defining and distinctive features of third sector organisations (Paine et al. 2010, 93–110; Salamon & Anheier 1992a; Billis 2010). Due to institutional pressures in the form of monitoring and reporting requirements, legal prescriptions and management trends, the formalisation of non-profit practice has professionalised all organisational members, including volunteers (Ganesh & McAllum 2012, 153–155). Studies have shown that professionalisation, i.e. routinisation, formalisation and rationalisation of volunteer practices, reduces volunteers' sense of autonomy and, consequently, their organisational commitment (Kreutzer & Jäger 2011, 21). Greater demands for transparency, efficiency and accountability in the organisation also affect the voluntary workers' practices and identities. On the other hand, professionalism can have a positive effect on voluntary workers' motivation and can promote volunteer empowerment. (Ganesh & McAllum 2012, 155.)

It has been questioned if the employment of paid staff should be regarded as a sign of hybrid practice in a third sector organisation since there is a wide tradition of professional third sector organisations that base their human resources totally on paid employees (Cornforth & Spear 2010, 75–80). However, according to Billis (2010, 59–60), taking on the first paid staff can be seen as an important step towards hybridity for a third sector organisation. When paid staff becomes dominant in the delivery of operational work of the organisation, the organisation can be considered to have embedded into its structure core features of market (or public) sector organisations. Maintaining staff structure can lead to greater pressures on voluntary organisations to seek public funding or grow commercial activities which can lead to greater hybridization. (Cornforth & Spear 2010, 80.) Consequently, in the context of hybridisation and marketisation, it is important to examine human resources and their development in third sector organisations.

2.3   Multiple logics within organisations

Even though the examination of typologies based on structural sector-based characteristics and logics provides an important base for researching organisational hybridity, as such, it still presents a rather limited picture of hybrid organisations (Brandsen et al. 2005, 758–759). Lately, researchers have suggested that hybrid organisations should be explored and classified based on how they cope with hybridity. Thus, focus of research should be whether there are rationalities that shape actors' responses to hybridity and the emphasis

should be put on exploring different forms, levels and types of hybridity and how an organisation reacts to hybridity (ibid.; Skelcher & Smith 2015, 434). To date, little attention has been paid to the forms organisations develop to deal with heterogeneity in their everyday activities. Through these forms, however, organisations can mediate and regulate relationships between different logics. (Besio & Meyer 2014, 241.)

Research offers divergent conclusions about the consequences of logic multiplicity within organisations (Besharov & Smith 2014, 364). Karré (2012), for example, lists economic, performance related and cultural and governance related benefits and risks in hybrid organisations. Often organisational hybridity has been regarded as an originator of conflicts and contradictions or as a problem to be solved (Battilana & Dorado 2010).

Logic multiplicity may indeed bring challenges within organisations. Many scholars have described problems when economic logics enter contexts that were traditionally dominated by other logics (Weisbrod 1998; Frumkin 2002; Galaskiewicz & Sinclair Coleman 2006). In general, combining different values, behavioural elements or norms can lead to increased tensions and can have negative effects on an organisation's performance. The growth in the employment of professional paid personnel can have implications for third sector organisations originally resourced by voluntary staff. When an organisation moves towards market-oriented ways of operating, voluntary work might become a resource to be managed. This might change volunteers' level of commitment and their relationship with voluntary work. (Paine et al. 2010, 108.) Market sector orientation can profoundly endanger the status of a third sector organisation. There is a fear that commercial activities become an end in themselves by diverting attention from the broader civic purpose. (Anheier 2005, 105; Young & Salamon 2002; Weisbrod 1998; Frumkin 2002; Hwang & Powell 2009.)

However, multiple logics can also create positive development, synergy and innovation. Diversity in terms of core values and beliefs can make organisations be more prepared to react to diverse environmental conditions and become more adaptable to change (Albert & Whetten 1985, 272). Besio and Meyer (2014) use third sector organisations as an example of how organisations can take advantage of different logics for their own ends. Profit oriented activities may help a third sector organisation to pursue its non-profit mission. Some third sector organisations adapt methods from the market sector to develop and brighten their own organisation's structures and processes. The concepts of decoupling (Meyer & Rowan 1977), translation (e.g. Zilber 2006) and endogenising (e.g. McInerney 2013) have been used in order to analyse how organisations deal with external logics. Decoupling refers to a situation where organisations integrate expectations or requirements at the level of visible formal structures. But at the same time these formal structures are decoupled from the organisation's core activity and/or other aspects of the formal organisation that fulfil other environmental requirements. Translation and endogenising emphasise that organisations always transform institutional logics in accordance

with their own internal dynamics into something they can deal with. (Besio & Meyer 2014, 242.)

Individuals and organisations are aware of differences in different institutional logics and incorporate this diversity into their beliefs and practices. This knowledge enables agency. However, knowledge is limited and varies by institutional order. The fact that the knowledge is limited can explain differences among organisations, for example, as well as unintended consequences caused by attempts to manipulate institutional logics. (Thornton et al. 2012, 6–10, 19.) Much of the traditional research on institutions is based on the idea that actors comply with institutions unconsciously without being able to explain what underlying principle guided their actions. Thus, there are taken for granted practices that are considered as a natural way to do things. (DiMaggio & Powell 1983.) However, recent institutional research has been focusing on reflexive forms of actions where actors purposively aim at specific effects through their action. Reflexive knowledge, consequently, refers to reflexive awareness that actors might have of different logics (e.g. Delbridge & Edwards 2013; Leca & Naccache 2006).

Knowledge about logics relates to many aspects in actors' behaviour. Actors' behaviour is influenced by the level and type of knowledge they have about those principles that condition their actions. There are differences, first, in the knowledge that different actors can have of a specific institutional logic. Second, the number of different institutional logics understood by the actor, is likely to depend on the history of actors and how much they have had the opportunity to learn and experiment with different logics. (Thornton et al. 2012; Delbridge & Edwards 2013; see also Battilana & Dorado 2010.)

If the actors are unfamiliar with the field's logic, they might act in ways that may be considered as illegitimate to others more familiar with the logic. This kind of situation is typical of new entrants into a field. Deep knowledge of a specific logic can increase the resistance against new ideas due to a high engagement of the field's existing normative orders. However, those that have a deep understanding about the logic can use this knowledge not only to comply with an institutionalised practice but to behave in more creative ways. Knowledge about a large scope of institutional logics, in turn, is more likely to lead to innovation and the development of new ideas, practices and models into fields. (Lawrence & Suddaby 2006.) To engage in practices that exist just outside of the established normative boundaries of an institution, and to do so without sanctions, implies a sophisticated understanding of the underlying institutional logics (ibid., 238).

Existing research, however, does not yet provide much information on why and under what circumstances multiple logics have these different consequences. But why are some organisations able to take advantage of different logics for their own ends (Besio & Meyer 2014) and others, in turn, end up in conflict? Besharov and Smith (2014) have suggested that one factor behind these varied implications of logic multiplicity is related to the *compatibility* and *centrality* of multiple logics within organisations. (Table 4.)

Compatibility refers to the extent to which the instantiations of logics imply consistent and reinforcing organisational actions. According to Besharov and Smith (2014, 367), 'consistency regarding the goals of organisational action is more important for compatibility than consistency regarding the means by which goals are to be achieved.' This is because an organisation's goals reflect its core values and beliefs, which makes them harder to change or challenge. Means, in turn, are more malleable. When an organisation embodies high compatibility, different logics are parallel and support each other in implementing the organisation's purpose. Low compatibility, in turn, leads actors to confront and grapple with divergent goals, values and identities, as well as different strategies and practices for achieving these goals. (Ibid., 369.)

Centrality is defined as the extent to which multiple logics manifest in core features that are central to organisational functioning. In high centrality several logics are included in core organisational features and are central to an organisation's operations. Centrality is lower when there is one main logic that guides an organisation's core operations. (Besharov & Smith 2014, 369.) An organisation's resource dependence can affect the logic centrality. When organisations are dependent on different financiers for critical resources, they must respond to the financiers' demands in order to receive resources. Third sector organisations have been seen as especially vulnerable to the high logic centrality as the organisations in the field often face complex and diverse resource environments (e.g. Pache & Santos 2013; Knutsen 2012). According to Voss et al. (2000, 330–331), relationships with external constituents allow non-profit organisations greater freedom to enact their values and pursue their goals. However, the multiplicity of relationships can create tensions between the third sector organisation's values and the values of the external stakeholders. Voss et al. (ibid.) argue that in order to manage these tensions, third sector organisations need to 'either compromise their own values in an attempt to satisfy all external constituents or focus on developing and maintaining successful relationships with those external constituents that possess congruent values.'

Besharov and Smith (2014) have combined these two dimensions in order to create an integrative framework for understanding how multiple logics manifest in organisations. Different combinations of high/low compatibility and high/low centrality in organisations lead to different types of logic multiplicity within organisations. These are: contested, estranged, aligned and dominant. (Table 4.)

Table 4.　　　　　　　Types of logic multiplicity within organisations

		Degree of compatibility	
		Low: Logics provide contradictory prescriptions for action	High: Logics provide compatible prescriptions for action
Degree of centrality	High: Multiple logics are core to organisational functioning	Contested Extensive conflict	Aligned Minimal conflict
	Low: One logic is core to organisational functioning; other logics are peripheral	Estranged Moderate conflict	Dominant No conflict

Besharov & Smith 2014, 371.

There are different models to define different forms of hybridity. Skelcher and Smith (2015) propose five types of hybrid organisations based a priori on particular combinations of institutional logics: segmented, segregated, assimilated, blended and blocked hybrids. The first four types are structural ways of accommodating institutional pluralism within the organisations. In segmented hybrids, functions oriented to different logics are compartmentalised within the organisation. The logics in segregated hybrids, in turn, are located within distinct but interconnected organisations. According to Skelcher and Smith (ibid., 441) segmentation is likely to transform into segregation as the scale and commercialisation of fundraising increases. This is a process Billis (2010, 61) calls 'organic hybridization'. Other mechanisms behind the shift are tax legislation and contracting with public agencies. Both segmentation and segregation are tools to manage the tension between different logics in an organisation. (Skelcher & Smith 2015, 441.)

In an assimilated hybrid, the core or original logic remains, but the organisation adopts some of the practices and symbols of a new logic. Rather than compartmentalising the logics, an organisation selectively incorporates elements from different logics. Often the aim behind an assimilated hybrid is to gain legitimacy with external stakeholders. Furthermore, it can arise as a strategy of resistance to the inclusion of a new institutional logic that is authoritatively promoted by an external stakeholder. An organisation may reflect the external expectations in terms of its structure, symbols and language, but in its day-to-day practice it may continue to operate in line with its institutional origins. (Skelcher & Smith 2015, 442.)

A blended hybrid represents a synergistic incorporation of elements of existing logics into new and contextually specific logic. This is the case in some social enterprises that combine or merge different sectoral elements. The blocked hybrid, in turn, represents the situation where the organisation in unable to

resolve the contradictions between different logics. This leads to organisational dysfunction. (Skelcher & Smith 2015, 442–443.)

There are also other ways to classify different types of hybridity. Billis (2010, 58–62) who has developed a theory for third sector hybrid organisations makes a distinction between a shallow and an entrenched hybrid third sector organisation. Shallow hybridity means a modest form of hybridity which often arises from the desire to maintain or perhaps extend the range of activities. Taking on its first paid staff can be felt as an important step into shallow hybridity for a third sector organisation. According to Billis, entrenched hybridity can appear both at the governance and operational levels of organisations in all sectors. At the governance level entrenched hybridity arrives when other sector representatives are accepted by the board, or another form of governing body, in return for resources and influence. Operational level entrenched hybridity arises when the paid staff becomes dominant in the delivery of the operational work in a third sector organisation and a management structure with several hierarchical levels is established.

2.4   Summary

This chapter has provided a theoretical and conceptual framework for analysis of hybrid third sector organisations. First, the chapter presented theoretical foundations of organisational hybridity where an organisation mixes characteristics and logics of various sectors of society. Each organisation has its own prime sector whose characteristics and logics it mainly reflects in its operations. Hybrid organisations, in turn, alongside characteristics and logics of their own distinctive sector, have adapted characteristics and logics of one or more other sector as well. Consequently, marketisation of the third sector was defined as a manifestation of market sector characteristics and logics in third sector organisations.

The chapter presented Thornton et al.'s (2012) model of ideal-typical logics of institutional orders. Four institutional logics – community logic, market logic, corporation logic and professional logic – from the seven institutional orders suggested in the model were included in the analysis. Furthermore, based on previous research, a new non-profit institutional logic was suggested alongside the other four logics. In this research, community logic and non-profit logic were regarded as dominant third sector logics. These two logics are manifested in the characteristics of third sector organisations such as the following: non-profit orientation; voluntary work; co-operation; revenue generation first and foremost from dues, subsidies and donations; and commitment to a non-profit mission. Market logic and corporation logic, in turn, were regarded as the core logics of market sector organisations. Market logic is manifested in the following: in efforts of organisations to generate profits through sales and fees; in organisations' orientation towards customer needs; and in competition.

Organisations expressing corporation logic, in turn, focus on control, rationalised systems, hierarchies and strategic decision making.

The third sector was considered to express, in particular, various social and altruistic values such as enriching, caring and empowering values in its activities, whereas the market sector organisations stress efficiency. However, as there are partly conflicting research results regarding the values that differentiate between third sector and market sector organisations, and as there are also values that have been defined as inherent values for the organisations in both sectors, such as effectiveness and innovativeness, presenting definitive arguments about distinctive third sector and market sector values is not appropriate. Still, it was considered important to keep values at the core of examination of third sector organisations.

Finally, frameworks were presented for analysing types of logics multiplicity and different forms of hybridity in organisations. Logic compatibility (are logics providing contradictory or compatible prescriptions for action) and logic centrality (is there one logic or are there multiple logics that are core to organisational functioning) were introduced to guide the analysis of manifestations of multiple logics in organisations. Furthermore, five different ways were presented of accommodating institutional pluralism within organisations: segmented, segregated, assimilated, blended and blocked hybrids.

3 RESEARCH DATA AND METHODOLOGY

The purpose of this research is to examine Finnish third sector arts and cultural festival organisations from the sectoral perspective, especially by focusing on the phenomenon of hybridisation and on the marketisation dimension of hybridisation. The main research questions defined above in the introductory chapter are:

1. What kinds of third sector organisations hold arts and cultural festivals in Finland? How are third sector characteristics and logics manifested in festival organisations?

2. How are market sector characteristics and logics manifested in festival organisations and why do festivals adopt market sector characteristics and logics?

3. How are multiple logics accommodated within festival organisations?

Next in this chapter, a brief introduction to the Finnish festival field is given. This is followed by a presentation of the main data gathering method used in the research, i.e. internet questionnaire. An internet survey was chosen as a method to collect information of festival organisations and to explore festival management perceptions of their organisation and organisational characteristics because it allowed to reach a larger number of festivals in a short time and cost-effectively. Then an overview is provided of the research's empirical target – Finnish festival organisations that applied for state funding from the Ministry of Education and Culture in 2014. This multifaceted festival field was regarded as a good representative of the diverse third sector organisations in the field of arts and culture and, consequently, as a good research object in order to answer the research questions. The last part of this chapter introduces the analytical framework and the analysis methods of the research. In order to create as varied a picture as possible of the phenomenon to be studied, both qualitative and quantitative methods are used in data analysis. Possible limitations of the research design are also discussed in this chapter.

3.1   Festivals as research data

3.1.1   Finnish festival field

Finland has been described as a country of cultural events and festivals (Kangas & Pirnes 2015, 54). Especially in the summer time, festivals and cultural events take place in nearly every city, town and village in the country, and the number of festivals is increasing year by year (Herranen & Karttunen 2016, 28–29). According to Statistic Finland, one third of the population visits festivals every year (Suomen virallinen tilasto (SVT): Ajankäyttötutkimus 2009).

There is no statistics on the number of cultural festivals in Finland. Estimates of the number of festivals vary from several hundreds to even thousands. For example, the number of applicants for the state's festival grant in 2014 was 267. However, the state's festival grant applicants are mainly larger festivals arranged by non-profit organisations. In addition, there are for example a large number of smaller local festivals, nevermind the commercial festivals organised by for-profit companies. The festival field is continuously alive all the time: new events are established, and old ones end. The 1960s saw a fast increase in the number of Finnish festivals, and many of today's well-established and large festivals emerged during this period of rapid growth in the festival field. Such events include Pori Jazz (1966), Kaustinen Folk Music Festival (1968) and Tampere Theater Festival (1968). In the 70s dozens of festivals were created, with the growth in festivals continuing until the present. (Herranen & Karttunen 2016, 28–29.)

Originally, arts and cultural festivals in Finland were mainly community-based events organised by non-profit third sector and civil society actors. Still, the majority of festivals are organised by third sector organisations, i.e. mainly associations. This is also the case with the target group of this research: those festivals that apply for state funding are mainly maintained by third sector organisational forms. This is mainly because the state festival grant is targeted at non-profit activities that have a public purpose, such as promoting the arts and culture or society in general.

However, the last few decades have revealed different developments also in the Finnish festival field. This marketisation development has been promoted by the global trend of festivalisation as the growing share of cultural production, delivery and consumption is taking place in the festival and event context each year (e.g. Jordan 2016; Hitters 2007). Furthermore, festival and event management has become a significant field of activity and applies approaches both from non-profit and for-profit worlds (e.g. Getz 2011). There is also growing recognition of festival markets, and market sector companies have realised the potential of festival business (e.g. Klaić 2014, 30–31). In addition, festivals may be significant tourist destinations that create regional economic impacts (Getz 2011; Langen & Garcia 2008; see also Négrier et al. 2013). In Finland, especially the number of popular music festivals has increased during recent years. New

festivals represent both non-profit grass roots festivals and commercial mass events. The business potential of pop and rock festivals has enticed international companies to enter into the Finnish festival field. Thus, festivals are no longer merely community based cultural events but are also commodities through which culture is consumed and experienced (Bennet et al. 2014). This makes festivals a good target to examine third sector hybridisation.

Finnish festivals differ largely in terms of their audience. At the largest festivals, there may be hundreds of thousands of visitors. According to the statistics of Finland Festivals (2018) about its member organisations, the biggest event in 2017 was Pori Jazz festival, which had 405 659 visitors and sold 59 759 tickets. The second largest festival in 2017 was Kotkan Meripäivät (Kotka Sea Days/Tall Ship Races Kotka) with a total audience of 354 998 (45 907 sold tickets).[14] Helsinki Festival had an audience of 212 836 and sold 54 758 tickets. The festival which sold the most tickets among the members of Finland Festivals in 2017 was Ruisrock with 105 000 tickets. The smallest local festivals, in turn, may attract only tens of visitors.

Finnish festival events also represent the diversity of cultural life and a variety of art forms. Different genres of arts and culture constitute separate art worlds that may operate very independently of each other and which have highly different operational environments regarding for example policy making, provided education or funding possibilities. Becker (2008, xxiv) defines the art world as the network of people whose cooperative activity, organised via their joint knowledge of conventional means of doing things, produces the kind of art works that the art world is noted for. These conventions shared by artists, distributors and audiences provide, according to Becker, a more or less closed system of aesthetic life within a society. (Ibid., 40–67.)[15] The division into specific art genres or categories is related to different tastes of audience groups, modes of production techniques or mediums of distribution and consumption (e.g. DiMaggio 1977; 1987a). Due to these differences, festival organisations may be in very different positions regarding the use of market sector income or paid personnel, for example.

There are both festivals with a high culture programme and more popularly oriented festivals. This distinction between the fine (or high) and popular (or low) arts was drawn in the nineteenth and twentieth centuries. Even though the distinction has weakened recently, it still exists and influences different art worlds and their functions (Alexander & Bowler 2014, 12). From the sectoral perspective, the high culture organisations operate mainly in the non-profit art world. The popular culture actors, in turn, are organised under commercial business firms and act according to the values of the individual consumer's for whom they provide entertainment and enjoyment. (Frey 2000, 23.)

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14   Finland Festivals is a non-profit organisation that represents the collective interests of its member festivals and aims to improve festivals' operating conditions. See: www.festivals.fi

15   Bourdieu (1993, 72), in turn, speaks about fields, such as the artistic field or the field of politics. According to Bourdieu there are general laws of fields: every field has specific properties that are peculiar to that field.

There is a variety of previous research that tries to map the distinction between high and low culture. Heilbrun and Gray (2001, 5) name different art categories, such as performing arts and fine arts, that are mainly organised on a not-for-profit basis and, consequently, those art forms - motion pictures, broadcasting and publishing - that are largely made up of commercial, profit seeking firms or individuals. Frith (1996) has divided the music industry into three art worlds: art music world, folk music world and commercial music world. Becker (2008, 272–299) speaks about arts and crafts and difficulties in distinguishing between them. High culture organisations defend the intrinsic value of art, and the artistic definitions are made by art experts such as art historians, curators, critics or artists who have appropriate professional and theoretical knowledge to judge what art is. High art forms have been seen to be characterised as possessing complexity and depth. Experiencing high culture is elevating rather than entertaining; the latter has, in turn, been considered a characteristic that the audience is looking for in popular culture events. Furthermore, pleasure coming from the consumption of high culture art is acquired through specialised knowledge rather than being ''fun'' and easily accessible. (Alexander & Bowler 2014, 2–3.)

However, although it is important to keep these historically formed differences and divisions in one's mind when analysing festival organisations, there are several reasons why the division between genres should not be the main focus in the analysis. First, inside a particular art genre, there may be both non-profit and commercial activities. Comics and movies, for example, have their roots in popular culture. However, alongside commercial productions, there are also non-commercial and experimental movies and comics. Second, within one art genre there may be several different sub genres with different characters. For example, classical music, even though often treated as one genre, has a lot of internal diversity (Vlegels & Lievens 2015), and classical music tastes can be differentiated between 'easy listening' and more esoteric or avant-garde forms (Bourdieu 1979). Third, festivals, in particular, have traditionally been places where shared conventions have been breached and different art forms have been mixed in diverse ways such as classical musicians playing heavy metal music. There is a growing tendency for multidisciplinary arts and culture festivals that do not concentrate only on one art genre.

In Finland, many third sector activities are strongly related to external resources, which are often granted by the national government and a local authority. This is also the case with festival organisations. Arts and cultural festivals are linked to general government cultural policy goals. For example: a) inclusion and participation in culture; b) strengthening the foundations and safeguarding the continuity of culture; (c) improving the working conditions of creative workers; and d) the economic impact of culture (Opetus- ja kulttuuriministeriö 2016a). In local policy or strategy documents festivals often have a role to play in local or regional development, especially from the economical perspective. Cultural events have been seen as good tools to develop the city brand, increase the awareness about the area and to attract both tourists

and new inhabitants. (Kainulainen 2005; see also Saukkonen & Ruusuvirta 2013.) In the long run, festivals create regional cultural capital such as a creative atmosphere, idea change and cultural knowledge. This immaterial cultural capital, in turn, becomes materialised in the new organising forms in the field of culture. (Kainulainen 2005, 365.) In policy documents and strategies festivals are described as multipurpose tools with a variety of positive cultural, economic and societal effects. In 2016, the Ministry of Education and Culture (Opetus- ja kulttuuriministeriö 2016a) published the very first proposal for an action plan for arts and cultural festivals. In this action plan, festivals are described as 'a strengthening cultural resource'.[16]

This survey is targeted at those festivals that applied for state funding from the Ministry of Education and Culture in 2014. This state grant is one of the most important public sources of finance for Finnish festival organisations in the field of arts and culture. The general terms and criteria of the state festival grant contribute to the activities of the festivals that applied for the grant. In the guide for arts- and cultural festival grant 2014 (Opetus- ja kulttuuriministeriö 2013), the general criteria for the grant are presented. According to the guide, the state grant is mainly meant for:

> established and recurrent events with a programme that is artistically, culturally and politically interesting and that activates people.[17]

In the guide, an 'established event' is defined as having a minimum history of three years and the organisers have the will, ability and capacity to develop the event also in the future. Furthermore, in the assessment of grant applications attention is paid to whether events promote equality, parity and a sustainable culture and to whether they are focused on finding participants also from those people who usually do not participate in cultural activities. When assessing the grant, it is also considered whether receiving the state grant may influence the price level of an event and the possibility of organising free events. (Opetus ja kulttuuriministeriö 2013, 4.)

The significance and quality of the events, in turn, are examined in relation to four of state's cultural policy objectives. These objectives are:

> to strengthen the cultural basis[18]

> to improve the working conditions of creative workers[19]

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[16]   'Vahvistuva kulttuurinen voimavara.'
[17]   'Valtionavustus on tarkoitettu pääasiassa vakiintuneille ja jatkuville tapahtumille, joiden ohjelmisto on taiteellisesti ja kulttuuripoliittisesti mielenkiintoista ja ihmisiä aktivoivaa.'
[18]   'Kulttuurisen perustan vahvistuminen.'
[19]   'Luovan työn tekijöiden toimintaedellytysten parantuminen.'

to increase the opportunities for all citizens to participate in culture, both by experiencing and making culture[20]

to increase the economic impact of culture[21].

Thus, the grant is meant for activities that have a wide public purpose, such as promoting the arts and culture or society in general.

In addition to the above mentioned criteria, the guide contains detailed instructions on issues to be included in the project plan, such as: goals, schedule and implementation of an event; output, outcome and impacts of an event; and plans for the future and follow-up. When assessing the grant applications, the Ministry also looks at the financial plan for the event and the overall economic situation of the organising community. (Opetus- ja kulttuuriministeriö 2013.)

3.1.2   Survey for the festival organisations

In regard to the research questions, this study draws mainly on one data source, a survey questionnaire targeted at the festival organisations that applied for state funding to organise a cultural festival or event in 2014.[22] The purpose of the survey was to get information about festival organisations and to gain an insight into festival managers' perceptions of their organisation and organisational characteristics. A survey made it possible to obtain a broad range of views in a relatively short time and cost-effectively. As the festival field is multifaceted and diverse, it was regarded important to get answers from as many organisations as possible.

The questionnaire included both structured and unstructured questions and provided both quantitative and qualitative data. The questions were related to many themes of festival production, such as resources, stakeholders and future development (Table 5). Along with explicit questions, the questionnaire contained three open fields for the respondents to give additional information and to share their own ideas and views. A total of 96 responses were received in these open fields. Replies to these fields mostly contained information on festival staff and financial resources. In addition, the survey included some background questions about the individual respondents who filled in the questionnaire. They were asked about their title, how many years they have been involved in organising the festival, their areas of responsibility and if they work on a paid or voluntary basis. The questionnaire was in Finnish. The respondents were given the opportunity to respond in Swedish or English. Before sending the questionnaire to all respondents, representatives of two festival organisations were asked to fill in the questionnaire and give feedback on it. The full

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[20]   'Kaikkien kansalaisten mahdollisuudet osallistua kulttuurin kokemiseen ja tekemiseen lisääntyvät.'
[21]   'Kulttuurin taloudelliset vaikutukset lisääntyvät.'
[22]   Other material, such as festival grant applications, web pages and newspaper articles have also been used to build a picture of festival organisations, their operations and the Finnish festival field.

questionnaire in Finnish and also the translated version in English are in Appendix 1.

Table 5.   Themes and types of survey questions

Themes of the questions	Type of question	Data
The year when the festival was organised for the first time	Unstructured	Quantitative
The number of visitors	Unstructured	Quantitative
The number of tickets sold	Unstructured	Quantitative
The degree to which organising the festival constitutes part of the organisation's overall work	Structured	Quantitative
The use of paid personnel in festival organising	Structured	Quantitative
The most important sources of income	Structured	Quantitative
The significance of the sources of income	Structured	Quantitative
The development of festival activities and characteristics	Structured	Quantitative
Central characteristics of the festival and festival organisation	Structured	Quantitative
The most important stakeholders	Structured	Quantitative
The main priority in the festival development	Structured	Quantitative
The relationship with the municipality	Structured	Quantitative
The relationship with the municipality and the state	Structured	Quantitative
The name of the festival	Unstructured	Qualitative
The purpose (mission) of the festival	Unstructured	Qualitative
The name of the organisation organising the festival	Unstructured	Qualitative
Changes in the festival activities	Unstructured	Qualitative
The main priorities in festival management	Unstructured	Qualitative
The challenges and possibilities in festival organising in the future	Unstructured	Qualitative
Open fields for additional information	Unstructured	Qualitative

A questionnaire was sent to a total of 233 festivals. In 2014, there were in total 267 festival organisations that applied for a festival grant from the Ministry of Education and Culture. As the purpose of the research was to study third sector organisations, events organised by local authorities or the joint municipal authority (20) or by individual persons (1) were left out. In addition, 12 applications were removed as they did not fit neatly into the category of cultural festivals. Rather, they were individual events or projects. One festival ceased its activities after 2014 and was left out of the sample. Altogether, 34 festivals were removed from the original sample.

The questionnaire was sent to the 233 festival organisations included in the sample in April 2014. One follow-up e-mail was sent to all non-respondents one month after the initial contact. In addition, individual e-mails were targeted at those organisations whose festival took place in the beginning (Jan-April) or end

(Oct-Dec) of the year. For the rest, follow-up contacts were delayed until September, since spring and summer are the busiest times of the year for many festival organisations. In autumn 2014 (Sep-Oct) individual e-mails were sent to all non-respondents. Furthermore, organisations were contacted by phone. By the beginning of November 2014, 116 answers had been received, with a response rate of 50 per cent. However, five answers were empty, and seven organisations provided only partial data. Altogether, 104 festival organisations provided usable data, yielding a response rate of 45 per cent. This set of 104 responses is primarily used in the analysis. However, the partial responses are used if applicable.

Depending on the use of the data, the number of responses is both good and satisfactory. The obtained sample size was sufficient to produce quantitative descriptive results and, consequently, identify and examine the main and core characteristics and logics of festival organisations. Information received from unstructured and open questions also served as a good basis for qualitative content analysis. However, quantitative analysis, especially factor analysis, usually requires bigger samples if the results are to be reliable. Here, preliminary analyses, Kaiser-Meyer-Olkin (KMO) and Bartlett's test of sphericity were conducted to see if the data set was factorable. As both tests supported the factorability of the data, factor analysis was conducted. In the analysis, the most suitable factoring method was chosen also for smaller sample sizes. (For more about the factor analysis see sub-chapters 3.2 and 6.1.1.)

The questionnaire was targeted at festival managers as they were considered as being in a good position to provide information and asses their festival and its organising. Management perceptions of their organisation and organisational characteristics are often used in organisational research (e.g. Lindenberg 2001; Sawhill & Williamson 2001; Alexander & Weiner 1998; Voss et al. 2006; Knutsen 2012) even though they have some disadvantages and limitations. One limitation is that even though the unit of analysis is an organisation, the sample does not contain all the individuals in the organisation, but instead the information is given by only one individual. Thus, the disadvantage of managerial perceptions is related to the subjectivity of the single informant. (Lyon et al. 2000, 1058.) Managers' perceptions about the organisation and its characteristics provide only one perspective. Other individuals in the organisation may have totally different viewpoints. Because of the different backgrounds, personalities and positions in an organisation, individuals may interpret and define organisational characteristics in many ways. In addition, people outside the organisation have their own perspectives on the organisation and its characteristics.

However, the use of the single informant case has also many advantages in the research. It helps to increase sample size because it allows the researcher to target more organisations. Due to limited time and other resources, it is often impossible to give a voice to all an organisation's members. Furthermore, the organisation may be more willing to participate in the research if only one individual from the organisation is impacted and, thus, the research does not

consume too much of the organisation's time and other resources. (Lyon et al. 2000, 1058.)

Managers often have a good knowledge about their organisation. The perceptual method has a relatively high level of validity, because a researcher can pose questions that directly address the underlying nature of a phenomenon. Perceptual measures are useful for exploring an organisational field with a high degree of specificity and diversity, such as the third sector. (Lyon et al. 2000, 1058.) According to Lyon et al. (ibid.), multi-item scales and survey instruments often have a high level of construct validity. In addition, scale items that have forced-choice responses can contribute to greater measurement validity.

In this research a single informant case was chosen because most festival organisations are rather small and, consequently, it can be assumed that the festival manager has a good understanding of his/her organisation and its activities. Organisational managers or executive directors are regarded as good informants since they typically are quite knowledgeable regarding their organisation's circumstances and environment. Particularly in the case of small organisations, the views of the respondent may reflect those of the organisation. (Lyon et al. 2000, 1058.) As it came out, many of the respondents also have long careers in festival productions. A total of 70 per cent of respondents had been organising their festival for more than five years. (Table 6.)

Table 6.   The length of time that the respondent has been organising the festival

	Frequency (f)	Per cent (%)
1–4 years	28	29
5–9 years	22	23
10–19 years	29	30
over 20 years	17	18
Total	96	100

Furthermore, for around half of the respondents organising the festival was the main purpose of the organisation in question. More than one-third argued that the festival constitutes a significant part of an organisation's activities, even though the organisation that applied for state funding also has other responsibilities and operations alongside the festival production. Altogether, 15 per cent of respondents stated that a festival production comprises only a small part of an organisation's operations. (Table 7.)

Table 7.   Festival's share of the organisation's operations

	Frequency (f)	Per cent (%)
Organising the festival is the main purpose of an organisation	50	49
Organising the festival comprises a significant part of the organisation's activities	37	36
Organising the festival comprises a minor part of the organisation's activities	15	15
Total	102	100

3.1.3   Festivals that applied for state funding in 2014

Next, the target of the study is introduced, i.e. festivals that applied for state funding in 2014. The festival field, as the third sector in general, is characterised by multiple, often conflicting, normative orders and diverse claims from different stakeholders. Consequently, they mediate with diverse institutional logics derived from their own artistic and cultural roots and from different sectors of society. (Greenwood et al. 2010; see also Carlsen & Andersson 2011.) Among the festival organisations that applied for state funding in 2014, there were a wide range of different actors and organisations. They represented the diversity of cultural life, many different arts and cultural fields and both non-profit and commercial art forms. There were very big organisations as well as very small ones. They pursued different operational strategies, with some being more traditionally oriented with activities mainly organised by voluntary staff. Others, in turn, had more paid personnel or had adapted market oriented ways of organising the festival. Because of this diversity of actors, operations and outcomes, festival organisations were regarded as a good target to examine cultural third sector actors and their hybrid ways of operating.

In order to check for possible non-response biases, survey respondents were compared with the background information available for all state grant applicants (total sample of 233). Generally speaking, the respondent data represented relatively well the total sample of state grant applicants in regard to the following: how they obtained state support (Table 8, p. 75); their legal status (Table 9, p. 75); and festivals' art forms (Table 10, p. 77). In addition, the following background variables of the festivals that responded to the survey were used in the analysis: festival age, festival size (the number of visitors) and festival location.

Of those that responded, 77 per cent received the state grant. Those organisations that received the state grant were slightly overemphasised in the responses as only 70 per cent received a grant. (Table 8.)

Table 8.   The distribution of festivals of those who received and those who did not receive the state grant in 2014

	Total sample		Responses	
	Frequency (f)	Per cent (%)	Frequency (f)	Per cent (%)
Received a grant	164	70	80	77
Did not receive a grant	69	30	24	23
Total	233	100	104	100

The state festival grant is meant for legal entities. Thus, it is not granted to individual persons. (Opetus- ja kulttuuriministeriö 2013, 5.) There were four different organisational forms represented among the festival organisations included in the sample. [23] Festivals mainly operated under non-profit organisational forms. An association was by far the most common legal form. In all, 90 per cent of respondents (86% of total sample) were associations, six per cent were foundations and one per cent were co-operatives. In addition, there were four limited companies among the respondents. (Table 9.) Limited companies (3%) were under-represented in the data, since there was a total of 18 limited companies out of 233 festival organisations that applied for a state festival grant in 2014, and their share of the total sample was seven per cent.

Table 9.   Legal forms of festival organisations

	Total sample		Responses	
	Frequency (f)	Per cent (%)	Frequency (f)	Per cent (%)
Association	200	86	94	90
Foundation	13	6	6	6
Co-operative	3	1	1	1
Limited co.	17	7	3	3
Total	233	100	104	100

Of the four organisational forms that are represented among the data, associations, foundations and co-operatives[24] are here regarded as being at the core of the third sector organisational field (Helander 1998). A limited company, in turn, is a basic organisational type of a business firm. In the Finnish Limited Liability Companies Act it is said that, 'The purpose of a company is to generate profits for the shareholders'. Thus, according to ideal legal types, limited companies should be regarded as market sector actors. However, the situation is not so clear, and limited companies may define their purpose otherwise in their

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[23]   As presented earlier in Chapter 3.1.1, festivals organised by local authorities or joint municipal authorities were left out from the sample. In addition, one individual person applied for the grant, and this person was also excluded from the final sample.

[24]   This research applies the European approach in which co-operatives are often regarded as part of the third sector, even though they have an economic purpose by law. Especially new co-operatives operating in the field or arts and culture do not usually operate for profit.

by-laws, conduct non-profit activities and use methods and approaches typical to the third sector organisations. Thus, in some cases also a limited company can be regarded as a part of the third sector. As the sample of this study includes festival organisations that applied for a state grant which, in turn, is targeted at activities that have a wider public purpose, also the limited companies in the sample should be non-profit oriented in some respects.

All four limited companies included in the sample were – at least on some level – non-profit oriented and, consequently, applicable to this research. Two out of four limited companies that responded to the survey expressed their non-profit orientation officially in their by-law. In its by-law, one described the organisation as being not-for-profit and that possible profits are directed to the benefits of its non-profit purpose. Another company defined that its business is done according to principles of social enterprise and that the majority of profits are directed to producing cultural events and fostering city culture. One limited company was owned by a local public authority. All the festivals organised by limited companies also mentioned their non-profit orientation in their grant application and that they limited their application to applying for only funding for the non-profit oriented activities.

These festivals also represented various genres of arts and culture. [25] Almost a quarter of respondents (24%) represented classical music. Popular music, folk music, performing arts and visual arts festivals each represented 12-14 per cent of respondents. Literature festivals comprised eight per cent of the responses and multidisciplinary art about seven per cent. Children's festivals represented four per cent of the data. (Table 10.) There are slight differences between the shares of genres when the total sample and the respondent group are compared. Classical music festivals were over-represented compared to the total sample, while performing arts were a little under-represented. Still, the respondent data represented relatively well the total sample of state grant applicants in terms of art genres.

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[25] The division has been made on a basis of an art form classification made by the Arts Promotion Centre Finland, which is a state funding agency that provides expertise and services for the promotion of the arts. In addition, the categorisation made by Finland Festivals has been used. Finland Festivals is a non-profit organisation that focuses on representing the collective interests of festivals. In practical reasons, some categories have been combined. Festivals that concentrate on children's art have been classified as a separate group, even though they also represent different art genres.

Table 10.   Festivals' art forms

	Total sample		Responses	
	Frequency (f)	Per cent (%)	Frequency (f)	Per cent (%)
Pop/rock/metal/jazz/blues music	34	15	15	14
Folk /ethno/gospel/tango music	26	11	13	13
Classical music	45	19	25	24
Visual arts (photography /comics /architecture /design/ movies)	31	13	13	13
Performing arts (theatre /dance /performance/stand up)	37	16	14	13
Literature	16	7	8	8
Multidisciplinary art	20	9	7	7
Childrens' art	12	5	4	4
Other	12	5	5	5
Total	233	100	104	100

The festival organisations that responded to the survey were at a different stage in their life-cycle. The oldest festivals in the data were founded in the 1950s, and about a quarter of festival organisations (23%) had been established before 1980; 21 per cent were founded in the 1980s, and 23 per cent in the 1990s. In total there were 34 festival organisations that had been founded in the 2000s; of these, eight were founded in or after 2010. (Table 11.)

Table 11.   Founding years of festivals

Founding years	Frequency (f)	Per cent (%)
–1979	24	23
1980–1989	22	21
1990–1999	24	23
2000–2009	26	25
2010–	8	8
Total	104	100

The size of the event in many ways affects the premises of the festival organising. The need for resources increases as the event grows. Festivals were of different size in respect to the size of the audience. A quarter of the festivals that responded to the survey had less than 2000 visitors; 28 per cent of the festivals had 2000–4999 visitors in 2014, and 24 per cent had between 5000 and 20 000. The largest festivals had more than 20 000 visitors, and there were 22 such festivals in the data. (Table 12.)

Table 12.   Number of festival visitors

Number of visitors	Frequency (f)	Per cent (%)
–1 999	26	26
2 000–4 999	28	28
5 000–19 999	24	24
20 000–	22	22
Total	100	100

Cultural activities and events are often located in larger cities and provincial centres where the largest audience is (Alanen 2010; Kangas & Ruokolainen 2012). Furthermore, different areas in Finland have very different populations and premises for the event organising as well. Table 13 illustrates how the festivals' locations are divided between different NUTS 2[26] regions. Mainland Finland[27] has four NUTS 2 regions, i.e. major regions.[28] The Helsinki-Uusimaa region is the most populated in Finland, and in 2014 there were 1,6 million people living there. Also in 2014, in West Finland there were 1,4 million people, in South Finland 1,2 million people and in North and East Finland 1,3 million people.

Festivals that responded the survey were fairly evenly distributed among different regions. (Table 13.) Festivals which were located in North and East Finland accounted for 29 per cent of all respondents. A quarter of the festivals were from West Finland, and one-fifth were from South Finland and the Helsinki-Uusimaa -region. In addition, five per cent of the festivals had several locations, or their location changed over the years.

Table 13.   The location of the festivals

NUTS 2 region	Frequency (f)	Per cent (%)
Helsinki-Uusimaa	21	20
West Finland	26	25
South Finland	22	21
North and East Finland	30	29
Several locations, location changes	5	5
Total	104	100

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[26]   The classification of territorial units for statistics is the standard developed and regulated by the European Union.

[27]   Mainland Finland consists of the Rebublic of Finland without the autonomous region of the Åland Islands.

[28]   Suuralue.

3.2 Investigating the characteristics and logics of festival organising

3.2.1 Analytical framework of the research

Figure 2 presents the general analytical framework of the research. The research utilises two approaches: an inductive and a deductive approach. The research setting and strategy are built on a framework based on earlier research and theories. This framework has guided the collection and analysis of empirical material. The theoretical pre-knowledge about the definitions of ideal characteristics and logics of different sectors provide the starting point of the sectoral point of view in the analysis.

In this research, third sector organisations are regarded as a group of actors that have their own specific characteristics. The ideal type of third sector organisation is considered to primarily embody the ideal third sector characteristics and the dominant third sector logics. The market orientation of the third sector is defined as a manifestation of market sector characteristics and logics in third sector organisations' operations. For example, the use of market sector income or an orientation towards customer needs reflects market sector characteristics and logics and, thus, are manifestations of marketisation if identified within the third sector organisations' operations.

One important aim for this research is to examine how the organisations included in the sample express distinctive third sector characteristics and logics in their activities. Based on earlier research, it was defined that the community logic constitutes an important nucleus for the third sector activities. In addition, non-profit logic was added to complement the central governing institutional logics of the third sector organising. These logics are manifested in ideal characteristics for third sector actors and characteristics that distinguish third sector actors from market sector organisations such as: non-profit orientation;[29] voluntary work; revenue generation, first and foremost from dues, subsidies and donations; and commitment to a public interest mission. Values such as enriching, caring and empowering were considered important for third sector activities. Over time, new characteristics and logics may emerge alongside the old characteristics. Thus, in addition to focusing on traditional third sector characteristics, the research aims to identify possible new characteristics and logics behind third sector activities. (Figure 2.)

Since many of the definitions are controversial and one aim of this research is to contribute to the discussions of core and distinctive sector characteristics and logics, space has also been given to new discoveries that might or might not support previous models or theories. Consequently, the characteristics of festival organising and the logics behind these characteristics are identified by combining the information provided by the previous research literature, empirical data and the researcher's own rational interpretation. It is important to keep in mind that

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[29]   Yleishyödyllisyys.

these ideal characteristics or types are not a description of the separate sectors but instead are analytical models to compare empirical observations (Thornton & Occacio 2008, 119).

Reality consists of both cultural meanings and material conditions (e.g. Thornton et al. 2012, 10–11). The material dimension refers to practices that have been applied to festival organisations' operations. Practices are forms or constellations of socially meaningful activity that are relatively coherent and established (e.g. MacIntyre 1981, 187). The use of human and other resources are examples of practices that are examined in this research. In addition to material constituents, reality is characterised by a cultural dimension, such as values, norms and beliefs associated with the phenomenon. Organisational values refer to the inherent and driving (moral) values, ethics or ways of working of an organisation. Values are conceptions of the preferred or the desirable, they determine how an organisation will pursue its purpose, what is important and what is not (e.g. Scott 2008, 54). Values may be within an organisation's mission or strategy or form a part of working practices, and there may be conflicting values inside an organisation. (Westall 2009, 2.) Norms are closely linked with values and refer to (often unwritten) rules that tell an organisation's members how to behave in a particular situation and how things should be done. Beliefs, in turn, are assumptions and convictions that are held to be true by an organisation, even though there is not necessarily any empirical evidence to prove that it is the case. (Scott 2008, 54–58.) In practice, it is sometimes difficult to distinguish between material and cultural dimensions since they are closely related to each other: material includes cultural values, and the cultural meanings are expressed through material forms. (Thornton et al. 2012.)

However, to gain a more in-depth understanding of reality, it is important to take both dimensions into consideration at the same time. Thus, in addition to examining the actual use of recruited or voluntary staff in festival organising, consideration should also be given to the norms, values and beliefs that festival organisations have regarding their staff.

Even though this research does not study change in festival organisations, the concept of change is in many ways related to the research theme. First, the very ground of the research is constituted by the idea of developments and change that challenge the traditional way of understanding third sector organisations, their nature and their place in the society. Second, the research aims to explore the issues that might cause hybridisation in festival organisations. Critical realism, the chosen philosophical approach, is primarily interested in explanation, and only secondarily in prediction. The stratified ontology of critical realism directs the researcher towards unobservable structures and mechanisms. Structures give rise to different mechanisms that under certain conditions result in different observable characteristics. In this research, the analysis aims to identify characteristics and logics that act as supportive or non-supportive mechanisms of marketisation. The characteristic may be supportive of marketisation if it encourages an organisation to seek additional funding from

the market sector sources, to emphasise customer orientation in its operations or to draw on formal and hierarchical management systems, for example.

Figure 2.   Analytical framework
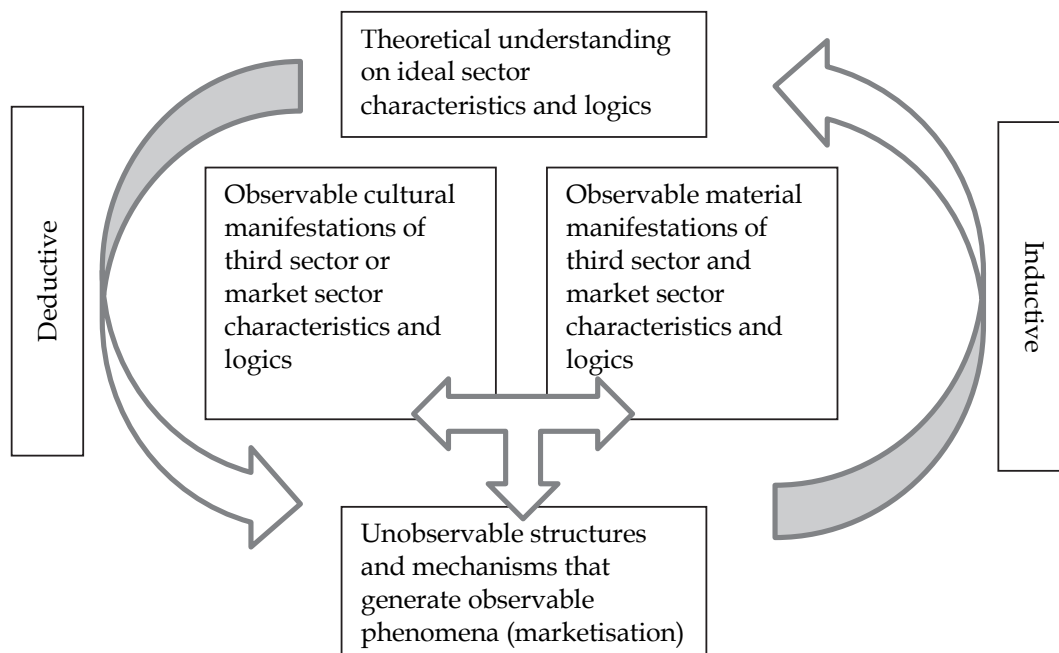
3.2.2   Analysing methods

The main material of the research, i.e. the survey responses, provided both quantitative and qualitative data. Consequently, both qualitative and quantitative methods are used in data analysis. Using mixed methods has become a valid alternative to both quantitative and qualitative research designs (e.g. Caruth 2013). The aim of using both qualitative and quantitative methods is to create as varied a picture as possible of the phenomenon to be studied and to increase the quality of the research.

Quantitative analysis
Quantitative information from the structured questions and numeric data is used to describe and explore festival organisations in relation to theoretical pre-knowledge about the sectoral characteristics and third sector marketisation. The descriptive quantitative results are presented using frequencies and percentages. Cross tabulation is used to examine relationships within the data. The following background variables are cross-tabulated with other variables describing organisational features: festival age; festival size (the number of visitors); festival location; and festival art form. A Kruskal-Wallis test is calculated to see if there are statistically significant differences among the variables.

Furthermore, the variables describing the festival organisation and its characteristics are analysed with explorative factor analysis (EFA) using

Principal axis factoring and the Promax rotation method. Exploratory factor analysis is a broadly applied statistical technique in the social sciences (Costello & Osborne 2005, 1). The objectives of factor analysis are to identify unobservable factors underlying a set of characteristics and to examine the interrelationships among these characteristics (Pett et al. 2003, 3). In this research, factor analysis is used to examine which different variables describing organizational characteristics are related to each other and, consequently, identify underlying dimensions of festival organisations and their characteristics.

In the questionnaire, festival organisations' sectoral dimensions were explored with 14 items describing festival managers' conceptions of their organisations and their characteristics. Items were asked using a 5-point Likert scale (5=Strongly agree, 4=Agree, 3=Neither agree nor disagree, 2=Disagree, 1=Strongly disagree) with an additional 'I don't know' option. In all, 13 items were included in the analysis; one item[30] received a large amount of 'I don't know' answers and was omitted from the analysis.

Every variable had 102–103 valid responses. In two cases, the respondents had clearly misunderstood the likert-scale and answered 1 even though they meant 5 (based on their other responses and written comments). These responses were corrected. Occasional missing values were replaced with the average values. In order to find the most applicable value, average values were compared in relation to different background variables.

First, the correlation between items was scanned into the correlation matrix. The correlations may be too high (>0.9), which implies that multicollinearity is a problem for the dataset. On the other hand, correlations below 0.3 indicate too low correlations. The correlation matrix had several correlations greater than 0.3. Furthermore, all correlations were below 0.9. Three preliminary analyses were conducted in order to determine the number of variables and extracted factors in the final analysis. The variables were analysed with explorative factor analysis (EFA) by using Principal axis factoring and the Promax rotation method.

Principal axis factoring was chosen because it does not require the assumption of normally distributed data. The data was not normally distributed and had problems with skewness and kurtosis.[31] The oblique rotation method was chosen because there was potential correlation between the items. The preliminary analyses were conducted with 13, 11 and 8 variables. In all three analyses, the values of the Kaiser-Meyer-Olin (KMO) measure of sampling adequacy were above a minimum of 0.60, and Bartlett's Test of Sphericity showed a significance level of p < 0.0005. Thus, both tests suggested that the data set was factorable. (Appendix 3, Table A1.)

Communality is the proportion of each variable's variance that can be explained by the extracted factors. Variables with low loadings (<0.3) are recommended to be excluded from the analysis. However, the sufficient value of

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[30]   Organisaatiomme on puolijulkinen/Our organisation is semi-public.
[31]   Data with normal distribution has skewness and excess kurtosis of 0. The data
         distribution is skewed if much of the observations are above or below the average.
         Kurtosis, in turn, describes the sharpness of the peak of a data distribution curve.

the loading depends on the data set. In the first analysis with 13 variables, the range of communalities of the 13 items varied from 0.119–0.694 (Appendix 3, Table A2). However, 11 out of 13 variables had loadings higher than 0.3 on one or more factors. These 11 variables were included in the second analysis. A third analysis was done on those eight variables whose loadings were above 0.3 in the previous two analyses.

All three preliminary analyses gave similar results and resulted in three clearly identifiable factors that had an eigenvalue greater than 1.0. The final analysis was implemented with 11 variables. The purpose was to include as much information as possible in the analysis. In the analysis, the number of factors to be extracted was specified as three; as suggested by the findings of the previous analysis. Descriptive statistics of the 11 variables included in the analysis are presented in Appendix 3, Table A3. The results of the factor analysis are presented in Chapter 6.1.1.

Qualitative analysis

Approaches to content analysis are used in the analysis of unstructured questions (e.g. Tuomi & Sarajärvi 2018; Silvasti 2014). Analysed unstructured questions are related to the following themes: festivals' mission description, management priorities, future challenges and possibilities and changes that had occurred in festival operations compared to 2005. In addition, in the questionnaire, there were three open fields for the respondents to give additional information. (Table 14.)

Content analysis is used to identify festival organisations main goals and priorities. In the content analysis the recurring themes in the data were identified in relation to festivals' goals and priorities. First, the initial data coding was performed. The open question responses were read line by line to identify essential aspects of the data. Then, these initial codes were integrated into themes and subthemes. Furthermore, in order to find the most frequently mentioned themes, occurrences of these themes were counted. Chapter 4 presents the most significant six themes that were identified from the data.

In addition, content analysis is applied to examine specific themes in the data. From the unstructured questions, the following were sought in order to provide additional and deeper information about these themes: responses related to goals and priorities of festival organising (Chapter 4); resources festivals use in their operations (Chapter 5); and organisational characteristics that festivals emphasise in their operations and the ways festivals apply hybrid practices in their activities and cope with hybridity (Chapter 6).

Table 14.   Unstructured questions

Question no. in the questionnaire (Appendix 1)	Question theme	Number of received answers	Description of received answers
1.2.	Mission description	108	2–102 words; the average response: 19 words.
1.16	Management priorities	96	1–80 words; the average response: 16 words.
1.20	Future challenges and possibilities	84	3–132 words; the average response: 38 words
1.13	Changes compared to 2005	74	3–115 words: the average response: 37 words
1.9, 1.21, 2.5	Three open fields for the respondents to give additional information	96	4–130 words: the average response: 28 words

Quotations from the responses to unstructured questions are used in the reporting to describe the characteristics of the data and to justify the interpretations I as a researcher have made from the data (Silvasti 2014, 46–47). There are two types of quotations used in the text. Quotations that run in to the main text are separated by single-quotation marks: 'Example of a run-in quotation'. Block quotations, in turn, are set off from the main text. Block quotations also use smaller font size:

> Example of a block quotation.

3.3 Summary

This chapter has presented the data and methodology of the research. The research utilises both an inductive and a deductive approach in order to identify the characteristics of festival organising and the logics behind these characteristics. In the analytical framework, the theoretical pre-knowledge about the definitions of ideal characteristics and logics of different sectors provided the starting point. However, since many of these definitions are controversial, space was given also to new discoveries that might or might not support earlier definitions. In addition, because reality consists of both cultural meanings and material conditions it was regarded important to include both of these dimensions into the analysis.

Empirically, the research focuses on Finnish arts and culture festival organisations. At first, the chapter gave a brief introduction to the Finnish festival field and its development. A more detailed overview was provided of the research's empirical target – Finnish festival organisations that applied for state funding in 2014. These organisations consist of a wide range of different actors

and organisations. They are mainly maintained by third sector organizational forms. They represent many different forms of arts and culture and both non-profit and commercial art forms. There are very big organisations as well as very small ones. Many festivals are strongly related to external resources, often granted by public authorities. Some use paid staff, others rely mainly on voluntary work. This diverse field of festival organisations was regarded as a good target to focus when examining cultural third sector actors and their hybrid ways of operating.

The main data gathering method used in the research was a survey questionnaire targeted at the festival organisations. Aim of the survey was to collect information of festival organisations and to examine festival management perceptions of their organisation and organisational characteristics. A survey was chosen as a method because it allowed to reach a larger number of festivals in a short time and cost-effectively. A questionnaire was sent to a total of 233 festivals that applied for state funding in 2014. The number of responses was 104, yielding a response rate of 45 per cent. The questionnaire included both structured and unstructured questions and provided both quantitative and qualitative data. Data analysis applied also both qualitative and quantitative methods.

4   GOALS AND PRIORITIES OF FESTIVAL ORGANISING

The next three chapters (4–6) present the results of the empirical analysis of the research. First, in this chapter, festival organisations' goals and operational priorities are identified and analysed in relation to institutional logics. Goals are here defined as desired end results that an organisation is trying to achieve. Priorities, in turn, are issues that are regarded as being more important than others in festival organisations' every day operations. Thus, priorities are more present focused, and goals are more future focused. (E.g. Etzioni 1964.) They both reflect the core values and norms of an organisation by manifesting issues and principles that festivals regard as important or meaningful.

First, in sub-chapter 4.1 the responses of representatives of festival organisations that participated in the survey are analysed in terms of what they see as central about festivals' goals and operational priorities. The themes that have been used in identifying the main goals and priorities of the festival organisations are as follows: 1) the purpose of the festivals, 2) stakeholders, 3) management priorities and 4) future priorities, challenges and opportunities. In sub-chapter 4.2, six focus areas of goals and priorities are introduced and analysed in relation to institutional logics to identify the main issues that festival organisations value in their operations. (Figure 3.)

Figure 3.   Main goals and priorities of festival organising

Identifying the main goals and priorities (Chapter 4.1)	Identified six focus areas of festival organising (Chapter 4.2)
1) The purpose of the festivals 2) Stakeholders 3) Management priorities 4) Future priorities, challenges and opportunities	1) Arts and culture 2) Communities 3) Audience 4) Professionalism 5) Finance 6) Development and innovation
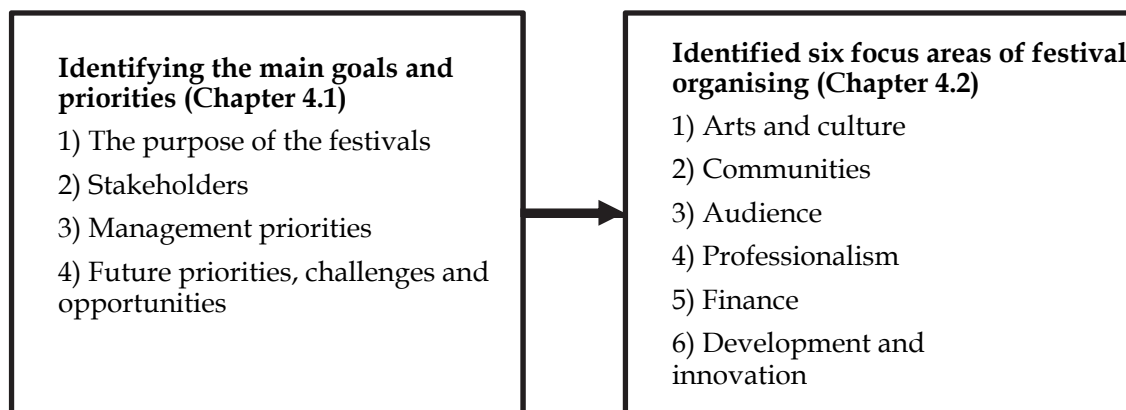
4.1   Identifying the main goals and priorities

Next, festival organisations main goals and priorities are identified by analysing festival managers' interpretations of what is central about festivals' missions and operational priorities. The exploration is made by focusing on four themes: 1) the purpose of the festivals, 2) stakeholders, 3) management priorities and 4) future priorities, challenges and opportunities.

4.1.1   Main purpose of festival organising

Festivals were asked in an open question to describe their purpose (mission).[32] An organisation's purpose or mission is an intended or desired result or a goal that an organisation aims to achieve. It is something that answers the question why a festival organisation exists and organises the festival in the first place. Usually, this purpose or mission remains rather unchanged over time. Altogether 108 festivals answered this question.

Three different levels of goals were identified from the festivals' mission descriptions. *Outputs* are tangible and intangible products or services that are the result of festival organisations' operations (e.g. Epstein & McFarlan 2011, 28). In some cases, the festival event itself is the actual and final purpose of an organisation's activity. All together 33 per cent of mission descriptions included this kind of goal. *Outcomes*, in turn, refer to individuals affected by the delivery of those services and products (ibid.). One-fifth of the festivals (20%) aimed to have outcomes related to festival audience and have the audience affected by the festival.

Impacts, in turn, include benefits which occur to larger communities and the whole society (e.g. Epstein & McFarlan 2011, 28). The clear majority (75%) of

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[32]   Question 1.2 on questionnaire (Appendix 1): 'What is the purpose (mission) of your festival?'

respondents described goals related to a wider impact on communities and society in their mission. In the festival organisations, the goals with a wider public purpose included mainly artistic and cultural themes or prosocial themes. The latter theme refers, for example, to the goals related to expanding community access to and appreciation for art (Voss et al. 2000). In addition to an artistic mission, festivals may have other societal goals related, for example, to environment, education or local development. In general, these kinds of mission descriptions reflect the dominant way to describe a non-profit purpose in an organisation's by-law. It has often been argued that public funding directs third sector organisations to embrace pro-social values and non-profit mission as they try to meet the demands of public financiers, which is an important interest group for many festival organisations (e.g. Voss et. al 2000, 336).

The three most commonly mentioned themes in the mission descriptions were related to: a) arts and culture, b) communities and communality and c) audience (Table 15). Under each main category there are different sub-categories. Artistic and cultural themes, for example, refer to promoting, presenting and preserving art, high artistic quality, creating and presenting new art and artistic achievements. Purposes related to communities and communality include themes such as community and interaction, local and regional development and a better world. Festivals prioritised responsible festival production and were dedicated to conducting their festival organising in an environmentally respectful way. Audience related purposes, in turn, include mentions about the target audience, aims for audience entertainment, special milieu provided for the audience and accessibility. These thematic categories partly overlap. For some festivals, audience was an important part of the festival community, and promoting audience accessibility could have been presented under goals related to communities as well. In addition to these themes, two festivals mentioned aims related to arranging a professional festival event, and one festival had a goal related to achieving a balanced economy. The main themes are opened and analysed in more detail in the following sub-chapter 4.2.

Table 15.   Goals mentioned in festival mission descriptions (n=108)

	Frequency (f)	Per cent (%)
Arts and culture		
Promoting, presenting and preserving art	68	63
Producing high-quality art	26	24
Creating and introducing new art	20	19
Aiming for artistic achievements	10	9
Communities		
Emphasising community and social interaction	22	20
Aiming for local and regional development	8	7
Making the world a better place	6	6
Audience		
Keeping audience satisfied	22	20
Mention target audience(s) in mission description	21	19
Accessibility, finding new audience	14	13

4.1.2   Most important stakeholders for the festivals

Organisations' attitudes towards stakeholders also reflect their values and priorities. Stakeholder relations are an important resource for festival organisations. Stakeholders provide legitimacy and justification. Yet, they are the ones that festivals need to serve and those to whom festivals need to prove their legitimacy. If an organisation has sufficient legitimacy in the eyes of its stakeholders, this status improves the organisation's chances of acquiring different resources needed for its operations, survival and growth. (Meyer & Rowan 1977.) Festivals are often dependent on a number of stakeholders. Different stakeholders may have different expectations of a festival organisation as well as a variety of views of what is important and valuable in an organisation's activity. Stakeholder relations are often seen as an important source of the development of hybrid approaches in third sector organisations (e.g. Pache & Santos 2013; Knutsen 2012; Zimmer & Evers 2010).

In the questionnaire, respondents were asked to put 12 different stakeholder groups in order by considering the most important stakeholder groups to keep satisfied when arranging the festival.[33] The task proved to be difficult. There were two main reasons behind the difficulties in answering the question. First, some festivals did not want to put stakeholders in any order and regarded them all as equal. This statement manifests community logic as it emphasises everyone's equal membership in a community:

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[33]   Question 1.15 on questionnaire (Appendix 1): 'Please, evaluate the importance of the satisfaction of the following stakeholders when organising the festival. Put in order of importance, 1 = most important, 2 = next most important, etc.'

Equality between artists, staff (volunteers and permanent staff), audiences, partners and media. The aforementioned categorisation [presented in the question] is not right. There must be a balance and a similar appreciation.[34]

Second, for the festivals it was hard to rank stakeholder groups as they all are, one way or another, vital for the festival organising. On the one hand, a municipality may provide important financial resources, and, on the other, the festival cannot be organised without voluntary workers. Many festivals, however, provided information at least regarding the most important stakeholder groups. In all, 90 festivals provided usable information when answering this question.

Table 16 presents the results of the question regarding the positions from 1 to 5. According to the responses, the audience was clearly the most important stakeholder group for the festivals to keep satisfied when organising the event. Festival artists and peers from the field of arts and culture were also often mentioned among the five most important stakeholder groups. This reflects the importance of artistic and cultural goals, festival content and high-quality art. Public financiers and partners received the third most (51) mentions among the top five stakeholders; however, none of the festivals mentioned public financiers as the most important stakeholder group to keep satisfied when organising the festival. Local authorities that are responsible for granting various permits were regarded among the less important stakeholders by the festivals.

In relation to stakeholders, voluntary workers, paid personnel and members or shareholders of the organisations were also ranked among the five most important stakeholder groups by some festivals. Voluntary workers were regarded as important more often than paid personnel or members of the organisation.

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34   'Taiteilijoiden, henkilökunnan (vapaaehtoiset, vakinainen), yleisön, yhteistyökumppanien ja median tasavertaisuus. Tuollainen [kysymyksessä] edellä mainittu jaottelu ei ole oikein. On oltava tasapaino ja samanlainen arvostus.'

Table 16.   Most important stakeholders for the festivals (f)

Stakeholder group	Most important	Second most important	Third most important	Fourth most important	Fifth most important	Total (n=90)
Festival audience	69	6	6	4	2	87
Festival artists	12	40	10	6	5	73
Public financiers and partners	0	7	17	16	11	51
Peers from the field of arts and culture	2	10	14	9	10	45
Voluntary workers	1	7	9	11	8	36
Private financiers and partners	1	1	9	12	13	36
International guests	1	8	8	4	6	27
Local residents	1	6	3	9	4	23
Members or shareholders of festival organisation	1	5	3	6	8	23
Paid personnel	1	0	6	4	9	20
Media	1	0	1	5	5	12
Local authorities	0	0	2	2	3	7

4.1.3   Managerial priorities in festival organisations

Management refers to coordination and administration of an organisation's activities to achieve the desired goals. Management priorities indicate what means festivals emphasise to achieve their ultimate end goals. In the questionnaire, festivals were asked in an open question to list from one to five the most important priorities in their festival management.[35] In all, 96 answers were received to this question. Most festivals mentioned three to five priorities. (Table 17.)

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[35]   Question 1.16 on questionnaire (Appendix 1): 'Please, list 1-5 issues that you especially prioritise in your festival management'.

Table 17. Managerial priorities in festival organisations (n=96)

	Frequency (f)	Per cent (%)
Arts and culture		
Artistic programme (high quality, development)	31	32
The satisfaction of artists, communicating with artists	9	9
Communities and interaction		
Staff wellbeing (staff satisfaction, comfort, motivation, encouragement, good working atmosphere, joy)	37	39
Openness, transparency, trust, fairness, democracy, equality, tolerance, common purpose	29	30
Co-operation, partners	26	27
Communality, involvement, interaction	18	19
Responsible event production, local identity, locality	9	9
Audience		
The atmosphere and functionality of an event	22	23
Audience entertainment, satisfaction	16	17
Marketing and information; Visibility, reputation, brand, image	12	13
Accessibility, free of charge event	6	6
Finance		
Economic co-ordination, relationship with financiers	23	24
Efficiency; economic efficiency, cost consciousness	11	11
Professionalism and competence		
Professionalism, competence, key persons, training	23	24
Decision-making, coordination, monitoring, communication	17	18
Endurance and commitment	4	4
Clear division of labour, reasonable hierarchy, consistency	9	9
Change and development		
Innovation, creativity, enthusiasm, courage, pioneering	17	18
Anticipation, planning, development, modernisation	9	9
Flexibility	5	5

Many themes identified from the managerial priorities (Table 17) are similar to those found from mission descriptions (Table 15). Issues related to the artistic and cultural content of the festival, community and communities and audience were prioritised in festival organisations' management priorities. However, there were some differences in the emphasis placed on different themes. Under the theme of arts and culture, the high quality of artistic and cultural programme and the development of the festival content were mentioned most often as important management priorities. In addition, festivals put emphasis on the satisfaction of festival artists. Community and social interaction related themes were strongly emphasised by festivals as an important management focus. Staff wellbeing was a very important management priority for the festivals. It included themes such as staff satisfaction and comfort, showing appreciation to staff and encouraging staff. In their management priorities, many festivals listed values related to communality, such as openness, transparency, trust, democracy and equality. They also made references to responsible event production and locality. Co-

operation and partners were emphasized by the festivals and in their management, they aimed, for example, to find new partners and to develop new co-operation models and networks. The importance of audience came out from festivals' management priorities as well. Festivals put emphasis on the functionality and atmosphere of an event and audience entertainment and satisfaction in general. They aimed to reach the audience by focusing on marketing and informing about the event. In addition, a few festivals focused on accessibility of their event and for example arranged free of charge events.

In their management, festivals prioritised issues related to financing, such as general economic coordination and developing good relations with financiers. Few festivals mentioned efficiency or cost consciousness as important focus areas. Professionalism, competence and training in general were important areas of focus in festivals' management. Endurance and commitment are regarded here as characters of professional personnel and organisation. In addition, many festivals mentioned management priorities related to organisation and the organising of things. They are regarded, here, as features of professional festival organising. Finally, focus areas related to change and development, such as innovation and creativity, planning and development and flexibility were mentioned by festivals. The themes related to development of visibility, reputation, brand and festival image are listed under the category of development, even though they also very much relate to the artistic and cultural goals as well as to the goals of marketing a festival to the audience. (Table 17.)

4.1.4 Future priorities, challenges and opportunities

Festivals' most important priorities in the development of festival activities were asked about in the form of a multiple-choice question.[36] In addition, future challenges and opportunities were asked about in the open question.[37] Future challenges and opportunities, here, are interpreted as the key issues which the festivals feel that they must focus on in order to survive in the future. A total of 84 festivals responded to an open question on the opportunities and challenges of the future. (Table 18; Table 19.)

Festivals prioritised different future orientations and aimed to develop their operations and event in the direction they believed would be vital in the future. Most of the festivals especially focused on developing their content and programme. Nearly half (49%) of the respondents chose festival programme / content development as their top future strategy. One-fifth of the festivals (21%) aimed to focus on developing of more professional festival production. Six festival organisations (6%) chose scaling up activities as the most important future priority. A total of 14 per cent of respondents stated that there is no need for changes in their festival now and preferred to stick to the current situation.

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[36] Question 1.17 on questionnaire (Appendix 1): 'Please choose the most important
     focus area for the development of your festival activities.'
[37] Question 1.20 on questionnaire (Appendix 1): 'What challenges and opportunities do
     you see in festivals in the future?'

The mentions in the something else category include themes such as securing the financing (3 mentions), focusing on marketing (2 mentions) and getting a wider customer base (1 mention). Furthermore, one responder believed that their festival activities would soon cease. No one chose the option: We have not thought about the future. (Table 18.)

Table 18.   The most important priority in the development of festival activities

	Frequency (f)	Per cent (%)
To develop festival programme / content	51	52
To develop a more professional festival production	21	21
To maintain current festival activities	14	14
To scale up festival activities	6	6
Something else	6	6
Festival is to cease being held in the near future	1	1
Total	99	100

Challenges related to funding and scarce resources were clearly the most often mentioned challenges when festivals were asked about future challenges and opportunities. Festivals expressed fears about uncertainty of funding. In particular, festivals saw threats in the decline and uncertainty of public support. A strong dependency on business co-operation was also mentioned as a challenge, as was the impact of the general economic situation on the possibilities of obtaining sponsorship money. According to the responses, increasing or even maintaining their present funding was a big challenge for the festival organisers. Operating with a low budget in general was a challenge. Many festivals mentioned that it is challenging, for example, to maintain artistic quality, to have enough personnel or to organise a festival at all because of scarce resources. Mentions under the theme of professionalism were mainly related to resource issues as well. Festivals argued that it is hard to maintain professionalism when there are no enough resources, for example, to hire more people. One festival saw a possibility in increasing its self-financing. Another regarded its financial situation as being rather good. Otherwise, economic issues were regarded as constantly present challenge and even threats. (Table 19.)

For festivals, an important factor in their future survival was the opportunity to focus on artistic quality and content. This relates to the opportunity to develop the festival image and brand. Few festivals considered 'standing out' as challenging, as many festivals provide similar programmes. Some festivals saw challenges in maintaining artistic or cultural quality, mainly because of resource scarcity. A few festivals raised fears that financiers aim to influence festival content or that they are increasingly evaluating other indicators than artistic content and quality, such as the size of audience.

Reaching and attracting the audience in the future was mentioned as an important future challenge by the festivals. Festivals often argued that the audience is more demanding and critical today and that special efforts need to

be made to keep the audience satisfied also in the future. The increase in the size of the audience was perceived as an opportunity.

Many festivals saw opportunities in co-operation. Co-operation and networks are often a crucial part of festival organising and a way to develop festivals' activities. Festivals mentioned different partners they would like to develop co-operation with, such as national and international partners and networks, municipalities and other local actors. Co-operation with tourism organisations and actors from the field of arts and culture were also mentioned by the festivals as desired partners. A few festivals expressed opportunities in developing more communal activities, such as providing a platform for artists to network. One festival argued that:

> It is worth supporting the events and festivals produced by the third sector, as it increases the amount of intellectual capital, joy and comfort.[38]

However, related to communality, festivals also raised the point that it will be more difficult to get voluntary workers in the future.

Festivals also expresessed challenges related to increased authority regulations and changed legislation. Furthemore, development, innovation and growth were seen both as a challenge and an opportunity by the festivals.

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[38] 'Kolmannen sektorin toimijoiden tuottamia tapahtumia, festivaaleja kannattaa tukea, sillä se lisää henkistä pääomaa, iloa ja viihtymistä (…).'

Table 19.   Future opportunities and challenges (n=84)

	Frequency (f)	Per cent (%)
Arts and culture		
To focus on artistic and cultural quality and content (opportunity)	30	36
To maintain artistic and cultural quality and content (challenge)	8	10
Competition of the festival artists/performers, same programme at different festivals (challenge)	5	6
Financiers aim to influence festival content and value other indicators over artistic content and quality (challenge)	5	6
Communities		
Co-operation and networks (opportunity)	14	17
Tiredness of volunteers, difficult to get new volunteers (challenge)	9	11
Communities, communality (opportunity)	6	7
Audience		
Reaching the audience, competition on audience, audience is more demanding (challenge)	18	21
Increasing the size of audience, finding new audience (opportunity)	15	18
Professionalism		
Getting more paid staff (opportunity and challenge)	9	11
Maintaining professionalism (challenge)	4	5
Finance		
Unsecure financing, reduction in funding, small budget, competition on funding (challenge)	68	81
Other		
Development, innovation, growth (opportunity and challenge)	13	15
Legislation, authority regulations (challenge)	9	11

In the following, the above-mentioned findings are put together and are given a closer look to identify the main issues that festival organisations value and prioritise in their operations. The following chapter presents the identified six main areas on which the goals and priorities of festival organisations are focused in. These focus areas are as follows: 1) arts and culture, 2) communities, 3) audience, 4) professionalism, 5) finance and 6) development and innovation.

4.2 Six focus areas of festival organising

4.2.1 Arts and culture

> The most important thing is the artistic content.[39]

Promoting, presenting and preserving a certain art form were among the most important goals for many festivals included in this study. The majority (63%) of festivals that answered the survey mentioned these themes in their mission (Table 15, p. 89). Most often, the goal was to make a wider contribution in a certain field of art. Festivals aimed to increase awareness of the art form they represent, as well as the number of people interested in it. They wanted to promote an appreciation for their own field of art. There were aims to maintain and strengthen the position of a certain art form or cultural heritage by passing knowledge to the new generations. A few festivals mentioned themes related to importing and/or exporting art and spreading information about Finnish art internationally.

The importance of artistic and cultural orientation is strengthened when looking at the most important stakeholders of the festivals. Festival artists and peers from the field of arts and culture were among the most important stakeholder groups festivals wanted to keep satisfied when organising the festival (Table 16, p. 91). Festival artists were mentioned among the five most important stakeholder groups by 73 festivals and the peers from the field of arts and culture by 45 festivals. Furthermore, artistic content and its development dominated festival organisations' future strategies. As Table 18 (p. 94) illustrates, almost half of the respondents chose festival content development as a top future strategy. For the festivals, focusing on artistic and cultural content is a means they believed will bring success in the future: 'Content development [is a future opportunity], strong content is our asset.'[40]

In their management, festivals also prioritised issues related to the artistic and cultural programme, its quality and genuineness. The satisfaction of festival artists and communicating with the artists were mentioned as important management priorities. In addition, festivals also valued and promoted creativity. Presenting and creating new art and producing new and innovative events were core goals for many festivals. In their programmes, festivals aimed to present new pieces of art and to develop new ways to experience art. Many festivals aimed to support and improve the possibilities of young artists or marginal art forms in the field. The festivals strove to serve as a platform for artists to realise their own artistic visions. This theme has a connection with the prioritisation of the intrinsic drive for artistic creativity and innovation.

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[39] 'Taiteellinen sisältö A&O.'
[40] 'Sisällön kehittäminen [on tulevaisuuden mahdollisuus], voimavara on vahvassa sisällössä.'

These kinds of goals and priorities are manifestations of festival organisations' non-profit orientation and logic.[41] Festivals' have goals with wider public purpose and these goals are often related to artistic and cultural issues. From their goals and priorities, the strong commitment to their non-profit mission and aim to fulfil their mission, and thus be effective, can be identified. Futhermore, many mission descriptions reflect the general cultural policy objectives of the state and municipalities: strengthening the foundation and ensuring the continuity of culture, enhancing the participation in culture and improving the working conditions in the field of arts and culture. From these mission descriptions one can recognise the desire to produce the impacts that the state and municipalities strive to achieve through their funding.

In their mission descriptions, one-fifth of the festivals (24%) expressed the importance of the high quality of art they present. Festival organisations aimed to produce a professional and high-quality event and content and consequently to contribute to the art field they represent: 'It is important to maintain the festival's high artistic quality.'[42] The prioritisation of high quality is linked with festival organisations' artistic mission and, thus, it is an evidence of non-profit logic. Artistic quality, often evaluated and defined by the insiders of the art world, is commonly accepted as an important if not the most crucial determinant of success in non-profit arts organisations (e.g. DiMaggio 1987b; Sorjonen 2004). In addition, the pursuit of high quality can be regarded as an expression of the common values and ideology of the artistic community and, from this perspective, aiming for high quality reflects community logic. By producing high-quality art, festivals can strive for public recognition and acclaim, which is a manifestation of a strategic basis of community logic. When emphasising their role as initiator and creator, festivals also stress the importance of their control and autonomy over artistic practices and planning (Voss & Voss 2000, 746). Thus, festivals manifest, on the one hand, independence of non-profit logic and, on the other, expertise which is an ideal-typical source of legitimacy of professional logic.

Emphasising a high-quality programme can be a strategy to attract and serve the audience as well as create additional value for the audience (Homburg & Pflesser 2000, 459; Sorjonen 2004, 88-90). Furthermore, high quality is often demanded by external financiers. Thus, valuing high quality can be a way to build trust and commitment among the festival's audience and external funders. For the festivals, producing a high-quality programme was also seen as the vital key to success and survival in the future. In these cases, emphasis on high quality reflects more a market logic.

Furthermore, themes linked with achievement and competition (Voss & Voss 2000, 746) can be identified from festivals' goals and priorities that emphasise the artistic and cultural themes. The emphasis of these goals is on

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[41] Of the ideal type institutional logics, the pursuit of a wider social impact reflects also the state logic, which is often a dominant logic of public authorities. The state logic was not included in the analytical framework of this study.

[42] 'Festivaalin korkean taiteellisen tason ylläpitäminen on tärkeää.'

striving for public recognition and building the festival's image or honour. Festivals aimed for example to organise 'a high standard festival that is unique and different from others' and 'the best festival in the world' or even 'in the universum' or 'the number one festival for music lovers'. This can be seen as expressions of community logic in which an important strategic basis is the aim of increasing the status and honour of members and practices. However, these themes are connected also with the marketing, productisation and image creation of a festival. From this perspective they are manifesting the market logic's orientation towards customers and competition.

By emphasising artistic and cultural goals, festivals embody enriching values. Salamon et al. (2012) defined the enriching value as one of the core values of non-profit organisations and one of the three values that can be regarded as the special value-adds of the non-profit sector. According to them (ibid.), especially arts and culture organisations stood out in terms of the importance they attached to being enriching. In festival organisations, enriching values strongly related to their artistic and cultural mission. Fostering cultural development and preserving culture and history were important goals for many festivals. They also aimed to promote creativity for example by presenting and creating new art and providing places for different artists to meet and reflect on and develop their artistic practices. Furthermore, festivals provided the audience opportunities to learn.

4.2.2 Communities

Transparency, fairness, equality.[43]

Volunteering, employee motivation and communality.[44]

Trust at all levels (…).[45]

The communal and participative nature of activities is characteristic for festivals. The word festival derives from the classical Latin word festum meaning feast (Isar 1976). Many festivals that responded to the survey had goals and priorities related to communities and benefiting other people or society. These goals and priorities manifest, in the first place, in community logic and the ideas of common values, trust and reciprocity. In festival organisations' mission descriptions (Table 15, p. 89), one-fifth of festivals (20%) expressed goals related to social interaction and creating possibilities for dialogue. Festivals saw themselves as meeting places for artists, other professionals from the field of arts and culture and the audience, as well as for different art forms. By bringing people together, festivals aimed to create dialogue, inspiration, innovations and an arena for social influence.

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[43]   'Läpinäkyvyys, reiluus, tasapuolisuus.'
[44]   'Vapaaehtoisten ja työntekijöiden motivoimiseen ja yhteisöllisyyteen.'
[45]   'Luottamus kaikilla tasoilla (…).'

In their management priorities, festivals often mentioned themes such as accessibility, free admission, community, inclusion and interaction. Democracy, equality and fairness, as well as openness, transparency, tolerance and trust were mentioned as management focus areas by the festivals included in this study. Festivals wanted to increase audiences' participation in arts and culture and make their festival accessible to all kinds of audience. In their target groups, festivals also mentioned disadvantaged groups, such as children and elderly people. Among the respondents 13 festivals had free admission. In addition, most of the festivals had different free of charge events even though their festivals mainly had an admission fee. According to the responses, the amount and the share of admission free events is increasing at the festivals (Table 24, p. 112).

By looking at the most important stakeholders for the festivals, it can be argued that in addition to audience (see sub-chapter 4.2.3), the most important community for the festivals is the artistic and cultural community. According to the responses, festival artists and peers from the field of arts and culture were among the most important stakeholders to keep satisfied when organising the festivals. Voluntary workers, members of the festival organisation and local residents were also mentioned by some festivals as important stakeholders.

In relation to the management's priorities, instead, there emerges a stronger emphasis on the organising community of the festivals; the festival staff and possible partners. A good working atmosphere was important for the festivals, and they focused on the wellbeing, motivation and appreciation of their staff; both voluntary and hired personnel. In their organisations, festivals emphasised friendliness, fairness and happiness. The responses revealed that festivals put special emphasis on the voluntary community and its satisfaction. By focusing on voluntary workers' satisfaction, festivals also strive to overcome the difficulties in getting voluntary workers that were mentioned as a challenge that festivals have faced in recent years.

Festivals are often organised through co-operation and partnerships, which reflects the co-operative economic system of community logic. This means they may have a wider community of organisers. In their management priorities, festivals focused, for example, on keeping good relations with partners, finding new partners and developing new co-operation models. According to one respondent 'cooperation spirit' was an important management priority. When asked about the changes that have occurred in recent years, festivals mentioned increasing co-operation.

Often festivals are organised by local people and in co-operation with the local network. In several festivals, most of the audience is local as well. The origins of a festival may lay in the work of local 'individual enthusiasts who want to make something of their place' (Kozorog 2011, 316) and benefit their local community. The oldest festivals in the data have been organised in the same place for more than 40 years. In its own area, a festival may be the only annual event representing the particular art form. Thus, it may play a vital role in the local cultural field, and local community and identity.

In their mission descriptions, some festivals aimed for responsible event production, local identity as well as a better world, such as the wellbeing of the environment: 'Increasing the appreciation of the attitude towards life, where the preservation of the old is a value in itself. The culture of disposability is not the only way to live.'[46] These goals manifest social responsibility from the non-profit logic. However, only a few festivals mentioned different aims regarding the development of the local community, such as the aim to increase the tourism value of an area and increase the awareness of the area. Furthermore, the themes most commonly referred to in the local authority's cultural or general strategies, such as the positive impact of cultural activities on the city's image and attractiveness or the role of culture in the municipality's economy or in the well-being of residents, were rarely mentioned in festivals' missions. This does not mean that festivals did not have these effects or goals. The fact that they were not specifically described in mission texts can be interpreted as the festivals' aspiration to stick to their independence to define their own mission and to concentrate specifically on artistic and cultural goals.

Goals and priorities under this theme reflect different social and people-oriented values. People-oriented values include values such as altruism, friendship, love, loyalty and equality and have an emphasis on interaction and co-operation. In addition, values of caring and empowering identified by Salamon et al. (2012) as the special value-adds of the non-profit sector are connected to this category. Festivals manifested values of caring by being community focused, targeting their programme at underserved populations and providing free admission events, for example. Values of empowering, in turn, were reflected in festival organisations' operations regarding mobilising citizens, for example.

4.2.3 Audience

Paying attention to the audience (the feast is arranged for them).[47]

The audience was important to all kinds of festivals. Many festivals made a reference to their target audience and the themes related to audience entertainment in their goals and priorities. The festivals aimed to have outcomes related to festival audience and have the audience affected by the festival. Festivals aimed to meet audience expectations and wanted to produce shows that audience enjoy and provide entertainment for the audience. (See also Voss & Voss 2000, 746.) In their mission descriptions, festivals also described aims to provide something that interests the audience and create experiences for the audience.

Festivals described the special places or venues where the festivals are organised as the following: 'historic milieu',' exceptional venue', 'original venue

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[46] 'Eräänlaisen elämänasenteen arvostuksen lisääminen, missä vanhan säilyttäminen on arvossaan. Kertakäyttöisyys ei ole ainoa tapa elää.'
[47] 'Yleisön huomioiminen (juhlaa järjestetään heille).'

in beautiful countryside' or 'medieval stone church'. This is a part of a festival's identity formation, but these kinds of descriptions can also be regarded as ways to productise the festival event, create a festival experiment and, consequently, produce value for the audience. Here, there is a clear link with market orientation and, consequently, market logic, where the aim of an organisation is to identify and meet the expectations of the customer:

> [The purpose is] to offer the Finnish and international audience the opportunity to experience being part of the art. [48]

In their management priorities many festivals mentioned that they emphasise issues related to customer satisfaction and customer orientation (Table 17, p. 92). Important management priorities for the festivals that are also connected to audience satisfaction were the atmosphere and setting of an event, as well as event functionality. In their management, some festivals also put emphasis on marketing and informing the audience of the festival. These goals reflect mostly market logic and prioritise a commitment to customer satisfaction and audience entertainment.

In addition, festivals aimed to increase audience participation and art's accessibility. They complemented and widened the availability of and participation in arts and cultural activities.

> [The purpose is] to make dance art known also outside of large cities and to give equal access to art.[49]

Festivals aimed at increasing awareness of the art form they represent, increasing the number of persons interested in it and presenting art forms that are otherwise hard to experience. For example, one festival stated that, 'Our goal is to bring high quality and fascinating environmental art to the city area every year – in an equal, accessible and visible way.'[50] By doing so, festivals reflected one of the most important public cultural policy aims: securing the nationwide provision of arts and cultural services (democratisation of culture) and providing art for the special groups. Here, the pursuit of a wider social impact is interpreted as a manifestation of the non-profit logic. The majority of festivals (84%) agreed or strongly agreed that their festival is accessible (Table 20):

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[48]   '[Tavoitteena on] tarjota tapahtumiin osallistuvalle kotimaiselle ja kansainväliselle yleisölle mahdollisuus kokea olevansa itse osa taidetta.'

[49]   '[Tavoitteena on] tehdä tanssitaidetta tunnetuksi myös isojen kaupunkien ulkopuolella, taiteen tasa-arvoinen saatavuus.'

[50]   'Tavoitteemme on vuosittain tuoda – kaupungin alueelle korkeatasoista ja mielenkiintoista ympäristötaidetta (…) tasa-arvoisesti, helposti lähestyttävästi ja näkyvällä tavalla.'

Table 20.   'Our festival is accessible'

	Frequency (f)	Per cent (%)*
Strongly agree	51	50
Agree	35	34
Neither agree nor disagree	7	7
Disagree	3	3
Strongly disagree	1	1
Don't know	6	6
Total	103	100

*Because of rounding, the sum of the percentages does not equal 100.

Festivals acted as places for art education and aimed to educate new audiences, art enthusiasts and amateurs. For some festivals, helping the audience to better understand and appreciate art was an important goal. These goals express non-profit logic. Seeing festival goers as members of the festival community and the aims to serve underserved or disadvantaged groups of people, in turn, reflect people-oriented and enriching values in festival organising.

Many festivals made reference to issues related to audience when responding to the open question about changes that have occurred in festival organising over the last ten years. They, for example, described that it is more challenging to reach an audience nowadays and the size of the audience has decreased. Some festivals mentioned also that competition for an audience has increased. However, some festivals also mentioned that the size of the audience has increased and that they are making more income from ticket sales. Anyhow, also these responses show the importance of the audience for the festival organisations. Festival organisations' audience relations are examined and analysed more closely in Chapter 5.4.

4.2.4 Professionalism

> But the trend is clear, we have travelled towards a more professional festival which has several forms of funding.[51]

Most of the festivals regarded themselves as professional (Table 21). Furthermore, the development in festival organisations is now more focused on professionalism; 72 per cent of respondents shared the opinion that the significance of professionalism in festival production has increased during the last ten years.

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[51]   'Mutta trendi on selvä, olemme kulkeneet kohti ammattimaisemmin järjestettyä festivaalia, jolla on useita rahoitusmuotoja.'

Table 21.   Professionalism in festival organisations

Our festival is professional (n=102)	Frequency (f)	Per cent (%)
Strongly agree	56	55
Agree	35	34
Neither agree nor disagree	8	8
Disagree	3	3
Total	102	100
The significance of professionalism in festival production, the situation now compared with the situation 10 years ago (n=94)	Frequency (f)	Per cent (%)*
More significant now	68	72
Significance remained unchanged	22	23
Less significant now	1	1
No significance now or in the past	1	1
Don't know	2	2
Total	94	100

*Because of rounding, the sum of the percentages does not equal 100.

In their future priorities, one-fifth of the respondents put an emphasis on developing a more professional festival production (Table 18, p. 94). In an open question asking about how the activities of a festival organisation have changed since 2005, many festivals described that the professionalism of their organisation had increased.

From the responses, three dimensions of professionalism in festival organisations were identified: professional staff, a professional organisation and a professional event. In addition, festivals might be targeted at professionals from a certain art field. The latter feature is not a direct dimension of festival organisations' professionalism but has a strong link with it, since a professional audience demands professional content and settings. Thus, the focus on professional logic and the values related to expertise and professionalism are manifested in many ways in the goals and priorities of the festival organisations included in this study.

Festival organisations put an emphasis on professionalism, professional competence and the proficiency of the staff, i.e. both paid personnel and voluntary people. The number of paid staff has been increasing in festival organisations (see sub-chapter 5.1). Typically, festivals use professionals from the fields of arts and culture, management and technology to organise festival events. Festivals are typical cultural organisations as they contain actors who come from both (traditional) artistic and (new) managerial professions (e.g. Glynn 2000). In addition, people working for the festivals may have a festival and event or a third sector background. The background of the people working for a festival affects their professional values and attitudes, i.e. what they see as good or bad and desirable or undesirable in a festival organisation's operations. If the person responsible for festival organising has a managerial focus, she/he may emphasise the importance of task and process management. For a chairman of

an association, the most important thing may be the collaboration of the members of the association. An artistic director coming from the art field, in turn, probably focuses on the artistic content of the event. Thus, professional logic can both promote and prevent marketisation. One important question is which professions control the core processes of an organisation.

However, in festival organisations professionalism does not refer only to the competence of professionals that have an education or special training. Most of the festival organisations still strongly relied on voluntary staff in their operations. Even though volunteers are often regarded as amateurs, in the case of festival organisations it does not always tell the whole truth. Many festival organisations put a great deal of effort into the processes of training, educating and initiating their staff. Further, it is not only a question of the paid personnel's competence, but the qualifications and capacities of voluntary staff are equally important. There are festival workers who have learnt about festival production through practice who can still be regarded as festival professionals. Some people might have worked for a festival since its very first event and therefore have many decades of experience and knowledge on festival productions.

Professional organisational structures and processes ensure the successful implementation of a festival project. In their management priorities, some festivals mentioned different themes related to organisational processes, such as recruiting processes and planning and decision making. Most of the festivals mentioned staff management from different perspectives. For the festivals, it was important to recruit, motivate and encourage their paid and voluntary staff. An important aim for many organisations was to make the staff committed. Some festivals mentioned especially management priorities related to volunteers, for example training and coordinating voluteers. Furthermore, educating and training the staff was vital for the festivals, since many festivals have to recruit new employees every year:

> Over the past three years, the organisation behind the festival has been developed to become more professional. For example, festival staff's working conditions, working hours, workloads and ways of working have been rationalised. Occupational health care is organised.[52]

Festivals want to keep their employees happy and content and, consequently, put an emphasis on a good working atmosphere and relations between the staff. Having an emphasis on organisational processes that are more social in their nature can be interpreted to reflect more community logic, even though they are part of professional human resource management in business companies as well. Such processes include things such as taking care of personnel wellbeing and having a good working atmosphere, motivating and thanking personnel and remaining happy with what one is doing.

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[52] 'Viimeisen kolmen vuoden aikana festivaalin taustalla olevan organisaation toimintaa on kehitetty ammattimaisemmaksi toiminnaksi. Mm. festivaalihenkilöstön työehtoja, työaikoja, työmääriä, toiminta tapoja on järkevöitetty. Työterveyshuolto järjestetään.'

In regard to festivals' management priorities there were few mentions related to the clear division of responsibilities and being consistent and systematic. The reliance upon hierarchical management and formal work processes are the core features of managerialism and manifest corporation logic. A hierarchical organisation has a formal structure consisting of multiple levels where the power is usually at the top in the hands of owners or managers. In contrast to hierarchy is an organic organisational structure (e.g. Burns & Stalker 1961), which was recognised as more typical of festivals. The majority of the respondents (64%) regarded their organisation as non-hierarchic, and only 15 per cent of festivals saw their organisation as hierarchic (APPENDIX 3, Table A4).

The division between hierarchic and organic organisations is not a question only of differences between sectoral characters. Small organisations are typically more organic and less hierarchic; as the organisation grows often the amount of hierarchic characters increase as well. In addition, studies show that organisations are likely to develop their structure according to the dynamism and uncertainty of their environment. The organic organisational form is more suitable for dynamic and uncertain environments, whereas organisations that operate in a stable environment often develop more hierarchical organisational structures. (See e.g. Burns & Stalker 1961.) Apart from the few bigger organisations, festival organisations are usually quite small and often do not have multiple levels of hierarchies or complex management systems.

The high quality of an event was mentioned as an important goal both in festivals' mission descriptions and management priorities. Professionally organised festivals emphasise both the quality of the festival content and professionally designed and implemented settings and services during the festival such as well-functioning technology, well-planned timetables and general fluency of the event. Aiming for high quality reflects professional logic's association with the quality of craft. It can also express non-profit logic by being an important part of the fulfillment of a festival's non-profit mission. In addition, high quality can be a way to create additional value for the financiers and audience and, thus, a manifestation of market logic.

4.2.5 Finance

> To achieve a professional outcome with scarce work resources.[53]

Ideally, third sector organisations' operations would be guided by the commitment to their non-profit mission with little or no consideration for economic costs or losses. In market sector organisations, in turn, economic issues are supposed to be the most important area of focus. The ultimate basis of market logic's strategy is to increase financial profits, and managerial approaches manifesting corporate logic highlight cost efficiency, i.e. the most economical use of resources when pursuing the goal of an organisation.

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[53]   'Pienillä työresursseilla ammattimaista jälkeä.'

The responses to the questionnaire show that economic issues were important for the festivals, and economic pressures and financial considerations are part of their everyday work. In their management priorities, festivals focused on getting funding and securing their financing by maintaining good relations with the financiers. They presented priorities related to budget balance and economic coordination. (Table 17, p. 92.) When asked about the stakeholders, neither public nor private financiers were often mentioned among the first or second most important stakeholders to keep satisfied when organising a festival. Still, public financiers were mentioned the third most often and private financiers the fifth most often (together with voluntary workers) among the five most important stakeholders. Audience was by far the most important stakeholder for the festivals. Part of that importance comes from the fact that ticket sales were an important financial resource for many festivals. (Table 16, p. 91.) Securing their financing was a top future challenge for the festivals. They saw both opportunities in acquiring new funding sources and the threat of diminishing financing. (Table 19, p. 96.)

In festivals' mission descriptions, economic issues were not mentioned. One festival referred to its financial balance – together with high artistic quality – as a purpose of the festival. (Financial balance, here, meaning that there is enough revenue to cover the costs of festival organizing.) Otherwise, as described earlier, festivals' mission descriptions concentrated on their non-profit purpose. However, mentions referring to audience satisfaction and entertainment can have an indirect reference to financing as well; there is a connection with the customer orientation where the aim is to meet the expectations of a customer, sell more tickets and other products and consequently improve the organisation's financial performance.

Consequently, it seems that even though financial issues were important for the festivals, there were other more important goals and priorities that festivals emphasise when defining their core goals and purposes and organising their festival. Knowledge of financial matters and economic consciousness are characteristics of a professional non-profit organisation. For example, when asked about the changes that have occurred in festival organising over the last ten years, many festivals mentioned financial issues either by stating that financing has developed in a negative direction and that it is now more challenging to have financing or that there has been a positive increase in the financing.

Still, taking care of financial issues is only one means to achieve an organisation's genuine non-profit purpose. Acquiring enough funding and keeping the budget in balance are skills that must be mastered if a festival is to be organised in the future. For example, if an organiser applies for public funding, it is often a requirement to present a balanced and realistic budget to be able to implement the festival.

Thus, a festival organiser needs to know and care about the financing to avoid losses. The responses illustrated that festivals were aware of the economic issues and their impact on the activities. And in many ways, this is a good thing.

After all, being not-for-profit does not mean for-loss either. However, there were fears that festival activities are more and more dominated by economic considerations and, therefore, lose their core mission. Festivals, to keep their budget balanced, have been forced for example to find cheaper performers, reduce the amount of performances, cut down on the supplementary programme or target their festival to the audience that is able to pay for it.

The majority of festival regarded themselves as efficient/effective; 81 per cent of respondents strongly agreed or agreed with the statement, 'Our organisation is efficient/effective'.[54] (APPENDIX 3, Table A5.) When looking more closely at the responses, it can be noted that efficiency as such was not the purpose of festival organisations', and themes related to efficiency were not mentioned much in festival organisations' responses. Rather, festivals were efficient because they had scarce resources, and thus they were forced to be such. Consequently, in festival organisations the focus was more on effectiveness, which means that a festival is organised by using the festival organiser's scarce resources rather on than efficiency, i.e. where a festival is organised by using as few resources as possible.

4.2.6   Development and innovation

> Continuous renewal and development are the only ways to survive.[55]

According to the previous literature, change and development are inherent to managerialist organisations. As they see themselves operating in a constantly changing world, they need to manage this change to tackle the threats and challenges it may bring. Furthermore, the aim for constant development, progress and growth is characteristic for managerialism. (Meyer et al. 2013.) Still, change and development as such cannot be regarded as features typical only to market sector organisations. Third sector organisations also have been seen as sources of innovation and new approaches. Furthermore, there are growth-based strategies in the third sector organisations as well.[56]

In the mission descriptions of the festival organisations included in this study, one often mentioned purpose was to present new art and previously unknown artists (Table 15, p. 89). Festivals also aimed to create arts and act as a platform for artists to realise their artistic visions. Furthermore, they put effort into the general development of their event and tried new and innovative ways of experiencing art, for example. Due to their short duration, festivals have been considered as good places for creating new ways of doing things, finding new perspectives and reflecting on the present world. Especially modern art forms have an integrated idea of creating and adopting new approaches and methods.

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[54]   'Organisaatiomme on tehokas.'
[55]   'Jatkuva uusiutuminen ja kehittäminen elinehto.'
[56]   Here, it is especially interesting to examine festival organisations' orientation towards the change and their future priorities. This is because the very idea of the research is based on the changes that are challenging the traditional understanding of the third sector and – alongside other things – which may spread market sector characteristics and logics into third sector organisations.

Creativity and innovation connect with the prioritisation of the intrinsic drive for artistic creativity. In the roles of initiator and creator, independence and autonomy are also emphasised, both being core dimensions of non-profit logic and professional logic.

Apart from mentions of new art and artistic creativity, mission descriptions included only a few references to change or development. One festival argued that it is a 'pioneer' or 'trendsetter', another aimed to 'renew cultural life' and a few stated that they are 'timely'. According to mission descriptions, rather than aiming for change, festivals aimed for continuity.

> [The festival] is committed to long-term support of freelance artists and, hence, aims at creating continuity.[57]

Festivals described that their event is held annually or had a purpose to maintain an art tradition. Many of the festivals (70%) considered themselves as having a lot of traditions in their operations (Table 22).

Table 22.   'Our festival has a lot of traditions'

	Frequency (f)	Per cent (%)*
Strongly agree	42	41
Agree	30	29
Neither agree nor disagree	8	8
Disagree	14	14
Strongly disagree	2	2
Don't know	7	7
Total	103	100

*Because of rounding, the sum of the percentages does not equal 100.

However, there was rather common belief among festival organisations that continuity demands change. Festivals' managerial priorities showed more orientation towards change and development. Terms such as innovation, creativity, enthusiasm, courage and pioneering as well as anticipation, planning, development and modernisation were mentioned by the festivals as areas of focus in their management. Five festivals mentioned flexibility as an important management priority (Table 17, p. 92). 'Flexible, small and high-quality festival organisations can play a major role in the Finnish cultural field in the future.'[58] Flexibility has often been regarded as a third sector characteristic. It is a way of dealing with a constantly changing environment. According to the responses, the majority of festivals (71%) were in a continuous renewal process (Table 23).

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[57]   '[Festivaali] pyrkii luomaan jatkuvuutta sitoutumalla tukemaan vapaan kentän taiteilijoita pitkäjänteisesti.'

[58]   '-- notkeilla, pienillä ja korkeatasoisilla festivaaliorganisaatioilla saattaa olla merkittäväkin rooli tulevaisuudessa Suomen kulttuurikentässä.'

Table 23.   'Our festival is constantly renewing'

	Frequency (f)	Per cent (%)
Strongly agree	33	32
Agree	40	39
Neither agree nor disagree	19	18
Disagree	8	8
Strongly disagree	1	1
Don't know	2	2
Total	103	100

Behind the need for renewal it is possible to identify managerialist ideas where constant development is needed for a festival to survive in the future. Festivals had a rather positive attitude towards change and development, and there were arguments among the responses that the festival must keep up-to-date and update its practices annually: 'Events that are interesting and up-to-date will remain if they are able to organise programmes that interest the public.'[59] In addition, the nature of festival organising provides a ground for change as a festival event is rebuilt each time; sometimes the location may change, sometimes even organisers:

> The structure of the festival changes every time, so there is change in everything. This has an effect, for example, on the form of international co-operation and also on project organisation and management.[60]

Festivals aimed to predict the changes that are likely to occur in the future and to prepare themselves for these changes. As argued already above, in their responses festivals expressed beliefs about future resource scarcity and about growing competition and the increasing expectations of the audience. They also anticipated possible policy changes in the future, i.e. what kind of circumstances may arise from these changes and how they may affect festival organisations. Future planning can be a strategy to manage and respond to the external pressures:

> Long-term plans for the future bring opportunities for discussions with financiers.[61]

Some festivals actively worked to create for themselves their preferred future. One-fifth (22%) of the respondents argued that they seek to influence local authorities in their relationship. When specifically asked about their management priorities, however, festivals did not mention many themes related

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59   'Mielenkiintoiset ja aikaa seuraavat tapahtumat säilyvät, mikäli ne pystyvät järjestämään yleisöä kiinnostavia ohjelmakokonaisuuksia.'

60   'Festivaalin rakenne muuttuu joka kerta, joten kaikessa on muutosta. - - Tällä on vaikutusta mm. kansainvälisen yhteistoiminnan muotoon ja myös projektiorganisaatioon ja hallinnoimiseen.'

61   'Pitkäjänteiset tulevaisuuden suunnitelmat tuovat mahdollisuuksia keskusteluissa rahoittajien kanssa.'

to future orientation or pre-planning. Rather, the concentration was more on functional operations.

In their future orientations, festivals prioritised different development strategies (Table 18, p. 94). The future strategy of a festival organisation is related to a festival's age and the life-cycle phase that an organisation is going through. A third sector organisation usually starts when a person or a group of people have an idea, vision or passion and desire to do something about it. Quinn (2010) argues that festivals develop out of local community initiatives or are centred on groups of artists wanting to share their work. Some ideas develop into an introduction stage where a non-profit organisation is often financed by local sources and voluntary labour. This stage is characterised by a euphoric feeling that the new festival has happened. If the increase continues the resources that were sufficient in the early stages might become scarce. If an organisation continues to succeed and acquire new sources of funding, it often moves towards more organised and professionalised modes of operations and starts to employ paid staff. A typical strategy for a festival in a decline phase, in turn, is to rationalise operations: decrease the number of performances and shorten the duration of the festival. Some festivals go through a major crisis, some disappear and some manage to survive.

Festivals aimed at developing their operations and event in the direction they see as being vital in the future. Most of the festivals focused specially on developing their content and programme (Table 18, p. 94). Nearly half (49%) of the respondents chose a festival programme and content development as the top future strategy. Producing a high-quality event was regarded as the most important way to survive in the future by the festivals. It can be interpreted as concentration on achievement of festivals' non-profit mission. One-fifth of the festivals (21%) focused on the development of more professional festival production. As argued above, development in festival organisations has gone, and the tide seems to be going towards professionalism.

Only six per cent of festival organisations chose scaling up activities as the most important future priority. However, according to the responses to the questionnaire and also according to statistics, many festivals have scaled up their activities in many ways during recent years. They have grown in length and size. The survey responses revealed that both fee-based events and free events have increased their significance in festival productions (Table 24). However, the significance of free events had increased slightly more than the importance of fee-based events. One third of the festivals (36%) estimated that the significance of fee-based events has increased. In the free events the share was 46 per cent. According to statistics of Finland Festivals (2015) the number of events has increased in a majority (60%) of their member festivals. According to the responses, the importance of activities organised outside the actual festival period has also increased in many festivals:

> The size of the festival has increased eight times since the 2009 festival, (....) The venue has changed, and the event has grown to 2 days duration. This new operating

environment requires a huge infrastructure construction compared to the previous one. The whole operation is completely different in size than when we started.[62]

The festival has expanded from 3 days to 4 days, and the number of performers has tripled. There are more concerts.[63]

The local festival has evolved into a major international event.[64]

Table 24.   The importance of different event types in festival production, the situation now compared with the situation ten years ago (%)

	Free events	Fee-based events	Events organised outside actual festival period
More important now	46	36	55
Importance remained unchanged	43	48	26
Less important now	6	4	4
No importance now or in the past	3	8	13
Don't know	2	3	1
Total	100	100	100
(n)	(91)	(91)	(91)

Because of rounding, the sum of the percentages does not always equal 100.

In addition, and partly because of scaling up, festivals have employed more people. The responses revealed that, in line with corporate logic, among festival organisations there were also tendencies to understand growth, renewal and development as normative ideals expected by the external stakeholders: 'After the hype at the start, it has demanded a lot of work to keep the event up-to-date and vibrant, both in the eyes of the public, the organisers and the financiers.'[65]

The festival must grow so that it can become more professional and develop both artistically and organisationally. If the festival's development, in this case the growth, stops then the festival is in danger of falling into the 'current service trap' with only two ways out: fading out or growth.[66]

In all, 14 per cent of respondents stated that there is no need for changes in their festival now and preferred to stick with the current situation. This may indicate

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[62]   'Festivaalin koko on kasvanut 8-kertaiseksi vuoden 2009 festivaalista, (…). Tapahtumapaikka on muuttunut ja tapahtuma venynyt kaksipäiväiseksi. Uusi toimintaympäristö edellyttää valtavaa infrarakentamista edelliseen nähden. Koko toiminta on täysin eri mittaluokkaa kuin aloittaessamme.'

[63]   'Festivaali on kasvanut 3-päiväisestä 4-päiväiseksi ja esiintyjämäärä on noin kolminkertaistunut. Konserttipaikkoja on enemmän.'

[64]   'Paikallisesta festivaalista on kehittynyt merkittävä kansainvälinen tapahtuma.'

[65]   'Alkuhuuman jälkeen on ollut täysi työ pitää tapahtuma uudistuvana ja elinvoimaisena sekä yleisön, tekijöiden että rahoittajien mielestä.'

[66]   'Festivaalin pitää kasvaa, jotta se pystyisi ammattimaistumaan ja kehittymään sekä taiteellisesti että organisatorisesti. Jos festivaalin kehitys, tässä tapauksessa kasvu tyrehtyy, silloin festivaali on vaarassa pudota 'current service trap' eli nykyisten palveluiden ansaan, josta on vain kaksi ulospääsyä: tapahtuman kuihtuminen tai kasvu.'

the situation in a festival life cycle where, perhaps after years of development, everything is more or less in place. However, in regard to the open question, one answer questioned the constant need for development and raised the challenges and threats related to the development and its direction:

> The renewal is both an opportunity, a challenge and a threat. (…) I'm afraid for high-quality arts in every field; that they can maintain their position. Art is not art if (...) scholarships go to art therapy, etc. There is no intrinsic value in the arts anymore.[67]

4.3 Summary

In this chapter, festival organisations' goals and operational priorities were identified and analysed in relation to institutional logics. Goals were defined as desired end results that an organisation is trying to achieve. Priorities, in turn, are issues that are regarded as being especially important in festival organisations' every day operations. The exploration was made by analysing festival managers' interpretations of what is central about festivals' missions and operational priorities. The research identified six main themes on which the goals and priorities of festival organisations are focused on: 1) arts and culture, 2) communities, 3) audience, 4) professionalism, 5) finance and 6) development and innovation. These goals and priorities can reflect various institutional logics.

The majority of festivals had goals related to arts and culture. By being a central part of festivals non-profit mission, artistic and cultural orientation is manifesting non-profit logic. When emphasizing the importance of their control and autonomy over artistic practices and planning, festivals manifest both independence of non-profit logic and expertise of professional logic. Artistic and cultural orientation may be an important part of the common value base of the artistic community and, hence, express community logic. Through their artistic program, festivals can strive for public recognition and acclaim, which is a manifestation of a strategic basis of community logic. For the festivals, producing a high-quality programme can also be a way to attract the audience, to build the image of the festival and to survive in the future. These can be interpreted as manifestations of market logic.

Communal and participative nature of the festivals, manifesting community logic, was highlighted in many ways in the results of this research. In their operations, festivals emphasised interaction, partnership and co-operation. They stressed themes such as openness, accessibility, community, inclusion, fairness and trust in their management priorities. Festivals focused also on staff satisfaction and good working atmosphere. Democracy and equality

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[67] 'Uudistumishalu on sekä mahdollisuus, että haaste että uhka. (…) Pelkään korkeatasoisen taiteen puolesta kaikilla saroilla. Että ne pystyisivät edelleen pitämään asemansa. Taide ei ole taidetta jos (…) apurahat menevät hoitotaiteeseen yms. Taiteella ei ole enää itseisarvoa.'

between all actors were important for the festivals. In many festival organisations, people share the enthusiasm regarding the common mission.

The audience was an important priority for the festivals. In their goals and priorities, many festivals made a reference to the themes related to audience entertainment and meeting the expectations of the customers. They also described aims to provide something that interests the audience and create experiences for the audience. These goals reflect market logic by prioritising a commitment to customer satisfaction and audience entertainment. In addition, festivals aimed to widen the availability of arts and cultural activities, increase audience participation and art's accessibility. These goals with a wider public purpose and audience orientation can be interpreted as expressions of non-profit logic, community logic and market logic.

The focus on professionalism came out in many ways from the research results. In the analysis, three dimensions of professionalism in the festival production were identified. These manifestations of professionalism reflect various institutional logics. First, festivals put emphasis on the importance of a professionally organised festival event and quality content. High quality is the core element of professional logic. Aiming for high quality art can also manifest non-profit logic by being an important part of the fulfillment of a festival's non-profit mission. In addition, high quality, as a way to create additional value for the financiers and audience, can be interpreted as an expression of market logic. Second, festivals emphasised professional competence and proficiency of their staff. Festivals employ people from different backgrounds. The background of these people affects what they see as being important characteristics and logics in their work. Third, festivals focus on professional organisation structures and processes. The reliance upon professional management and work processes can be interpreted to manifest corporation logic. However, focusing on organisational processes that are more social in their nature can reflect also community logic.

Economic pressures and financial considerations are part of festival producers' everyday work. Knowledge of financial matters is a characteristic of a professional festival organisation. Here, taking care of financial issues was interpreted to manifest festivals' focus on effectiveness, that is, getting things done by using often scarce resources rather on than efficiency, which emphasises the organization of the festival by using as few resources as possible. Effectiveness, here, was interpreted as an expression of non-profit logic. Efficiency, in turn, is a manifestation of corporation logic.

According to their mission descriptions, rather than aiming for change, festivals aimed for continuity. However, festivals' managerial priorities showed also orientation towards change and development and there was rather common belief among festival organisations that continuity demands change. Change and development are characteristics of a managerialist organisation and, thus, manifestations of corporate logic. However, third sector organisations also have been seen as sources of innovation, creativity and new approaches. Consequently, change and development as such cannot be regarded as features typical only to market sector organisations.

5 MULTIPLE RESOURCES AS A CHARACTER OF THE THIRD SECTOR AND A POSSIBLE CAUSE OF HYBRIDISATION

This chapter describes and analyses the resources of festival organisations. To survive, organisations need resources. Resources are a means for organisations to reach their desired end goals. Resource dependency has been considered as one important mechanism behind the hybridisation of third sector organisations (e.g. Eikenberry & Kluvert 2004; Weisbrod 1998). This is because third sector organisations often have resources from many different sources. The actors who control these resources, in turn, may emphasise different logics; logics that are in conflict with the dominant third sector ones.

In sub-chapter 5.1, the use of human resources and their connection with the adaptation of market sector logics in festival organisations are examined. Voluntary involvement is one of the defining characteristics in third sector organisations, whereas the market sector (and public sector) organisations use paid employees. As a part of the analysis, the characteristics supporting and preventing the use of paid personnel in festival organisations are identified.

Sub-chapter 5.2 analyses festivals' financial resources. In an ideal third sector organisation, financial resources come from dues, donations and allowances, while market sector organisations receive their income mainly from sales and fees. In this sub-chapter, the financial sources and their importance for festival organisations are reviewed. Special attention is given to the examination of factors that support or prevent the use of market sector income.

Then sub-chapter 5.3 analyses festival organisations' practices, beliefs, values and norms in relation to co-operation and competition. Collaborative strategy and co-operation manifesting community logic have been identified as typical characters and an important resource of third sector organisations. Market sector logics, in turn, tend to emphasise competition over co-operation.

Festivals are made for the audience; there is no festival if there is no one to consume and experience it. Audience is in many ways an important resource and

element in a festival production. Sub-chapter 5.4 examines the audience's relation to those festival organizations that responded to the questionnaire. In this sub-chapter, two different audience orientations identified from the festivals' responses are presented: mission-oriented and market-oriented audience relations. In addition, characteristics supporting and preventing market-oriented audience relations are examined.

Public authorities are very important financiers and partners of the festival organisations. As argued before, a strong relationship with the public sector can provide a basis for marketisation in third sector organisations and promote the adoption of different hybrid approaches. Therefore, in addition to the co-operation of festivals examined in sub-chapter 5.3, festival organisations' relationship with public authorities is explored separately in sub-chapter 5.5.

5.1 Human resources

5.1.1 The use of human resources

Festivals relied greatly on the contribution of voluntary people in their operations. One-fifth of the festivals had only voluntary workers and no paid employees at all. About a half (49%) of the organisations that responded to the questionnaire listed voluntary work as among the five most important sources of income or resources. (Table 30, p. 127.) The data provided by Finland Festivals about its member organisations supports the findings about the important role of voluntary workers in festival organising. According to Finland Festivals (2015), more than three quarters (78%) of festival employees were voluntary, whereas only two per cent were permanent workers and 29 per cent part-time workers and trainees. This data included information from 65 Finnish festivals for 2014.

Still, many festivals also used paid personnel. The majority of festival organisations had one or more paid employees; either permanent employees or part-yearly employees (Table 25). In all, 40 per cent of the organisations had paid employees throughout the year, 31 per cent had them part of the year and six per cent had them during a festival. There were four organisations that stated that they do not use any voluntary workers in their festival organising. The festival representatives who responded to the questionnaire were mainly full-time or part-time employed in their organisation. A quarter of respondents worked on a voluntary basis.

Table 25.   Paid personnel in festival organisations

	Frequency (f)	Per cent (%)
Yes, throughout a year	41	40
Yes, part time a year	31	30
Yes, during a festival	7	7
No	20	20
Something else	3	3
Total	102	100

The results also show that the need for different kinds of workforce has increased in festival organisations during the last ten years. According to the responses, it seems that even though festivals still largely need and use voluntary workers as well, they nowadays have a particular need for recruited staff. Over half of the respondents (53%) argued that the importance of paid personnel in festival productions has increased during the last ten years (Table 26). Furthermore, only four per cent of the respondents argued that the importance of paid personnel has decreased compared to the situation ten years ago, while for voluntary work, this was argued to be the case by 14 per cent of respondents. However, about a half (48%) of respondents also agreed that the importance of voluntary staff has increased in festival production. Some festivals argued that they only hire people if there is not enough voluntary staff to take care of all duties.

Table 26.   The importance of paid personnel and voluntary staff in festival production, the situation now compared with the situation ten years ago.

	Voluntary work		Paid work	
	Frequency (f)	Per cent (%)	Frequency (f)	Per cent (%)
More important now	45	48	49	53
Importance remained unchanged	30	32	28	30
Less important now	13	14	4	4
No importance now or in the past	4	4	9	10
Don't know	2	2	3	3
Total	94	100	93	100

Older festival organisations were more likely to have paid personnel than newer ones (Table 27). Nearly 60 per cent of festivals founded before 1980 and 46 precent of festivals founded in 1980s and 1990s had paid personnel throughout the year, whereas only 21 per cent of festivals that were founded in the 2000s had such personnel. In addition, the more the festival had visitors, the more likely it had year-round personnel. The older festivals usually had a larger audience as well. Thus, the need for additional personnel in festival organising has increased because of scaling up activities. Festivals are typical cultural organisations in that their productions are very labour-intensive. The connection between festival age and year-round paid personnel supports the theorisation of the organic move of

organisations towards more hybrid ways of operating (Billis 2010). The development of a festival and an increase in its audience require more resources. About half of the festivals that focused on different fields of music had paid personnel throughout the year. Festivals representing other fields of arts and culture used less year-round paid personnel. However, there was no statistically significant difference between festival's art form and the year-round paid personnel.

Table 27.   Paid personnel throughout the year by art forms, founding year, the number of visitors and location (%)

	Paid personnel throughout the year	No paid personnel throughout the year	Total*
Art form			
Pop/rock/metal/jazz/blues (n=15)	47	53	100
Folk/ethno/gospel/tango (n=14)	50	50	100
Visual art (incl. film) (n=12)	42	58	100
Multidisciplinary art (n=8)	38	63	100
Classical music (n=25)	52	48	100
Performing art (n=14)	29	71	100
Literature (n=8)	25	75	100
Others (n=8)	13	88	100
Founding year			
–1979 (n=24)	58	42	100
1980–1989 (n=22)	46	55	100
1990–1999 (n=24)	46	54	100
2000– (n=34)	21	79	100
The number of visitors			
–1 999 (n=26)	8	92	100
2 000–4 999 (n=28)	32	68	100
5 000–19 999 (n=24)	42	58	100
20 000– (n=22)	91	9	100
Location			
Helsinki-Uusimaa (n=21)	57	43	100
West Finland (n=26)	46	54	100
South Finland (n=22)	32	68	100
North and East Finland (n=30)	37	63	100
Several locations, location changes (n=5)	0	100	100

A Kruskal-Wallis test suggested no significant difference between art form and the year-round paid personnel, $X^2(7)=6,34$; p=0,501.
A Kruskal-Wallis test suggested a significant difference between founding year and the year-round paid personnel, $X^2(3)=9,19$; p=0,027.
A Kruskal-Wallis test suggested a significant difference between the number of visitors and the year-round paid personnel, $X^2(3)=35,14$; p=0,000.
A Kruskal-Wallis test suggested no significant difference between location and the year-round paid personnel, $X^2(4)=6,97$; p=0,137.
*Because of rounding, the sum of the percentages does not always equal 100.

Hybrid practices are vital for many festival organisations in order to succeed. Festival employees are often responsible for multiple roles. This becomes apparent from Table 28, which presents the areas of responsibilities of the festival managers (or equivalents) that responded to the survey. For the clear majority of festival managers, festival management, partnerships and networking and acquiring financing were very important areas of responsibility at their work. However, their work included also many other areas of festival production - such as marketing, informing or planning the festival's artistic content - at least in some respects. Performing at the festival or creating art was the only area of responsibility that was chosen as being 'not at all important' by more than half of the respondents.

Festivals employ people who come from both (traditional) artistic and (new) managerial professions (see also Glynn 2000). Furthermore, people working for the festivals may have a festival and event or third sector background. In festival organisations, person(s) responsible for festival production had titles such as artistic director, festival manager, festival director, festival producer, executive director (of an association), board member/chairman/secretary (of an association) and so on. The background of these persons affects their professional values and attitudes, i.e. what they see as good or bad and desirable or undesirable in festival organisations' behaviour. If the person responsible for festival organising has a degree in management, she or he may emphasise the importance of task and process management. An artistic director coming from the art field, in turn, instead probably focuses on the artistic content of the event.

Table 28. Festival managers' areas of responsibility (%)

	Festival management	Partnerships and networking	Acquiring financing	Marketing	Festival production	Informing	Planning festival's artistic content	Technical issues	Performing, creating art
Very important	80	79	76	55	48	44	36	9	6
Important	14	9	10	25	32	28	15	22	7
Fairly important	2	8	6	13	13	16	28	26	10
Slightly important	2	1	2	5	5	9	16	30	22
Not important	2	2	5	2	2	2	5	13	54
Total*	100	100	100	100	100	100	100	100	100
(n)	(96)	(95)	(96)	(96)	(94)	(95)	(98)	(98)	(98)

*Because of rounding, the sum of the percentages does not always equal 100.

5.1.2 Characteristics supporting and preventing the use of paid personnel

Most of the festival organisations employed both paid and voluntary staff and, consequently, were hybrids in their use of human resources. In many festival

organisations, the number of and the need for paid staff had increased during the last ten years. When describing the changes that had occurred in festival organising over the last ten years, many representatives of the festival organisations that responded to the survey told that the number of paid personnel had increased. What often had originally started as a voluntary activity has in many cases become more and more organised by paid staff: 'Operations have been professionalised a lot. At first, we didn't even have one employee.'[68] This reflects the general development in the third sector where the amount of paid work and the number of third sector organisations that employ paid personnel have increased (e.g. Ruuskanen et al. 2013, 17–20). In many cases, festival organisations also showed a willingness to hire more people:

> We should also have paid staff, but we have no resources.[69]

> The big challenge is to stabilise the financial base [and get] even one employee.[70]

> The challenges are mainly related to increasing the number of permanent and long-term employees in the organisation so that the event can be developed professionally and internationally.[71]

The analysis showed that even though having paid staff is not evidence of marketisation as such, it is in many ways connected to the development of marketisation within organisations. The use of paid staff may be both an outcome of marketisation and a mechanism causing marketisation. The increasing use of paid personnel is an outcome of different processes, many of them manifesting market sector logics, which have made festival organisations scale up activities, be more professional or respond to the increasing requirements to monitor and report on activities. Furthermore, maintaining staff structure and acquiring paid personnel can lead to greater pressures to seek additional funding and, thus, puts more focus on economic considerations in festival organising. Consequently, when examining the hybrid use of human resources, the accumulation of resources over the years seems to be an important mechanism behind the hybridisation of festival organisations.

Table 29 pulls together the characteristics that are supporting and preventing the use of paid personnel in festival organisations. In the table, practices, values, norms and beliefs related to the use of paid personnel have been identified. These characteristics take into consideration both material constituents and cultural dimension of reality. In sub-chapter 3.2, practices were defined as forms or constellations of socially meaningful activity that are relatively coherent and established (e.g. MacIntyre 1981). Values determine what is important and what is not, and they refer the inherent and driving values,

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[68] 'Toiminta on ammattimaistunut kokonaisuudessaan paljon. Aluksi ei ollut edes yhtä työntekijää.'
[69] 'Myös palkattua henkilökuntaa pitäisi olla, mutta siihen ei ole resursseja.'
[70] 'Suuri haaste on vakauttaa rahoituspohja [ja saada] edes 1 palkattu työntekijä.'
[71] 'Haasteet liittyvät lähinnä organisaation vakituisten ja pitkäaikaisten työntekijöiden lisäämiseen, jotta tapahtumaa voitaisiin kehittää ammattimaisesti ja kansainvälisesti.'

ethics and ways of working of an organisation. Closely related to values, norms tell an organisation's members how to behave in a particular situation. Beliefs, in turn, are assumptions and convictions that are held to be true, even though that is not necessarily the case. (Scott 2008, 54-58; Westall 2009.)

The increasing use of paid personnel in festival productions is very much connected to their pursuit of professionalism that is a value and a norm that guided festival organisations' operations. Festivals have internalised this norm, as presented already in sub-chapter 4.2.4, and 89 per cent of respondents agreed with the statement that their organisation is professional (Table 21, p. 104). In addition, 72 per cent of respondents shared the opinion that the importance of professionalism in festival production has increased during the last ten years. In their pursuit of professionalism, festivals considered paid staff as vital. As part of professional event organising, festivals wanted to ensure the quality of their event and strove for continuity and staff competence, and they felt that these qualities are best acquired by paying for them. Temporality of a festival event can make it difficult to get people committed, and therefore money may help to engage people in the festival organisation.

Festivals employed different kinds of professionals. Depending on the festival workers' background, professional logic can both promote and prevent marketisation. An important question is which professions are controlling the core processes of an organisation. In the festival organisations, it is possible to identify the need to interpret the concept of professionalism in a wider third sector context and to incorporate voluntary work and its outcomes into professional festival organising. Still, professionalism in festival organisations is often equated with business and management skills and practices and paid personnel. This understanding of professionalism is a normative concept that guides festival organisations in their pursuit of professional festival organising and can also be a supportive mechanism of marketisation.

Festival organisations' external stakeholders also demand professionalism. Public financiers often require professional conduct of those events they fund. The terms of the state festival grant include a clause that 'the grant is intended for – professionally organised events.' (Opetus- ja kulttuuriministeriö 2013.) As stakeholders are often professional organisations using a paid workforce, they also expect similar resources from their partners. Thus, as professionalism is commonly connected with paid personnel, a recruited staff is a good way to prove the professionalism of the event, for example, to the financier.

Table 29.   Characteristics supporting and preventing the use of paid personnel in third sector festival organising

Characteristics supporting the use of paid personnel	Characteristics preventing the use of paid personnel
Values and norms: • Professionalism as a value and norm of festival organising. • Norm that professionalism equals paid personnel. • Norm that professionalism equals corporate management skills. • Norm of continuity. • Norm of required skills and competences. • Norm of constant growth and development. • Norm of required time of work. • Norm that paid personnel are vital for festivals' development and survival. Beliefs: • Belief that a festival made by voluntary staff is not appreciated as much as a festival organized by paid personnel. Practices: • Practice of using paid personnel. • Practice of using volunteers (paid personnel are needed to manage volunteers' recruiting and administration). • Cooperation with organisations with paid staff. Other characteristics: • Festivals with a large audience have more paid personnel. • Older festivals have more paid personnel. • Having resources to hire people. • Difficult to get volunteers. • Tiredness of present volunteers.	Values and norms: • Voluntary work as a value and norm of festival organising. • Norm that voluntary work is a vital resource for festival organisations. • Norm of quality and professional outcome of the voluntary work. • Voluntary workers' community is an important part of the festival's identity. • Norm of doing unpaid work. Practices: • Practice of using volunteers. Other characteristics: • Lack of resources and inability to pay proper salaries. • Festivals with a small audience have less paid personnel. • Younger festivals have less paid personnel.

However, in festival organisations, professionalism does not refer only to the competence of professionals that have special training or education. From the festival organisations' responses, the norm of the quality and professionalism of volunteer work could also be recognised. There are festival workers who have learnt the festival production through practice and hence can still be regarded as

festival professionals. People might have (voluntarily) worked for the festival since the very first event and have many decades of experience and a lot of knowledge on festival productions. In addition, professional performers or artists, for example, might work mainly on a voluntary basis. Thus, even though volunteers are often considered as amateurs, it does not tell the whole truth. For the festivals it was important to recognise the quality of work performed by volunteers and the professionalism and competence of volunteers. However, the professionalism of voluntary workers may conflict with the rules of the authorities. The instructions given by the tax authorities, for example, state that the voluntary work should be temporary work that does not require any special skills.[72]

Some festivals argued that festivals organised by voluntary staff are not appreciated to the same degree by the public funders or by the media as festivals organised by paid workers; even if the festival event would be of high quality. In addition, those festivals that have paid personnel were believed to be in a better position to complete festivals' tasks than were those whose personnel are voluntary and have their own outside paid work. This kind of belief supports the development of using more paid staff in festival organising. To stay competitive in grant application processes, for example, festivals growingly have adopted the practice of using paid personnel in their operations. Consequently, the increase in paid personnel is a self-strengthening process inside the festival field as the use of paid personnel gradually diffuses among festival organisations. This may act as a mechanism enhancing marketisation because in order to maintain or develop a paid staff structure, festivals are forced to seek additional funding for example from market sector income.

Keeping up good relations with stakeholders and financiers, as well as making grant applications and the reporting of them are consuming an increasing amount of personnel's time and may require very special skills and knowledge; something that voluntary staff do not necessarily have. Likewise, maintaining and developing hybrid practices requires also time and skills that traditional third sector organisations with voluntary staff do not necessarily have. Getting income from different sources requires personnel resources and different skills. Thus, the need for recruited staff has grown at festivals mainly because festivals need additional resources. As mentioned earlier, many festivals have scaled up their activities. This has created the need to employ more staff to co-ordinate activities. Using volunteers to organise a festival may also increase the need for paid staff, because there is a need for someone who recruits and manages volunteers. Festivals, for example, put also a lot of effort into training their workers, both voluntary and paid:

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[72]   More information about the instructions of tax authorities: www.vero.fi.

> We have more voluntary workers and paid personnel. The use of outsourced services has increased, as well as the provision of additional activities. Instructions and demands from the authorities have increased work and expenses.[73]

> As the festival grew (…) we had to increase the producer's working hours in order to be able to organise the festival.[74]

The lack of resources prevented festivals from using paid personnel (Table 29). Thus, the use of volunteers is in many ways the resource question too. Most of the festivals were forced to use voluntary workers, because they simply did not have the resources to hire people: 'The current financial and labour basis make organising the festival almost impossible, but so far it has been possible with a voluntary workforce.'[75] In their responses, festivals expressed their annoyance over the fact that they cannot employ more personnel or pay a proper salary to the existing personnel even if they would like to. In festival organisations, to have paid personnel does not necessarily mean standard employment relationship or a fixed salary. The situation may be that the personnel only get paid if the revenues and allowances from the operations so permit. In many cases the salary does not correspond to the workload or collective agreement. This means that there is no clear line between volunteers and paid personnel. The same people may work on both a paid and voluntary basis in the festival organisation:

> Wages are paid if possible.[76]

> Salaries are paid if ticket sales are good enough.[77]

> (---) our Executive Director [of an association has] worked around one thousand hours per year for annual compensation of 2000 euros.[78]

> We are professional actors, except for salary.[79]

Similarly, it is not always clear whether people are working voluntarily without monetary compensation or whether they are doing unpaid work. Use of unpaid work is a rather common norm and problem in the cultural and creative industries (e.g. Hirvi-Ijäs et al. 2017; Percival & Hesmondhalgh 2014). This norm could be identified also from some festivals' responses (Table 29). Still, in most of the cases the inability to pay proper salaries was considered as weakness and

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73 'Vapaaehtoisia ja palkallisia työntekijöitä on enemmän. Ostopalveluiden käyttö on lisääntynyt, samoin oheistoiminnat. Viranomaisten määräykset ovat lisänneet työtä ja kuluja.'

74 'Festivaalin kasvaessa (…) oli pakko lisätä tuottajan työaikaa jotta festivaali saatiin järjestettyä.'

75 'Nykyisellä rahoitus- ja työvoimapohjalla festivaalin järjestäminen on lähes ylivoimaista, mutta vapaaehtoisella työvoimalla se on toistaiseksi ollut mahdollista.'

76 'Palkkaa maksetaan, jos mahdollista.'

77 'Palkkoja maksetaan, mikäli lipputuloista siihen optiota jää.'

78 '(…) toiminnanjohtaja [on] tehnyt noin tuhannen tunnin työvuosia 2000 euron vuosikorvausta vastaan.'

79 'Toimintamme on ammattimaista, paitsi palkkauksen osalta.'

as a threat to the festival's future: 'the "maybe we get money, but maybe not" mentality creates uncertainty and frustration in the engagement of freelancers.'

One of the reasons why festivals would like to hire more staff is that they felt that it is becoming more difficult for festivals to get volunteers (Table 29). Responses revealed festivals workers' tiredness and that festival organisations are facing increasing problems in finding voluntary staff. There were fears that present volunteers become tired and leave the organisation. Since many festivals still rely heavily on volunteering to organise the festival, there were strong fears expressed by the festivals that they would not have enough people to organise the festival in the future:

> [Challenge] fatigue and frustration of festival organisers. You cannot use good vibes to pay your mortgage. Thus, you have to consider how to budget your time.[80]

> The reducing number of members has made it more difficult to organise the festivals and recruit volunteers.[81]

> As present organisers have become older, we have had to find new anxious (and young) volunteers through friends of friends. (…). So far, we have found enough volunteers, but it has become more difficult to recruit new ones over time.[82]

> There are few people who are willing to lead a festival. Our festival is not in a position to provide full-time paid work to the leader; thus, leading the festival is mainly voluntary work. Now, in 2015, the future of the whole festival is at stake, as people who have led the festival for 20 years are quitting.[83]

Festivals' strong appreciation of voluntary workers came out from the responses. Showing appreciation and encouraging especially voluntary staff was an important priority for the festivals' management. In all, 17 respondents listed voluntary workers among the three most important stakeholders to keep satisfied when organising the festival. Paid personnel, in turn, was listed among the top three stakeholders by only seven organisations (Table 16, p. 91):

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[80] '[Haasteena] väsymys ja turhautuminen tekijöillä. Fiiliksillä ei voi asuntoa maksaa, joten on pakko miettiä, kuinka omaa aikaansa budjetoi.'

[81] 'Jäsenmäärien pienentyminen vaikeuttaa juhlien järjestämistä ja talkoolaisten saatavuutta.'

[82] 'Sitä mukaa, kun järjestäjät ovat vanhentuneet, on uudet innokkaat (ja nuoret) talkoolaiset pitänyt värvätä kaverin kaverien kautta, sillä ilmaisfestivaalin on vaikea kiittää talkoolaisia esimerkiksi ilmaislipuilla. Toistaiseksi tekijöitä on riittänyt, mutta uusien hankkiminen on osoittautunut kuitenkin hiljalleen vaikeammaksi.'

[83] 'Vastuunkantajia, jotka heittäytyvät rohkeasti festivaalin vetäjiksi on todella vähän. Festivaali ei pysty tarjoamaan kokovuotista palkkatyötä vetäjälle/vetäjille, joten vetovastuu on pitkälti vapaaehtoistyötä, joten koko festivaalin tulevaisuus on vaakalaudalla, kun nyt vuonna 2015 festivaalia 20 vuotta vetäneet jäävät pois.'

> Now we have a paid employee throughout the year. It has decreased the amount of 'responsible' voluntary work. Voluntary work continues to play a very important role in the organising of the event itself. [84]

The use of voluntary work reduces festivals' need to employ people and the pressure to acquire financial resources, and consequently it can act as a mechanism preventing the adaptation of market sector logics. The use of volutary work has a strong historical foundation in third sector operations. Being the core and defining character of the third sector, voluntary work can act as a preventive logic against marketisation. Voluntary work may also be an important part of festival organisations' identity and, consequently, forms a natural counterforce to the dominant market rationales where everything is measured in terms of economy.

5.2 Financial resources

5.2.1 The use of financial resources

In this examination of festivals financial resources, the sources of income have been divided into three categories according to the sector the financing is coming from. The sources of public financing are local authorities, the Finnish state and the European Union. Market sector income includes ticket sales[85], product sales[86], restaurant income and business cooperation. Third sector income, in turn, consists of national and international funds and foundations and of the estimated value of voluntary work.

Table 30 shows the most important sources of income in festival organisations in 2014.[87] According to the responses, public financing from the state and municipalities and ticket sales were the most important sources of financing for many Finnish festival organisations in 2014.

Altogether 83 festivals included support from public authorities and 75 festivals included state support as being among the five most important funding sources. (Table 30.) Eight festivals mentioned funding from the European Union as among the five most important sources of funding in 2014. For many festivals, financing from the state or municipality was the most important funding source.

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[84] 'Ympärivuotinen työntekijä on vähentänyt 'vastuullisen' talkootyön määrää. Edelleen vapaaehtoistyö on erittäin tärkeässä roolissa itse tapahtuman pyörittämisessä.'

[85] All ticket sales are categorised as market sector income even though the ticket price may be below market price.

[86] Product sales include for example course sales.

[87] Question 1.10 on the questionnaire (Appendix 1): 'What were the five most important sources of income for your festival in 2014? Put in order from 1 to 5. If your festival was not organised in 2014, please mention the most important sources of income for the nearest previous festival.'

A total of 40 festivals mentioned the support coming from municipalities or the state as the most important source of financing.

Table 30.   Most important sources of income in festival organisations (f)

		Most important	Second most important	Third most important	Fourth most important s	Fifth most important	Total (n=99)
Public sector income	Public financing (municipalities)	19	24	21	9	10	83
	Public financing (state)	21	19	13	18	3	75
	Public financing (EU)	0	1	3	2	2	8
Market sector income	Ticket sales	34	21	11	8	5	79
	Product sales	2	1	2	4	8	17
	Restaurant income	0	6	6	2	2	16
	Business cooperation	3	10	10	18	15	56
Third sector income	National funds and foundations	10	10	13	14	8	55
	International funds and foundations	0	0	0	3	3	6
	Voluntary work (estimated value)	7	7	9	8	20	51

The sources of income mentioned among the five most important income sources[88]

Most organisations behind the festivals in this study received public funding in 2014. About three quarters (77%) of these organisations received the state festival grant in 2014 (Table 8, p. 75). Furthermore, 86 per cent of respondents received financial support from the local authorities (Table 44, p. 155).

Recent years have shown also a decrease in public support for arts and culture in Finland. In some municipalities, for example, arts and culture, among other municipal operations, has been subject to cuts due to a difficult economic situation (Renko & Ruusuvirta 2018). Furthermore, the increase in government funding for arts and culture during the early 2000s has stagnated in the 2010s (Ministry of Education and Culture 2017). For example, the central government transfers to arts and cultural institutions have been cut (Opetus- ja kulttuuriministeriö 2018, 29).

However, both state and local authorities' funding for festival organisations has mainly increased in Finland. The total sum of the ministry grants targeted to arts and cultural festivals increased from EUR 3,8 million to 5,5 milloin between the years 2000 and 2014. At the same time the grants' share of the proceeds of the

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[88]   The responses of the five festivals to this question were omitted from the analysis because they had marked number one in several places.

national pools and lottery Veikkaus increased from 1,3 per cent to 2,1 per cent. (Herranen & Karttunen 2016, 58–63.) Many local authorities have also increased their financing for arts and culture during the 2000s (e.g. Renko & Ruusuvirta 2018).

Many festivals valued market sector income as an important resource. Ticket revenue was by far the most important market sector income for the festivals. A total of 34 festivals mentioned ticket sales as the most important income source, and 79 festivals included it among the five most important sources of revenue. (Table 30.) According to the statistics from Finland Festival's member organisations, ticket revenues accounted for 42 per cent of all the income that these festivals had in 2014 (Finland Festivals 2015).

However, the number of tickets sold at festivals varied greatly in 2014. Some festivals sold only a few dozen tickets, whereas others sold several tens of thousands of tickets (Table 31). In addition, there were 13 festivals (12,5% of the respondents) that did not charge any entry fee. For many festivals, the number of sold tickets was rather low and varied from a couple of hundred to several thousands. About a quarter of festivals sold more than 5000 tickets in 2014.

Table 31.   Sold tickets in 2014

Sold tickets	Frequency (f)	Per cent (%)*
0–999[a]	28	29
1000–4999	44	46
5000–9 999	8	8
10 000–	15	16
Total	95	100

[a] The first category includes also those 13 festivals that did not charge any entry fee.
*Because of rounding, the sum of the percentages does not equal 100.

Many festivals had revenues from different forms of business cooperation in 2014; 56 festivals included business cooperation among the top five income sources. In 16 festivals the restaurant sales and in 17 festivals the product sales were among the five most important sources of income. (Table 30, 127.)

Third sector funding sources consist of national and international funds and foundations and of the estimated value of voluntary work. Altogether 55 festivals mentioned national foundations among their five most important sources of funding. As mentioned already in the previous chapter, volunteer work was an important resource for many. A total of 51 festivals listed voluntary work among the most important sources of funding. International foundations, in turn, had very little significance in most festivals' financing. (Table 30.)

The responses reveal that it is typical for the festival productions not to rely only on one financial resource but instead to have several from different sectors. Hence, festivals face a plurality of expectations and rationalities in their financial environment. Altogether 92 per cent of festivals listed at least one source of market sector income among the five most important sources of income (Table

32). Public sector income was listed among the five most income sources by 91 per cent of festivals and third sector income by 86 percent of festivals. A total of 72 per cent of festivals had income from all three sectors, i.e. public, market and third sector, among the five most important sources of income. Also, a quarter of festivals (26%) listed income sources from two sectors, and only two festivals had income sources only from one sector. Festivals could also have multiple sources of income inside one sector.

Table 32.   The diversity of income sources in festival productions (n=103)

Sources of income[a]	Frequency (f)	Per cent (%)
Has market sector income	95	92
Has public sector income	94	91
Has third sector income	89	86
Has income from all three sectors	74	72
Has income from two sectors	27	26
Of which:		
*Market and public sector (12)		
*Market and third sector (8)		
*Public sector and third sector (7)		
Has income from one sector only	2	2
*Market sector (1)		
*Public sector (1)		

[a]The sources of income mentioned among the five most important income sources

According to the responses, the importance of public funding had increased in many festivals during the last ten years (Table 33). About half of the festivals that responded to the question[89] argued that the significance of both the state and local authorities' funding has increased in the last ten years. EU funding also increased in importance in some (12%) festivals compared to the situation ten years ago. However, half of the festivals (52%) that responded to the question argued that funding from the European Union has never had any importance in their financing, not now or in the past.

Altogether 41 per cent of festivals estimated that the significance of voluntary work has increased during the last ten years. National funds and foundations have grown in importance in one-third of the festivals. However, foundations often provide only project based or short-term funding:

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[89]   Question 1.11 on the questionnaire (Appendix 1): 'Please, evaluate the significance of the sources of income for the financing of your festival in 2014 compared to the situation in 2005. If your festival was not organised in 2014, please evaluate the situation for the nearest previous festival (e.g. 2013 or 2012). If your festival was not organised in 2005, evaluate the situation for the next nearest festival year (e.g. 2006 or 2007) or the festival's founding year, if the festival was founded after that. Choose the most appropriate option.'

At the beginning we were funded by national foundations. However, as there is no continuity in foundations' funding, 2015 was really poor. We haven't received a state grant.[90]

Of the market-based revenue sources, ticket sales and business co-operation had increased most in importance compared to the situation ten years ago. Nearly a half of the respondents estimated that the significance of ticket sales and business co-operation have increased during the last ten years (Table 33). The shares are very similar to the shares of those festivals that agreed that the significances of state and municipality funding have increased. A quarter of respondents estimated that product sales have become more important over time: 'The sales of books, shirts and bags are minimal, but at least there are product sales - at the beginning there were none'.[91] Restaurant sales, in turn, had increased in importance in some (16%) organisations. The restaurant and product sales may be organised by a partner organisation and, consequently, festival organisations do not receive the revenues. Over a half (55%) of the respondents argued that restaurant sales do not have and have not had any significance in their festival's financing.

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[90] 'Rahoitusta tuli aluksi hyvin kansallisilta säätiöiltä, koska säätiötuessa ei jatkuvuutta, oli vuosi 2015 tosi laiha vuosi. Ei olla päästy valtion avustuksen piiriin.'

[91] 'Kirjojen, paitojen ja kassien myynti on minimaalista, mutta tuotemyyntiä kuitenkin on - alussa ei ollut.'

Table 33.   The importance of different sources of income in festival organisations, the situation now compared with the situation ten years ago (%)

		More important now	Importance remained unchanged	Less important now	No importance now or in the past	Don't know	Total*
Public sector	Public financing (municipalities) (n=89)	46	45	5	1	3	100
	Public financing (state) (n=90)	50	32	10	3	4	100
	Public financing (EU) (n=77)	12	10	8	52	18	100
Market sector	Ticket sales (n=93)	47	29	9	9	7	100
	Product sales (n=85)	25	29	9	28	8	100
	Restaurant sales (n=82)	16	16	4	55	10	100
	Sponsorship, business cooperation (n=83)	46	28	17	5	5	100
Third sector income	National funds and foundations (n=83)	33	46	6	8	7	100
	International funds and foundations (n=76)	11	17	4	57	12	100
	Voluntary work (estimated value) (n=86)	41	43	7	5	5	100

*Because of rounding, the sum of the percentages does not always equal 100.

To explore the other factors behind the variation in the importance of the market sector income, a group of festivals where market sector income was very important was examined separately. In the group 'the high importance of market type income' were included those festivals that listed a market type income as the most important source of income or that had at least three market type income sources among the five most important financial sources. A total of 44 festivals were included in this group. Table 34 displays the importance of market income by festival art forms, festival founding years, the number of visitors and festival location.

There was a notable difference between the different art forms in regard to the significance of market type income. Especially in popular music festivals market sector income was important; 87 per cent of popular music festivals had market sector income types among the most important financial resources. In most cases the type of income was ticket sales. In the festivals representing performing art and literature, in turn, the market sector income was not so important.

The bigger the festival, the more important was market sector income. There was a statistically significant difference between the number of visitors and the significance of market type income. Even though the number of visitors does

not equal the number of sold tickets, since many festivals have also free of charge events, it is quite logical that the larger the audience, the more tickets or other festival products are sold. A big audience may also attract more sponsorship money.

There was no statistically significant difference between the festival ages or festival locations on how important market sector income is for the festival. However, a closer exploration of festival ages and those market type income sources that festivals addressed as the most important ones reveals some differences. A total of 39 festivals had listed market sector income as the most important source of income. In most of the cases (34/39) this source was ticket income (Table 30, p. 127). The ticket sales were mentioned as the most important income source by festivals of all ages. However, when looking at those five festivals that mentioned some other market type resource as most important, four were founded in the 2000s. Among those five festivals, three marked business cooperation and two marked product sales as the most significant source of financial resources.

The number of mentions is small, and it is not possible to draw any strong conclusions, but this may indicate the situation where younger festivals are forced to seek diverse income sources. For example, the state festival grant is targeted at 'established festival organisers' and requires that a festival has been organised at least three times before it is possible to receive the grant (Opetus- ja kulttuuriministeriö 2013). The younger festivals may also be more open to alternative forms of financing and activities. One of the newest festivals in the data described that it wants to invest in the food provided and in the by-products sold during the festival. Even though at this point the restaurant or product sales constituted only a very small part of the festival's income, it was 'an important philosophy' for the festival organisers to build their festival's identity and to serve the audience.

Table 34.   The importance of market type income by art form, founding year, the number of visitors and location (%)

	Market type income of high importance[a]	Market type income of little importance	Total*
Art form			
Pop/rock/metal/jazz/blues (n=15)	87	13	100
Folk/ethno/gospel/tango (n=14)	64	36	100
Visual art (incl. film) (n=12)	50	50	100
Multidisciplinary art (n=8)	38	63	100
Classical music (n=25)	32	68	100
Performing art (n=13)	15	85	100
Literature (n=8)	13	88	100
Others (n=7)	29	71	100
Founding year			
–1979 (n=24)	50	50	100
1980–1989 (n=22)	41	59	100
1990–1999 (n=24)	38	63	100
2000– (n=32)	44	56	100
The number of visitors			
–1 999 (n=26)	19	81	100
2 000–4 999 (n=28)	50	50	100
5 000–19 999 (n=24)	50	50	100
20 000– (n=22)	59	41	100
Location			
Helsinki-Uusimaa (n=21)	38	62	100
West Finland (n=25)	52	48	100
South Finland (n=22)	46	55	100
North and East Finland (n=29)	41	59	100
Several locations, location changes (n=5)	20	80	100

[a]Market type income was regarded as of high importance it it was either listed as the most important source of income or at least three market type income sources listed among the five most important sources of income.
A Kruskal-Wallis test suggested a significant difference between the different art forms and the significance of market type income, $X^2(7)=23,26$; $p=0,002$.
A Kruskal-Wallis test suggested no significant difference between festival age and the significance of market type income, $X^2(3)=0,813$; $p=0,846$.
A Kruskal-Wallis test suggested a significant difference between the amount of visitors and the significance of market type income, $X^2(3)=8,98$; $p=0,030$.
A Kruskal-Wallis test suggested no significant difference between festival location and the significance of market type income, $X^2(4)=2,17$; $p=0,704$.
*Because of rounding, the sum of the percentages does not always equal 100.

In third sector context, the reliance on market sector income is most often regarded as the manifestation of commercialism and market sector logics. A strong dependence on ticket revenue as a source of income forces the festival to take the audience's wishes into account in its operations. However, as market

sector income has become typical for the third sector festival organisations and is commonly used to implement the festivals' non-profit mission, it has also become harder to determine if an organisation is emphasising the markets over the non-profit mission.

Most festivals did not see themselves as commercial. Even though many festival organisations relied strongly on market sector income, the majority of the respondents (67%) disagreed with the claim 'our festival is commercial'. (Table 35.) As there were many more festivals that relied strongly on market sector income than festivals that regarded themselves as commercial, it can be argued that market sector income in festivals' activities is not meant for profit making and instead is to support the pursuit of an actual mission (see also Young 1998). Few festivals consider their event as commercial even though according to the responses they did not have much market sector income. This may indicate the situation where the festival organisation has outsourced the commercial services, such as food sales, to an external partner. In these situations, naturally, the income also goes to this partner.

Altogether 19 per cent of respondents agreed that their festival is commercial (Table 35). Among those festivals that saw themselves as commercial were six pop music, three folk music, three visual art, three performing art, two classical music and two literature festivals. Consequently, even though it is not a surprise that many popular music festivals regarded themselves as commercial, interestingly, there were festivals qualifying themselves as commercial almost in all art forms that were in the data set. This shows that even though the art forms are often divided into popular and high culture, of which the popular culture actors are mostly organised under commercial business firms (see also Frey 2000, 23), the reality might be different; there may be many types of activities inside different art forms.

Table 35.   The festivals' perceptions of commercialism

	'Our festival is commercial'		'Our organisation combines both non-profit and business activities'	
	f	%	f	%
Strongly agree	7	7	35	34
Agree	12	12	33	32
Neither agree nor disagree	14	14	11	11
Disagree	29	28	15	15
Strongly disagree	39	38	9	9
Don't know	2	2	0	0
Total	103	100	103	100

Because of rounding, the sum of the percentages does not equal 100.

In addition, a relatively high number of festival organisations considered themselves as hybrid in regard to non-profit and business activities; two-thirds of respondents (66%) agreed or strongly agreed that their organisation combines

both non-profit and business activities (Table 35). The result is interesting as the organisations in the study are mainly associations and foundations and therefore explicitly not-for-profit by law. The result probably tells about the festival organisations' different interpretations of commercialism or business activities. At one level, the result can be interpreted as a manifestation of positive attitude towards commercial activities which may promote the adaptation of market sector characteristics in festival organising. Festival organisations' responses also reflect the beliefs that from the market sector it is possible to find new funding possibilities. Consequently, from these responses the normality of using market sector income as a one source of financing in festival productions also came out strongly.

5.2.2 Characteristics supporting and preventing the use of market sector income

The results show that market sector income, especially ticket income and business cooperation, formed an important part of festivals' financing. For bigger festivals, market sector income was more important. In addition, there were differences between different art forms and the importance of market sector income. The valuation of market income as an important resource reflects the festival organisations' dependency on market income and is a supportive characteristic for marketisation. The more a festival is dependent on ticket income, the more it needs to take the audience's expectations into account in its programme design and planning. Furthemore, the norm that a festival's financial structure is based on many different income sources and contains at least some market sector income may support the process of marketisation as it defines the use of market sector income as a typical practice among festival organisations. The importance of market income varied a lot among festival organisations. For some festivals it generated the largest share of funding, whereas in others it did not have that much importance as a source of income. Table 36 brings together the characteristics supporting and preventing the use of market sector income in third sector festival organising.

Table 36.   Characteristics supporting and preventing the use of market sector income in third sector festival organising.

Characteristics supporting the use of market sector income	Characteristics preventing the use of market sector income
Values and norms: • Value and norm to serve customer needs. • Norm that a festival's financial structure is based on many different income sources • Norm that having market sector income is typical among festival organisations • Norm that there has to be other financing alongside public funding. • Norm of constant growth and development. • Commercial values Beliefs: • Belief that market sector is a good place to find new funding possibilities. • Belief that audience demands more services. • Belief that public support is diminishing, and it will be more challenging to get public support. Practices: • Having income sources from the market sector. Other characteristics: • Resource dependency /demands of external financiers. • Good resources to develop services and seek additional financing. • Art form: in popular music festivals market income is more important. • Bigger festivals have more market income. • Market potential of festival business. • Path dependency.	Values and norms: • Norm that non-profit activities are mainly financed by dues and donations. • High valuation of public support. • Legislation, instructions of authorities • Anti-commercial values • Norm of autonomy of the art and independence of artists. Beliefs: • Belief that by relying solely on market sector income, it is not possible to ensure the continuity of the festival. • Belief that it will be more challenging to get market sector income Practices: • Having income sources from the public sector. • Having income sources from the third sector. Other characteristics: • Resource dependency / demands of external financiers. • Not enough resources to develop services or seek additional funding. • Art form: in performing art and literature festivals market income is less important. • Small festivals have less market income • The uncertainty of market income. • Fears of popularisation of festival content. • Path dependency.

Getting enough financing is vital for festival organising: 'Financing is a central bottleneck that cannot be bypassed'.[92] The aspirations for development and

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[92]   'Rahoitus on keskeinen pullonkaula, jota ei voi ohittaa.'

growth also demand resources. In order to have financing, festivals must take financiers' different expectations into account in their operations. Different financiers and sources of funding may have contradictory expectations and guide festival organisations in different directions. Thus, festivals' resource dependency may either support or prevent marketisation depending on the types of financing that are most important for the festival (Table 36). Previous researchers have argued that art organisations that are primarily publicly funded are not so eager to seek extra funding from ticket sales or sponsorships because public funding is supposed to be sufficient to ensure the continuity of an organisation (e.g. Sorjonen 2004, 187). However, the demands of external financiers direct festivals to seek different sources of financing as well. Public financiers, for example, encourage festivals not to rely solely on their support but to acquire self-financing as well. Furthemore, financers often require a proper funding plan and that an organisation has other sources of financing in addition to the one they grant.

Many festivals have received more funding from the state in the 2000s. However, among the festival representatives there existed the belief that in the future public support will diminish. Therefore, it will be more challenging to receive public funding:

> In the future, the question related to public support for culture is a major issue and naturally creates threats.[93]

Due to fears of there being a decrease in public funding, festivals discerned that they are forced to seek other sources of income. Ticket sales and business co-operation were the most often mentioned sources of income to replace diminishing public support. Thus, when thinking of extra sources of resources, market income is often a noteworthy possibility. (Table 36.)

These beliefs about new funding possibilities from the market sector sources act as a supportive mechanism of marketisation. The more normal it is for a festival to acquire financing from the markets, the more a festival will seek additional financing sources from the markets. For example, nowadays different commercial services (restaurants, merchandise sales) form an important part of serving the festival goers. In total, 38 per cent of the respondents agreed that the importance of commercial products and services offered by the festival has increased during the last ten years. (Table 37.)

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[93]   'Julkisen rahoituksen suhde ylipäätään kulttuurin tukemisessa tulevaisuudessa on suuri kysymysmerkki ja aiheuttaa luonnollisesti uhkakuvia.'

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Table 37.   The importance of commercial merchandise and services in festival
              productions, the situation now compared with the situation ten years ago

	Frequency (f)	Per cent (%)
More important now	34	38
Importance remained unchanged	28	31
Less important now	4	5
No importance now or in the past	17	19
Don't know	6	7
Total	89	100

The number of commercial products and services has increased especially in those festivals that attracted a larger audience. This reflects the value and norm to serve customer needs. Simultaneously, they have created new possibilities for festivals to earn market income. However, developing new products and services requires resources such as time and knowledge - something that voluntary personnel do not necessarily have. The lack of these resources may, thus, prevent marketisation. (Table 36.)

Festivals are often organised with a minimal budget, struggle with scarce resources and live in a state of constant insecurity regarding funding. The lack of continuity in financing was a big challenge for those organisations that are behind festivals that have been studied. The responses revealed that economical issues and acquiring enough financing were among the most important future challenges in festival organising: 'The biggest challenge is to raise enough funding so that the festival can be fully implemented.'[94]

To reduce the risks and uncertainty related to financing, festivals constantly aimed to find new sources of income and widen their financial basis. In festival organising, having funding from multiple sources can reduce the risk and make festivals less vulnerable to funding cuts:

Public funding has declined significantly, the self-financing of the organising association has compensated for it.[95]

The city has increased its support, but unfortunately the state has simultaneously cut its subsidies.[96]

[A big challenge is] the difficulty of extending the financial base and the uncertainty of existing financing agreements.[97]

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[94] 'Suurin haaste on kerätä riittävästi rahoitusta, jotta festivaali pystytään täysipainoisesti toteuttamaan.'
[95] 'Julkinen rahoitus pienentynyt huomattavasti, järjestävän yhdistyksen omarahoitusosuus korvannut tätä.'
[96] 'Kaupunki on lisännyt panostustaan, valitettavasti valtio on samaan aikaan leikannut tukiaan.'
[97] '[Haasteena on] rahoituspohjan laajentamisen vaikeudet ja olemassa olevien rahoitussopimusten ailahtelevaisuus.'

However, the uncertainty of market sector funding can make it a less desirable source of income, and consequently it can act as a preventive mechanism of marketisation (Table 36). The common belief among the festivals was that by relying only on market sector income, it is not possible to ensure the continuity of the festival. Especially ticket sales were expressed by the festivals as an unpredictable income source. As many festivals are organised outdoors, bad weather, for example, may considerably affect the number of sold tickets. Furthermore, when the share of ticket revenue in regard to all income rises, risks related to financial losses increase. Festivals expressed fears that they will become too dependent on ticket income and that there is too much pressure to get enough ticket revenue:

> As a whole, it is more difficult to get financing, and ticket sales have a greater risk. Poor weather conditions may disrupt the whole activity.[98]

Despite positive arguments about business co-operation and its development such as 'co-operation with local businesses in financing has, despite challenging times, remained and even increased, which has been very important for our funding',[99] the responses put forward quite a clear message that acquiring sponsorship money is getting harder all the time. There were mentions that the amount of sponsorship money may vary considerably according to the economic situation. Changes in legislation were also mentioned as a reason behind the difficulties in getting business partners:

> In the future, the difficulties will probably relate to the decline in the number of corporate sponsors - business support now accounts for nearly half of the festival's revenue.[100]

> Also, the great dependence on corporate co-operation in organising the festival is challenging, as the global economic situation may have a sudden impact on the overall financial situation and, in particular, on the operational conditions of the festival.[101]

> Because of the changes in the Alcohol Act, refineries are no longer ready to support a free event, for example, with free refreshments, as it is difficult to offer sensible advertising visibility in return.[102]

Research results indicate that differences in the operational environment and in the development of art forms may act both as supportive or preventive

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[98] 'Rahoitus kokonaisuudessaan tiukentunut ja lipunmyyntituloilla entistä suurempi riski. Heikot sääolosuhteet saattavat kaataa järjestäjien kokonaistoiminnan (…).'
[99] 'Rahoituksessa paikallisten yritysten kanssa tehty yhteistyö on haasteellisista ajoista huolimatta pysynyt ja jopa kasvanut, joka on rahoituksen kannalta erittäin tärkeää.'
[100] 'Tulevaisuuden vaikeudet tulevat luultavasti liittymään yritysponsorien määrän laskuun - yritysten tuki muodostaa tällä hetkellä lähes puolet festivaalin tuloista.'
[101] 'Myös suuri riippuvuus yritysyhteistyöstä festivaalin järjestämisessä haastaa, koska maailman taloustilanne saattaa vaikuttaa äkillisesti myös sen osalta negatiivisesti kokonaisrahoitustilanteeseen ja ylipäätään festivaalin toimintaedellytyksiin.'
[102] 'Alkoholilain muutosten vuoksi virvoitusjuomatehtaat eivät ole enää valmiita tukemaan ilmaistapahtumaa esimerkiksi ilmaisilla virvokkeilla, sillä järkevää mainosnäkyvyyttä on nykyään vaikea tarjota vastineeksi.'

mechanisms behind marketisation (Table 36, p. 136). The results reflect the classic distinction between high culture organisations that are mainly operating in the non-profit art world and popular art field actors that are more inclined to use commercial solutions in their operations. Furthermore, organisations' development and choices made in the past may affect considerably the state of festival organisations' marketisation and their possibilities to use market sector income. The choices to concentrate on a particular art form, to organise a free of charge event or to organise an event for children are all elements that have a different influence on festival organisations' market orientation and what alternatives these organisations have in their operations. Children's art festivals, for example, often have different logics compared to festivals targeted mainly at an adult audience.

> A children's [culture] festival differs greatly from festivals targeted at adults: tickets must be inexpensive, and, thus, more public funding is required and parents and teacherschoose whether the kids can attend the festival. We must organise free performances for schools and nurseries because they cannot afford to pay. The sale of commercial products is also small.[103]

The above-mentioned characteristics are examples of path dependency in festival organising. When a festival has in the past chosen children as its target audience, it has affected the set of alternatives available to the festival in its operations. It may have opened new ones but similarly closed off some that had been previously possible. A festival being free of charge is an element that can be very difficult to change as the audience gets used to not needing to pay an entrance fee:

> The festival has traditionally been free and open for everyone for over 30 years. Starting to charge an entrance fee now is difficult.[104]

Public funding was vital and highly valued by the festivals. It was considered more secure than market sector funding and as an important factor in festival development. Already the small amount of public funding was regarded as important by the festivals: 'The significance of municipal and state funding is greater, although the amount of received money may be smaller'.[105] As argued in earlier research (e.g. Healy 1998, 26), in many cases public support is a phenomenon where a small-scale action may cause a large-scale outcome. As public funding is targeted at non-profit activities, it encourages an organisation

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[103]   Lasten [kulttuuri] festivaali poikkeaa suuresti muista aikuisten festivaalista: lippuja myydään edullisesti, tarvitaan enemmän julkista rahoitusta, yleisön osallistumisesta päättävät vanhemmat ja opettajat. Kouluille ja päiväkodeille on pakko järjetää ilmaisnäytöksiä, koska heillä ei ole varaa maksaa. Kaupallisten oheistuotteiden myynti on myös väheinen.

[104]   'Festivaali on perinteisesti ollut yli 30 vuoden ajan ilmainen ja kaikille avoin, pääsymaksun periminen on myös sitä kautta vaikeaa.'

[105]   'Kunnan ja valtion rahoituksen merkittävyys on suurempi vaikka avustuseurot saattavat olla pienemmät.'

to develop its activities towards these aims and, consequently, encourage to act in accordance with non-profit logic. (Table 36.)

In the festival organising, public support can act as a counterforce against commercial development, and festival organisations' high regard for public funding can be interpreted as a statement against commercialism. One respondent expressed a clear connection between public funding and the non-commercial festival programme: 'The marginal music festival can't survive without public support if it wants to maintain its programme policy. This [the decrease of public support] will lead to the popularisation of the programme in order to get ticket sales and commercial financers.'[106] However, the beliefs about diminishing or uncertain public support may increase marketisation as festivals turn to the potential of the market sector.

In the field of arts and culture, there is often a real need to defend the intrinsic value of the arts. The orientation towards the market and striving for commercial success are considered as a threat to the autonomy of the art and the independence of artists. (E.g. Kainulainen 2005.) Anti-commercial values and practices therefore prevent the adaptation of market sector characteristics into festival organisations. (Table 36, p. 136.)

Of course, becoming commercial and profit oriented is not always a negative thing. If an organisation has potential for commercial success, it can change its operational logic and move to the market sector. However, the nature of festival organising is quite different if it is mainly organised from market and customer oriented premises instead of a third sector mission orientation. According to the responses, the majority of festivals wanted to maintain their non-profit orientation and status.[107]

5.3   Co-operation and competition

5.3.1   Co-operation in festival organisations

Often festivals were produced and organised in co-operation with one or more partners. Co-operation was done in various areas related to festival production, such as marketing, technical issues and creating a festival programme.

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[106]   'Marginaalimusiikin festivaali kuihtuu ilman julkista tukea, mikäli ohjelmapolitiikasta pidetään kiinni. Tämä [julkisen tuen väheneminen] johtaa helposti ohjelmiston popularisoitumiseen lippurahoituksen ja kaupallisten tukijoiden saamiseksi.'

[107]   It is important to remember that festival markets, in general, are a much wider phenomenon than the non-profit festival field that is in focus in this research. Andersson and Getz (2009), for example, have divided festivals and organisations behind festivals into three groups: public, non-profit and private.

The programme of the festival week is the result of multi-partner cooperation.[108]

We are the main organiser, but some of the exhibitions are organised by our partners in close cooperation with us and partly have their own budgets.[109]

An important role in relation to international guests has been the cooperation with embassies and cultural institutes.[110]

The festival is produced in co-operation with a large network of different actors.[111]

The importance of collaborations had increased in the festivals' organisations during the last ten years. Many festivals mentioned that the amount of co-operation as well as the number of partners has increased. According to the responses, the importance of co-operation with business companies, municipalities and international partners had increased the most. Altogether 55 per cent of the representatives of the festival organisations agreed with the statement that the importance of co-operation with other festivals has increased. Co-operation with educational institutions and third sector organisations had increased in importance in almost half of the festivals. (Table 38.)

Table 38.   The importance of different co-operation partners, the situation now compared with the situation ten years ago (%)

	Municipality	Business companies	International co-operation and networks	Other festivals	Schools and educational institutions	Third sector organisations
More important now	61	62	60	55	49	46
Importance remained unchanged	34	26	20	30	30	37
Less important now	1	4	2	3	7	7
No importance now or in the past	1	2	12	6	10	3
Don't know	2	5	6	7	4	7
Total*	100	100	100	100	100	100
(n)	(93)	(92)	(91)	(91)	(90)	(89)

*Because of rounding, the sum of the percentages does not always equal 100.

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108   'Viikon ohjelma on monen tahon yhteistyön tulos.'
109   'Olemme pääjärjestäjä, mutta osan näyttelyistä järjestävät yhteistyökumppanimme tiiviissä yhteistyössä kanssamme, mutta osin omin budjetein.'
110   'Merkittävässä roolissa kansainvälisten vieraiden suhteen on yhteistyö suurlähetystöjen ja kulttuuri-instituuttien kanssa.'
111   'Festivaali tuotetaan erittäin laajan verkostomaisen yhteistyön avulla.'

Co-operation brings synergy. It may reduce the financial risk as the costs of the production are divided between the partners. Thus, having partners is also a strategy to prevent insecurity:

> Increasingly, the events organised with partners have become more important, since the partners (city office, company or association) also take care of some or all of the costs.*112*

Many festivals argued that co-operation brings new possibilities and that it is a vital component for the future development of a festival. Many festivals expressed their desire to develop more cooperation, for example, with the tourism sector, new art forms and international or Nordic organisations. Local partners, in particular local arts institutions or education organisations, were mentioned as important contemporary or future partners for the festivals:

> Collaboration with local art organisations need to be developed.[113]

> Our effort is to form more cooperation with local actors, the festival and educational organisations throughout the year.[114]

> The development of Nordic co-operation is bringing opportunities.[115]

5.3.2 Characteristics supporting and preventing competition

While emphasising the importance of co-operation, many festivals expressed beliefs that competition between festival organisers has increased during the last few years. As a part of a global festivalisation trend, the growing share of cultural production, delivery and consumption is taking place in the festival and event context every year (Jordan 2016; Hitters 2007). According to some scholars, the most successful organisations, that is, those that are best adapted to their field and environment, will survive (e.g. Healy 1998, 11). Competition is a manifestation of marketisation as it is a typical character of the ideal market structure. Table 39 lists characteristics that are supporting and preventing the competitive approaches in festival organisations.

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112 'Jatkuvasti tärkeämmäksi on noussut yhteistyöllä tehtyjen tapahtumien lisääminen, koska näissä osa kustannuksista tai kaikki kustannukset kantaa jokin toinen taho (kaupungin virasto, yritys tai yhdistys).'
113 'Yhteistyötä paikallisten taideorganisaatioiden kanssa tulee kehittää.'
114 'Pyrkimys on tehdä enemmän yhteistyötä paikallisten toimijoiden, festivaalin ja koulutusorganisaatioiden kanssa ympäri vuoden.'
115 'Mahdollisuuksia tuo muun muassa pohjoismaisen yhteistyön kehittäminen.'

Table 39.   Characteristics supporting and preventing competition in third sector festival organising

Characteristics supporting competition	Characteristics preventing competition
Values and norms: • Achievement values. • Norm of using high quality as competitive strategy. • Norm to strive for public recognition and acclaim. • Public sector has adapted market sector approaches in their operations. Beliefs: • Belief that competition (for audience, financing) is growing. • Belief that external financiers value more typical market sector characteristics and quantitative indicators such as the size of audience. Practices: • Market type relations with partners. • Exclusive rights contracts. • Marketing practices. Other characteristics: • Growing number of festivals. • General economic situation. • Decrease of public support. • Market potential of festival business. • Location: A festival operates in a region where there are many other activities.	Values and norms: • Value that everybody is equal (democratic values). • Valuing co-operation and communality. • Values against competitition. Beliefs: • Belief that there is no competition. Practices: • Operations are based on co-operation and networks. Other characteristics: • Location: A festival operates in a region where there are not many other activities.

Rather than competing only with other festival organisers, festivals compete with all kinds of activities and organisations for the attention of different audiences. In their responses, the representatives of festival organisations expressed thoughts especially regarding the competition for audience and for financing. There were individual mentions about the competition for festival performers and for media coverage as well. The presented beliefs connected to competition are often supportive of marketisation since they show that a festival organisation is aware of competition and, thus, probably consciously reacts to it. (Table 39.)

In their references to competition for the audience, respondents most often mentioned the general competition for the festival goers' free time. There are an increasing number of activities available for the audience nowadays. As it is easy to travel aboard, it is not a question of competition only among national actors

but also with international activities and events as well. Furthermore, two respondents mentioned that in general it is more difficult to get people up from the settee to visit live events. There were only a few responses that mentioned especially the competition for audience between other festivals. These mentions were related, first, to the Helsinki metropolitan area that was mentioned as an area where the number of festivals has increased in recent years and, thus, the competition between different events has grown. Second, the popular music festival field has during recent years experienced a huge increase in the number of festivals organised every year. Among the new-comers, there are both smaller grassroots festivals and large mass events. The business potential of mass events has been noticed also by market sector companies and international organisers that have entered the Finnish popular music festival field. For example, the touring rock music festival The Sonisphere Festival which took place across Europe was organised in Finland in 2014. [116] All this has increased the competition among popular music festivals. (Table 39.)

In order to reach the audience and to make it interested in coming to their event, festivals apply methods from the market sector and put emphasis on marketing: 'The vastly emerging competition for the free time of customers forces festivals to find new ways to market the event, create additional content and cooperate with other actors and partners.'[117] Thus, besides being a manifestation of marketisation, competition is a strong mechanism that enhances marketisation. Festivals worked hard to find ways to differentiate their festival in the eyes of the audience and other stakeholders and attract the audience to their festival. As the increased awareness of their festival and the art form it represents was an important purpose for some festivals, they strove for public recognition and acclaim and, thus, competed for media coverage.

In addition, values linked with achievement were identified from some of the responses of festival organisations that participated in the survey. These values are strongly linked with competition (Table 39). Some festivals expressed purposes such as to be 'the best and the most beautiful' festival in their own art field. In addition, festivals distinguished themselves from the other festivals by being 'different', 'unique' or 'pioneering'. These aims are connected with the marketing, productisation and image creation, and, consequently, with the market orientation of a festival. At popular music festivals often the same artists perform at most other festivals; hence distinguishing a festival from the others is more difficult. To avoid too much resemblance with others, some popular music festivals have in recent years offered artists contracts with an exclusive rights clause that forbids them from performing at similar festivals organised nearby.[118]

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[116] The Sonisphere Festivals has been organized in Finland five times; 2009-2012 and 2014.

[117] 'Räjähdysmäisesti noussut kilpailu asiakkaiden vapaa-ajasta pakottaa esille uusia tapoja markkinoida tapahtumaa, luoda lisäsisältöä ja tehdä yhteistyötä muiden toimijoiden ja kumppaneiden kanssa.'

[118] HS 4.1.2017: Provinssi haluaa rajoittaa artistiensa esiintymisiä Seinäjoen seudulla, muut kritisoivat: "Saksasta tullaan sanomaan, mitä Pohjanmaalla saadaan tehdä ja mitä ei" http://www.hs.fi/kulttuuri/art-2000005032268.html

As argued in the previous chapter, high quality is something festivals believed that the audience expects. Consequently, a major strategy to generate a competitive advantage in festival organisations was to emphasise the high-quality art and festival programme (Table 39, p. 144). Thus, from the market sector perspective, the pursuit of high quality is a strategy to attract an audience, create value for the audience and, thus, to generate a competitive advantage. (Sorjonen 2004.)

All kinds of festivals expressed beliefs about the growing competition for financing: 'The competition for both local and national supporters is hard.'[119] Festivals perceived that the competition for financing is increasing because the number of festivals and events has increased. Consequently, there are more festivals that apply for financing. Furthermore, there were fears among festival organisers that public support for culture is growingly being questioned and that public authorities are cutting down on their financial support for culture. There were also mentions that the general economic situation may considerably affect the will of business firms to support festival actors.

Festivals presented the belief that not every festival is in an equal position when competing for financing. There were arguments that the support of public financiers, especially in the form of the state, goes to the larger festivals. Among the answers, festivals with a small audience, festivals representing more marginal art forms, festivals presenting new and unknown artists and festivals organised only by voluntary staff were mentioned as characteristics that may decrease a festival's possibilities to compete for festival funding.

Beliefs about what kinds of characteristics are appreciated by the financiers can make festivals develop their operations in that direction. As many of the characteristics festivals felt were not appreciated by financiers represent typical non-profit features, festivals may little by little move towards more market oriented ways of operating:

> If public funding emphasises the size of the audience, then we are losers, but if quality can be more than just having a big audiences, then we are winners.[120]

> The festival organised by voluntary work is not appreciated even though the content is great.[121]

The competition among festival organisers may also increase when public authorities reorganise their service provision and apply different market sector approaches in their operations (Table 39). As a result, market type relations may increase between the third sector and the public authorities. (See sub-chapter 5.5.)

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[119] 'Kilpailu niin paikallisten kuin valtakunnallisten tukijoiden kukkaronnyöreillä on kovaa.'

[120] 'Jos julkisessa rahoituksessa painotetaan määriä kuten yleisömäärä, silloin olemme häviäjiä, mutta jos siellä laatu voi olla muutakin kuin suuret yleisömäärät, silloin olemme voittajia.'

[121] 'Talkoolla tehtävää festivaalia ei arvosteta, vaikka sisältö olisi kuinka hieno.'

5.4 Audience relations

5.4.1 Two audience orientations

The audience's interest in visiting festivals in the first place is the critical factor for the success and survival of the festivals (e.g. Luonila & Kinnunen 2016, 132). As a ticket purchaser, the audience may be an important part of festivals' financing. The size of the audience is a much-used indicator of a festival's success. If the size of the audience is high enough or has increased from the previous event, it can act as a sign of success and a legitimator of the festival in the eyes of external stakeholders, such as funders, the media and other festival goers. Furthermore, the audience is an important spectator and recipient of the artistic and cultural programme the festival offers. Recently, festival research has also been emphasising the more active role of the audience as a co-producer of the whole festival experiment (Getz 2012; Luonila et al. 2018.)

The clear majority (84%) of respondents agreed with the question statement that, 'Our festival is customer /audience oriented.'[122] (Table 40).

Table 40. 'Our festival is customer/audience oriented.'

	Frequency (f)	Per cent (%)
Strongly agree	57	55
Agree	30	29
Neither agree nor disagree	6	6
Disagree	4	4
Strongly disagree	1	1
Don't know	5	5
Total	103	100

Customer orientation is an important characteristic of a market-oriented company. While third sector organisations' operations are ideally guided by their common mission, a typical approach for market sector organisations is to identify and meet the expectations of customers and, consequently, sell services or products to them. Thus, according to these ideal types, a strong orientation towards the festival's audience should be considered as a manifestation of market logic in festival organisations.

However, the festivals that responded to the survey interpreted customer orientation from their own perspective since it was not defined more precisely on the questionnaire. By analysing the responses to other questions, the clear conclusion is that for the festivals included in this study, customer orientation does not refer only to the market logic-based definition of customer orientation, but to a wider and more multi-dimensional relationship with the festival

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[122] Festivaalimme on asiakas-/yleisökeskeinen.

audience. It is related to many different roles that the festival goers have in festival productions. For the festivals, the audience was much more than the purchaser of tickets or products, although that is certainly an important role as well. The role of the audience is to experience the artistic and cultural programme the festival produces. Thus, the audience is the vital factor in order to create the overall festival experience and, consequently, an essential part of the festival community.

From the festivals' responses, two main orientations towards the audience were identified: mission-oriented and market-oriented audience relations. These two orientations may theoretically overlap and are also overlapping in practice in festival operations. The first, *mission-oriented audience relation*, emphasises the artistic or other non-profit mission of the festival organisation. The focus is on the artistic experience of the audience, and the audience is perceived as an important participant in art. The task of festivals is to help the audiences' understanding and appreciation of art. In addition to the audience just passively consuming arts and culture, festivals put focus on the ways in which the arts and cultural products are appropriated by the audience. Still, programme planning is not, at least for the most part, influenced by the audience. In this orientation, the audience can be also considered from special social perspectives such as art's accessibility and providing art for special groups.

The second, *market-oriented audience relation*, reflects the market-based definition of customer orientation. Here the aim of an organisation is to identify and meet the expectations of a customer. The final end of this is the sale of a product. In this orientation, festival organisations' programme planning is to some degree affected by the analysis of customers' and festivals' aim to entertain the audience and keep the audience satisfied with the festival.

Neither of these two audience relations consider the festival goers as only passive consumers of the art or festival programme. Rather, both orientations emphasise the active participation of the audience, and the festival goers are important members of the festival community. In the market-oriented audience relation the aim is to satisfy the audience's needs and expectations through the artistic experience. The audience is an important co-creator of the festivals atmosphere.

In the mission-oriented audience relation, the audience is, in particular, the recipient of an artistic experience that the festival creates. The importance of the audiences' participation resonates with the underlying premise of an art world in which the aesthetic work of art becomes complete only when the audience perceives and interprets it and, consequently, experiences it. For the festivals that often act as mediators between the artist, artworks and audience, this is an important value. The emphasis lies on the festival organisation's role as an art field professional that has the responsibility to create the event from an artistic perspective. Here, emphasising high-quality content is about festivals pursuing their non-profit mission, aiming to contribute to the art field and defending the intrinsic value of high-quality art.

Still, the audience is expected to enjoy and find meaning in this content. A festival's duty is to help the audience appreciate the art. In their responses festivals expressed the aims to facilitate the artistic experience of the audience and to educate the audience. The phenomenon is manifested in the increase of different discussions and other additional events organised alongside the actual artistic event. These events aim at connecting the artist and the audience, as well as cultivating the audience's skills that are important in appreciating the art. Festivals act as places for art education and aim to educate new audiences, art enthusiasts and amateurs.

Festivals' perceptions about themselves and about their audience affect their relations with the audience. Elitist festivals often concentrate on high culture art forms and are targeted at a small artistic and intellectual elite audience (e.g. Waterman 1998; Klaić undated, 34; Harvie 2003). Only a few festivals (12%) considered themselves as elitist (Table 41). Mass events, in turn, are more commercially oriented and attract a mass audience that has a general interest in joining in the collective excitement of an event (Mackellar 2014, 4). About one-third of the respondents agreed that their festival is a mass event. Festivals with an alternative emphasis include various arts movements and youth subcultures, for example. At the alternative festivals, there is often the idea of collective ownership, and the boundary between performer and audience can be fluid. (St John 2000; Hollands 2010, 381–382.) Two-thirds (66%) of the festivals that respondend to the question regarded themselves as alternative.

Table 41.   Respondent perceptions about their festival's nature

	'Our festival is alternative'		'Our festival is elitist'		'Our festival is a mass event'	
	f.	%	f.	%	f.	%
Strongly agree	30	29	7	7	13	13
Agree	38	37	5	5	17	17
Neither agree nor disagree	15	15	7	7	11	11
Disagree	10	10	32	32	34	34
Strongly disagree	3	3	44	44	24	24
Don't know	7	7	5	5	2	2
Total	103	100	100	100	101	100

Because of rounding, the sum of the percentages does not equal 100.

5.4.2   Characteristics supporting and preventing the market-oriented audience relation

Table 42 presents the characteristics that are supporting and preventing the market-oriented audience relation in festival organisations. The value and norm of keeping the audience satisfied can be interpreted as a supportive mechanism of marketisation, since it requires acquiring information about the audience and identifying the audience's expectations and, furthermore, responding to these needs (Sorjonen 2004, 103).

In their responses, festivals argued that the audience is more demanding nowadays. It is not anymore enough to organise a concert and to provide basic festival services, but the audience requires 'new experiences and extremes'.[123] This reflects the general development in the nature of consuming. Several scholars have argued that consuming is changing towards more experimental aspects (Holbrook & Hirschman 1982; Yeoman 2013). For example, Kainulainen (2005) argues that in the festival consumption the emphasis has moved from consuming a single cultural product, such as a festival concert, to the overall experience related to the festival place, setting and restaurants (ibid.; see also Johannisson 2008; Gelder & Robinson 2009). As mentioned above, festivals described the special places or venues where the festivals are organised and emphasise the atmosphere and festival setting in conjunction with event functionality among the important management priorities.

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[123] '--uudenlaisia elämyksiä ja extremeä.'

Table 42.   Characteristics supporting and preventing market-oriented audience relation in third sector festival organising.

Characteristics supporting market-oriented audience relation	Characteristics preventing market-oriented audience relation
Values and norms: • Value and norm to serve customer needs and keep the audience satisfied. • Norm of constant growth in the size of the audience. • Norm that the size of the audience is a legitimator of an event. • Norm to have ticket income. • Norm to increase awareness of the art form and increase the number of persons interested in it. Beliefs: • Belief that the audience is more demanding nowadays. • Belief that small festivals are not appreciated by financiers. Practices: • Using, e.g. social media to communicate with the audience. Other characteristics: • Festival is a mass event. • Technical development makes it easier to communicate with the audience. • Resource dependency. • Changes in nature of consuming.	Values and norms: • Norm of autonomy of the art and independence of artists. • Norm that a festival focuses on artistic content, not the audience expectations. • Norm that the audience's role is to experience art • Value and norm that the audience is part of a festival community Other characteristics: • Festival does not have capacity to increase the size of the audience • Festival does not have resources to provide extra services for the audience. • Festival is an elitist or alternative event.

The belief of growing audience expectations creates pressure for festivals to develop their event and the services that are provided during the festival (Table 42). One respondent pointed out that the audience's expectations are, together with the accumulation of the festival organisation's own experience, the most important reason for the development towards a more professional festival production. On the other hand, to keep the audience content and to offer 'all-inclusive experiences'[124] requires extra effort and resources from the festivals. Whether a festival has these resources or not may affect the festival's orientation towards the audience.

Still, producing a high-quality event was considered as the most important way to attract and serve the audience. Festivals believed that high quality is something that the audience wants and appreciates. From this perspective, valuing high quality is a characteristic supporting marketisation as it is targeted

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[124]   'Kokonaisvaltaisia elämyksiä.'

to create value for the audience and to provide original artistic experiences that the audience wants to experience again. On the other hand, it may prevent other processes of marketisation; for example the development of additional services such as restaurants, because festivals are investing in content instead of these services:

> [In the future] our opportunity is to continue to offer excellent new art to people.[125]

In order to communicate with the audience and to identify their needs, festivals have different practices. They increasingly conduct different customer surveys. These surveys can be implemented for example as a thesis (e.g. Hopper 2006; Hämäläinen & Kemppi 2008; Mielonen 2010) or as part of regional tourism development projects (e.g. Pasanen & Taskinen 2010). Recent years have shown an immense increase in festival organisations' use of social media. Festivals use social media channels, i.e. Facebook, Twitter and Instagram to reach their audience in order to inform the audience about their event and to learn about the audience's wishes and expectations. In addition, the audience can be proactive in expressing their wishes. Social media is also an easy place to give feedback on the event, both positive and negative. Consequently, technological change can support the process of marketisation, as it makes it easier to connect with the audience and learn about their wishes. (Table 42.)

Among the festivals, there were pressures to increase the size of the audience. The size of the audience is an important legitimator of a festival event. A large audience and an increasing audience are often used indicators of the festival's success. Festivals aimed to increase awareness of the art form they represent and, thus, tried to increase in the size of the audience participating in the festival. The dependency on ticket revenue directs festivals towards the audience and towards aims to increase the size of the audience. According to one respondent, 'festivals that attract smaller audiences are not appreciated by the financiers nor by the media'. The belief in the need to increase festivals' audience size acts as a supportive mechanism of marketisation as it requires the identification of the audience's needs and implementation of content and services that are expected to attract a larger audience (Table 42). However, not every festival is able to increase the size of the audience. In many cases, the capacity of the festival area sets limits on the size of the audience.

Festivals that are mass events by their nature are more oriented to market-oriented audience relations. For them, it is important to attract as larger audience as possible. For those festivals that regard themselves as elitist or alternative, the size of the audience may not be so important, and they are targeted at more niche audiences.

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[125] '[Tulevaisuudessa] mahdollisuutena se, että jatketaan erinomaisen uuden taiteen tarjoamista ihmisille.'

5.5 Relationship with public authorities

5.5.1 Types of relationship

In Finland, the relationship between third sector actors and the public sector, the state and municipalities has traditionally been strong and intense. The relationship has been based not only on the public funding of the third sector but also on various administrative and structural solutions that have brought together third sector cultural organisations and public authorities (see sub-chapter 1.1.3). For those festival organisations that responded to this study, the public sector was a major financier and partner. The study's target group consists of festivals that sought state support for organising the festival in 2014. Altogether 77 per cent of the festivals that responded to the survey received the state festival grant in 2014 (Table 8, p. 74). In addition, most of them received funding from the municipality. In their responses, the festivals highlighted the importance of public subsidies for their activities.

The majority of respondents agreed that financial support from the local authority (82%) and from the state (78%) is vital for the festival (Table 43).

Table 43.   The festivals' perceptions of the support from local authorities and the state (%)

	Strongly agree or agree	Neither agree nor disagree	Strongly disagree or disagree	Don't know	Total
The financial support from the municipality is vital for the festival (n=95)	82	3	13	2	100
The financial support from the state is vital for the festival (n=92)	78	5	10	7	100
The non-monetary support from the municipality is vital for festival organizing (n=95)	68	14	16	2	100
The non-monetary support from the state is vital for festival organizing (n=91)	21	25	34	20	100

In addition to funding, public authorities may give different non-monetary support for the festivals. Most festivals (68%) agreed or strongly agreed that the non-monetary support from the municipality is also vital for the festival organising. The municipality can, for example, support the festival indirectly by building and developing the area where the festival is organised. Non-monetary support from the state was regarded as vital by only one-fifth (21%) of the festivals that responded to the survey. The strong relationship with the local

authorities is understandable since many festivals are organised in the same place every year, and, consequently, have a long local history.

The local municipality is often an important partner in the network where the festival is organised. Table 44 presents different types of relationships that festival organisations had with the local authorities. In the majority of cases, the relationship was based on the direct funding that the festival received from the local authorities. A total of 86 per cent of the respondents had a funding relationship, often in the form of a public grant, with local authorities. In addition, festivals had different partnerships (66%) and types of co-operation (47%) connecting them with local authorities. The municipal staff, for example, may contribute and participate in organising the festival. Nearly one-fifth of festivals reported that they have common governing bodies, and thus they are planning and deciding on the activities together with the local authority:

> Today the entire [city] is involved in organising the event: municipality, companies, associations, residents. The event has become a major brand for [the city].[126]

Just over a third of festivals (37%) had a market relationship with the municipality; that is, they were selling products or services to the municipality or buying services and products from the municipality. One-fifth of festivals sought to influence the local authority's decision making. Providing a voice for different people and art forms, for example, and aiming to influence the decision making of authorities are the traditional roles of the third sector (Siisiäinen 1996; Evers & Laville 2004, 12–13).

Only four festivals agreed with the statement that the relationship is based on the municipality's guidance and control. One respondent argued that their festival does not have any relationship with the local authority. A festival could have many different relationships with the municipality. (Table 44.)

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[126] 'Nykyisin koko [kaupunki] mukana rakentamassa tapahtumaa: kunta, yritykset, yhdistykset, asukkaat. Tapahtumasta tullut koko [kaupungille] tärkeä brändi.'

Table 44.   Different types of relationship festival organisations have with local
             authorities (n=97)

	Frequency (f)	Per cent (%)
Funding relationship (municipality is funding the festival)	83	86
Partnership (supporting and complementing each other)	64	66
Co-operation (producing services together)	46	47
Market relationship (selling and buying services and products)	36	37
Festival organisation strives to influence municipal decision-making	21	22
Common governing bodies (planning and deciding on the activities together)	18	19
Local authority guides and controls the festival's activities	4	4
Festival does not have any relations with the local authority	1	1

Traditionally, the relationship between the public authorities and the third sector has been based on trust, and there has been little need for control mechanisms. Consequently, grant receivers have been relatively free to decide how to use their grant money. However, the move towards more performance-based management in the public sector has brought into the relationship more elements that have narrowed grant receiving organisations' autonomy (e.g. Belfiore 2004; Vestheim 2009). The increase in market cultures and regulatory frameworks is moving the relationship between the third sector and local authorities more firmly towards control. Third sector organisations growingly act as public service providers, for example. Public authorities must ensure that these services meet their quality requirements. There are indications of a growing need for incorporating control and measurements' mechanisms also into traditional grant giving relationships. (Milbourne and Cushman 2013; Saukkonen 2013; Möttönen & Niemelä 2005.)

The majority of festival organisations argued that their relationship with the public authorities is still based on trust (Table 45). However, there were differences in how festival organisations experienced their relations between the state and local authorities. Again, the responses reflected festival organisations' closer relationship with the local authorities than with the state. Over 88 per cent of respondents agreed (66% strongly) that their relationship with local authorities is based on trust. In the case of the state, the figure was 65 per cent. Similar results emerged when the representatives of the festival organisations were asked about how public authorities pay attention to their needs and wishes. Local authorities were perceived as being more attentive than the state. Furthermore, there were a relatively high number of 'I don't know' responses to the questions asking about the relation with the state. A few respondents expressed the difficulty to answer questions that concern the state relationship and argued that 'the state feels faceless; it is difficult to evaluate the relationship.'[127]

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[127]   'Valtio tuntuu kasvottomalta, vaikea arvioida suhdetta.'

A clear majority of respondents strongly disagreed or disagreed with the statement that the state or local authorities are controlling festivals' operations too much. Furthermore, most festivals disagreed with the statement that the requirements of the state or the municipality have complicated the festival organising (Table 45). Still, there were few festivals agreeing (or strongly agreeing) that there is too much control. In the responses of festival organisations, the state was agreed to be too controlling more often than local authorities. According to a recent report exploring the regulatory environment for cultural events in Finland, permit and license procedures may be complicated and require a lot of work for event organisers, which may be particularly hard for small-scale events. (Rautiainen 2015.) Similar kinds of findings came out from the responses as well. Some festivals mentioned regulations that are causing problems for festival organising. There are numerous laws and regulations to be considered when organising events. Furthermore, licenses and permits from various authorities are required. Thus, the opinions regarding the growing control probably relate more to the public authority's role as a legislator and civil servant, than to their financing relationship with the festivals:

> The recent demands and recommendations of the authorities have unreasonably increased the costs for the organisers - there is a need for understanding on their part.[128]

> The regulations of the authorities limit the development of festivals and make it difficult, for example, to serve alcoholic beverages.[129]

> State financial or non-financial support WOULD BE very important for organising the event. For the time being, the state has given nothing but restrictions and regulations.[130]

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[128] 'Viranomaisten viimeaikaiset vaatimukset ja suositukset ovat nostaneet järjestäjien kustannuksia kohtuuttomasti, joten tässä tarvittaisiin ymmärrystä heidän taholtaan.'

[129] 'Viranomaismääräykset rajoittavat festivaalien kehitystä sekä hankaloittavat mm. anniskelua.'

[130] 'Valtion rahallinen tai rahaton tuki OLISI erittäin tärkeää tapahtuman järjestämisessä. Toistaiseksi valtiolta ei ole saatu mitään muuta kuin toimintaa hankaloittavia rajoitteita ja määräyksiä.'

Table 45.   Festivals' perceptions about the control and requirements of public
            authorities (%)

	Strongly agree or Agree	Neither agree nor disagree	Strongly disagree or disagree	Don't know	Total*
The relationship between the festival and municipality is based on trust (n=94)	88	5	3	3	100
The relationship between the festival and state is based on trust (n=92)	65	15	7	13	100
The municipality pays attention to the festival's needs and wishes (n=94)	65	18	14	3	100
The state pays attention to the festival's needs and wishes (n=92)	20	26	33	22	100
Festival activities are controlled and supervised too much by the municipality (n=95)	6	3	88	2	100
Festival activities are controlled and supervised too much by the state (n=91)	14	5	76	4	100
The requirements of the municipality have complicated the festival organising (n=95)	8	8	80	3	100
The requirements of the state have complicated the festival organising (n=92)	11	9	72	9	100
The requirements of the municipality are in conflict with the festival's own goals and purposes (n=95)	6	9	81	3	100
The requirements of the state are in conflict with the festival's own goals and purposes (n=92)	7	5	78	10	100
The requirements of the municipality have affected the festival content (n=95)	6	7	82	4	100
The requirements of the state have affected the festival content (n=98)	8	5	78	9	100

*Because of rounding, the sum of the percentages does not always equal 100.

5.5.2   Public sector relations supporting and preventing the adaptation of market sector characteristics and logics in festival organisations

The relationship with public authorities may both promote and prevent the adaptation of market sector characteristics and logics in festival organisations. The possibility to have or not to have public support was identified as a mechanism that can influence marketisation in festival organisations (Table 36, p. 136). As many festivals are dependent on public financing, they must know

and meet the public sector rules and objectives. Acquiring, spreading and responding to the information concerning financiers is part of an interest group orientation that has been defined as part of non-profit organisations' market-orientation (Sorjonen 2004). However, having public funding and responding to the needs of public funders is also a manifestation of non-profit logic. Since both the public sector and the third sector are non-profit oriented in their operations, they are often heading towards similar goals. This maintains the traditional understanding of the third sector and its characteristics. The majority of festivals (strongly) disagreed with the statement that the demands of public authorities have affected the artistic or cultural content of the festival or the organising of the festival in general. Nor did they consider that the demands of the public authorities' conflict with the festival's own goals and purposes. (Table 45.)

Table 46.   Characteristics in public sector relations supporting and preventing marketisation in festival organisations

Characteristics supporting marketisation	Characteristics preventing marketisation
Values and norms: • Norm to respond to the needs of financiers. • Norms coming from public authorities guide festivals towards the market sector (e.g. financiers' recommendation to increase the share of festivals' self-financing) Practices: • Market type relationships with contracts and control. Other characteristics: • Resource dependency /demands of public financiers. • Changes in public policies that support marketisation (e.g. control mechanisms).	Values and norms: • Public authorities and festival organisations share similar non-profit values and purposes. • Norms coming from public authorities maintain traditional third sector characteristics (e.g. financiers' requirement to offer free of charge events, tax authorities' interpretations of non-profit activities) Beliefs: • Belief that the relationship between the festival and public authorities is based on trust. Practices: • Traditional grant financing relationship with little control. Other characteristics: • Resource dependency /demands of public financiers. • It is more difficult to receive public funding if a festival has economic success.

Public authorities consider arts and cultural services as a basic service and as a merit commodity, and the public sector plays a significant role in their production and organisation. One of the main objectives of cultural policy is to

promote the accessibility of culture and to enhance equal participation for all. To promote these goals, public authorities seek to secure the provision of cultural services throughout the country, for example, by financing third sector actors. An important reason for financing cultural events is to keep ticket prices at a reasonable level.

However, the demands of public authorities guide festivals to different directions. In their terms of funding, public financiers may have contradictory claims with diverse effects. (Table 46.) Public authorities may recommend that festivals increase the share of their self-financing or require cost efficiency. In state financing, the grant covers only certain eligible costs. In addition, the state grant decision defines how much of the full amount of costs incurred the grant covers. (Opetus ja kulttuuriministeriö 2016b; 2016c.) This may guide festival organisations towards an increase in market sector funding. Furthermore, in encouraging festivals to grow, an important criterion for evaluating the activity is often the size of the audience. The requirements of the public financiers also guide operations to be more professional. One of the key terms of a state festival grant is the professionalism of the operations. At the same time, festivals are encouraged by public authorities, for example, to offer free of charge events and to keep their ticket prices as low as possible. These latter claims are related to the public cultural policy aim to enhance accessibility and participation in arts and culture and, consequently, to act against the marketisation.

Although the public sector has non-profit goals and aims at promoting the well-being of residents, many public sector actors have adopted a variety of market-oriented approaches and are utilising them in their relationship with third sector organisations. A total of 37 per cent of festival organisations reported that they have a market type relationship with local authorities, and, thus, either buy products or services from the authority or sell them (Table 44, p. 155). These market-oriented approaches include, inter alia, the use of various subscriber-producer and contract management models such as competitive bidding or contract-based control. Among the festivals that responded to the survey, some had contracts regarding festival production with a local authority in 2014. These contracts defined the aims, for example, for the number of performances, the size of audience and new premieres. In addition, there were mentions about what the target audience (children and young, older people) should be.

The change from grant financing relationships to market type relationships supports competition and consequently marketisation, as festival organisations increasingly compete with other actors for public tenders (Table 46). Until now, the public authorities have not adapted many market-oriented approaches in their relationship with festival organisations. In Finland, public tendering is more common in other fields of third sector activity, such as health care.[131] Still, festivals are also growingly facing the situations where they must compete for

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[131] In Finland, the health care the organisations have growingly adapted the legal structures of business companies as the field has moved towards competitive markets (Särkelä 2016; see also Young 1998).

contracts. The organiser of Ruisrock, the oldest rock festival in Finland, changed in the beginning of the 2000s because of competitive bidding held by the city of Turku.[132] Vantaa Festivals Ltd won the bidding and organised the festival for the first time in 2001 and has been organising it ever since.

Most festivals that applied for the state festival grant in 2014 were organisations having a non-profit organisation form such as associations and foundations. There were also some public organisations that applied for funding in the same year. As the state grant is meant for activities with a wider public purpose, it is not applied by companies with a for-profit focus. However, the number of limited companies receiving a state festival grant began to increase steadily in the last years of 2010, with 2014 having the highest number: nine. (APPENDIX 3, Table A6.) Changes in public policies have partly provided grounds for this change (Table 46). First, as a part of the adaptation of new public management methods, public authorities have privatised former public activities and transformed them into a company form.[133] Second, the approaches of public private partnership or creative economy in the Finnish public policies increased popularity in the beginning of the 2000s and made the supporting of company type organisations more acceptable. After 2014, however, the number of limited companies that received the state's festival funding started to decrease, and in 2017 only three limited companies received the state grant.

In recent years, the Finnish tax authority has also refined and tightened its interpretations with regard to non-profit activities. Festival organisations' values against commercial income may be further strengthened by the fact that increased market sector activities may bring challenges for the relationship between festival organisations and public authorities (Table 46). In the festival field, the tax authorities have in recent years stated that few popular music festival organisations have moved from pure non-profit activities to for-profit business and, consequently, they have lost their tax exemption status. The financial success of the festivals has been the reason behind these decisions.[134] (See e.g. Koskinen 2007, 33–35.)

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[132] Originally the festival was organised in turns by Turun Soitannollinen Seura - association, City of Turku music board and Turun musiikkijuhlasäätiö (foundation). Each of them was responsible for organising the festival every 3 years. The city of Turku has always been the most important financier of the festival.

[133] The public Oulu City Theatre was made into a publicly owned corporation in 2012, for example. The organising of children's festival Vekara-Varkaus was in 2014 moved from the city of Varkaus to Navitas Kehitys Ltd, which is a development company owned by the city.

[134] In their tax guide to non-profit organisations, the tax authoriteis list the following characteristics that have been regarded as the characteristics of business activities in legal processes: '(…); acting under competitive conditions; repetition and continuity of operation; using a market price; focusing on an unlimited or wide group of people; scope of activity; high turnover; aiming for profit; the risk associated with organizing activities; the large amount of committed capital; use of debt; staff recruited'. See: www.vero.fi/fi-FI/Syventavat_veroohjeet/Verohallinnon_ohjeet/Verotusohje_yleishyodyllisille_yht eisoil(41421)#2.3.1 Elinkeinotoiminnan tunnusmerkit_

Previous research has shown that increased market sector income may decrease possibilities to receive public funding (e.g. Guo 2006). If public authorities cut their financing because of a festival's economic success, a festival can be forced to move towards more market-oriented ways of operating. For public authorities the growing market income often increases the public sector's need to control and regulate third sector activities. Thus, it may be a delicate balance if an organisation wants to increase its market sector income and at the same time maintain public support. These developments illustrate the difficulties public policy makers have with hybrid organisations.

5.6 Summary

This chapter has described and analysed the resources of festival organisations. The focus of the analysis has been on identifying those characteristics that support or prevent market sector oriented approaches in the use of resources.

From the results, it can be observed that most of the festival organisations are hybrids in their use of resources. In terms of staff resources, the festivals employ both paid and volunteer workforce. Voluntary involvement was defined as one of the core characteristics of third sector organisations, whereas the market sector organisations use paid employees. In many festival organisations, the number of and the need for paid staff had increased during the last years. Characteristics supporting the increasing use of paid personnel were linked with themes such as: the pursuit of professionalism, the accumulation of resources over the years; difficulty to get volunteer staff; aims for growth, development and continuity; and the demands of external stakeholders. Some festivals also expressed the belief that a festival made by voluntary staff is not appreciated as much as a festival organized by paid personnel.

It is typical for the festival productions to have several income sources from different sectors. Typical third sector income sources include dues, donations and allowances. Market sector organisations, in turn, receive their income mainly from sales and fees. The importance of market income varied a lot among festival organisations. The increasing use of market sector income was related the factors such as: the norm that a festival's financial structure is based on many different income sources and contains at least some market sector income; the belief that market sector is a good place to find new funding possibilities; and the belief that public support is diminishing. Furthermore, the bigger the festival, the more important was market sector income.

Festivals are often organised in co-operation. According to the results, the importance of co-operation had increased during the last ten years. Collaborative strategy and co-operation were identified as typical characteristics and an important resource of third sector organisations. Competition, in turn, is a manifestation of market logic. Many festivals expressed beliefs that competition has increased during the last few years. Festivals competed especially for the

attention of different audiences and for funding. The belief of increasing competition creates pressure for festivals to develop new ways to market their event, for example. Thus, besides being a manifestation of marketisation, competition is a strong mechanism that enhances marketisation.

From the festivals' responses, two main orientations towards the audience were identified: mission-oriented audience relation and market-oriented audience relation. In the mission-oriented audience relation, the emphasis of the festival organisation is on artistic or other non-profit mission and the audience is perceived as an important participant in art. The task of festivals is to help the audiences' understanding and appreciation of art. In market-oriented audience relation, the aim of an organisation is to identify and meet the expectations of a customer. The purpose of keeping the audience satisfied was interpreted as a supportive mechanism of marketisation, since it requires acquiring information about the audience, identifying the audience's needs and, consequently, responding to these needs. The adaptation of market-oriented audience relation in festival organisations was supported by the characteristics such as: the belief of growing audience expectations and festival's dependence on ticket revenue. In addition, technical development may foster market-oriented audience relation by making it easier to communicate with the audience.

It was argued that a relationship with the public sector can provide a basis for marketisation in third sector organisations and promote the adoption of different hybrid approaches. Public authorities are important financiers and partners for the festival organisations. This resource dependency and the demands of public authorities may guide festivals to apply market-oriented methods. Many public sector organisations have, for example, adopted different market-oriented approaches and are utilising them in their relationship with third sector organisations.

6 HYBRID THIRD SECTOR FESTIVAL ORGANISATIONS

This chapter brings together the results presented in earlier chapers and takes another look at hybrid third sector organisations and the characteristics and logics they manifest in their operations. Sub-chapter 6.1 presents the results of a factor analysis that was implemented with variables describing festival organiations' characteristics. First, the implementation of the factor analysis is presented. Second, three dimensions of organisational orientation resulted from the factor analysis - effective professional organisations, congenial creative communities and general interest independent actors - are introduced and analysed. The examination of these orientations and the characteristics they emphasise provide a deeper picture of the characteristics and logics of third sector festival organising.

In sub-chapter 6.2, the hybrid character of festival organising is examined more closely. First, different structural ways of accommodating hybrid characteristics within the festival organisations are examined on the basis of the model proposed by Skelcher and Smith (2015). Second, the situations where hybrid logics are causing dysfunction and challenges in festival organisations are shortly reviewed. An approach focusing on compatibility and centrality of multiple logics suggested by Besharov & Smith (2014) is also applied in order to examine why logic multiplicity may increase tension and conflicts within organisations. Finally, sub-chapter 6.2.3 brings together the empirical findings of hybridity in third sector festival organisations.

6.1 Three organisational orientations

6.1.1 Factor analysis on festival characteristics

In order to identify underlying dimensions of festival organisations and their characteristics, factor analysis was implemented with 11 variables (see question

1.14 on the questionnaire, Appendix 1). The factor analysis performed on the variables resulted in three identifiable factors: effective professional organisations, congenial creative communities and general interest independent actors. The extracted three factors explain 48 per cent of the total variance. The result of the factor analysis is presented in Table 47. (For more on completing the factor analysis, see sub-chapter 3.2.2.)

The first factor was named as 'Effective professional organisations'. In the analysis, five items were loaded under this factor. Items with the strongest loadings were 'our organisation is efficient/effective', 'our organisation is professional' and 'people are committed to our organisation'.[135] Factor one explains 28,37 per cent of the dataset variance.

The second factor, named as 'Congenial creative communities', had the strongest loadings on those items related to congeniality, creativity and communal organisation. In addition, interactivity, flexibility and democracy were loaded on factor two. Total variance explained by factor two is 11,08 per cent. Factor three, in turn, had loadings from two items. The general interest had the notably strongest loading. Factor three was named as 'Non-profit independent actors'. Factor three describes 8,38 per cent of the total variance.

The results of the factor analysis are supportive of the picture described by previous research about the third sector organisations and their development (e.g. Saukkonen 2013; Wijkström 2011). It draws a picture of the third sector as a versatile and multidimensional field of action where both amateur volunteer actors and professional organisations operate. Furthermore, it presents communality as an important dimension of third sector operations. Next, the three factors and their core characteristics are presented, and the institutional logics manifested in these characteristics are identified.

In every festival organisation, all three factors and their characteristics overlap to some degree and with a different emphasis at different times. Festivals might use different approaches towards different stakeholders. Thus, it is important to keep in mind that these three factors describe the correlating dimensions of organisations and their behaviour, not distinct organisational types.

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[135] 'Organisaatiomme on tehokas'; 'organisaatiomme on ammattimainen'; 'ihmiset ovat sitoutuneita organisaatioomme'.

Table 47.   Results of the factor analysis.

	Factors			
	1	2	3	h²
Factor 1. Effective professional organisations				
Our organisation is efficient/effective	.985			.836
Our organisation is professional	.709			.481
People are committed to our organisation	.414			.196
Our organisation is flexible	.356	.371		.442
Factor 2. Congenial creative communities				
Our organisation is congenial		.799		.498
Our organisation is communal		.612		.398
Our organisation is creative	.309	.618		.602
Our organisation is democratic		.365		.253
Our organisation is interactive		.488	.366	.612
Factor 3. Non-profit independent actors				
Our organisation is of general interest/non-profit			.912	.779
Our organisation is independent			.394	.203
Total variance explained (total 47,83)	28.37	11.08	8.38	
KMO				.697
Bartlett, Sig.				.000

Extraction Method: Principal Axis Factoring. Rotation Method: Promax with Kaiser Normalization.ᵃ
a. Rotation converged in 5 iterations.

In addition, standardised factor scores[136] for individual festival organisations were generated to provide information about an individual organisation's placement on the three factors distribution. Factor scores describe how important each factor is in each case. Negative scores indicate lower importance and positive, consequently, higher importance. Regarding the factor scores, the third factor differs somewhat from the other two factors. In the first two factors, the individual cases are divided quite equally between negative and positive scores, whereas in the third factor most cases have positive scores. (Appendix 3, Table A7.) In all, 77 organisations had a positive score for factor three, which represents the traditional third sector orientation. This means, that in most cases the 'non-profit independent actor' factor and its characteristics are emphasised in festival organizations' operations. This is of course understandable, since most organisations in the sample are associations and foundations with a general interest mission. Thus, they are not-for-profit by law. Still, these results show that the main frame for the activities of festival organisations that were included in this study still comes from the traditional non-profit activities.

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[136]   In standardised factor scores, raw scores are standardised to the same mean and standard deviation. This option is recommended for dealing with observed variables that may vary widely with respect to the standard deviation values of the raw data. (DiStefano et al. 2009, 3.)

6.1.2 Effective professional organisations

Efficiency highlights the economics of resource allocation in goal achieving. Managerial organisations are rational, that is, they aim to achieve the organisation's goals as efficiently as possible. Efficiency is here interpreted as a characteristic adapted from the market sector and as a manifestation of corporation logic. However, the Finnish word *tehokkuus* that was used on the questionnaire can also be translated as effectiveness. Effectiveness is a more mission oriented concept related with output, outcome and impact of operations. When an organisation is effective, it focuses on getting things done and achieving the desired goals. Effectiveness can be achieved also through inefficient processes, and Salamon et al. (2012) suggested it as one of the core third sector values. Thus, by understanding the word *tehokkuus* as effectiveness, it can be also interpreted as an expression of non-profit logic.

The results show that festival organisations aim for effectiveness rather than efficiency. Festivals aim for effectiveness, and fulfilling their non-profit mission was the number one priority for them. This is displayed especially in the festival organisations' mission descriptions and management priorities, which emphasised the artistic content of the festival and its implementation. Festivals considered that concentration on festival content and on the quality of the festival programme are good strategies in order to survive. The importance of professionalism can manifest the aim for effectiveness, as one characteristic of professionals is to concentrate on the quality of an end product or service and, consequently, get things done. In turn, cost and the efficient use of resources are not among the main focus areas of professional logic.

According to the responses, the emphasis on efficiency is mainly the result of the festival organisations' scarce resources. Thus, festivals are forced to be efficient, but it is not their value or priority as such. For most of the festivals the main priority was to organise their festival despite often having scarce resources (i.e. being effective), not using as few resources as possible (being efficient). Flexibility and creativity were in some cases mentioned in reference to insufficient resources. When the resources are scarce, you must be flexible and creative in organising the festival:

> Creativity and agility: when there is not much money, creativity and flexibility flourish.[137]

> You have to be more creative to face the economic challenges.[138]

Even though festivals did not aim for profit, they were aware of economic issues. Finance is an integral part of festival organising, and financial issues were a top future challenge for the festivals. Taking care of financial matters was an important priority in festivals' management. Festivals often have scarce resources, which of course affects the realisation of the event. The increase of

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[137]   'Luovuus ja ketteryys: kun ei ole paljon rahaa, luovuus ja joustavuus kukoistavat.'
[138]   'Haasteet ajavat luovempaan toteutukseen talouden mittakaavassa.'

economic considerations in the third sector field has often been interpreted as an evidence of marketisation. Festivals that participated in the survey raised fears that economic issues start guiding programme planning. Still, only a few festivals mentioned themes related to cost-efficiency in their management priorities.

In many cases, financial issues are a means to achieve the festival's real non-profit purpose. As festivals aim to fulfil their non-profit mission, an important part of the successful implementation of the project is that there is enough money to implement the planned programme. Therefore, the programme must also be planned according to existing resources. Acquiring enough funding and keeping the budget in balance are skills that must be mastered in a professional third sector festival organisation.

Figure 4 presents the main characteristics of factor 1: *effective professional organisations*. In factor 1, the characteristics with the strongest loadings were related to the organisation's effectiveness/efficiency, professionalism and people's commitment to the organisation. These characteristics express different institutional logics, which are also presented in the figure. Next, the logics behind the characteristics are discussed.

Figure 4. Effective professional organisations

The focus on professionalism and, thus, manifestations of professional logic, came out in many ways from the festivals' responses. Most festivals regarded themselves as professional. As illustrated in the research findings above, there is a strong emphasis towards professional festival production and towards expertise values in festival organisations.

Recently, lots of studies have described the professionalisation of third sector organisations (e.g. Hwang & Powell 2009). According to these studies, increasing professionalism in third sector organisations is related with, for

example, the role of the third sector as a service provider and the increasing role of recruited staff in operations (Ruuskanen et al. 2013). Although there has historically been a large number of professional organisations with paid staff in the third sector, professionalism has traditionally not been linked to the third sector. Arguments have been posed that professional activity is not part of the real third sector and that it conflicts with traditional third sector features, such as non-profit voluntary activity. It has been argued, for example, that volunteers will disappear because of the increasing requirements of efficiency. On the other hand, better and more persistently organised activities can attract more volunteers. (Kreutzer & Jäger 2010; Ganesh & McAllum 2012.)

Three dimensions of professionalism in the festival production were identified from the responses (see sub-chapter 4.2.4). First, festivals put emphasis on the importance of a professionally organised festival event. They aimed to offer a programme with high quality. In addition, professionally designed and implemented settings, such as well-functioning technology, well-planned timetables and general fluency of an event were important priorities for the festivals.

Second, organisations valued professional competence and proficiency of the staff, both paid personnel and voluntary people. The use of paid personnel reflects the strong emphasis on professionalism in festival organisations. Many festival organisations focused on the processes of recruiting, training, educating and initiating the staff. These professionalising processes were targeted both at the paid personnel and voluntary staff.

Third, professional organisation structures and processes were important for the festival organisations. When aiming for professional organisation, festivals put emphasis on issues such as spreading the information and communicating, planning and decision making, clear division of responsibilities and being consistent and systematic. In addition, financial issues mentioned already above require special expertise. In their management priorities a quarter (24 %) of respondents listed different financial issues as important. These issues included, for example, acquiring financing, cost awareness and budget knowhow. Furthermore, the organisational processes aiming for the wellbeing of the personnel can be expressions of values connected with festival organisations' professionalism.

Consequently, from the festivals' responses, strong manifestations of professional logic can be recognised. However, these manifestations of professional logic have a different emphasis and focus. In addition to actual professional logic, the professionalism of festival organisations' can also manifest or not manifest dominant third sector or market sector logics depending on what kind of professionals festivals employ and what they see as being important characteristics of a professional organisation.

In the replies of the festival organisations, professionalism is associated with a wide variety of features and logics of many institutional orders. The professionalism of the festival operations is seen to increase as the recruited staff increases. At the same time, the skills, competence and development of

volunteers, and the role of volunteers in achieving high-quality results are strongly emphasised by the festivals. The replies of the festival organisations revealed the need to recognise the professionalism in the third sector context: the ability of traditional third sector actors to make professional and high-quality activities and the professionalism and quality of the volunteer work alongside the recruited staff.

With regards to the contents of the festival, professionalism often derives from the professional criteria and quality prevailing in the field of art and culture. In that case, professionalism is a central part of a non-profit artistic mission and, thus, as a part of the independence of non-profit logic. By emphasising professionalism, festivals strive for independence, building trust, achievement, success and survival. For festival organisations it is important to be able to define and decide about their artistic and cultural priorities independently. In this way they reflect their independence and autonomy as third sector actors to act without the influence of external actors, their professional autonomy as a guardian of the high-quality art and the autonomy and intrinsic value of art.

In the management priorities of the festivals, one can identify professionalism related with the corporate or market logics. This means that festivals have adopted market sector management models in their operations. Management professionalism in festival organisations is often equated with business and management skills and practices. This understanding of professionalism guides festival organisations in their pursuit of professional festival organising and can be a supportive mechanism of marketisation. Still, even though the management models applied from the market sector, such as hierarchies and aims for growth, can be interpreted as evidence of marketisation, the interpretation is not so simple to make. Hence, the question is: if these management models are there to help to carry out the non-profit mission, i.e. there is non-profit logic behind the action, are they a sign of marketisation or a part of third sector professionalism?

In their management and organisational processes, festivals also stressed the various areas of competence that reflected the community logic. In their management, an important priority for the festivals was to keep workers (both paid and voluntary) contented and happy and put emphasis on good working atmosphere, community and relations between the staff. This includes issues such as encouraging, supporting and thanking personnel. In addition, the democracy and equality between all actors were mentioned.

Commitment was also loaded on factor one. Commitment in festival organisations can refer to people being committed to the organisation's non-profit mission and to the fulfillment and commitment of the organisation in general. Because of their temporality and use of voluntary workers, festivals have special challenges in maintaining staff commitment. Many festivals prioritised staff management in their operations. In their management priorities, festivals aimed to keep workers content and happy and, consequently, committed to the organisation. The emphasis was placed on voluntary workers satisfaction.

Commitment to community values and ideology forms an integral part of community logic. However, commitment is often regarded as a central dimension of professionalism as well, and committed personnel comprise an important foundation for a professional organisation (e.g. Suddaby et al. 2009). A professional worker is committed to an organisation and its purpose. Thus, committed personnel can be interpreted as an expression of professional logic as well: 'Engaging project personnel and maintaining professionalism is vital.'[139]

6.1.3 Congenial creative communities

The items loaded on factor two strongly manifest community logic. Congeniality, communal focus, interactivity and democracy are all core elements of community logic. People in the organisations that emphasise this dimension share the enthusiasm regarding the common mission. In the case of festival organisations, the mission is often related to artistic and cultural goals. (Figure 5.)

Figure 5. Congenial creative communities
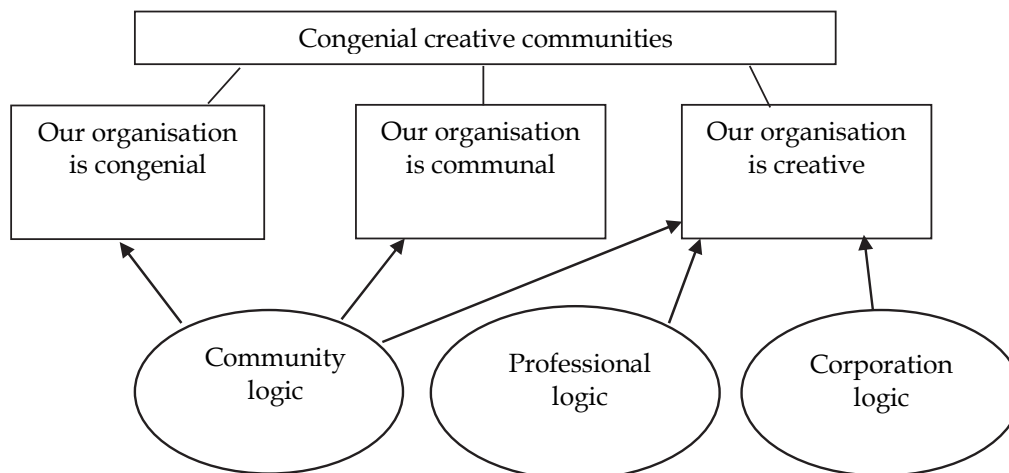
The festivals' responses mentioned communality from many different perspectives. Festivals emphasised interaction, partnership and co-operation in their operations. They also mentioned themes such as accessibility, free-admission, community, inclusion, interaction and crowdsourcing in their management priorities. Openness, transparency, tolerance and trust are terms that can be found in the festivals' management priorities. Festivals stressed various areas of competence that emphasised the development of community. In their management, an important priority was to keep workers (both paid and voluntary) content and happy and to put emphasis on good working atmosphere, community and relations between the staff. Respondents also emphasised friendliness, fairness and joy. This includes issues such as encouraging,

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[139] 'Projektihenkilöstön sitouttaminen ja ammattimaisuuden ylläpito on elintärkeää.'

supporting and thanking personnel. Democracy and equality between all actors were mentioned. Many festivals emphasised the good and communal atmosphere in the event, as well as the interaction with the audience and the artists.

Congeniality, in turn, was referred to in festival responses especially in relation to shared enthusiasm regarding the festival mission. A few festivals emphasised in their management priorities the need to hire people that share similar ideas and values.

Creativity is the ability to create something new. It is difficult to place creativity on the system of institutional orders. The expectations of innovation and creating new ideas are inherent to managerialism. In that sense, an organisation's creativity expresses corporation logic. However, creativity is also a core part of the community logic as communities are a source and a platform for new ideas to grow, and many third sector organisations are developed out of community initiatives or around new ideas. In addition, creativity is regarded as an important skill in many professions. It is the core part of artistic work and artistic professionalism. In that way, it reflects the professional logic in the context of the arts and cultural field.

Promoting creativity is valued by the festival organisations. In their mission descriptions, festivals aimed for high-quality art and creating and presenting new art. The festivals aimed to support artistic work by providing a platform for artists to realise their own artistic visions. Artistic freedom and creating new art were important for the festivals. Furthermore, festivals acted as places for artistic education.

In their management, festivals prioritised issues related to artistic and cultural program, its quality and genuineness. Festivals emphasised artistic and cultural content and relationships with the festival's artists. The satisfaction of festival artists and communicating with artists were mentioned as important management priorities. In their future strategies they focused on developing the festival programme and content. Festival artists and peers from the artistic or cultural field were among the most important stakeholder for the festivals. This reflects the importance of the creativity and artistic goals.

Creativity was also mentioned as a reference to the creative work the organisation is undertaking when producing the festival and to the creative people in the organisation. As already argued earlier, creativity is a core part of artistic work and professionalism, and in that way it reflects the professional logic in the context of the arts and cultural field. From the managerial perspective, creativity is an important skill to manage an organisation with an unsecure and changing operational environment. When managing change and progress, festivals aimed at creative solutions. In their management priorities, festivals referred to such things as the 'courage to try new things', 'breaking the boundaries' and the 'creative atmosphere of an organisation':

Developing activities every year requires creativity and daring to carry out new innovative activities, (…).[140]

By emphasising creativity, there can also be managerialist ideas of creating new and constant development. The majority of festivals argued that they are in a continuous renewal process. Festivals felt that only by developing and creating new innovations they can survive in the future.

6.1.4 Non-profit independent actors

This factor reflects in many ways the traditional third sector organisations and definitions. Not-profit distribution, non-profit mission and independence are the core features of the third sector. Consequently, this factor and its characteristics manifest strongly the non-profit logic. However, the aim to emphasise independence also reflects professional logics. The characteristics of this factor were reflected in the main frame of operations in most of the festival organisations. Festivals' non-profit orientation was displayed especially in their mission descriptions. Most of the festivals had goals related to the wider impact on communities and society and on the arts and cultural field. (Figure 6.)

Figure 6.   Non-profit independent actors
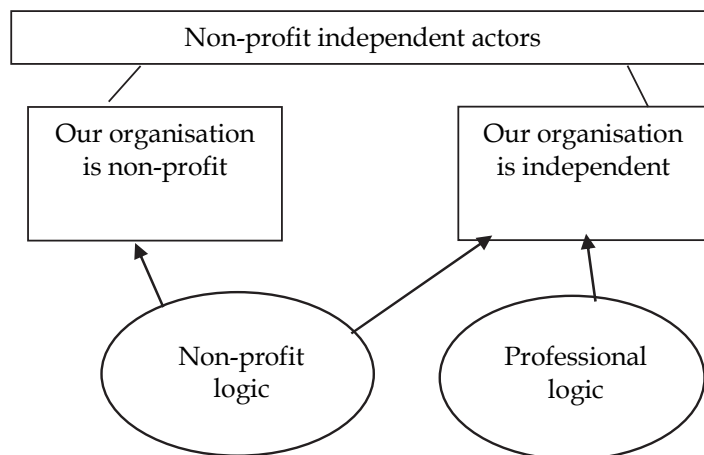
Festivals' missions are mostly aimed at artistic and cultural goals and, consequently, express enriching values. Most commonly, festivals aimed to produce a high-quality artistic event or work that contributes to a certain field of art. Artistic freedom and producing new and innovative events was important for the festivals. Furthermore, festivals aimed to meet audience expectations, to produce shows that the audience enjoys and to provide entertainment value for the audience. There were different social value dimensions mentioned in festival

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[140]   'Kehittämistoimet vuosittain vaativat luovuutta, uskallusta uusien innovatiivisten toimintojen haltuunottoon, (…).'

organisations' missions as well, such as striving for the community, participation, accessibility and interaction. In addition to the above mentioned value dimensions, ecological values (the beauty and wellbeing of nature), ethical values (moral rights), values of justice (democracy, equity) and spatial values (locality, local development, internationalisation) can be found in the festivals' missions. (For more about the values, see e.g. Niiniluoto 1994.)

Furthermore, the strong reliance on voluntary work in the festivals' activities is a manifestation of non-profit logic. Voluntary workers are an important resource for the festival, and they put emphasis on voluntary workers' motivation and well-being. The importance, appreciation and emphasis of public or third sector sources of funding are also evidence of non-profit orientation. Many festivals were rather anti-commercial and argued that it is not good for the festivals' future to rely too much on market sector income.

In many ways, public sector activities support the existence of the traditional third sector, give it a strong legitimacy and thereby strengthen and maintain sectoral borders. When presenting their ideas and concerns about financing and economic issues in general, festivals often pointed to public funding. This can be seen as evidence of non-profit logic rather than a corporate logic, even though the increasing awareness of economic issues has often been interpreted as a manifestation of the corporation logic and managerial approach adopted from the market sector. Although public support for arts and culture has been increasingly questioned in Finland in recent years, public support for third sector actors has remained relatively strong; also in the case of festivals (e.g. Ministry of Education and Culture 2017; Herranen & Karttunen 2016).

According to the responses, the festivals considered the aim to be independent as important. Festival organisations wanted to be able to define and decide their artistic and cultural priorities independently. In their responses, festivals emphasised their autonomy as a guardian of the high-quality art and the autonomy and intrinsic value of art. To guard their independence, festivals also sought to cooperate with the partners whose needs are not in conflict with their own goals. The majority of festivals argued, for example, that the demands of public authorities have had no effect on the organising of the festival or its contents, and their relationship with public authorities is based on trust.

The emphasis on professionalism can be interpreted as the pursuit of independence. By emphasising their professionalism in the field, festivals make a statement that they are capable of deciding about their operations. Consequently, independence also reflects professional logics. Professionals, because of their expertise and their commitment to performing good work to a high standard rather than concentrating on economic gain, have been regarded as proponents of the values of autonomy and independence.

Still, festivals were very much resource dependent. In addition, they had resources from many different sources and sectors. Can festivals be independent when they need to meet the requirements of different stakeholders? It seems that for many festivals the most important thing was to be independent in relation to their artistic and cultural mission. Festivals valued public support as an income

source because they felt that the requirements of public financiers are not in conflict with festivals' own goals and purposes and that the requirements have not affected the festival content. Instead, some festivals considered the large share of market sector income in festival financing as a threat to autonomous art and taking the festival programme towards a more popular content.

6.2   Coping with multiple logics

6.2.1   Accommodating hybrid logics

As argued before, the festival organisations' operations are characterised by multiple logics. This variety of logics derives, for example, from a multifaceted resource environment and diverse claims of different stakeholders (Greenwood et al. 2010). Consequently, coping with hybrid practices and logics has been, and still is, the normal state of affairs in many festival organisations.

Consciously or unconsciously, festivals use different approaches to mediate and to regulate relationships between different sectoral characteristics and to deal with hybrid logics in their everyday operations. This chapter identifies and analyses these different approaches festivals use in dealing with this kind of hybridity; that is, with multiple logics within an organisation. Festival organisations are here considered capable of actively taking part and contributing to processes that produce, maintain and reproduce different institutional logics (Meyer & Rowan, 1977). Even though organisations are targets of institutional pressures, simultaneously they are able to deal with different logics, to put them into context of their own formal structures, cultural frames and history and, furthermore, to make them productive for their goals (Besio & Meyer 2014, 237–243).

Festival organisations used different structural arrangements to manage multiple logics and to deal with hybridity. Some festival organisations, especially the bigger ones, used segmentation in which functions oriented to different logics were compartmentalised within the organisation. There were, for example, separate marketing department in an organisation (Skelcher & Smith 2015). However, most festival organisations were smaller and did not have separate departments for different areas of responsibilities. Instead, the responsibilities were divided between different people: the artistic director was responsible for a festival's artistic programme, and the executive director took care of economic and operational issues. There were many small organisations in which one person was responsible for all the management and coordination of the festival organising: '[We have] a small organisation. That's why I alone must take care of all the arrangements and organising: programme, marketing and finance.'[141] How these people respond to competing institutional logics depends on the

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[141]   '[Meillä on] Pieni organisaatio, joka johtaa siihen että lähes yksin joutuu kantamaan järjestelyt mm. ohjelmaan, markkinointiin ja talouteen liittyvät.'

degree of knowledge they have about each logic and their attitudes towards these logics. It has been argued that different logics carried by an organisation's members may cause conflicts and tensions inside the organisation (e.g. Glynn 2000). This was not the subject of this study, but it certainly poses important and interesting questions for future research. [142]

In addition to compartmentalisation inside an organisation, there were festival organisations that were part of a larger group of organisations that formed affiliated entities or distinct subsidiary operations (e.g. Smith 2014, 1497). Here, operations were divided under more than one legal type, with each being responsible for a particular part of the activities in organising the festival or contributing to the wider objectives. In some festivals the organising of different activities was divided under separate organisations. Most often there was an association that was responsible for organising the actual festival event. Alongside the association, and often owned by the association, there was a limited company that was responsible for the product sales and other commercial activities of the festival. The separation of different activities under separate organisations demonstrates that festival organisations actively deal with different logics and organise them in order to make them productive for their goals. One important reason behind the division of activities under separate organisations is the pursuit of maintaining tax exemption status.

Having different functions located within distinct but interconnected organisations is an example of segregated hybridity, which is one structural way of accommodating institutional pluralism within the operations. According to Skelcher and Smith (2015, 441), segmentation is likely to transform into segregation as the scale and commercialisation of fundraising increases. This is a process that Billis (2010, 61) terms 'organic hybridization'. This is the case also with festival organisations. Those festivals that had divided different activities under separate organisations were often quite large events with significant income from the ticket and product sales.

Festivals also used networks and co-operation to cope with different logics. As argued before in this study, festivals are often organised and produced in co-operation with one or more partners and by cooperation networks. These networks and partnerships can be a way to cope with different logics. Festivals may concentrate on non-profit activities and have different partners to organise commercial services during the festival. Many festivals outsourced restaurant sales to partners outside the actual festival organisation. As hybrid practices often require special knowledge, having different partners for different needs reduces festival organisations' need for spreading their activities into areas they are not really familiar with:

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[142] Individuals' reactions and responses to different logics are examined for example by Pache and Santos (2013).

> There are plenty of product and restaurant sales in our event. The revenue doesn't come to us but remains in the hands of the event restaurants or publishing houses selling books.[143]

In assimilated hybrids, the core logic adopts some of the practices and symbols of a new logic. Still, the core logic dominates the operations. Rather than compartmentalising the logics, a selective incorporation of each one's elements occurs. A blended hybrid, in turn, represents a synergistic incorporation of elements of existing logics into a new and contextually specific logic. (Skelcher & Smith 2015.) Similarly, Billis (2010) uses the terms shallow and entrenched hybrids to describe the degree of hybridity in third sector organisations.

In their everyday practices festivals employ both voluntary and paid staff, acquire financial resources from many different sources, use managerial approaches copied from the market sector and have partners from all sectors of society. From this perspective festivals are assimilated or blended hybrids and have adapted, at different levels, elements of market sector logics in their activities. In assimilated hybrids the original third sector logic remains dominant. Festivals have some amount of market sector income, but most of the financing still comes from the traditional third sector funding sources.

The aim behind an assimilated hybrid can also be to gain legitimacy in the eyes of external stakeholders. In their relations with external stakeholders, for example with sponsoring companies, festivals may reflect the expectations of the stakeholder and, for example, use the market sector language in their communication with the stakeholder. However, in their everyday operations festivals continue to act in line with dominant third sector logics.[144] In a blended hybrid, in turn, an organisation incorporates or merges elements of different logics into a new and contextually specific logic. The way how most of the festivals used both paid personnel and voluntary staff, and sometimes even switched the logics from paid personnel to voluntary work or vice versa depending on the resources, is rather extraordinary compared to ideal models of any other sector of society.

6.2.2 The pursuit of one core logic and logics compatibility

There can be inherent tensions between different institutional logics in hybrid organisations. The characteristics of different sectors are often quite far from each other. Putting the different values, motivations and behavioural aspects together is quite challenging and might cause conflicts inside organisations. Earlier research has described that conflicting logics create tension and contradiction in an organisation (e.g. Glynn 2000; Hwang & Powell 2009). Sometimes an

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[143]   'Tapahtumamme yhteydessä on kyllä runsaasti tuote- sekä ravintolamyyntiä, mutta niiden tulot jäävät tapahtumaravintoloihin sekä kirjoja myyviin kustantamoihin eivätkä kulje meidän kauttamme.'

[144]   Translation and endogenising emphasise that organisations always transform institutional logics in accordance with their own internal dynamics, into something they can deal with (Besio & Meyer 2014, 242).

organisation fails to cope with this tension and to resolve contradictions between different logics. This, in turn, may cause organisational dysfunction and challenges the relationship between a third sector organisation and its external stakeholders.[145]

One factor behind the implications caused by multiple logics is related to the compatibility of different logics. Consequently, different logics are providing contradictory or compatible prescriptions for action. If the logics are guiding towards different directions, it is likely to cause conflicts. The number of different logics that are core to organisational functioning, i.e. logics centrality, has an effect on what implications multiple logics have. If there is only one core logic within an organisation and others are more peripheral, it is likely to cause less conflict than in a situation where there are several logics core to an organisation's functioning. (Besharov & Smith 2014.)

According to the responses, festivals had an aim to operate in accordance with one core logic. In addition, they tried to avoid logics that conflict with their core logics. Some festivals, for example, expressed concerns that ticket sales play too large a role in their income generation. They emphasised public funding as a tool to maintain their non-commercial festival programme. Consequently, even though ticket sales and other market income was important for many festivals, they did not want it to play a too central role in their operations. This was because market logics would then start guiding festivals' actions and decision making too much. However, those festivals that operated in more commercial fields, such as popular music, emphasised market sector income more. This supports the argument that festivals aim to use the logics they find most compatible with their operations.

The adaption of new logic often takes place in situations where social structures, regulations, norms and meanings of the field are already established and institutionalised. Developing a more professional organisation and growth in the employment of professional paid personnel may cause tensions in an originally voluntary organisation if the core logic inside an organisation changes. Some research results indicate for example that in many third sector organisations employment satisfaction has decreased because of new management processes (Ruuskanen et al. 2013.)

The professionalisation of festival production has increased the demands and skills required from festival organisers and persons working for the festival organisations. Organising a festival nowadays demands skills and time that voluntary people do not necessarily have or are not willing to contribute. Many festivals expressed problems in acquiring enough voluntary workers. Several festivals that answered the questionnaire referred to the situation where long-term voluntary festival organisers are leaving the organisation, and festivals are facing increasing challenges to get people to continue their work. Many present

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[145] In their model, Skelcher and Smith (2015) call this blocked hybrid.

volunteers are already very busy and stressed with their daytime job. [146] Furthermore, if the demands for skills and the time needed for voluntary activities are increasing, people are not willing to do voluntary work anymore, but instead they expect to have a salary also from their third sector activities:

> Our long-term festival organisers are leaving the festival, and transfering all their know-how to new volunteers has been very difficult. The main reason is, of course, that they have other jobs that define their everyday life.[147]

When an organisation moves towards market-oriented ways of doing, this development can affect the nature of volunteering and have an effect on the volunteers' level of commitment (e.g. Paine et al. 2010). This came out from this study as well. In festival organising, the voluntary work has, at least partly, become a resource that must be managed in order to reach the desired outcome. Volunteers are not necessarily members of an organising association – as they often were in older times - or in other ways connected to the organisation. The group of people volunteering for the festival production may change every year. Festivals put a lot of effort into educating voluntary workers and keeping them satisfied. In their responses, representatives of festival organisations mentioned, for example, 'the large amount of resources' that are needed to recruit and train voluntary workers. Festivals announced and marketed the availability of voluntary positions in their marketing and on their information channels. People willing to volunteer, then, find the most interesting positions.

Being a professional organisation was important for the Finnish festivals that participated in this study. Festivals regarded professionalism as an important part of their operations and vital to the survival of the festival in the future. In their responses, it was possible to identify both conflict and compatibility in relation to professionalism and third sector logics. When identifying different logics behind professional activities, it can be seen that the implications of professionalism are partly linked with the compatibility of different logics. In some cases, the demands of professionalism are in conflict with voluntary activity. Organising a professional festival event demands a lot of time and many competences. If festival organisers have to organise everything on a voluntary basis, it is rather expected that, at one point, they will become tired. Thus, if professionalism in a festival organisation is manifesting, for example, corporate logic by emphasising growth, efficiency and control, it may conflict with the core third sector values and voluntary work. This may cause contradictions within the organisation and make volunteers leave.

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[146] Previous research has recognised the difficulty to get volunteers as one major challenge of third sector organisations. Individualism, prosperity and a consumer centred life style, difficulty to distinguish work and free time and busy work life have been identified as reasons behind this development (e.g. Koski 2012; Stranius 2009; see also Hustinx et al. 2010).

[147] 'Pitkäaikaiset festivaalin toteuttajat ovat jäämässä pois ja koko sen tietotaidon siirtäminen uusille vapaaehtoisille on ollut erittäin hankalaa. Suurin syy on luonnollisesti siinä, että jokaisella on muut työt jotka määrittelevät arkea.'

However, more persistently and professionally organised activities were also regarded as attracting voluntary workers. The situation, where volunteers are thriving in a more professionally organised festival, can refer to the professional competences associated with strengthening the community and thus the professionalism supporting the traditional features and logics of the third sector. Many festival organisations, for example, put a lot of effort into recruiting and training volunteers and keeping voluntary workers satisfied. Festivals also focused on joy and comfort in the festival community. The results of this research support the importance of the compatibility of different logics in order to operate fluently. Of course, the implications of professionalism on volunteering cannot be reduced to the organisational level and organisational logics only; it is always a question of voluntary people and the versatile values and motives they have behind their actions.

Increased market sector activities may bring challenges for the relationship with external stakeholders. If a festival becomes economically too successful, it may lose its tax-exempt status. For public authorities, growing market income is often a sign of commercialism and, consequently, it may increase the public authorities' need to control and regulate third sector activities. This conflicts with the independence emphasised by non-profit logic. However, a clear majority of the respondents disagreed or strongly disagreed with the statement that the state or local authorities are controlling festivals' operations too much. A few festivals that mentioned too strong control were mainly referring to laws and regulations that are causing challenges to festival organsing.

Public authorities and festival organisations are in many ways aiming at similar non-profit goals. The compatibility of these goals came out from the responses as well. The majority of festivals disagreed with the statement that the demands of the public authorities are in conflict with the festivals' own goals and purposes. Festivals also strongly disagreed with the statement that the demands of public authorities have affected the artistic or cultural content of the festival; or the organising of the festival in general. Furthermore, festivals agreed that their relationship with the public authorities is based on trust. The considered value of public funding and strong relationships with public authorities, thus, reflects the festival organisations' aim for logic compatibility. However, festivals' seeming compliance with the demands of public authorities may also be a manifestation of decoupling; a situation where a festival integrates the public authority's expectations at the visible level of operations, while, at the same time, continuing to operate according to their own core purpose and goals. (Meyer & Rowan 1977.) The positive externalities of festival activities, such as the visibility and vitality of the local community, are often the ones that, for example, local authorities are striving for. Thus, an important skill, for example, in applying for a grant is to know how to describe the festival and its purposes so that they are compatible with the financier's requirements and objectives.

6.2.3 The importance of core prime sector logics in hybrid organisational forms

This research shows that market-oriented practices do not necessarily spread to festival organisations without the organisations themselves having any chance to influence them. Festivals and people working within the festival organisations interpret institutional pressures and logics from their own points of view. They work actively with the hybrid operating models and try new ways to operate in order to face uncertainty and prepare for the future. They have different structural arrangements to cope with hybrid logics and to distinguish market-driven activities from non-profit operations. In festival organisations studied in this research, functions oriented to different logics were often compartmentalised within the organisation, or different responsibilities were divided between different people or between distinct subsidiary operations. Festivals also organised operations with external partners and in co-operation. Restaurant sales were outsourced to the partners outside the actual festival organisation, for example. In their everyday operations, most of the festivals had adapted at least some elements of market sector logic. They selectively assimilated new elements alongside the core logics that came from the third sector. In some cases they also used hybrid practices not typical to any other sector of society: the use of both paid personnel and voluntary work is a hybrid practice that can be regarded as a special third sector characteristic.

Common to all mentioned ways that festivals used to cope with hybrid logics is that festivals still strongly emphasised the significance of typical third sector characteristics. This is what they did especially in those areas in which they had more hybrid practices or structures. Even though the significance of market sector income, especially ticket sales and business co-operation, had increased, in the responses of festival organisations respondents emphasised the vital importance of public funding. Some festivals referred to public funding as a source of resistance to commercialism that enables them to keep their activities characterised by non-profit logic. Even though the amount of public funding may be even less than income from ticket sales, it was still regarded as a more important income source.

Similarly, even though they strongly emphasised the importance of personnel in general, many respondents especially mentioned the role of voluntary workers and how important it is to appreciate their work and to take care of their wellbeing. Despite the growth in the number of paid personnel, voluntary workers still have a vital role in festival organising. This was apparent from the responses. Among the festivals that responded, there were only four that stated that they do not use any voluntary work. Furthermore, some festivals actively resisted the adaptation of market sector logics. One festival, regardless of the pressures to acquire additional financing, wanted to stick to the policy of having a free admission festival: 'Everything has increased but we have wanted to keep the festival free of charge.'[148]

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[148]   'Kaikki osa-alueet ovat paisuneet, mutta pääsymaksuttomuudesta on pidetty kiinni.'

One rather prominent characteristic of festival organisations' hybridity is that they were mainly hybrid in terms of their means; that is, the actions by which the main purpose or goal can be achieved. In terms of their core mission and values, festivals still emphasised characteristics and logics typical to the third sector. Based on this research it is not possible to say how conscious this strategy is towards hybridity, but it certainly reflects the arguments made by many scholars recently that, in order to survive in the world where sector borders are increasingly becoming blurred, it is vital for third sector organisations to uphold their core values (Salamon et al. 2012).

The issue is closely linked with the concept of organisational identity that in recent decades has been growingly studied as a key factor that situates the organisation in a given context, to delimit a set of cognitions, effects and behaviours and as a concept to help to understand organisations' behaviour (e.g. Albert & Whetten 1985; Ashforth & Mael 1989; Gioia et al. 2000; Puusa 2007). Albert and Whetten (1985) have defined organisational identity as something that is central, enduring, and distinctive about an organisation's character. An organisation's core mission and values are an important part of its identity. Organisational identity and identification might act both as a driving and a resisting force in a change. A strong identity might help an organisation to deal with hybrid practices inside an organisation and pressures coming from the external environment.

The fact that hybrid characters mainly concentrated on festival organisations' practices or resources, while at the purpose level the traditional third sector logics dominated, indicates that it is significant as to whether the hybridity in organisations takes place at the purpose level (ends) or in relation to means that are pursued in order to achieve the purpose(s). When operating in the area between the third sector and the market sector, a difference should be made between those organisations aiming at the market sector's ends, thus profit making, but using third sector means and those organisations aiming at non-profit's ends but adapting approaches (means) from the market sector. For example, economic issues were important to festival organisations, and they aimed for economic stability by acquiring additional financing from the market sector and so on. Nevertheless, these goals were rather related to means and defined the route for festivals to reach their actual end goal(s).

Based on the results of this study, the organisation's prime sector is an important factor in determining the functioning of hybrid organisations and its position in the sectoral field. When referring to hybrid organisations and defining them, it is appropriate to add reference to the organisations' prime sector in order to express their ultimate purpose even though they have adopted hybrid models and approaches. An organisation's values, purpose and goals ultimately distinguish it from other organisations. Organisations may adapt similar practices and means but aim for very different ends.

Table 48 presents the significance of the prime sector in defining hybrid organisations. In an ideal (A1) or lightly hybrid (A2) third sector organisation, the purpose and values reflect exclusively or dominantly the characteristics and

logic of the third sector. Furthermore, it utilises the typical third sector's means to achieve its purposes, while similarly it may have adopted certain market sector characteristics and logics.

As the organisation moves towards more entrenched hybridity (field C), its goals still mainly reflect the third sector's values and logics, but at the means level it has growingly adopted different market sector approaches (Billis 2010, 59–69). If the goals and values embodying the logics of the market sector begin to control the organisation's operations, it can be stated conclusively that it is no longer a third sector organisation and instead is a hybrid (field B) or ideal (field D) market sector organisation.

Table 48.   Hybrid organisations and sector of origin.

	Organisational purpose and values reflect exclusively or dominantly third sector characteristics and logic	Organisational purpose and values reflect exclusively or dominantly market sector characteristics and logic
Organisation's means reflect exclusively or dominantly third sector characteristics and logic	A1) Ideal third sector organisation or A2) Hybrid third sector organisation (shallow)	B) Hybrid market sector organisation (entrenched)
Organisation's means reflect exclusively or dominantly market sector characteristics and logic	C) Hybrid third sector organisation (entrenched)	D1) Ideal market sector organisation or D2) Hybrid market sector organisation (shallow)

Still, particular characteristics may have more capability to lead an organisation towards market sector oriented ends, as well as cause conflicts in originally third sector oriented festival organisations. If an organisation acquires most of its income from the markets, it has also to satisfy the demands of those markets, regardless of whether they are the festival audience or companies sponsoring the festival. Now, most festivals still argued that the best way to succeed in the future is to focus on festival content. However, they also expressed the belief that for the audience quality content is not enough anymore, but the audience demands extra services and experiences. This can take festivals' focus away from its core mission.

The relationship with public authorities may also considerably affect festivals' market orientation. If a festival has to compete for service contracts or if municipal funding is only available under certain terms, the festival organization's ability to have control over its own activities may decrease. This conflicts with the traditional understanding of what means an independent third sector actor; one that has the independence to decide its own purposes and operations and that may cause contradictions in an organisation.

6.3 Summary

This chapter has brought together the empirical results presented in earlier chapters and discussed the characteristics of hybrid third sector organisations and the logics they manifest in their operations. First in the chapter, three dimensions of organisational orientation resulted from the factor analysis were introduced and analysed. These three dimensions - effective professional organisations, congenial creative communities and general interest independent actors – and their characteristics overlap to some degree in every festival organisation. Thus, they are not distinct organizational types but describe the correlating dimensions of organisations and their behavior.

The results show that it is important to pay attention to the logics behind the characteristics of an organisation since the same observable characteristics may have different logics behind it. By emphasizing professionalism, festival organisations express professional logic, but professionalism in festival organisations can also manifest typical third sector or market sector logics depending on what festival professionals see as being important characteristics of their work.

Festivals had adapted, at different levels, elements of market sector logics in their activities. They used different structural arrangements to manage multiple logics and to deal with hybridity. In some festival organisations, functions oriented to different logics were compartmentalised within the organisation (segmentation). Having different functions located within distinct but interconnected organisations is an example of segregated hybridity. Festivals also used networks and co-operation to cope with different logics.

An approach focusing on compatibility and centrality of multiple logics suggested by Besharov & Smith (2014) was applied in the analysis to examine festival organisations hybridity. Festivals had an aim to operate in accordance with one central logic. The results also revealed the importance of the compatibility of different logics in order to operate fluently. Festivals with a strong non-profit orientation, for example, emphasised public funding and did not want market sector income to play a too central role in their operations.

According to the results, festivals are mainly hybrid in terms of their means; that is, the actions by which the main purpose or goal can be achieved. In terms of their core mission and values, festivals emphasised characteristics and logics typical to the third sector. In the chapter, it was argued that one important approach for festival organisations to cope with hybridity is to emphasise the significance of typical third sector characteristics and logics. An important conclusion was that sector indeed matters.

7   CONCLUSIONS AND DISCUSSION

This study has examined Finnish art and cultural festivals as part of the third sector and its transformations. The starting point for the research has been the idea that society is divided into three relatively distinct areas of activity, i.e. separate sectors: the public sector, the market sector and the third sector. According to this understanding, each of these sectors has specific characteristics and core logics guiding its activities.

From this sector perspective, this research has contributed to an academic and to wider societal debates on the importance of separate sectors in the operations of organisations, on the definitions of sector specific features and on the setting of boundaries between sectors. An important starting point for this research has been the idea of a blurring of sectoral boundaries, which in the research literature is often referred to as hybridisation. Studies on hybrid organisations have shown that cross-sectoral diffusion and the erosion of boundaries between the sectors are challenging the traditional definitions and characteristics attached to the three sectors. It has even been argued that, because of hybridisation, the sectors as we traditionally understand them disappear, and the division of society into separate sectors is no longer a relevant way to conceptualise society and its institutions.

Third sector organisations have been seen as particularly vulnerable to hybrid development due to their diverse and cross-sectoral stakeholder relationships. As organisations in the third sector often receive funding from many different sources, for example, they also must be able to operate in relation to - sometimes contradictory - requirements of these funders. The general question of the research is related to this debate on hybridisation: Does the current situation of the Finnish third sector's organisations give support to ideas about the progress of hybridisation? Can the literature's findings be clarified on the basis of Finnish material? How should the third sector's development actually be explored?

The research targeted organisations that produce art and culture festivals in Finland and that applied for state funding in 2014. The multifaceted festival field was regarded as a good representative of the diverse third sector

organisational field and, consequently, as a good research object in order to solve the research objective. The festivals included in the study represented many areas of art and culture and both non-profit and commercial art forms. The data contained both old festivals that were established several decades ago and new events that had existed for only a few years. Furthemore, there were festivals with tens of thousands of audience members and very small festivals. Some festivals were organised by voluntary staff only, others had paid personnel as well. Most of the festivals involved in the research were non-profit associations and foundations in regard to their organisational form. The few for-profit organisational forms included in the data were at least partly non-profit oriented in their operations.

Festival organisations and their operations were studied in relation to ideal sector-specific characteristics. In the research literature, ideal characteristics for third sector actors and characteristics that distinguish third sector actors from market sector organisations are defined as follows: non-profit orientation; voluntary work; revenue generation first and foremost from dues, subsidies and donations; and a commitment to a non-profit mission. The third sector is considered to express various social and altruistic values in its activities such as enriching, caring and empowering values. The following features are considered as ideal for market sector organisations and distinctive from third sector actors: profit seeking; the use of recruited staff; income generation mainly from sales and fees; and an emphasis on market forces and individual choice as the basis for action. Market sector organising is characterised by efficiency and rationality.

The study also applied the idea of the institutional logics dominating each sector. Institutional logics are patterns of material practices, values, norms and beliefs. From societal level institutional orders, community logic was considered to constitute an important core for the third sector activities. In addition, non-profit logic was added to the framework of institutional orders to complement the central governing logics of the third sector. Market sector actors, in turn, were considered to express the logics of market and corporation.

The empirical part of the research asked, first, what kinds of organisations produce arts and cultural festivals in Finland. As the prime sector of festival organisations was considered to be the third sector, the first part of the analysis concentrated on the characteristics of the third sector. The prime sector approach suggests that each sector has distinctly different characteristics and logics in relation to broad generic structural elements, such as the need for resources, which are common to all organisations. In the analysis, the focus was on both the characteristics traditionally associated with the third sector and on new features illustrating the development of the third sector. The other main questions of the study were to examine the marketisation in festival organisations as a form of hybridisation. This means that non-profit third sector organisations manifest characteristics and logics typical to the market sector in their operations. The study investigated how market sector logics manifest in festival organisations, why market sector oriented characteristics and logics are adopted by festival

organisations and how plural logics are accommodated within festival organisations.

The empirical data of this research consists of answers to an internet survey. The questionnaire was targeted at 233 festival organisations applying for the state festival grant in 2014. The state grant is meant for activities that have a wider public purpose, such as promoting the arts and culture or society in general. It is one of the most important public sources of finance for Finnish festival organisations in the field of arts and culture. The survey produced a total of 104 responses, yielding a response rate of 45 per cent. The respondent data represented relatively well the total sample of state grant applicants and, thus, provided a good basis for analysis. The results of the survey were analysed by using qualitative and quantitative methods.

7.1   Festival as third sector organisations

Festivals make a very heterogeneous group of organisational actors. In their operations, these organisations are influenced by many other than only sector-based characteristics and logics. Still, it became apparent in the research that the third sector as their prime sector provides an important source for festival organisations to reflect their activities and build their identity. Consequently, characteristics and logics associated with separate sectors and their own prime sector seem to play a strong role in how organisations see their role in society, how they justify their activities and what behavioural patterns and values they adopt in their operations. Thus, the prime sector of the organisations, in this case the third sector, forms a strong foundation that governs the behaviours of organisations.

The results of the study do not support ideas of the disappearance of sector boundaries or of the role of the separate sectors in organisations' operations. On the contrary, the empirical analysis supports a general theorisation of the third sector as a separate sector with its own specific characteristics and logics. Based on the results, the third sector and its associated features still form a strong basis for festival organisations' behaviour. Traditional third sector definitions and characteristics still reflect well the reality of festival organisations.

Festival organisations expressed characteristics typical of the third sector and identified with the third sector's characteristics in their operations. At the heart of the festivals' activities was a non-profit mission that, in the case of festival organisations operating in the Finnish field of arts and culture, is often related to artistic and cultural goals. In their missions, festivals also aimed for communality and interaction. In addition to the communality of festivals, festivals sought a wider development of local communities. Volunteering also played an important role in organising festival events. Furthermore, responses from the festival organisations revealed the importance of public subsidies in financing festivals' activities. State and municipal subsidies were seen to be important, even though the amount of public funding can be rather small. The

main values expressed by festival organisations in their activities were enriching values, human-oriented values and expertise values. Of these three value orientations, especially the first two reflect the altruistic values defined as typical of the third sector.

Communal, non-profit and professional institutional orders and logics ideal to these orders were identified as dominant logics in festival organisations' operations. The first two of these were defined in Chapter 2 as core institutional logics for the third sector operations. The non-profit logic manifests itself in the activities of the festivals via non-profit organisational forms, i.e. in the central role of the non-profit mission as the guiding authority with the emphasis on autonomy.

Factor analysis conducted on the variables describing the festival organisations and its characteristics supported also the strong non-profit orientation of festivals. One of the three organisational orientations obtained through the factor analysis, the non-profit independent actors –factor, emphasises non-profit orientation and independence and thus expresses strongly the non-profit logic. The non-profit independent actors -factor dimension was emphasised in almost all festival organisations. This shows that the main frame for the festival organisations' activities comes from the traditional non-profit logic.

Community logic, in turn, was displayed in festival organisations' activities through the emphasis on interactivity, dialogue, communality and community development. Festivals considered communality in general to be an important management priority. Festivals put emphasis on employee wellbeing, involvement, openness and equality in their operations. Commitment to a common purpose embodies a community logic. Cooperation and networks were a way for many festivals to act, and they are also a significant resource manifesting cooperative economy which is an ideal-typical economic system of community logic. Of three identified factors, the congenial creative communities –factor manifests strongly the community logic, emphasising the congeniality, communality and creativity.

At the same time, organisations do not operate separately from their time or society. As times change, organisations, their features and the logics that guide their behaviour, change too. The interpretations of the organisations and their characteristics also change. Alongside old and institutionalised features, new features and practices are emerging. For many festival organisations professionalism was a major operational priority and the source of identification.

The festivals' replies strongly emphasised the pursuit of professionalism and quality. Festivals mentioned professionalism and quality in relation to the content of festivals, organisational processes and staff. Emphasising professionalism was associated with responding to the demands of the stakeholders, as both the festival audience and financiers were believed to require a professionally organised festival. Through professionalism and quality, festival actors emphasised also their independence in relation to possible external determinants. The significance of professionalism to the festivals was strongly

manifested by the third factor obtained in the research: effective professional organisations.

Although in the third sector there have historically been many professional organisations with paid staff, professionalism has traditionally not been linked to the third sector. Arguments have been presented that professionalism is not a part of real third sector operations and that it conflicts with traditional third sector features, such as non-profit voluntary activity. As professionalism is rather connected with the public sector's or the market sector's activities, the qualities and features that are associated with professionalism also come from these sectors and emphasise, for example, formal training and recruited staff as a criteria of professionalism or market sector management models as a basis for professional management. Based on the results, there seems to be a need for the definition and identification of professionalism and its dimensions from the perspective of the third sector and voluntary activities. Instead of looking for the indicators of professional management from the market sector, it is necessary to develop indicators that are better suited to the goals and values of the third sector. In the third sector, professional management should include issues such as the ability to maintain the special organisational values or the ability to care for volunteers' comfort.

According to this research, professionalism is not a cross-cutting feature of the third sector, such as non-profit orientation. Still, there are many organisations in the third sector field that consider professionalism as an important dimension of activity and a value and a norm with which they strongly identify. The traditional understanding of the third sector excludes professional third sector organisations based on a recruited labour force, even if they have a strong base of altruistic and human values and the implementation of a non-profit mission at the core of their activities. However, it would be important for these organisations to be treated as part of the third sector organisational field. When an organisation feels that it is part of the third sector, it makes it easier to maintain its non-profit mission and the typical values of the sector.

7.2 Market sector characteristics and logics in festival organising

This research has also shown that in recent years economic and market-oriented pressures have grown and the role of markets has expanded in festival organisations' operations. The core market sector logics, here market logic and corporation logic, were manifested in many ways in the festival organisations' operations. The significance and uses of market sector income, in particular the ticket sales and sponsorships, have increased. Festivals are customer oriented; that is they aim to identify and to meet the expectations of their audience. Festivals expressed beliefs that the competition for audience and financing has increased and that this development influences festival organisations' activities. Furthermore, festival organisations increasingly use different kinds of market approaches in their activities. Expressing the corporation logic, the festivals have

adopted the market sector management approaches and managerial ethos by emphasisinge constant improvement, the importance of task and process management and growth. The increase of paid staff, even though this is not always an evidence of marketisation as such, can be both an outcome of marketisation and a mechanism causing marketisation.

Although it was possible to identify characteristics of the market sector and logics typical of the market sector in festival organisations' responses, it was often challenging to define exactly what the manifestation of market sector logics entails and what it does not. Making definitions is challenging partly because of the conceptual vagueness. Many of the definitions of ideal sector characteristics are controversial, and there may be multiple definitions of the same characteristic. Furthermore, many concepts are often defined and interpreted only from the perspective of one particular sector. Still, many characteristics of a festival organising can be viewed and interpreted from the point of view of the third sector and market sector logics. For example, professionalism can refer to professional business management, but at the same time it can include management models manifesting third sector logics, such as creating communality or applying for financing from the public sector.

During this research it became also evident that to identify market sector characteristics from the festival organisations does not necessarily refer to the marketisation. The adaptation of market sector approaches is meant to have a positive effect on festival organisations' operations and output. In many cases, market sector approaches were a means to achieve a non-profit mission. Consequently, it was very difficult to draw a line where the third sector ends and the market orientation starts. As described earlier, the development may take place organically over time, and it may be difficult to identify the actual change in orientations. Still, the more entrenched the market sector approaches became, the more challenging it may become to maintain the third sector perspective.

There may be third sector logics behind typical market sector characteristics. Similarly, typical third sector characteristics may include the market sector logics when viewed in more detail. Audience or customer orientation is a feature of the market sector. It refers to the mapping, taking into account and fulfilling of customers needs. The majority of the festivals regarded themselves as customer oriented. For them, customers were the most important stakeholder to keep satisfied when organising the festival. However, when examining the results of the study, it became clear that the festivals' understanding of the concept of customer orientation was much wider than the above-mentioned definition manifesting market logic. For the festivals, the audience was an essential part of the festival community, an important experiencer of art and a builder of the festival experience.

Similarly, investing in quality was often at the heart of the artistic goals of the festivals and, thus, an important part of the festivals' non-profit mission. In that way, investing in quality manifests the third sector's logics by emphasising non-profit logic's commitment to common purpose and the common value base characteristic of the community logic. From the point of view of the market sector

logics, investing in high artistic quality can be interpreted as a strategy for attracting the audience, creating value for the audience and responding to the needs of the audience. Aiming for high quality can be undertaken by looking for competitive advantages, or by marketing and creating the image of the festival. Furthermore, festivals expressed beliefs that competition for audience and financing is increasing. This is a clear evidence of the increase of the market logic. However, the most often mentioned means to survive and to succeed in the competition was to concentrate on the festival's artistic and cultural content; thus, to fulfil the festival's non-profit mission.

Consequently, the hybridity of an organisation - and in this case the marketisation of the festival organisations - is a question of interpretation. The hybridity in festival organisations has both measurable and observable features and interpretations made by festival organisations themselves and their stakeholders; each according to their own situation and understanding. Crucial questions are as follows: Who makes these interpretations and who has the power and possibility to decide them? Different interpretations and perceptions reflect the struggle in regard to which characteristics are considered to belong to the phenomenon and which logic is the perspective of the interpretation.

The notion of the third sector is based in many ways on the beliefs that people have about the third sector and the interpretations about it they make. In some interpretations, being part of the third sector brings advantages to the organisation, such as trust. On the other hand, third sector activities can be interpreted as less professional than market sector operations. Similarly, the hybrid properties of organisations are interpretations that are made not only by the organisations themselves but also by their stakeholders. The legal battle where the festival organisation has sought to maintain its non-profit status despite the opposite interpretation of the tax authority tells that different actors may have different viewpoints and interpretations about the hybridity. Regardless of whether the interpretations and beliefs are correct or even reflect the reality of the festival organisation, they may affect how the organisation is treated. Using market sector language and concepts in describing the operations of the third sector organisation may give a false impression of the activity and, consequently, affect the perception of external stakeholders about the organisation.

The argument that hybridisation is a wider feature of the third sector, as some earlier studies argue, cannot be deduced directly from this study. However, the review of the festival organisations supports the arguments that the third sector activities have certain features that support the formation of hybrid models of operation. Resource dependence has been identified as one of the factors promoting hybridization and marketisation. According to the research, it can both promote and prevent marketisation in festival organisations. Because of their resource dependency and scarce resources, festivals are active in acquiring income from many different sources. Scarce resources can support marketisation by forcing festivals to seek funding from the market sector. On the other hand, the lack of resources may prevent marketisation, since the adaptation of hybrid

ways to operate demands resources and special skills; something that festivals may not have.

Festival organisations were hybrids especially in terms of resources. Most of the festivals involved in the research utilised both voluntary and paid workforce in their festival production and collected financial resources from many sources and from various sectors. Festivals' responses revealed that the scarcity of resources and the variety of sources of resources are important characters promoting hybridity – and in this case especially marketisation – in these organisations. It should be noted, however, that the dependence of festivals on external resources varies widely, and the level of an organisation's hybridity may vary greatly depending, for example, on public subsidies the festival has received in different years.

The relationship between a festival organisation and a public authority may influence the approaches the organisation adapts and its state of hybridity. A financial relationship with the public sector can both promote and prevent a festival's adoption of market sector logics. If a festival is financed by the public authorities it may diminish the need to seek additional financing from the market sector. However, one of the factors behind the marketisation of the third sector is the growing uncertainty about public funding. Given that public funding is not available as easily, and competition from all funding is increasing, festival organisations consequently feel forced to adopt new forms of financing.

Having a strong relationship with the public sector can be the basis for marketisation in third sector organisations. Many public authorities, as a part of new public management approaches, have adopted a variety of market-driven practices and utilise them in their relations with the third sector organisations. Although most of the festivals argued that the municipality or state did not control too much of the festival, there is a growing tendency of approaches such as competitive bidding or contract management models in the relations of public authorities and third sector organisations in the field of arts and culture. The study showed that festivals had very diverse relationships with the municipalities. In addition to traditional grant giving relationships, many of the festivals had a market relationship with the municipality, i.e. they either sold the goods or services to the municipality or bought them.

Festivals or third sector organisations in general do not have a clear single source of financial resources, such as tax revenue in the public sector or sales and fees from customers in the market sector. Instead, organisations in the third sector, especially in the early stages of their operations, often cope with scarce financial resources and try to gather resources from many different sources. Thus, hybridity itself is a resource that helps the festivals to prepare for an unsecure, complicated and changing world. As the organisation and its operations grow and develop, also resources grow. With the organic development of resources, the level of hybridity of an organisation often increases. In the festivals with the largest audiences, the significance of market sector revenue was greater.

When an organisation is dependent on the resources of an actor outside its own sector, it must meet the requirements of this actor. This may mean that a

third sector organisation must also comply with logics from outside the third sector. Resource dependence thus contributes to the situation that more logics are central to an organisation's operations. This was clearly apparent in the review of the festival organisations. Festivals that operated more in a market-oriented field of culture, such as popular music, had more market sector income in their operations.

In addition, the operating models drawing from the ideal third sector characteristics or logics often act as preventative mechanisms of marketisation. The emphasis on a non-profit mission and activity serves as a natural counter-force for the market logic that aims for profitability of an organisation. Communality and congeniality manifesting community logic, in turn, is a source of a softer human orientation while ideal organisations operating in the frame of corporation logics put more emphasis on bureaucratic efficiency and rationality in their human management processes. Maintaining hybrid practices requires time and expertise that volunteers do not necessarily have. This may be an obstacle to the adoption of hybrid organisational models.

7.3   Multiple logics within festival organisations

Based on this study, hybrid operating models were typical for festival organisations. While the festival organisations expressed traditional third sector characteristics and manifested typical third sector logics in their operations, they were in many ways hybrids. This means that in their activities they had embraced lots of features and logics that originally derive from other sectors; the market sector, in particular.

However, also in these hybrid organisational models, the organisation's prime sector's characteristics and logics were important in providing a central meaning among festival organisations and features that distinguish them from organisations operating in other sectors. According to the results, it can be argued that also in hybrid organisational models, an organisation's prime sector provides the core values and the basis of organisational identity the organisation reflects on its activities. The characteristics and logics of the prime sector also guide organisations in their goal formation and behaviour in general. Even though festival organisations have adopted operating models and features from the market sector, the characteristics and logics of the third sector are still the ones on which the festivals mainly base their core operations.

The argument presented in earlier research literature, in which hybrid organisational forms have been seen to threaten the sector specific identity, cannot be deduced directly from this study, but the results do not support the argument either. It rather seems that the third sector identity and preserving it are important for Finnish festival organisations. The festival organisations' missions reflect non-profit logic, expressing broader social or community-oriented goals. The values recognised by the activities of the festival organisations are mainly those that are characteristic of the third sector actors.

The mission defines the purpose of the organisation and the reason for its existence. Values, in turn, are the backbone of all festival organisations' operations. They are reflected in the organisation's mission, strategic goals and processes. Both the values and the purpose of the organisation are key sources for building organisational identity. Based on this study, it can be argued that organisations' prime sector is a major source of identity formation for festival organisations.

The importance of the prime sector was reflected in the fact that - in the case of hybrid organisational models - the festivals often stressed and expressed their appreciation for the features of the third sector. Although the festivals were often hybrids in terms of resources, special emphasis was placed by them on the typical third sector resources such as public support or voluntary work.

The study also shows that hybridity does not always cause conflicts, but different logics may also be parallel and support each other in implementing the organisation's purpose. Based on the above, it can be argued that in hybrid approaches, the consistency of objectives and values in relation to the organisation's own prime sector seems more important than the consistency of the means used to reach the goals. Organisational goals are formed and their relevance is assessed in relation to the core values of the organisation, which makes them more difficult to modify. Instead, the means used to achieve the objectives are assessed based on their consequences; that is, how well they help reach the goals. This means that they are easier to adapt to current circumstances. Thus, it is not indifferent at what level or in what areas of activity the third sector organisation embraces market sector characteristics and logics or hybrid properties in general.

Previous literature has presented contradictory arguments about professionalism and its effects on third sector organisations. According to some arguments, professionalism does not belong in third sector organisations and causes conflicts with voluntary activity. Others, in turn, argue that better and more persistently organised activities are attracting more volunteers. As these arguments are interpreted from the sectoral point of view and by examining different logics behind professional activity, the question is not necessarily a contradiction between professionalism and the third sector as such. Rather, the question is from what point of view is professionalism interpreted and implemented in an organisation. In the case where efficiency is expelling the volunteers, it can be that the efficiency manifesting corporate institutional logic conflicts with the core third-sector logics and thus causes conflicts. In a situation where volunteers are attracted by better organised activities, the activity may refer to the competence associated with strengthening the community and thus the professionalism supporting the traditional features of the third sector.

In many festival organisations the situation is that the activities of festival organisations mainly rely on logic and values typical of the third sector, and other logics from outside the sector support and are in line with the achievement of a non-profit mission. In this case marketisation can be interpreted as superficial behaviour which aims to adjust in order to meet requirements of external

monitoring systems or resource pressures, while common beliefs and values are still firmly based on the logic of the third sector.

It is possible that there are many different logics at the heart of the organisation's operations, all of which support non-profit activity. This is the case, for example, when an organisation's communality was supported and strengthened by the professional management processes. In this case, hybridity does not cause major conflicts in the organisation's operations. If, however, the logics adopted by the organisation or demanded from the organisation, such as efficiency or profit-seeking, conflict with the dominant third sector logics, it causes more likely contradictions. Festival organisations expressed, for example, fears that festival activities will come to an end in the future because present volunteers are becoming tired of the workload, and it is too difficult to recruit new volunteers.

7.4   Methodological discussions

In this research the ideal characteristics of each sector have been the basis of analysis and have guided the empirical observations and interpretations made of these observations. In addition to the ideal sector characteristics, the perspective of institutional logics has provided a tool to examine the sectoral orientation of festival organisations.

The results of the study show that the ideal characteristics defined for the third sector still satisfactorily represent the reality of festival organisations and thus provide a good starting point for the empirical analysis of organisations from the sector perspective. Festivals reflect the traditional features of the third sector in their activities, and the sectoral aspect is relevant in the formation of the organisational identity.

The ideal sector specific characteristics are a good tool to compare and operationalise the reality of a situation where an organisation acting in one sector adopts practices or approaches from other sectors into its behaviour. In examining hybrid organisations, it is appropriate to focus on distinctive characteristics. These distinctive characteristics are features that are specific to organisations in a particular sector and thus differentiate between organisations operating in different sectors.

However, the use of ideal types also has its own weaknesses. First, when focusing on the ideal features, the perspective of viewing is limited to a relatively narrow one. Five key elements presented by Billis (2010) that distinguish between sectors represent key functions of organisational operations such as ownership, administrative decision-making, operational priorities and resources. However, one can legitimately ask whether by focusing on these elements it is possible to find the core of an organisation existence. This research has shown that, besides the purpose (functional priority) of the third sector organisations, values are a matter which separates these organisations, especially from the market sector

organisations. Consequently, hybrid organisations should be researched more from the point of view of values.

In addition, this research has shown that alongside the traditional third-sector ideals, new kinds of activities and new kinds of features have evolved. Traditional characteristics and logics as well as interpretations of them change alongside social development. Today's third sector organisations are different from what they were some decades ago. It may be asked whether the ideal type based on traditional voluntary associations is a good starting point to look at the complex and multidimensional third sector field.

The observation of organisations and their activities from the point of view of ideal sectoral characteristics forces the setting of observed characteristics into one state; in this case either as an ideal characteristic of the third sector or as an ideal market sector characteristic - or somewhere on a continuum between these ideal types. This does not support, in principle, the deeper observation and interpretation of hybrid approaches that combine features with many different sources. Many practices and characteristics may include features from different sectors, as well as many different logics. Identifying such diversity is difficult if the analysis is solely based on ideal sector types.

The institutional logic approach complemented the sector-specific ideal type model and added depth to the examination of hybrid properties. This approach enables the identification of hybrid properties on many different levels, both in organisational practices and in guiding values and beliefs. Organisations operating in different sectors may have the same one characteristic that represents a typical operational model for both sectors. However, each sector has its own approach and logic related with these characteristics. In previous studies, innovation and creativity have been considered as typical characteristics for both third sector actors and market sector organisations. Both sectors are platforms where new kinds of activities are developed. From the point of view of arts and culture festivals, innovations and creativity were an integral part of their artistic mission, and they emphasised the intrinsic value of art, creating new art and new ways to experience art. The defence of the artist's freedom and creativity was also seen as important. The logics typical of the market sector consider creativity and innovation, especially from an entrepreneurial point of view, with an emphasis on risk taking and proactive activity. At the same time, innovations and creativity are a way of creating value for customers. Consequently, the same observable characteristics may have different logics behind it. To look at such features, the perspective of institutional logic provides a better foundation for the examination than sector-specific ideal types.

In addition, institutional logics allow the identification of hybrid property within a certain characteristic. From the perspectives of different logics, the same attribute or concept can mean very different things. Customer orientation, for example, is by definition a characteristic of the market sector. According to the market logic it reflects the need to respond to customers' needs and, hence, aims for increasing returns. From the point of view of the third sector organisation, customer orientation can be manifested by the incorporation of the audience into

the festival community. From this perspective, it expresses the features of the community logic. In the research both approaches and logics were identified. They can work simultaneously in one organisation.

The perspective of institutional logics was well suited to the analysis of third sector festival organisations' marketisation. The identified two core logics behind market sector activity, market logic and corporation logic, formed a good basis for analysing festival organisations' operations from the point of view of the market sector. They helped to structure the analysis of marketisation in two directions: first, the growth in managerialism and the management of organisational processes within the organisation reflecting the corporation logic, and second, the increase of commercial markets' role in the activities of the festivals. Furthermore, the decision to complement the institutional logic framework with a new logic, the non-profit logic, turned out to be fruitful. From the point of view of the third sector activity, a mere community logic is not an adequate framework for reviewing activities, whereas the non-profit logic works alongside the community logic as a key institutional order governing the operations of the third sector.

By analysing the answers of the survey, it was possible to receive a good picture and a better understanding of the target group of the research – festival organisations with a non-profit orientation. However, the question of whether the research results can be applied more widely to the third sector or even to all Finnish cultural third sector organisations is more complicated. The wider generalisation of, at least some, research results is supported by the fact that the results are in many ways in line with earlier research on third sector organisations. Still, the third sector organisational field is very diverse and the field, industry or sub-field in which an organisation is operating – e.g. arts and culture, social and health care or sports – may affect greatly the operational environment and the approaches an organisation adapts in its operations. Consequently, even though diverse festival organisations are here regarded as good representatives of cultural third sector actors and hybrid ways of operating, the researcher must be careful if drawing conclusions regarding the third sector in general.

7.5 Suggestions for further research

Organisations strongly identify with their own sector and adopt sector-specific characteristics and logics as the basis of their operations. Therefore, the significance of separate sectors is still an essential topic for future research. There are many relevant questions related to the theme, such as: Are the sectors important? Why and for whom are they important? What happens if traditional benefits and values related to the separate sectors are lost? Are there any new kinds of benefits and values that emerge? Values were important in determining the activity of the third sector. To date, the examination of hybrid organisations has scarcely focused attention on values. However, according to this study,

values appear as one of the key factors which distinguish the main actors in the third sector and, in particular, separate them from the market sector. This is an area that needs more research.

This study did not examine the effects of hybridisation on organisations. However, depending on the areas of activities where hybridisation takes place and how strong the hybrid development is, also the effects of the hybridisation changes. More research is needed to better understand the marketisation development in the third sector, its benefits and disadvantages and its impact on an organisation's operations and outcomes. Organisations' different approaches to hybrid models also require further research. Why do other organisations know how to act smoothly in the border areas between sectors while others frustrate and fall into contradictions? The institutional logic approach provides good tools for analysis of these questions.

In this research, marketisation was examined at a meta-level, from an organisation's point of view. This leaves out individuals in the organisations who may have very different motives and values. A micro level perspective is needed in the research of marketisation and hybridisation, where the focus would be on internal processes and personal relationships within organisations. In addition, since an organisation's hybridity and the interpretation of its state and form vary from interpreter and perspective, it would be important to look at an organisation's hybridity from the perspective of different stakeholders.

A further study on the relationship between the public sector and the third sector, and a review of this relationship from different perspectives, would be important to bring extra light about hybrid organisations. In this study, the relationship has been studied especially from the perspective of the third sector festival organisations. It would be fruitful to examine more deeply the attitude of public sector actors to hybrid third sector organisations. By challenging existing definitions and legislation, hybrid organisations make policy making more difficult. Public authorities are required to deal with ever increasing diversity in terms of organisational actors. The prevailing conceptual vagueness makes it difficult to define policy measures and orientations.

YHTEENVETO (FINNISH SUMMARY)

Tämä tutkimus on tarkastellut suomalaisia taide- ja kulttuurifestivaaleja osana kolmatta sektoria ja sen muutosta. Tutkimuksen lähtökohtana on ollut perinteinen ajatus, että yhteiskunta jakautuu kolmeen sektoriin (julkinen sektori, markkinasektori, kolmas sektori), jotka ovat suhteellisen erillisiä toiminnan alueita ja joista jokaisella on kullekin sektorille erityisiä ja sille tyypillisiä ominaisuuksia.

Tästä sektorinäkökulmasta käsin tutkimus on osallistunut akateemiseen ja myös laajempaan yhteiskunnalliseen keskusteluun erillisten sektoreiden merkityksestä organisaatioiden toiminnassa, sektoreiden välisistä rajoista sekä näiden rajojen hälvenemistä. Viimeksi mainittuun asiaan on kirjallisuudessa usein viitattu hybridisaation nimellä. Hybridiorganisaatioita koskevassa tutkimuksessa on esitetty, että sektoreiden välinen sekoittuminen ja niiden välisten rajojen häveneminen haastavat sektoreihin liitetyt määritelmät ja niihin liitetyt ominaisuudet. On jopa arveltu, että hybridisaation seurauksena erilliset sektorit katoavat kokonaan ja yhteiskunnan jako niihin menettää merkityksensä.

Tutkimus on kohdennettu taiteen ja kulttuurin kolmanteen sektoriin ja sen sisällä taide- ja kulttuurialan festivaaleja järjestäviin organisaatioihin. Organisaatiomuodoiltaan ja toimintatavoiltaan moninainen suomalainen taide- ja kulttuurialan festivaalikenttä nähtiin tutkimusongelman ratkaisemisen näkökulmasta hyvänä tutkimuskohteena ja representatiivisena kolmannen sektorin edustajana. Tutkimuksen tärkein empiirinen aineisto koostui internetkyselyyn saaduista vastauksista. Kysely kohdennettiin 233 festivaaliorganisaatiolle, jotka hakivat valtion festivaaliavustusta vuonna 2014. Kysely tuotti yhteensä 104 vastausta eli vastausprosentti oli 45. Kyselyn tuloksia analysoitiin laadullisin ja tilastollisin menetelmin.

Festivaaliorganisaatioita ja niiden toimintaa tarkasteltiin tutkimuksessa sektorikohtaisiin ideaaliominaisuuksiin ja sektoreilla hallitseviin institutionaalisiin logiikkoihin pohjautuen. Tutkimuksen empiirisessä osassa kysyttiin ensinnäkin, millaisia kolmannen sektorin organisaatioita festivaaliorganisaatiot ovat ja millaisia erityisiä kolmannen sektorin ominaisuuksia ja logiikkoja ne heijastavat toiminnassaan. Lisäksi tutkimus tarkasteli näiden festivaaliorganisaatioiden markkinaistumista. Tällä tarkoitetaan sitä, että lähtökohtaisesti yleishyödyllisten kolmannen sektorin organisaatioiden toiminnassa ilmenee markkinasektorille tyypillisiä ominaisuuksia ja logiikkoja. Tutkimuksessa selvitettiin miten markkinaistuneet ominaisuudet ja logiikat ilmenevät festivaalien toiminnassa sekä miksi markkinaistuneita toimintatapoja omaksutaan festivaaliorganisaatioihin. Lisäksi tarkasteltiin sitä, millaisia keinoja nämä organisaatiot käyttävät sovittaakseen erilaisia, joskus ristiriitaisiakin, logiikkoja osaksi omaa toimintaansa.

Tutkimuksen tulokset eivät tue ajatusta sektoreiden häviämisestä tai erillisten sektoreiden merkityksen katoamisesta. Päinvastoin, festivaali-organisaatioiden empiirinen tarkastelu tukee yleisempää teoretisointia

kolmannesta sektorista omana sektorinaan, jolla on omat erityiset ominaisuudet ja logiikkansa verrattuna muihin yhteiskunnan pääsektoreihin, tässä tapauksessa siis markkinasektoriin ja julkiseen sektoriin. Tulosten perusteella festivaaliorganisaatiot ilmentävät vahvasti kolmannelle sektorille tyypillisiä ominaisuuksia ja logiikkoja toiminnassaan. Festivaalien toiminnan ytimessä oli yleishyödyllinen missio, joka taide- ja kulttuurifestivaalien tapauksessa heijastaa useimmiten erilaisia taiteen- ja kulttuurin kentän toimintaan ja kehitykseen liittyviä tavoitteita. Vapaaehtoistoiminnalla oli tärkeä rooli tapahtumien järjestämisessä. Vastauksista ilmeni myös esimerkiksi julkisten tukien merkittävyys toiminnan rahoituksessa. Festivaalien arvot heijastivat vahvasti kolmannelle sektorille tyypillisiä pyyteettömiä (altruistic) ja sosiaalisia arvoja. Vaikka festivaalit ovat heterogeeninen toimijajoukko ja heijastavat toimintaansa myös muihin kuin sektorilähtöisiin ominaisuuksiin ja instituutioihin, näyttäisi erillisillä sektoreilla ja niihin liitetyillä ominaisuuksilla olevan vahva rooli siinä, miten organisaatiot näkevät oman roolinsa yhteiskunnassa, miten ne legitimoivat toimintaansa sekä mitkä käyttäytymismallit ja arvot ne omaksuvat toimintaansa

Eräs aikaisemmissa tutkimuksissa vahvasti kuvattu kolmannen sektorin kehityssuunta on toiminnan ammattimaistuminen. Pyrkimys ammatti-maisuuteen ja laatuun korostui myös festivaalien vastauksissa. Ammatti-maisuutta tavoiteltiin festivaalitoiminnan sisältöihin, organisaation prosesseihin ja henkilökuntaan liittyen. Festivaaleilla ammattimaisuuden korostaminen liittyi sidosryhmien vaatimuksiin vastaamiseen, sillä niin festivaaliyleisön kuin rahoittajien uskottiin vaativan ammattimaisesti järjestettyä festivaalia. Ammattimaisuuden ja laadun kautta festivaalitoimijat myös korostivat itsenäi-syyttään suhteessa mahdollisiin ulkopuolisiin toiminnan määrittelijöihin. On tärkeä huomata, että festivaalien kohdalla ammattimaisuus linkittyi hyvin monenlaisiin ja monien eri sektoreiden ominaisuuksiin ja logiikkoihin.

Samalla, kun festivaaliorganisaatiot ilmensivät toiminnassaan perinteisiä kolmannen sektorin ominaisuuksia ja logiikkoja, ne olivat monin tavoin hybridejä, siis hyödynsivät toiminnassaan myös sellaisia toimintatapoja ja logiikkoja, jotka ovat lähtökohtaisesti ominaisempia muiden sektoreiden toimi-joille. Tässä tutkimuksessa keskityttiin tunnistamaan festivaalien toiminnasta erityisesti markkinasektorille tyypillisiä ominaisuuksia ja logiikkoja. Useimmat festivaalit saivat ainakin osan tuotoistaan kaupallisilta markkinoilta; ne käyttivät palkattua henkilökuntaa toiminnassaan ja olivat asiakasorientuneita eli pyrkivät tyydyttämään yleisönsä tarpeita. Osa festivaaleista koki kilpailun esimerkiksi asiakkaista ja rahoituksesta kasvaneen, mikä on osoitus markkinalogiikan olemassa olosta. Ne olivat myös omaksuneet erilaisia markkinasektorin johtamistapoja.

Tutkimuksen perusteella hybridit toimintamallit olivat melko tyypillisiä festivaalitoimijoille. Festivaaliorganisaatioilla hybridiys oli tyypillistä etenkin resurssien kohdalla. Festivaalien hybridiys on sekä mitattavia ja havaittavia ominaisuuksia että tulkintoja, joita tekevät sekä organisaatiot itse että niiden sidosryhmät kukin oman tilanteensa ja ymmärryksensä mukaisesti.

Vaikka festivaaliorganisaatio oli omaksunut toimintamalleja ja ominaisuuksia markkinasektorilta, sen lähtösektorin, siis kolmannen sektorin, ominaisuudet olivat edelleen niitä, jotka muodostivat toiminnan perustan. Myös hybrideissä toimintamalleissa organisaation lähtösektorin ominaisuudet ja logiikat muodostivat organisaatioille sekä keskeisiä merkityksiä tuottavia asioita että ominaisuuksia, joiden kautta ne erottautuvat muilla sektoreilla toimivista organisaatioista.

Perinteisesti organisaatioiden hybridiys on käsitteellistetty kahden tai useamman ristiriitaisen logiikan kohtaamisena organisaatiossa. Tutkimus kuitenkin osoittaa, että hybridiys ei aina ole ristiriitoja tuottavaa, vaan erilaiset logiikat saattavat olla myös samansuuntaisia ja tukea toisiaan organisaation tarkoituksen toteuttamisessa. Tutkimuksen perusteella näyttäisi siltä, että hybrideissä toimintamalleissa organisaation toiminnan kannalta tavoitteiden ja arvojen johdonmukaisuus suhteessa lähtösektoriin näyttäisi olevan oleellisempaa kuin tavoitteeseen pääsemiseksi käytettyjen keinojen johdonmukaisuus. Organisaation tavoitteet muodostetaan ja niiden soveltuvuutta arvioidaan suhteessa organisaation ydinarvoihin, jolloin ne ovat myös vaikeammin muokattavissa. Sen sijaan tavoitteisiin pääsemiseksi käytettyjä keinoja arvioidaan niistä koituvien seurausten perusteella. Näin ne ovat helpommin mukautuvia kulloisiinkin olosuhteisiin. Ei siis ole yhdentekevää, millä tasolla tai millä toiminnan alueilla kolmannen sektorin organisaatio omaksuu markkinaistuneita toimintatapoja.

Erillisten sektoreiden merkityksellisyys on myös oleellinen tulevaisuuden tutkimusaihe. Ovatko sektorit tärkeitä ja jos ovat niin miksi ja keille ne ovat tärkeitä? Tarvitaan lisää tutkimusta, jotta voidaan ymmärtää paremmin esimerkiksi markkinaistumiskehitystä kolmannella sektorilla, sen etuja ja haittoja ja erityisesti sen vaikutuksia organisaatioiden toimintaan. Esimerkiksi organisaatioiden erilaiset lähestymistavat hybrideihin toimintamalleihin kaipaavat lisätutkimusta. Jatkotutkimus liittyen julkisen sektorin ja kolmannen sektorin suhteeseen ja tämän suhteen tarkastelu erilaisista näkökulmista olisi tärkeää lisävalaistuksen tuomiseksi hybridiorganisaatioiden tilanteeseen. Hybridit organisaatiot tekevät politiikan tekemisestä vaikeampaa, kun hybridit organisaatiot haastavat olemassa olevia määritelmiä ja lainsäädäntöä.

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204

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APPENDIX 1 QUESTINNAIRE FORM

Kysely festivaali- ja tapahtumaorganisaatioille

Tämä kysely on suunnattu festivaali- ja tapahtumaorganisaatioille, jotka hakivat opetus- ja kulttuuriministeriön tai Suomen elokuvasäätiön avustusta vuonna 2014.

Kyselyssä kerätään tietoja sekä festivaalista että sitä järjestävästä organisaatiosta (osio 1). Lomakkeen lopussa (osio 2) on muutama taustakysymys vastaajaan (tietojen antaja) liittyen. Kysymykset ovat pääasiassa monivalintakysymyksiä. Väittämiin ja kysymyksiin voi vastata ensivaikutelman perusteella. Lisätietokohtiin (kysymykset 1.9, 1.21 ja 2.5) on mahdollista antaa lisätietoja ja kommentteja kaikkiin kysymyksiin liittyen.

Survey for festival and event organisations

This survey is aimed at festivals and event organisations that applied for funding from the Ministry of Education and Culture or the Finnish Film Foundation in 2014.

The survey collects information about both the festival event and the organising organisation (section 1). At the end of the form (section 2), there are a few background questions regarding the respondent (data provider). The questions are mainly multi-choice questions. Questions can be answered based on the first impression. Open fields (questions 1.9, 1.21 and 2.5) can be used to provide additional information and comments on all questions.

Suurkiitos vastauksesta!
Frågorna är på finska, men det går bra att svara på svenska. Stort tack för respons!
The questions are in Finnish, but you can answer in English. Thank you very much for the response!

1. **Festivaali - Festival**

1.1 Mikä on festivaalinne nimi? Mikäli organisaationne järjestää useita festivaaleja, jotka hakivat opetus- ja kulttuuriministeriön avustusta vuonna 2014, valitkaa tähän yksi.
What is the name of your festival? If your organisation organises several festivals that have applied for a state grant in 2014, select one of them:

1.2 Mikä on festivaalinne tarkoitus (mission)
What is the purpose (mission) of your festival?

1.3 Minä vuonna festivaalinne järjestettiin ensimmäisen kerran?
When was the festival organised for the first time (year)?

1.4 Mikä oli festivaalinne kokonaiskävijämäärä vuonna 2014? Mikäli festivaalianne ei järjestetty vuonna 2014, kertokaa lähimmän edellisen festivaalin kävijämäärä. How many people visited your festival in 2014? If your festival was not organised in 2014, please indicate the number of people who visited the latest festival.

1.5 Mikä oli myytyjen lippujen määrä festivaalillanne vuonna 2014? Mikäli festivaalianne ei järjestetty vuonna 2014, kertokaa lähimmän edellisen festivaalin myytyjen lippujen määrä.
How many tickets were sold for your festival in 2014? If your festival was not organised in 2014, please tell how many tickets were sold for the latest festival.

1.6 Mikä on festivaalia järjestävän organisaation nimi? Mikäli festivaalin tuottaminen on ulkoistettu toiselle organisaatiolle, laittakaa tähän sen organisaation nimi, jonka nimissä tapahtumalle haettiin OKM:n avustusta vuonna 2014.
What is the name of the organisation organising the festival? If the production of the festival has been outsourced to another organisation, enter the name of the organisation which applied for the state grant for the event in 2014.

1.7 Kuinka suuren osuuden festivaalin järjestäminen muodostaa organisaation koko toiminnasta? Valitkaa seuraavista vaihtoehdoista parhaiten kuvaava (merkitkää X).
To what degree is organising the festival part of the organisation's entire activity? Please choose the most appropriate option (tick X).

- Kysessä olevan festivaalin järjestäminen on organisaation päätarkoitus. Organisaation toiminta muodostuu täysin tai lähes täysin festivaalin järjestämiseen liittyvistä tehtävistä. / The organisation's activities are entirely or almost entirely related to organising the festival.

- Festivaalitoiminnan ohella organisaatiolla on muutakin toimintaa. Festivaalin järjestäminen muodostaa merkittävän osuuden organisaation toiminnasta. / In addition to festival organising, the organisation has other activities. The organisation of the festival is a significant part of the organisation's activities.

- Organisaation päätarkoitus on muussa kuin festivaalitoiminnassa. Festivaalin järjestäminen muodostaa pienen osan organisaation toiminnasta. / Organising the festival is a small part of the organisation's activities.

- Joku muu, mikä? / Something else, what?

1.8 Onko festivaalianne järjestämässä palkattua (kokoaikaista tai osa-aikaista) työvoimaa? Valitkaa sopivin vaihtoehto (merkitkää X).
Do you have a paid (full-time or part-time) work force at your festival? Please choose the most appropriate option (tick X).

- Kyllä, ympärivuotisesti / Yes, throughout the year

- Kyllä, osan vuotta / Yes, part of the a year

- Kyllä, festivaalin aikana / Yes, during the festival

- Ei / No

- Joku muu, mikä / Something else, what?

1.9 Tässä voitte halutessanne antaa lisätietoja tai kommentteja kysymyksiin 1.1–1.8 liittyen.
Here you can give more information or comments to questions 1.1-1.8.

1.10 Mitkä olivat festivaalinne viisi tärkeintä tulonlähdettä vuonna 2014? Laittakaa järjestykseen 1-5. Mikäli festivaalianne ei järjestetty vuonna 2014, kertokaa lähimmän edellisen festivaalin tärkeimmät tulonlähteet.
What were the five most important sources of income for your festival in 2014? Put in order from 1 to 5. If your festival was not organised in 2014, please mention the most important sources of income for the latest festival.

- Lipunmyynti / Ticket sales

- Tuotemyynti / Product sales

- Ravintolamyynti / Restaurant sales

- Yritysyhteistyö / Sponsorship, business co-operation

- Julkinen rahoitus: kunta / Public financing: local authority

- Julkinen rahoitus: valtio / Public financing: state

- Julkinen rahoitus: EU / Public financing: EU

- Kansalliset säätiöt ja rahastot / National foundations and funds

- Kansainväliset säätiöt ja rahastot / International foundations and funds

- Muut tuotot / Other revenues

- Vapaaehtoisten työpanos (laskennallinen rahoitusosuus) / Voluntary work (estimated contribution)

- Jokin muu, mika? / Something else, what?

1.11 Arvioikaa seuraavien tulonlähteiden merkitystä festivaalinne rahoituksessa vuonna 2014 verrattuna tilanteeseen vuonna 2005. Mikäli festivaalianne ei järjestetty vuonna 2014, kertokaa tilanne lähinnä edeltävän festivaalin osalta (esim. 2013 tai 2012). Mikäli festivaalianne ei järjestetty vuonna 2005, arvioikaa tilannetta lähimpään seuraavaan festivaalivuoteen verrattuna (esim. 2006 tai 2007) tai festivaalin perustamisvuoteen, jos festivaali on perustettu tämän jälkeen. Valitkaa sopivin vaihtoehto (merkitkää X).

Please evaluate the significance of the sources of income for the financing of your festival in 2014 compared to the situation in 2005. If your festival was not organised in 2014, please evaluate the situation for the nearest previous festival (e.g. 2013 or 2012). If your festival was not organised in 2005, evaluate the situation for the next nearest festival year (e.g. 2006 or 2007) or the festival's founding year if the festival was founded later. Choose the most appropriate option (tick X).

	Enemmän merkitystä nyt kuin vuonna 2005 More significant now than 2005	Merkitys pysynyt ennallaan vuoteen 2005 verrattuna Significance remained unchanged compared to 2005	Vähemmän merkitystä nyt kuin vuonna 2005 Less significant now than 2005	En osaa sanoa Don't know
Lipunmyynti Ticket sales				
Tuotemyynti Product sales				
Ravintolamyynti Restaurant sales				
Yritysyhteistyö Sponsorship				
Julkinen rahoitus: kunta Public financing: local authority				
Julkinen rahoitus: valtio Public financing: state				
Julkinen rahoitus: EU Public financing: EU				
Kansalliset säätiöt ja rahastot Private foundations and funds				
Kansainväliset säätiöt ja rahastot International foudations and funds				
Muut tuotot Other revenues				
Vapaaehtoistoimijoiden työpanos Voluntary work				
Jokin muu, mikä? Something else, what?				

1.12 Arvioikaa seuraavien festivaalitoimintojen ja ominaisuuksien kehitystä vuosien 2005 ja 2014 välillä. Valitkaa sopivin vaihtoehto (merkitkää X).
Please evaluate the development of the following festival activities and characteristics between 2005 and 2014. Choose the most appropriate option (tick X).

	Enemmän merkitystä vuonna 2014 kuin vuonna 2005 / More significant 2014 than 2005	Merkitys pysynyt ennallaan vuoteen 2005 verrattuna / Significance remained unchanged compared to 2005	Vähemmän merkitystä vuonna 2014 kuin vuonna 2005 / Less significant 2014 than 2005	Ei lainkaan merkitystä kumpanakaan vuonna (2005 ja 2014) / No significance for either year (2005 and 2014)	En osaa sanoa / Don't know
Vapaaehtoisten osuus henkilökunnasta festivaalin järjestämisessä The proportion of volunteer workers in the organisation of the festival					
Palkatun henkilökunnan osuus henkilökunnasta festivaalin järjestämisessä The proportion of paid staff in the organisation of the festival					
Festivaalituotannon ammattimaisuus / The professionalism of festival production					
Festivaalin kävijämäärä The number of festival visitors					
Myytyjen lippujen määrä The number of sold tickets					
Festivaalilla tarjottavien kaupallisten oheistuotteiden ja palveluiden määrä The number of commercial merchandise and services offered by the festival					
Ilmaistapahtumien ja -tilaisuuksien määrä The number of free entry events					
Maksullisten tapahtumien ja tilaisuuksien määrä The number of paid events					
Toiminta varsinaisen festivaaliajankohdan ulkopuolella (festivaaliin liittyvä ympärivuotinen toiminta) Activities outside the actual festival season (festival-related year-round activities)					
Kansainvälinen yhteistoiminta ja verkostoituminen International co-operation and networking					
Yhteistyö kunnan kanssa Cooperation with the municipality					

Yhteistyö yritysten kanssa Cooperation with companies					
Yhteistyö kolmannen sektorin organisaatioiden (yhdistys, säätiö ym.) kanssa Cooperation with third sector organisations (associations, foundations, etc.)					
Yhteistyö muiden festivaalien kanssa Co-operation with other festivals					
Yhteistyö oppilaitosten ja koulutusorganisaatioiden kanssa Co-operation with educational institutions and training organisations					
Ostopalveluiden tai ulkoistettujen palvelujen hyödyntäminen festivaalin järjestämisessä The use of purchasing services or outsourced services to organise the a festival					
Teknologian hyödyntäminen festivaalin järjestämisessä ja toiminnassa Utilising technology in festival organising and operations					
Jokin muu mikä? Something else, what?					

1.13 Tässä voitte kuvata omin sanoin, miten festivaaliorganisaationne toiminta on muuttunut vuoteen 2005 verrattuna (toimintaympäristö, organisointi, rahoitus, yms.) ja mistä muutokset ovat johtuneet.
Please describe in your own words how the activities of your festival organisation have changed since 2005 (operating environment, organisation, funding, etc.) and what changes have been made.

1.14 Arvioikaa, miten seuraavat väittämät kuvaavat festivaalianne ja sitä järjestävää organisaatiota (1=täysin eri mieltä, 2=jokseenkin eri mieltä, 3= ei samaa mieltä eikä eri mieltä, 4=jokseenkin samaa mieltä, 5=täysin samaa mieltä, EOS=en osaa sanoa). Valitkaa sopivin vaihtoehto (merkitkää X).
Please evaluate how the following statements describe your festival and the organisation organising the festival (1 = completely disagree, 2 = somewhat disagree, 3 = neither agree nor disagree, 4 = somewhat agree, 5 = completely agree, EOS = do not know). Choose the most appropriate option (tick X).

	1	2	3	4	5	EOS Don't know
Organisaatiomme on itsenäinen. Our organisation is independent.						
Organisaatiomme on yhteisöllinen. Our organisation is communal						
Organisaatiomme on yleishyödyllinen. Our organisation is of general interest / non-profit.						

Organisaatiomme on hierarkkinen. Our organisation is hierarchical.					
Organisaatiomme on vuorovaikutteinen. Our organisation is interactive.					
Organisaatiomme on joustava. Our organisation is flexible.					
Organisaatiomme on ammattimainen. Our organisation is professional.					
Organisaatiomme on tehokas. Our organisation is efficient/effective.					
Organisaatiomme on luova. Our organisation is creative.					
Organisaatiomme on demokraattinen. Our organisation is democratic.					
Organisaatiomme koostuu samanhenkisistä toimijoista. Our organisation is congenial.					
Organisaatiossamme yhdistyvät sekä yleishyödyllinen että yritysmäinen toiminta. Our organisation combines both non-profit and business activities.					
Organisaatiomme on puolijulkinen. Our organisation is semi-public.					
Organisaatiomme toimijat ovat sitoutuneita ja omistautuneita. People are committed to our organisation.					
Festivaalimme on asiakas-/yleisökeskeinen. Our festival is customer /audience oriented.					
Festivaalimme on saavutettava. Our festival is accessible.					
Festivaalimme on elitistinen. Our festival is elitist.					
Festivaalimme on massatapahtuma. Our festival is a mass event.					
Festivaalimme on kaupallinen. Our festival is commercial.					
Festivaalimme on koko ajan uudistuva. Our festival is constantly renewing.					
Festivaalimme on perinteikäs. Our festival has a lot of traditions.					
Festivaalimme on vaihtoehtoinen. Our festival is an alternative.					
Festivaalimme on paikallinen. Our festival is local.					
Festivaalimme on kansallinen. Our festival is national.					
Festivaalimme on kansainvälinen. Our festival is international.					

1.15 Arvioikaa kuinka tärkeänä pidätte seuraavien sidosryhmien tyytyväisyyttä festivaalin järjestämisessä. Laittakaa tärkeysjärjestykseen, 1=tärkein, 2=seuraavaksi tärkein jne.
Please evaluate the importance of the satisfaction of the following stakeholders when organising the festival. Put in order of importance, 1 = most important, 2 = next most important, etc.

1. Festivaalin taiteilijoiden tyytyväisyys Satisfaction of festival's artists	
2. Festivaalin yleisön / kävijöiden tyytyväisyys Satisfaction of festival's visitors	
3. Festivaalin oman taiteen/kulttuurin alan viiteryhmän tyytyväisyys Satisfaction of the peers from the festival's own field of art	
4. Festivaalin julkisten rahoittajien/yhteistyökumppaneiden tyytyväisyys Satisfaction of the festival's public financiers / partners	
5. Festivaalin yksityisten rahoittajien/yhteistyökumppaneiden tyytyväisyys Satisfaction of the festival's private financiers / partners	
6. Festivaalin palkattujen työntekijöiden tyytyväisyys Satisfaction of paid workers	
7. Festivaalin vapaaehtoisten työntekijöiden tyytyväisyys Satisfaction of voluntary workers	
8. Festivaalia järjestävän organisaation jäsenten tai osakkaiden tyytyväisyys Satisfaction of the members or shareholders of the organising organisation	
9. Festivaalin järjestämispaikkakunnan viranomaisten tyytyväisyys Satisfaction of local authorities	
10. Festivaalin järjestämispaikkakunnan asukkaiden tyytyväisyys Satisfaction of local residents	
11. Festivaalin kansainvälisten vieraiden tyytyväisyys Satisfaction of international quests.	
12. Median edustajien tyytyväisyys Satisfaction of media representatives	

1.16 Luetelkaa 1-5 asiaa, joihin erityisesti panostatte festivaaliorganisaationne johtamisessa.
Please list 1-5 issues that you especially prioritise in your festival management.

1.17 Valitkaa seuraavista tärkein painopistealueenne ajatellen festivaalitoiminnan kehittämistä.
Please choose the most important focus area for the development of your festival activities.

- Festivaalitoiminnan määrällinen laajentaminen ja kasvattaminen.
  To scale up festival activities

- Festivaalin sisällöllinen kehittäminen.

  To develop the festival programme / content.

- Festivaalituotannon kehittäminen ammattimaisemmaksi.

  To develop more professional festival production.

- Nykyisenkaltaisen festivaalitoiminnan ylläpitäminen.

  To maintain current festival activities.

- Toiminnan lopettaminen lähivuosina.

  Festival is to cease being held in the near future.

- Emme ole miettineet tulevaisuutta.

  We have not considered the future.

- Jokin muu, mikä?

  Something else, what?

1.18 Arvioikaa, millaisia suhteita festivaaliorganisaatiollanne on kuntaan, jossa festivaali järjestetään. Organisaatiolla voi olla monia ja monenlaisia suhteita esimerkiksi kunnan eri toimijoihin, arvioikaa tässä näitä kaikkia. Mikäli festivaali järjestetään useammassa kunnassa, valitkaa tähän yksi esimerkki. Valitkaa sopivimmat vaihtoehdot (merkitkää X).

Please evaluate what kind of relationships your festival organisation has with the municipality where the festival is held. The organisation can have many and many kinds of relationships, for example, with the various actors in the municipality. Please evaluate all of them here. If the festival is held in more than one municipality, select one example here. Select the most appropriate options (tick X).

- Festivaaliorganisaatiolla ja kunnalla on rahoitussuhde (kunta rahoittaa festivaalin toimintaa).

  The festival organisation and the municipality have a financial relationship (municipality is funding the festival).

- Festivaaliorganisaatiolla ja kunnalla on markkinasuhde (ostetaan ja myydään palveluja).

  The festival organisation and the municipality have a market relationship (buying and selling services).

- Festivaaliorganisaatiolla ja kunnalla on kumppanuussuhde (molemmat tukevat ja täydentävät toistensa toimintaa).

  The festival organisation and the municipality have a partnership (both are supporting and complementing each other's activities).

- Festivaaliorganisaatiolla ja kunnalla on yhteistyösuhde (tuotetaan yhdessä palveluja).

  The festival organisation and the municipality have a cooperative relationship (produce services together).

- Festivaaliorganisaatiolla ja kunnalla on yhteisiä toimielimiä (suunnitellaan ja päätetään toiminnasta yhdessä).

  The festival organisation and the municipality have common governing bodies (planning and deciding on the activities together).

- Kunta ohjaa ja kontrolloi festivaaliorganisaation toimintaa.

  The municipality guides and controls the festival's activities.

- Festivaaliorganisaatio pyrkii vaikuttamaan kunnan päätöksentekoon.

  The festival organisation strives to influence municipal desicion-making.

- Festivaaliorganisaation ja kunnan välillä ei ole minkäänlaista suhdetta.

  The festival organisation doesn't have any relations with the local authority.

- Jokin muu, mikä?

  Something else, what?

1.19 Arvioikaa miten seuraavat väittämät kuvaavat festivaaliorganisaationne suhdetta valtioon sekä kuntaan, jossa festivaali järjestetään. Kunnallisia toimijoita ovat esim. kunnan luottamushenkilö- ja virasto-organisaatiot (esim. kulttuurilautakunta tai vastaava ja kulttuuritoimi tai vastaava). Valtiollisia toimijoita ovat esim. opetus- ja kulttuuriministeriö, Taiteen edistämiskeskus, alueelliset taidetoimikunnat sekä aluehallintoviranomaiset (AVI, ELY). Mikäli festivaali järjestetään useammassa kunnassa, valitkaa tähän yksi esimerkki. 1=täysin eri mieltä, 2=jokseenkin eri mieltä, 3= ei samaa mieltä eikä eri mieltä, 4=jokseenkin samaa mieltä, 5=täysin samaa mieltä, EOS=en osaa sanoa. Valitkaa sopivin vaihtoehto (merkitkää X).

Please evaluate how the following statements describe the relationship between your festival organisation and the public authorities (the state and the local authority where the festival is organised). Local authorities include organs and organisations related to municipal government (e.g. cultural council and cultural office). State actors include the Ministry of Education and Culture, the Arts Promotion Centre, regional art committees and regional government authorities (AVI, ELY). If a festival is held in more than one municipality, select one example here. Choose the most appropriate option (tick X). 1 = completely disagree, 2 = somewhat disagree, 3 = neither agree nor disagree, 4 = somewhat agree, 5 = completely agree, EOS = Don't know.

	1	2	3	4	5	EOS
Festivaalin ja kunnan suhde perustuu luottamukseen. The relationship between the festival and the municipality is based on trust.						
Kunta kontrolloi ja valvoo liikaa festivaalin toimintaa. Festival activities are controlled and supervised too much by the municipality.						
Kunnan rahallinen tuki on elintärkeä festivaalin järjestämisessä.						

The financial support from the municipality is vital for the festival.						
Kunnan muu kuin rahallinen tuki on elintärkeä festivaalin järjestämisessä. The non-monetary support from the municipality is vital for festival organising.						
Kunnassa kuunnellaan hyvin festivaalin tarpeita ja toiveita. The municipality pays attention to the festival's needs and wishes.						
Kunnan vaatimukset festivaalia kohtaan ovat vaikeuttaneet festivaalin järjestämistä. The requirements of the municipality have complicated the festival organising.						
Kunnan vaatimukset festivaalia kohtaan ovat ristiriidassa festivaalin omien päämäärien ja tarkoituksen kanssa. The requirements of the municipality are in conflict with the festival's goals and purposes.						
Kunnan vaatimukset festivaalia kohtaan ovat vaikuttaneet festivaalin sisältöihin. The requirements of the municipality have affected the festival content.						
Festivaalin ja valtion suhde perustuu luottamukseen. The relationship between the state and the municipality is based on trust.						
Valtio kontrolloi ja valvoo liikaa festivaalin toimintaa. Festival activities are controlled and supervised too much by the state.						
Valtion rahallinen tuki on elintärkeä festivaalin järjestämisessä. The financial support from the state is vital for the festival.						
Valtion muu kuin rahallinen tuki on elintärkeä festivaalin järjestämisessä. The non-monetary support from the state is vital for festival organising.						
Valtio kuuntelee hyvin festivaalin tarpeita ja toiveita. The state pays attention to the festival's needs and wishes.						
Valtion vaatimukset festivaalia kohtaan ovat vaikeuttaneet festivaalin järjestämistä. The requirements of the state have complicated the festival organising						
Valtion vaatimukset festivaalia kohtaan ovat ristiriidassa festivaalin omien päämäärien ja tarkoituksen kanssa. The requirements of the state are in conflict with the festival'sgoals and purposes						
Valtion vaatimukset festivaalia kohtaan ovat vaikuttaneet festivaalin sisältöihin. The requirements of the state have affected the festival content.						

1.20 Millaisia haasteita ja mahdollisuuksia näette festivaalitoiminnalla tulevaisuudessa?

What challenges and opportunities do you see in festivals in the future?

1.21 Tässä voitte halutessanne antaa lisätietoja ja kommentteja kysymyksiin 1.11.–1.20 liittyen.
Here you can give more information and comments on questions 1.11.-1.20.

2 Vastaaja / Respondent

2.1 Mikä on asemanne/nimikkeenne organisaatiossa?
What is your position / title in your organisation?

2.2 Onko työnne
Is your work

- Palkattu kokopäiväinen / Paid, full-time

- Palkattu osapäiväinen / Paid, part-time

- Vapaaehtoinen / Voluntary work

- Joku muu, mikä? / Something else, what?

2.3 Kuinka kauan olette olleet mukana järjestämässä (joko vapaaehtoisena tai palkattuna) festivaalia?
How long have you been involved in organising the festival (volunteering or hired)?

2.4 Arvioikaa työnne sisällön painottumista liittyen festivaalin järjestämiseen (1=ei kuulu lainkaan työhöni, 2= kuuluu hyvin vähän työhöni, 3=kuuluu jonkin verran työhöni, 4=kuuluu melko paljon työhöni, 5=kuuluu erittäin paljon työhöni.) Valitkaa sopivin vaihtoehto (merkitkää X).
Please evaluate the focus of your work content when organising the festival (1 = not important part of my job, 2 = slightly important part of my job, 3 = fairly important part of my job, 4 = important part of my job, 5 = very important part of my job).

	1	2	3	4	5
Festivaalin (taiteellisen) sisällön rakentaminen Planning festival's artistic content					
Esiintyminen festivaalilla, taiteen luominen Performing at the festival, creating art					
Festivaalin hallinto Festival management					
Rahoituksen hakeminen Acquiring financing					
Markkinointi Marketing					

	1	2	3	4	5
Tiedotus Informing					
Tuotanto Festival production					
Tekniikka Technical issues					
Kumppanuudet ja verkostot Partnerships and networking					
Jotkin muu, mikä: Something else, what:					

2.5   Tässä voitte antaa lisätietoja osion kaksi kysymyksiin liittyen.
        Here you can give more information to questions 2.1-2.4.

Kiitos vastauksestanne!
Thank you for your answer!

APPENDIX 2 LIST OF FESTIVALS THAT RECEIVED A STATE FESTIVAL GRANT IN 2014

Festival	Organisational form
11sta Mustan ja Valkoisen Teatterifestivaali	Association
2014 toiminta-avustus	Association
38. työväen näyttämöpäivät	Association
5-3-1 Uuden Jongleerauksen Festivaali 2014	Association
5th International Alvar Aalto Meeting on Modern Architecture August 2014, Architecture Design for Abundance in Architecture	Foundation
Aasia Helsingissä -festivaali 2014	Association
AMORPH! 2014	Association
ANTI - Contemporary Art Festival 2014	Association
April Jazz -festivaali 2014	Association
Arktiset askeleet - valtakunnallinen tanssitapahtuma	Association
Avantin Suvisoitto 2014	Association
Backlight '14 -valokuvatapahtuma 2014	Association
Baltic Circle 2014	Association
Baltic Jazz festivaali 2014	Association
Bravo! -festivaali 2014	Association
BRQ Vantaa Festival 2014	Association
Circus Ruska Festival	Association
Cirko-festivaali 2014	Association
Crusell-viikko 2014	Association
Den XLIII finlandssvenska spelmansstämman	Association
DocPoint - Helsingin dokumenttielokuvafestivaali	Association
Elojazz 2014	Association
Elämän kaleidoskooppi 2014	Foundation
Espoo Ciné International Film Festival	Association
Eteläpohjalaiset Spelit Kansanmusiikkitapahtuma 2014	Association
Etno-Espa 2014 -tapahtuma	Association
Etnosoi! 2014 -festivaali	Association
Fest Africa 2014	Association
Finncon 2014 -tapahtuma	Association
Flow Festival 2014	Limited company
Funky Elephant Festival 2014	Association
Haapavesi Folk Music Festival 2014	Association
Haihatuksen kesänäyttely 2014	Association
Hailuoto Teatterifestivaali 2014	Association
Hangö Teaterträff 2014	Association
Helsingin juhlaviikot -festivaali 2014	Foundation
Helsingin sarjakuvafestivaalit 2014	Association

Helsinki Photography Biennial 2014	Association
Hetan Musiikkipäivät 2014	Association
Hiljaisuus-festivaali 2014	Association
Hollo ja Martta kansainvälinen kansantanssi- ja musiikkifestivaali 2014	Association
Iitin musiikkijuhlat 2014	Association
Ijahis idja 2014 - alkuperäiskansojen musiikkitapahtuma	Association
Ilmajoen Musiikkijuhlat 2014	Association
Ilosaarirock-festivaali	Association
Irlantilaisen musiikin ja kulttuurin festivaali, Irish Festival in Finland	Association
Joensuun 19. Gospel-musiikin festivaalit	Association
Joroisten Musiikkipäivät 2014	Association
Jutajaiset 25.-29.6.2014 Rovaniemi	Association
Kangasniemen Musiikkiviikot 2014	Association
Kaupunkifestivaali Jyväskylän Kesä 2014	Association
Kaustinen Folk Music Festival 2014	Association
Kaustisen Kamarimusiikkiviikko 2014	Association
Keitelejazz 2014	Association
Kemin 33. kansainväliset sarjakuvapäivät	Association
Kemiönsaaren Musiikkijuhlat 2014	Association
Kerava Jazz festivaali 2014	Association
Kierrätystehdas -tapahtumat Kaapelitehtaalla 2014	Association
Kihaus Folk -festivaali 2014	Association
Kihveli Soikoon! 2014	Association
Kirmot 2014	Association
Kivi-juhlien tapahtumien toteuttamiseen 2014	Association
Kokkolan Talvitanssit - Vinterdans i Karleby -festivaali 13.-16.2.2014	Association
KORU5 - kansainvälisen korutapahtuman valmistelu	Association
Kuhmon Kamarimusiikin järjestäminen 13.-26.7.2014 / Kuhmon Musiikkiyhdistys ry:n toiminnan tukeminen vuonna 2014	Association
Kuopio Tanssii ja Soi -festivaali 2014	Association
KUULAS - Kansainvälinen Lasten Teatteritapahtuma 2014	Association
Kärsämäen Elämäntarinafestivaali 2014	Association
Lahden 42. Kansainvälinen Urkuviikko	Association
Lahden Runomaraton 2014	Association
Lasten Laulukaupunki tapahtuma 2014	Association
Lasten rockfestivaali Seikkisrock 2014	Association
Les Lumières - Valistusajan kulttuurifestivaali 2014	Association
Lieksan vaskiviikot 2014	Association
Liikkeellä marraskuussa -nykytanssifestivaali 2014	Association
Lohtajan Kirkkomusiikkijuhlat 2014	Association
Loviisan Wanhat Talot/Loviisan 10. valtakunnalliset perinne- ja korjausrakentamisen päivät 30.-31.8.2014	Association
LuostoClassic 2014	Association
Maailma kylässä -festivaali	Association

Maailmantango-festivaali 2014	Association
Meidän Festivaali 2014	Association
Meri ja musiikki -festivaali 2014	Association
Miniprint Finland 2014	Association
Monitieteellinen kulttuuritapahtuma Taidekeskus Salmela	Limited company
Mukamas 2014 - Kansainvälinen Nukketeatterifestivaali	Association
Musica nova Helsinki -festivaali 2014	Foundation
Musiikin aika -festivaali 2014	Association
Musiikkia Linnassa -festivaali 7.-12.10.2014	Association
Musiikkifestivaali Kymijoen Lohisoitto 2014	Association
Musiikkijuhla Sommelo 2014	Association
Musikfestspelen Korsholm 2014Korsholman Musiikkijuhlat 2014	Association
Mäntän kuvataideviikot 2014	Association
Mäntän Musiikkijuhlat ja Mäntän kansainväliset mestarikurssit 2014	Association
Naantalin Musiikkijuhlat 2014	Foundation
Night Visions -elokuvafestivaali	Association
Nukketeatterijuhla TIP-Fest 2014	Association
Nuorten teatterifestivaali MURROS 2014	Association
Olohuone 306,4 km² -kaupunkitaidetapahtuma 2014	Association
OpenHouseHelsinki 2014	Association
Oriveden Uuden Kirjan Päivät 2014	Foundation
OuDance -festivaali 10.-14.9.2014	Association
Oulun juhlaviikot 2014	Association
Oulun kansainvälinen lasten- ja nuortenelokuvien festivaali	Association
Oulun lasten ja nuorten teatterifestivaali 2014	Limited company
Oulun Musiikkijuhlat 2014	Foundation
Pentinkulman päivät 2014	Association
Pikseliähky-festivaali	Association
Pispalan Sottiisi 2014	Association
Pori Jazz Festival 2014	Association
Provinssirock festivaali 2014	Association
Puistoblues: Kaupunkifestivaali 2014	Association
Purnu kesätaidenäyttely 2014	Foundation
Päätaloviikko 2013 Taivalkoskella	Association
Raahen Rantajatsit 2014	Association
Rajapinnat - kesänäyttely 2014	Co-operative
Rakkautta & Anarkiaa - Helsinki International Film Festival	Association
Rauma Biennale Balticum 2014 Crime Scene -näyttely	Foundation
Rauma Festivo -musiikkipäivät 2014	Association
Riihimäen Kesäkonserttien vuoden 2014 kamarimusiikkifestivaali	Association
Ruisrock-festivaali 2014	Limited company
Runokuu 2014	Association
Ruskaswing (26.) festivaalin järjestäminen Kemijärvi ja Pyhätunturi (Pelkosenniemi)	Association

Ruutia! -festivaali 2014	Association
Sastamala Gregoriana - Wanhan musiikin päivät 2014	Association
Sata-Häme Soi -festivaali 2014	Association
Satasoitto 2014	Association
Savonlinnan Oopperajuhlat 2014	Association
Seinäjoen Harrastajateatterikesä 2014	Association
Seinäjoen Tangomarkkinat 2014	Limited company
Sinun Tähtesi - Siilifolk 2014	Association
Sivuaskel / Side Step Festival 2014	Association
Skidit Festarit 2014	Association
Sodankylän elokuvajuhlat – Midnight Sun Film Festival	Association
Stage 2014 teatterifestivaali	Limited company
Tampere Guitar Festival 2014	Association
Tampere Kuplii 2014	Association
Tampereen elokuvajuhlat - Tampere Film Festival (ent. Tampereen kansainväliset lyhytelokuvajuhlat)	Association
Tampereen flamencoviikko 2014	Association
Tampereen Teatterikesä 2014	Association
Tanssin Aika -festivaali 2014	Association
Tanssivirtaa Tampereella -nykytanssifestivaali 2014	Association
Tehdasfestivaali Manifesti 2014	Foundation
The Irish Festival of Oulu 2014	Association
Tomaatteja! Tomaatteja! Stand up festivaalit	Association
Turku Jazz festivaali 2014	Association
Turun musiikkijuhlat 2014	Foundation
Tuska Open Air Metal Festival 2014	Limited company
Työväen Musiikkitapahtuma 2014	Association
Täydenkuun tanssit -festivaali 2014	Association
UrbanApa ARTS taidetapahtumat 2014	Association
Urkuyö ja Aaria -festivaali 2014	Association
Valtakunnallinen Samuelin Poloneesi -kansanmusiikkitapahtuma Raumalla 14.-16.3.2014	Association
Valtakunnalliset Aforismipäivät 2014	Foundation
Vanhan kirjallisuuden päivät 2014	Association
Vapaiden ammattiryhmien Lainsuojattomat -teatterifestivaali 2014	Association
Vekara-Varkaus Festivaaliviikko 2014	Limited company
Viapori Jazz 2014 -festivaali	Association
Volter Kilpi Kustavissa -kirjallisuusviikko 2014	Association
Vuoden Luontokuva 2014 -festivaali	Limited company
XVI Kokkolan Talviharmonikka -festivaali	Association
XXIII Mikkelin musiikkijuhlat 28.6.-2.7.2014	Association
Yksin sateessa? -festivaali 2014	Association
Ylioppilastetterifestivaali 2014 Jyväskylässä	Association
Ylläs Jazz Blues ja Ylläs Soikoon 2014	Association

APPENDIX 3 TABLES AND FIGURES

Table A1.   KMO and Bartlett's Test in preliminary analysis with 13, 11 and 8 variables

	13 items	11 items	8 items
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	,695	,697	,755
Bartlett's Test of Sphericity, Sig.	,000	,000	,000
Total variance explained, cumulative %, three factors	41,249	47,827	54,087

Table A2.   Communalities in preliminary analysis with 13, 11 and 8 variables.

	13 items	11 items	8 items
Our organisation is independent	,228	,203	
Our organisation is communal	,408	,398	,453
Our organisation is of general interest / non-profit.	,589	,779	,264
Our organisation is hierarchical	,135		
Our organisation is interactive	,663	,612	,658
Our organisation is flexible	,479	,442	,438
Our organisation is professional	,514	,481	,624
Our organisation is efficient/effective	,694	,836	,609
Our organisation is creative	,617	,602	,730
Our organisation is democratic	,216	,253	
Our organisation is congenial	,500	,498	,551
Our organisation combines both non-profit and business activities.	,119		
People are committed to our organisation	,200	,196	

Extraction Method: Principal Axis Factoring

Table A3.   Descriptive statistics for the 11 variables included into factor anaysis

	N	Min.	Max.	Mean	Std. Deviation
Our organisation is independent.	103	2	5	4,53	,752
Our organisation is communal.	103	2	5	4,40	,796
Our organisation is of general interest / non-profit.	103	1	5	4,70	,765
Our organisation is interactive.	103	1	5	4,33	,785
Our organisation is flexible.	103	2	5	4,51	,790
Our organisation is professional.	102	2	5	4,41	,762
Our organisation is efficient/effective.	102	3	5	4,32	,773
Our organisation is creative.	102	2	5	4,51	,741
Our organisation is democratic.	103	2	5	4,36	,752
Our organisation is congenial.	102	2	5	4,38	,784

People are committed to our organisation.	103	3	5	4,54	,590

Table A4.   'Our organisation is hierarchical'

	Frequency (f)	Per cent (%)
Strongly agree	3	3
Agree	12	12
Neither agree nor disagree	22	21
Disagree	41	40
Strongly disagree	25	24
Total	103	100

Table A5.   'Our organisation is efficient/effective'

	Frequency (f)	Per cent (%)
Strongly agree	52	51
Agree	31	30
Neither agree nor disagree	19	19
Disagree	0	0
Strongly disagree	0	0
Total	102	100

Table A6.   Limited company organisations that received the state festival grant 2006-2017.

Year	Number of limited companies that received the state grant	Number of all organizations that received the state grant
2006	2	160
2007	3	154
2008	3	156
2009	4	159
2010	5	161
2011	6	169
2012	7	172
2013	8	175
2014	9	179
2015	8	151
2016	6	138
2017	3	122

Table A7.   Festival organisations' classification into quartiles based on their factor scores

	Factor 1 Effective professional organisations			Factor 2 Congenial creative communities			Factor 3 Non-profit independent actors		
	Lowest value	Highest value	Number of cases	Lowest value	Highest value	Number of cases	Lowest value	Highest value	Number of cases
1. quartile	-2,59817	0,40435	25	-4,09034	-0,65256	25	-5,47913	0,03676	25
2. quartile	0,40044	0,21317	25	-0,50890	0,17315	25	0,04366	0,32564	25
3. quartile	0,23934	0,91221	29	0,22278	0,70034	25	0,34198	0,55912	26
4. quartile	0,91414	1,24874	21	0,74133	1,14274	25	0,56441	0,76144	24
All together	-2,59817	1,24874	100	-4,09034	1,14274	100	-5,47913	0,76144	100