

FROM DETECTIVE WORK TO LOVE AFFAIRS

**Case study on the development of organizational social network relations in
the Finnish Institute in London**

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**ABSTRACT**

Thesis

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Abstract <p>Networking is an essential part of organizations' operations, also in the cultural field. The aim of the study is to examine why and how organizational network relations are developed in an arts organization and to explore the individual influence on organizational network relations. These questions are investigated through a case study on the Finnish Institute in London. The Institute has purposefully developed its organizational networks in recent years. Interviews with current and previous employees of the Institute provide the data of this thesis.</p> <p>In theoretical framework, concepts of interdependence, embeddedness, and more recent studies of individual influence in network relations are presented. The analysis of the study discusses central topics: motives for network formation, evolution of network relations and individual influence on organizational networks.</p> <p>The findings of the research provide useful insight into organizational network relations developed by an internationally operating arts organization. Corresponding with the theoretical framework, this research demonstrates that organizations create network relations in order to gain knowledge, reputation and to access financial resources. This study shows that in the art field desire for developing quality projects and fierce competition are additional motives for network creation. As existing studies suggest, this thesis illustrates that network relations are embedded in already existing social ties. Network relations evolve based on previous connections between organizations and individuals. Individuals are found to influence organizational networks. First, individual competencies affect organizational network relations. Second, organizational network relations are found to be strongly linked to individual employees.</p>	
Keywords Organizational networks, network theory, cultural institute, interdependence, embeddedness	
Additional information	

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1 INTRODUCTION

1.1 Background of the Study

Networks have begun to define our understandings of organizations, no longer as individual entities but as a part of larger interconnected linkages. As globalization, together with increasingly harsh market requirements push many organizations to optimize their use of resources networking has become an essential part of organizational operations. Naturally, art field is not excluded from this development. In the cultural field and the arts, general discourse encourages organizations and individuals to networking. Cultural industry meetings have replaced coffee breaks with coffee and networking time and art field professionals are expected to possess a wide social network that they can employ not only to their own benefits, but to the benefit of organizations. Why is this? What is all the fuzz behind organizational networking? What are the benefits that networks offer? Is a seminar's coffee break the most suitable place and time for networking?

The Finnish Institute in London is a private trust that works in many realms of contemporary society in Britain, Ireland and Finland. The organization is active in recent societal development in areas such as knowledge society, education and learning. Furthermore, the Institute operates in the art field, mainly in design, architecture and contemporary art. In this study, the focus is strictly on the Institute's activities in the art field. The Institute is an international arts organization which has over several years based its operations on a networking model. As an arts organization, instead of rigorously building own productions, the Institute has developed arts projects together with reputable cultural actors. In order to achieve this, the organization invests in ambitious network development in Britain, Ireland, Finland, and other countries. Network development is also present in the organization's mission statement. Numerous successful art projects provide evidence of a well-functioning operational model based on networking. Considering the fact that the Institute consciously invests in organizational network development and seems to gain benefits from this model, it is justified to explore the case in more detail.

This research examines the organizational network relations formed by the Finnish Institute in London. For several years the Institute has developed its organizational networks purposefully. This study asks the questions why and how. The objective is to explore the phenomena behind the ever-growing buzz behind networking in the art field through the case study on the Finnish Institute in Finland. What in fact motivates an organization operating with limited time and financial resources to invest in time-consuming network development? Do network relations provide organizations with benefits? In addition to exploring the potential positive outcomes of organizational networks, I examine the evolution of network relations. The purpose is to determine

how an arts organization creates and manages its network relations. When the research process began, the Finnish Institute in London had undergone personnel changes. This situation raised the question of how individual employees affect organizational network relations. Individual influence on network relations is the third key element examined in this study.

1.2 Problem Formulation

Research in sociology, economy, physics and several other fields examine organizational social networks (see Kilduff and Brass, 2010 for a review). In the arts, social network research focuses mainly on individual artists or artistic group networks (see DiMaggio, 2011 for a review). Network research is predominated by the focus on network structure (Kilduff and Tsai, 2003). Motives and motors for network formation are examined by fewer scholars (cf. Gulati and Gargiulo, 1999; Gulati et al., 2002). Only recently individual level influences have gained increasing attention in organizational network studies (Kilduff and Brass, 2010; Kilduff and Tsai, 2003).

This research builds on the existing studies on organizational social networks by examining organizational network relations created by the Finnish Institute in London. Finnish studies such as the report on the impact of the Finnish cultural institutes (Kontkanen et al., 2012) discuss networking, but fail to examine the topic in depth. This research expands on the topic by providing evidence on the motives, management and individual level influences in organizational network relations.

1.3 Aim of the Study

This study examines organizational network relations developed by the Finnish Institute in London. The objective of the research is to determine why and how an arts organization develops its network relations. What motivates an arts organization to form network relations? This question is discussed focusing on different resources gained and exchanged in network relations. The evolution of network relations is examined by mapping out relation development process and by discussing network relation management. Personnel changes that had occurred at the Institute forced me to evaluate the extent to which individual employees influence organizational network relations. This emerged as the third focal point of the research. The aim is to study individual employees' roles and effects in organizational network relations. Furthermore, individual competencies that affect network relations are also analysed.

Three key questions that this study aims to answer are:

- Why do arts organizations develop network relations?
- How do the organizational network relations evolve?
- What is the impact of individual employees on organizational network relations?

1.4 Research Approach

This research has been completed as a single case exploratory case study research. The study is based on six interviews done to current and previous employees of the Finnish Institute in London. Inductive approach is used in this study. Data retrieved from the interviews is used to build the results of the research. Content analysis was employed in data analysis. Theoretical framework, which has partly guided the structure of the analysis, is based on the literature on organizational social networks. Theoretical literature used for this study include research on the motives for network development, factors that enhance network formation and more recent research on individual impact on organizational networks.

1.5 Structure of the Thesis

The second chapter of the thesis presents the theoretical framework for the study. The section focuses on the organizational social network theory. It explains the central concepts used in the theory. Overview on the theory sheds light on the development of distinct views and theories in the field, including emerging research. The section also presents the most central concepts of the theory used in this research. Motives for network formation are explored through the concept of interdependence between organizations. The concept of embeddedness builds the basis for examining the evolution of a network relation. Individual influence is discussed focusing on actor characteristics, human agency and cognition.

The third chapter of the study describes the research methodology used in the thesis. It presents the methodological foundations of the study, the case study research method and justifications for its use. Using interviews as the primary data collection method is also discussed. Brief descriptions of the interviewees and interview situations are also included. Critical considerations on the research process conclude the chapter on research methodology.

Chapter on research methodology is followed by a case description of the Finnish Institute in London. The section provides an overview of the Finnish Institute in London, its history, current

state and operational practices. In addition, the section on case description explains the profound link between the Finnish Institute in London and networking.

The fifth chapter focuses on the analysis and results of the study. The analysis is divided into three parts. The first section of the analysis examines motives for network formation. The motives identified have been divided into knowledge and reputation benefits and financial resources. In addition to resource benefits, art field specific factors are examined in this section. The second part of the analysis studies the evolution of a network relation. It covers initial relation formation process and the management of already established relations. The third and final section of analysis focuses on the individual influences on organizational networks. The part examines how personal qualities affect networking. I have divided these qualities under professional, social and cultural competencies. The second part of individual influences focuses on the role individual employees have on organizational network relations.

The last chapter, conclusions and discussion, centres on the three main elements of the research, examining those from the perspective of the theoretical framework. Motives for network formation are discussed from the interdependence point of view. Network evolution is examined through embeddedness concept. Individual influence on organization network relations is compared to the notions of actor characteristics, human agency and cognition. The conclusions and discussion also provide suggestions for possible further studies. Managerial implications of the findings are also discussed in the last section.

2 THEORETICAL FRAMEWORK

This chapter on theoretical framework consists of four parts. The first section provides an overview of organizational social network theory, its key concepts, and research directions. The second section focuses on the motives for creating organizational network relations by examining the concept of interdependence. The third section discusses embeddedness as a factor influencing network relation formation. The final section explores individual influence on organizational network relations. Recent research development towards recognizing how actor characteristics, human agency and cognition affect organizational networks is discussed in relation to individual influence in networking.

2.1 Introduction to Organizational Social Networks

This section sheds light on the key elements of organizational network theory. First, central concepts related to egocentric networks are explained. Second, this part discusses the most significant elements that define network theory. Development of social network theory, means of dividing theoretical concepts and recent theory developments are all presented in this section.

Research on social network theory examines “a set of actors and the relations that connect or separate them” (Kilduff and Brass, 2010, p.320). A network consists of a group of actors that are united by ties. Actor, also defined as a node, can be a person, organization, or even a concept (Borgatti and Foster, 2003). Ties that unite actors are relationships – social and economic – of various types such as friendship or resource exchange ties (Gulati et al., 2002). Through egocentric organizational network ties, focal organization gains access to resources and information from quality controlled environment (Gulati et al., 2002).

When analysing individual organization’s network, the focus is on the central organization’s (ego) relationships with other actors (alters) in the same network (Gulati et al., 2002). Egocentric network covers ego's direct ties and the connections those direct ties have (Kilduff and Tsai, 2003). Network analysis usually focuses on these relationships between two actors, dyads (Baker and Faulkner, 2002). However, research includes also studies on processes between three actors, triads, and cliques formed by actors “who all interact with each other but have no common links to anyone else” (Kilduff and Tsai, 2003, p.6).

The following figure presents ego network, alters and ties that unite ego with its alters and alters with each other.

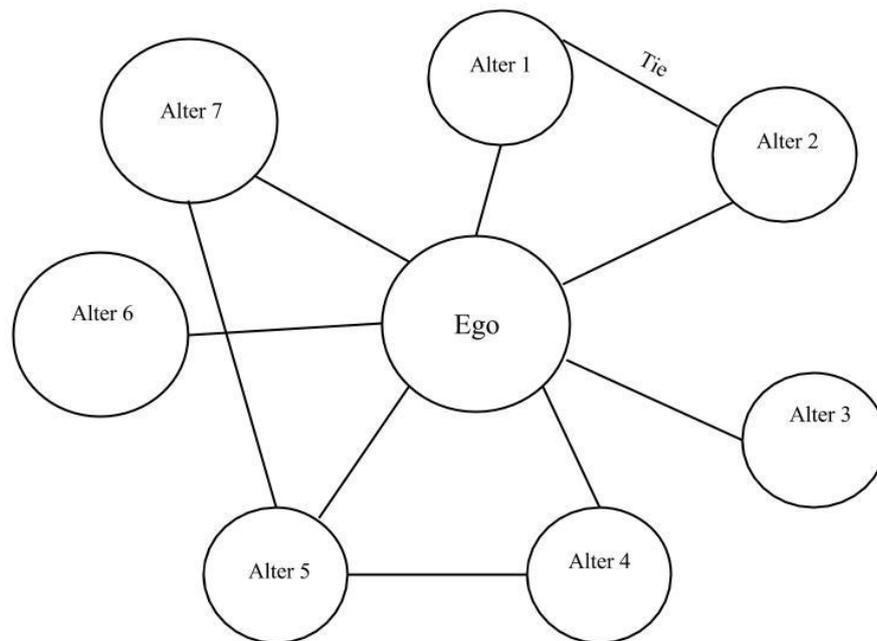


Figure 1 Egocentric Network

Based on Gulati et al, 2002; Kilduff and Tsai, 2003

Social network research has developed from being an alternative approach to an umbrella term that covers a variety of fields (Kilduff and Brass, 2010). Concepts related to networks have been used in several “fields as different as physics, biology, linguistics, anthropology, sociology, and psychotherapy” (Kilduff and Tsai, 2003, p.13). Other disciplines include economics, geography, organizational science, and communication (Scott and Carrington 2007). Early development of social network research in social sciences can be divided into three sources: German researchers that used the network approach in studying social interaction (1920s and 1930s), mathematical approach and anthropology oriented fieldworkers such as Hawthorne and Kapferer (1972) (Kilduff and Tsai, 2003). Central literature in social network research includes the social network analysis by Freeman (2004), and Tichy et al. (1979), research on embeddedness by Granovetter (1985), and Uzzi (1996) and studies on network structure marked by Burt’s (1992) theory on structural holes.

Organizational social network research can be divided based on multiple criteria. This includes e.g. macro-micro division, imported and home-grown theories and, individual, organizational, and inter-organizational levels of analysis. Research in organizational social networks is characterized by macro-micro division (Borgatti and Foster, 2003; Kilduff and Brass, 2010). Macro-level studies include topics such as interfirm relations, alliances, organizational reputation, whereas micro-level consists of issues related to leadership, teams, employee performance, or creativity among others (Kilduff and Brass, 2010).

Some researchers also divide social network theory according to the theories' origins. These include theories imported from other disciplines, home-grown theories that have been developed under the umbrella of social network analysis, and theories that have been exported to other disciplines (Kilduff and Tsai, 2003). Another commonly made division in the organizational network studies is between individual, organizational, and inter-organizational levels of network analysis (Kilduff and Tsai, 2003). Individual, or intraorganizational studies examine people's perceptions of networks, relations between individuals and the effects of personal attributes on network formation (Borgatti and Foster, 2003; Kilduff and Tsai, 2003). Organizational network research focuses on social networks between businesses, ego-networks, firm performance, and the exchange of resources between network actors (Gulati et al., 2002; Kilduff and Tsai, 2003). Inter-organizational network research covers issues such as strategic alliances, joint ventures, market exchange (Baker and Faulkner, 2002; Kilduff and Tsai, 2003).

Literature on social networks names four principles that guide much of the research (Balkundi and Kilduff, 2006; Kilduff and Brass, 2010). First, the social network theory highlights the importance of social relations between actors. It studies how actors are connected or separated by relations. The second principle refers to the extent to which behaviour is embedded in the context of social relationships as actors prefer interaction with others from inside the network rather than outside of it. Third, utility of network connections reflects the belief that network ties can influence outcomes for both individuals and organizations. The fourth principle has to do with network structure. The researchers believe that in social systems there are structural patterns to be found, those systems then affect the outcomes of network ties (Balkundi and Kilduff, 2006; Kilduff and Brass, 2010).

Research on social networks continues to develop at a rapid speed. More recent research criticizes how large part of network research has neglected the impact of human action in network formation focusing merely on structural elements (Kilduff and Brass, 2010). Even at the organizational level, individuals' role as an active agent must be recognized. Actor characteristics, human agency and cognition have gained increasing attention in more recent network research (Kilduff and Brass, 2010). Actor characteristics both at individual and organizational level are found to influence networks. The concept of agency refers to how individuals and their motives influence social networks (Kilduff and Tsai, 2003). Whereas the concept of agency examines individual's impact,

cognition focuses on perceptions of networks which also trigger network change (Kilduff and Brass, 2010; Kilduff and Tsai, 2003).

This study examines the egocentric network relations of an organization. Investigating the ties between the ego (The Finnish Institute in London) and its alters allows to answer why and how an arts organization develops its organizational network relations. In addition to these two questions, this study examines individual influence in organizational network relations. Theoretical framework for these questions is derived from distinct sources and levels of analysis. To examine why network relations are developed, this study builds on the notion of interdependence, presented by Gulati and Gargiulo (1999). Notion of embeddedness (Granovetter, 1985; Uzzi, 1996) is examined in relation to how network relations evolve. Following more recent research trend (Kilduff and Brass, 2010), this study also challenges the artificial division between micro-macro elements of organizational social networks by analysing how individual influence, actor characteristics, human agency and cognition affect network development. The following table presents the theoretical framework of this study in relation to the research questions.

Theoretical Framework of the Research		
Research Question	Concept	Key References
Why an arts organization develops network relations?	Interdependence	Gulati and Gargiulo, 1999; Gulati et al., 2002
How organizational network relations evolve?	Embeddedness	Granovetter, 1985; Uzzi, 1996
What is the influence individuals have on organizational network relations?	Actor Characteristics	Cohen and Levinthal, 1990; Kilduff and Brass, 2010; Mehra et al., 2001
	Human Agency	Brass and Burkhardt, 1993; Kilduff and Brass, 2010
	Cognition	Balkundi and Kilduff, 2006; Kilduff and Brass, 2010

Table 1 Theoretical Framework of the Research

2.2 Interdependence

The question on why organizations wish to develop its networks is discussed in this research from interdependence point of view. The concept interdependence refers to how organizations form network relations in order to gain necessary resources (Gulati and Gargiulo, 1999). The possibility to access a variety of resources through network relations motivates organizations to develop their ties with other actors. Once formed, networks provide firms access to various resources, which then

positively influence organization's performance. According to the interdependence view (Gulati and Gargiulo, 1999), firms form relations with other organizations in order to reduce uncertainty and access resources that are managed by others, but necessary for their own operations.

Gulati et al. (2002) divide resources into three categories: financial, institutional and knowledge. The same three categories are examined in this section. Brief overview on the financial motives behind networking is followed by a more in depth examination of institutional and knowledge resources. Institutional resources refer to organization's legitimacy in the field. Through network relations actors gain the opportunity to develop their reputation and status. Knowledge resources are also recognized as a valuable resource derived from organization's networks. Furthermore, network relations are a fruitful basis for innovation and creativity. Possible negative consequences of retrieved resources are also discussed in this section.

Networks allow organizations to access financial resources that enhance their own operations. According to Gulati et al. (2002), firms may use their network relations to replace formal financial sources. A study on Chinese businesses demonstrates that network relations provide organizations with complimentary and replacing methods of financial input (Keister, 1998). Interfirm ties enable the development of different financing arrangements which influence productivity and profitability positively (Keister, 1998). Furthermore, organizations are motivated to enter network alliances by the possibility to share the costs of particularly risky endeavours (Gulati and Gargiulo, 1999) and in emerging markets (Gulati et al., 2002). Financial benefits are however only one motive for network development.

Network relations allow organizations to develop their legitimacy, which consists of organization's reputation and status. Legitimacy is influenced by external actors (Hannan and Freeman, 1977). Social networks permit organizations to develop and access legitimacy as the reputation of the network an organization belongs to transfers to individual actors (Borgatti and Foster, 2003; Gulati et al., 2002). Study on interorganizational alliances depicts that actors gain status and reputation through alliances (Stuart, 2000). Large enterprises with existing proof of accomplishments are especially valuable partners for smaller and less known firms. Via large firms, smaller firms are able to develop their reputation and trustworthiness in the eyes of the public. However, the reputation developed depends on the perception that the public grants to the actor's network partner (Stuart, 2000).

Examples from the cultural field suggest a similar relation between networks, status and success. Collins and Guillén (2012) examine how networks develop reputation. Their research on architects suggests the existence of mutual halo effect (the reputation that individual artist provides to actors connected to them). The study examines how the prestige flows to and from individual architects (Collins and Guillén, 2012). In her study on artists and galleries, Giuffre (1999) examines

constantly changing positions in the arts field. Both artists' and galleries' statuses are affected by their present and past relations and the overall network of relations in which they operate (Giuffre, 1999). Grandadam's study (2008) on networks in jazz shows, that success depends on the work done by artists with different backgrounds. Success is derived from the collaborative activity based on the interaction between groups. Interaction strengthens the prevailing styles and therefore influences the overall trends and popularity (Grandadam, 2008).

Reputation extended via network relations may also be negative. Network partners are likely to report any bad experiences forward to other network members (Gulati and Gargiulo, 1999). Organization may gain reputation by providing network partner with information. Actor that is able to supply partner organization with accurate information and advice can be expected to gain reputation as a competent actor (Chua et al., 2008).

In addition to financial and institutional resources, many scholars recognize the importance of knowledge and information as resources exchanged in organizational networks (Balkundi and Kilduff, 2006; Brass et al., 2004; Kilduff and Tsai, 2003). Within the network, knowledge base allows members to access both existing and new information rapidly (Gulati et al., 2002). Information benefits include knowledge on new opportunities in different areas such as leadership, funding, employment opportunities, or market development (Burt, 1992). Information flows between actors via personal and organizational relations (Granovetter 1985). Informal social relations enable knowledge sharing among actors competing in the same market (Tsai, 2002). Also, interlocking directorates facilitate the flow of information and as a consequence firm performance (Keister, 1998).

Even though social interaction enables the emergence and transfer of knowledge, potential benefits retrieved depend on the type of tie formed. A study on product development projects (Hansen, 1999), shows that social networks are beneficial for sharing information. However, the study shows the difference between types of ties; strong ties serve for transferring complex knowledge whereas weak ties are useful for rapid exchange of less complex information (Hansen, 1999). This topic is discussed also by Kilduff and Tsai (2003). Furthermore, organizations with more experience from collaborations place themselves better in information-rich positions, which consequently allows for knowledge retrieval (Powell et al., 1996). Overall, network relations create potential for diffusing and creating new knowledge, however, actor's positions and types of ties affect the process of knowledge exchange.

Even though knowledge serves as a useful resource for networking organizations, it has some drawbacks. Harmful consequences of knowledge sharing include for instance redundant relations and learning races. Whereas a network with structural holes¹ provides actors with information

1 A structural hole is a gap between two different actors which can be spanned by a third

benefits, networks with few structural holes contain redundant contacts. When a network actor receives the same information from various sources, its relations become redundant in relation to the potential knowledge benefits (Burt, 1992). Therefore, a network with structural holes is a more useful source of information. Actors may even attempt to manipulate tie structures in order to maintain their beneficial positions connecting structural holes (Kilduff and Brass, 2010). Network structure can therefore create redundant relations where actors are unable to access new knowledge. Moreover, in dyadic relations, information benefits can occasionally be unilateral (Gulati et al., 2000). Learning races occur when one network partner rushes to gain all information available from the other actor and then leaves the relation. If a partner is able to utilize the knowledge gained from the dyadic relation in its other network relations, the partner is more motivated to rapid learning and then leaving (Gulati et al., 2000). Through network relations actors may also transfer worthy knowledge to possible competitors (Gulati et al., 2002).

In addition to providing new knowledge, network relations allow actors to create innovations through interaction. Social networks affect organizational innovation (Kilduff and Brass, 2010). Studies on creativity in the arts examine how network structure enables the emergence of novel ideas. Certain structural network elements foster creativity. In their study on Broadway musicals, Uzzi and Spiro (2005) find that networks characterised by small-world elements such as strong local clustering and short path lengths allow circulation and reputation development for creative material. Cattani and Ferriani (2008) on the other hand discover that individuals located between a network's core and periphery, are in a fertile position when it comes to creativity. Their study on Hollywood film industry shows that an actor's peripheral position means that the actor might have connections outside a particular network, therefore, be exposed to different ideas. Different ideas however require legitimacy before creativity can take place; hence an actor closer to the core is also closer to network's support and legitimacy offered by it (Cattani and Ferriani, 2008). Perry-Smith and Shalley (2003) suggest that weaker ties encourage creativity as they connect people with different interests and attitudes to non-redundant information. Similarly to Cattani and Ferriani (2008), they "expect moderate centrality [...] to be associated with the highest relative level of creativity" (Perry Smith and Shalley, 2003, 103). Position in the network fringes exposes actors to novel ideas, whereas central position allows actors to gain legitimacy to emerging phenomena.

As established above, network relations provide actors access to a variety of benefits. Financial resources provide an alternative means of financing. They diminish the risk in potentially hazardous endeavours by granting the possibility to share costs between organizations. Institutional resources of legitimacy retrieved from organizational networks are developed in relation to partner organizations. Larger and more reputable firms are found to be beneficial network partners for

actor, serving as an intermediary between the two unconnected actors. See Burt, 1992 for more.

developing less known organization's legitimacy. Prestige flows to and from interconnected organizations. Both past and present relations affect actors' statuses. Organizational networks allow actors to gain access to information benefits on emerging opportunities. Information resources enhance organizational operations and innovativeness. Nevertheless, knowledge transfer includes challenges and negative consequences.

2.3 Embeddedness

The concept of interdependence explains motives for network formation, as seen above. This section focuses on the notion of embeddedness by examining how interorganizational embeddedness affects network development. Concept of embeddedness explores the impact of social relations on economic action.

Embeddedness: generally refers to either the overlap between social ties and economic ties, or the nesting of social ties within other social ties. For example, actors' behaviours are embedded to the extent that they tend to transact with exchange partners who are personal friends or kin; or in their exchange partners tend to transact with each other (Granovetter, 1985; Uzzi, 1996). Actors are also embedded to the extent that all or most of their social ties are within a community that has few ties outside the community. (Kilduff and Tsai, 2003, 134)

Significant studies on the link between social relations and economic action include Granovetter's (1985) and Uzzi's (1996) research on embeddedness. In his paper on embeddedness, Granovetter (1985) notes how over time, organizations are inclined to repeat transactions with actors they are already familiar with. Repeat transactions do not require research on new potential partners, saving organization's resources. Transaction with a known partner is considered less risky. Furthermore, existing partners provide valuable information to the organization (Granovetter, 1985). The most valuable knowledge is actor's own information on the other party, followed by information provided by a "trusted informant". This information is cheap, more detailed, and accurate and there are expectations of partner being trustworthy and avoiding opportunistic behaviour (Granovetter, 1985, p.490).

Ability to build trust between two independent organizations provides alliances numerous benefits. Relation management is facilitated as partners become more familiar with each other's practices. Negotiations proceed more smoothly and operational costs decrease. In challenging decision-making processes trust has positive effects on the outcome. Trust in alliance partners facilitates collaborative activities by developing awareness of actors' "rules, routines, and procedures" (Gulati et al., 2002, 298). Consequently network relation management becomes easier as trust between

partners develops. Zaheer et al. (1998) study on interpersonal and interorganizational trust reveals that in a dyadic relation, trust between actors affects the performance of interfirm exchange. Interorganizational trust allows for fluent negotiation and consequently diminishes costs of interfirm operations (Zaheer et al., 1998).

Furthermore, trust creates a basis for more solid cooperation and enhances innovation (Edelenbos and Klijn, 2007). In their study, Edelenbos and Klijn (2007) examined how trust played an important role in decision-making in networks. Decision-making can be particularly challenging for two reasons: first, actors might pursue their own interests before anything else, and second, they may be reluctant to share relevant information to others (Edelenbos and Klijn, 2007). They found that trust could help to solve challenging decision-making processes in interorganizational operations and that “we can expect trust to be positively correlated with smooth-running interorganizational cooperation and favourable outcomes of complex decision-making” (Edelenbos and Klijn, 2007, 45).

Uzzi (1996) notes that actors in embedded relations aim to create long-lasting relations that produce both individual and collective benefits. In his study on New York-based apparel firms Uzzi (1996) found that embeddedness has positive impact on firm's economic performance. The research depicts that higher level of embeddedness enables organizational learning and risk-sharing and therefore ameliorates organization's economic performance. Embedded relations develop based on third-party referrals and existing personal relations. In the new, embedded ties already exists the expectation of trust and resources from already existing ties (Uzzi, 1996). In third party referrals, one actor with existing ties to two unconnected actors links them together. For example, a company CEO was asked by a close business associate to help a manufacturer. The CEO agreed, because the business associate asked (Uzzi, 1996, 679). The business associate transferred expectations on behaviour from existing embedded relation to a new one (Uzzi, 1996). In addition to referrals, already established personal relations enable the creation of embedded ties. Individual employees have personal relations from workplaces, schools, relatives and friendship circles that facilitate the creation of embedded ties between firms (Uzzi, 1996).

Previously, the impact of referrals on the formation of new ties has been examined by Burt (1992). According to Burt, (1992), information benefits through access, timing, and referrals enhance the development of new ties. Networks widen the range of information one actor is able to gather alone. When accessing important information, timing becomes a crucial factor. Social contacts allow people to receive valuable information beforehand and act accordingly. Referrals on the other hand influence how other actors see the organization. Positive referrals to new potential contacts are effective means of expanding a social network (Burt, 1992). Therefore, networks enable the creation of new network ties. According to Brass et al. (2004), those organizations that have accumulated experience of inter-organizational collaborations, create new and more diverse

network ties more likely.

Gulati and Gargiulo (1999) examine embeddedness as a mechanism that helps an organization to determine who with it should develop partnerships. Interdependence motivates organizations to form alliances, and interorganizational embeddedness provides the required knowledge for the selection of potential new partners. In their research, Gulati and Gargiulo (1999) found that existing networks provide actors with reliable information about potential partners. Organizations receive this information via distinct mechanisms, which are relational, structural and positional embeddedness. Relational embeddedness refers to actor's previous cohesive ties² that enable information flow, cherish trust and therefore increase the probability of repeat alliance. In addition to dyadic relations, an organization belongs to triad relations, with indirect links between actors. Structural embeddedness examines how this relation structure affects cooperation between actors. Through indirect ties, organization's both positive and negative reputation flows to third parties. Furthermore, organizations learn from possible reliable partners through referrals. In addition to actors' immediate and indirect ties, its position in the network influence information flow. Positional embeddedness comprises how organization's position affects its network development. Specific position in a given network affects the type of information an actor receives and actor's image outwards to other organizations. Central actors gain numerous benefits from their position. They gain access to a range of information and more visibility among potential partners (Gulati and Gargiulo, 1999).

Even though embeddedness serves organizations in numerous ways as social relations enable the development of further organizational network relations, it is not strictly a positive phenomenon. Granovetter (1985) presents arguments that support the notion that embeddedness allows for malfeasance between organizations. Trust, on which personal relations are based, provides an increased opportunity for wrongful conduct; teams are efficient means for reaching for power and fraud (Granovetter, 1985). Furthermore, organizations in embedded network relations might in fact miss opportunities with other actors (Brass et al., 2004). Overembeddedness signifies that an actor is strongly embedded in one social network and therefore marginal in another (Balkundi and Kilduff, 2006).

Research on Hollywood film industry demonstrates that films of actors who had previous relation with distributors actually resulted in worse sales figures (Sorenson and Waguespack, 2005). According to the study, this was due to biased expectations in favour of those actors who with distributors had preceding interactions. Gulati et al. (2002) similarly recognize how being a member of one network can prevent actor from joining another one. This means that actors are in a risk of losing valuable opportunities when interacting only within a closed cluster. An actor's

² Cohesive ties are ties that unite focal firm with another actor that is connected to at least one other partner of the focal firm (Gulati et al, 2000)

choices influence their positions resulting in possible lock-in or lock-out situations; existing ties constrain actors' tie formation with new partners (Gulati et al, 2000).

According to Uzzi (1996), in addition to embedded ties, organizations firm should develop a mixture of embedded and arm's length ties³ in order to gain benefit from network relations. Whereas embedded networks provide actors with fluent resource exchange, arm's length ties enable access to wider range of information and novel business opportunities (Uzzi, 1996). Furthermore, organization's limited amount of time and resources available to invest in relation maintenance also affects network development. Limited amount of resources and expected fidelity from existing partners restrain further network development (Gulati et al., 2000).

2.4 Individual Level Influences in Organizational Networks

Whereas the previous sections examine networking motivations and motors from the organizational perspective, this part focuses on issues related to individual influences on organizational network relations. This section is based on recent network research development discussed by Kilduff and Brass (2010). Some network scholars criticize the ignorance of actor characteristics, agency and cognition on organizational network formation in favour of structural elements of organizational networks (Kilduff and Brass, 2010; Kilduff and Tsai, 2003). This part examines how these micro-level elements influence macro-level outcomes. First focus is on actor characteristics, self-monitoring behaviour and organization's absorptive capacity and their effect on network ties. Second, human agency in the form of individual beliefs, values and action is discussed. Third element is cognition and perception – how individual cognition of network relations affects organizational networks?

2.4.1 Actor Characteristics

Actor characteristics influence network relations (Kilduff and Brass, 2010). At the individual level, research has studied the differences between high and low self-monitors in networking (Kilduff and Brass, 2010; Kilduff and Tsai, 2003). High self-monitors try to adjust their behaviour to their surrounding situation whereas low self-monitors maintain their behaviour regardless of the environment. Ability to adapt to the environment by controlling one's own behaviour has several advantages such as social approval, trust and liking (Kilduff and Tsai, 2003). Furthermore, research shows that individuals with high self-monitoring behaviour create links between unconnected actors (Oh and Kilduff, 2008).

³ Arm's length ties refer to ties limited to the relation between a buyer and a seller (Uzzi, 1996)

Mehra et al. (2001) present three distinct models of high and low self-monitors: mediation, interaction and additive model. Mediation model suggests that high self-monitors unite different social groups allowing information exchange between unconnected actors. Consequently, high self-monitors are more valuable to the organization. Interaction model on the other hand proposes that high self-monitors are better able to utilize the opportunities that emerge from their central network positions. This is due to their ability to recognize valuable information in their social world. Third model, additive model, suggests that performance is achieved through high self-monitoring skills, or through a beneficial network position. In addition to evaluating self-monitoring skills in relation to network development, other research on actor attributes includes research on e.g. individuals' demographic differences or status (Kilduff and Brass, 2010).

At the organizational level, actor's absorptive capacity is a significant attribute (Gulati et al., 2002; Kilduff and Brass, 2010). Absorptive capacity refers to organization's "ability to recognize the value of new information, assimilate it, and apply it to commercial ends" (Cohen and Levinthal, 1990, 128). Organization's absorptive capacity is built on individual's absorptive capacity and organization's capability to utilize the existing information (Cohen and Levinthal, 1990). Communication channels both within the organization and outside it affect information flow. In addition to individual and organizational characteristics, network partner's qualities influence network development (Kilduff and Brass, 2010). Examining actor's alliance portfolio – collection of ego's ties – also builds the notion of significant actor characteristics. Organization's ability to gain benefit from its network partners depends on partner characteristics such as firm performance, and power over the focal firm (Kilduff and Brass, 2010).

2.4.2 Human Agency

As the examples demonstrate, actor characteristics can be considered significant factors in organizational networks. Theory on the matter is however still emerging. "Strong guiding theory is needed if even a single personality variable is to have any chance of predicting significant variance in network outcomes" (Kilduff and Brass, 2010, 333). Organizational network research has also been criticised for dismissing the impact of human agency on networks. Increasing amount of research focuses on areas beyond network structure, human agency being another important area of emerging research (Kilduff and Tsai, 2003). The concept of agency refers to how individuals and their motives influence social networks (Kilduff and Tsai, 2003). Actors are not solely part of network constructions that influence them, but active agents that reciprocally affect social networks. Cultural and societal conditions guide individual action that in turn shapes networks in which an individual operates (Emirbayer and Goodwin, 1994). Individual action may influence an organization's position and access to resources (Brass and Burkhardt, 1993) and have a negative

impact on organizational outcomes (Ibarra et al., 2005).

Even though research on human agency has been scarce, individual actors are believed to have an impact on organizational networks (Kilduff and Brass, 2010). Focus on the structures of network ties has largely dismissed how cultural factors, ideas, beliefs and values, together with actors carrying those elements influence social networks (Emirbayer and Goodwin, 1994). Social actors, guided by their societal and cultural environments, produce and alter “long-standing structure, frameworks, and networks of interaction” (Emirbayer and Goodwin, 1994, 1442). Research suggests that in order to understand network development, the interrelation of social structure, cultural factors and human agency must be examined (Emirbayer and Goodwin, 1994).

In addition to network structure, individual action can influence actor's power position in a network (Brass and Burkhardt, 1993). In their research, Brass and Burkhardt (1993) examined the relation between behavioural tactics and actors' network position in relation to power. Behavioural tactics analysed in their study were based on a previous study by Kipnis and Schmidt (1988). These tactics were assertiveness (assertive interaction), ingratiation (polite interaction), rationality (use of reason in influencing others), exchange (mutual favours), upward appeal (aim to gain support from superiors), and coalition formation (aim to develop alliances with others). Brass and Burkhardt (1993) found that formal position allows individual actors to acquire power without specific behavioural tactics whereas informal positions require the use of behavioural tactics. The research also suggests that rationality – indistinguishable from intelligence and expertise – assertiveness, and upward appeal were related to power.

As established above, individual behaviour affects network structure and power relations within a network. Individual behaviour may also at times be harmful to the focal organization. Individual and communal benefits may co-exist, e.g. individual brings in new knowledge from outside the network which benefits both the individual and the community as a whole (Ibarra et al., 2005). However, a conflict of interests between an individual and collective good may emerge; individual action may harm organization's benefits, if individuals follow their own interests instead of those of the community (Ibarra et al., 2005).

2.4.3 Cognition

Whereas the concept of agency examines the individual impact, cognition focuses on the perceptions of networks (Kilduff and Brass, 2010; Kilduff and Tsai, 2003). Cognitions of network relations affect network structure (Ibarra et al., 2005). Network cognition has been largely examined from the leadership perspective. Accurate perception of organizational networks is fundamental. However, several biases influence network cognition. Biased perceptions may

influence network structures in many ways.

In organizational network management, accurate perception of network relations is a requisite for all leaders (Balkundi and Kilduff, 2006). Failure to identify the power of social ties may have negative consequences. Effective leadership in a social unit requires awareness of a) the relations between actors in that unit; b) the extent to which such relationships involve embedded ties like friendship; c) the extent to which social entrepreneurs extract value from their personal networks to facilitate or frustrate organizational goals; and d) the extent to which the social structure of the unit includes cleavages between different factions (Balkundi and Kilduff, 2006, pp.423-424). For accurate understanding of network relations, the leader must consider a variety of social ties such as friendship, advice, or communication linkages. The ability to understand organizational employees' networks both inside and outside the organization, allows the leader to utilize those connections for the organization's benefit (Balkundi and Kilduff, 2006). In an egocentric network, ego must be aware of not only its immediate ties, but also of the relations that its partners develop. Ties beyond the leader's reach also affect organizational outcomes (Balkundi and Kilduff, 2006).

Formal leaders are however challenged by possible biases in perceiving organizational and interorganizational networks. These biases include inaccurate perception of the actor's own popularity and consequently ignoring the necessity of maintaining their social capital. Actors may also erroneously change the idea of popularity into a notion of friendship. Bias of granting more popularity to some actors in a network may result in augmented popularity among few actors (Balkundi and Kilduff, 2006). Furthermore, actors perceptions of networks with small-world features⁴ can be magnified (Balkundi and Kilduff, 2006; Kilduff and Brass, 2010). Clustering and connectivity of small-world effects, seem to exist more in people's perceptions than in reality (Kilduff and Brass, 2010). Furthermore, people's perceptions of an individual with important friends result in increased reputation of the individual as a good performer (Kilduff and Krackhardt, 1994). People's perceptions affect the reputation granted to individual actors. Perceptions, that may vary between groups and dominate the particular social network structures, impact how actors are granted reputation (Ibarra et al., 2005).

This section has been an attempt to discuss individual level influence on organizational social networks. As discussed, actor characteristics such as high and low self-monitors and absorptive capacity affect organizational networks. Furthermore, human agency – individuals, their motives and action – together with perceptions – correct or biased – are significant factors in organizational network development.

As examined in this chapter, interorganizational networks allow actors to access a variety of

⁴ Small-world features include high local clustering and short average path lengths (Balkundi and Kilduff, 2006)

resources. Financial, institutional and knowledge resources are available through network relations. Formation of new ties is embedded in already existing social relations organizations form. Even though the focus of this study is on organizational level, individual level influence must be recognized. Actor characteristics, human agency and individual perceptions all impact organizational networks. These micro-level aspects together with significant role of trust make network management complex.

3 RESEARCH METHOD

This chapter presents the philosophical foundations of the research, data collection and analysis methods. It examines case study as a research method by a brief overlook of the method, its strengths and weaknesses and reasons for selecting the particular method. Section on data collection method describes how interviews can be and were used for research purposes in this study. This chapter also discusses data analysis process from content analysis perspective. The chapter ends with critical reflections on the research process.

3.1 Methodological Foundations of the Study

Possible methodological choices vary from positivist, interpretive to critical foundations. In this research, interpretive approach is employed. In interpretive research – as opposed to positivist scholars that look for an objective truth – investigators believe that the “social world cannot be understood in the same way as the natural and physical worlds” (Hatch and Yanow, 2005, 65). Interpretative approach comprehends that social realities are in fact constructed differently depending on the individual, therefore meanings and meaning-creation are central (Hatch and Yanow, 2005). The objective of interpretive research is to understand how these social realities are constructed (Prashad, 2005). Interpretation occurs in several levels: actor or researcher interprets an event or setting they have experienced; researcher interprets interviews or documents in order to prepare a report; written or oral report is interpreted by the audience (Hatch and Yanow, 2005).

The following figure presents the philosophical foundations, research and data collection methods and data analysis method of this study.

Philosophical Foundations	→ Interpretive approach
Research Method	→ Case study
Data Collection Method	→ Interviews
Data Analysis	→ Content analysis

Table 2 Methodological Foundations of the Study

3.2 Case Study Research

Case studies “contribute to our knowledge of individual, group, organizational, social, political, and related phenomena” (Yin, 2003, 1). Case study as a research method seeks to comprehend a single case in its complexity (Eisenhardt, 1989; Stake, 1995). In comparison to other research

methods, case study allows us to examine phenomena in their contexts, not separate of it (Gibbert et al., 2008). Case study research is used particularly for how and why questions (Yin, 2003). Selecting case study as a research method for this study was justified considering that the aim of the research was to answer how and why questions related to organizational phenomena. Case study research was the most appropriate method to explore why and how an arts organization develops its network relations.

Case study research can focus on single or multiple cases. Single case research is justified if the case is critical, unique, typical, revelatory, or longitudinal (Yin, 2003). A critical case refers to researching a suitable case in order to test an existing theory. A unique case study can be used when studying a rare case in order to gain more information on it. Research on a typical case provides evidence on a representative and average case. A revelatory case allows the researcher to investigate unknown phenomena. A longitudinal case is used to study a single case in different moments (Yin, 2003). On the contrary, the use of multiple cases is recommended for holistic research (Yin, 2003). The object of a case study can be a person, event, decision, programme or organizational change (Yin, 2003). Random selection of a case could be relevant in large-sample research, but if the research sample is small, randomization should not be used (Gerring, 2007).

Selecting the Finnish Institute in London as a single case for this study was based on numerous factors. Before this research, I was already familiar with the Finnish Cultural and Academic Institutes. I had done an internship at the Finnish Institute in Madrid in 2009-2010. During that time I developed an interest towards the Finnish Cultural Institutes and their operational model of promoting Finnish art locally in a foreign country. Due to my previous international experiences, it was clear that I wanted to select a case with an international dimension without losing of the Finnish point of view either. Therefore, I began to reflect on the possibility of examining network relations developed by the Finnish Cultural Institutes. Before starting the actual research process, I had a discussion with a representative of the network of Finnish Cultural and Academic Institutes in Helsinki. This conversation fortified my notion that the Cultural Institutes would be apt for investigating international organizational networks. The meeting also oriented the case selection towards the Finnish Institute in London by underlining its strong and productive emphasis on networking activities. This conversation, together with my previous knowledge of the successful and highly visible activities executed by the Finnish Institute in London and their annual reports that highlight the importance of networking, assured me that if I wanted to examine organizational networks in the art field, the Finnish Institute in London would be a suitable case.

I evaluated the possibility to select another case, but in order to gain in-depth knowledge on the issue and to explore the motives and processes of network development in detail it seemed justified to focus on the Finnish Institute in London. It provided a unique case for investigation.

Case study research as a method has been criticized because of its subjectivity. Case study research relies on the interpretations that the researcher conducts (Stake, 1995). Researcher might lack rigour and allow their biases to affect the research direction (Yin, 2003). The method is also questioned because the findings cannot be scientifically generalized (Yin, 2003). Flyvbjerg (2006), however, has corrected misunderstandings related to case study research. Regarding possible biases, similar challenges are present in other methods as well, for example, in quantitative research, the choice of variables influences the research (Flyvbjerg, 2006). In addition, the need to generalize is criticized as case study research can provide important information in a specific area. Furthermore, case study method allows investigators to identify exceptions that generalization does not provide (Flyvbjerg, 2006). She notes that in human science context-dependent knowledge is more valuable than search for universal theories.

In the initial phase of this research, I evaluated the possibilities to select the Finnish Institute in Madrid as the case to be studied. My previous experience of the organization would have granted me access to the Institute. However, I believed that my personal experience from the Finnish Institute in Madrid might have influenced my expectations and interpretations and therefore the entire research process. Without a doubt, the Institute in London was a suitable case due to its outspoken focus on networking, but it also was an organization I was unfamiliar with. This conscious decision was made in order to diminish possible biases towards the case organization.

The aim of this research was not to provide generalizable models for networking, but to discover how an internationally operating arts organization that invests in networking in fact justifies and manages its networking activities. Evidently, some of the findings can be applied to other organizations, but generalizability is limited by the context in which organizations operate.

The quality of a case research can be built by developing validity and reliability (Gibbert et al., 2008; Yin, 2003). The validity consists of construct, internal and external validity. In case study research construct validity requires the use of multiple sources of evidence and establishing a clear chain of evidence. Pattern-matching and theory triangulation build internal validity. External validity in single-case studies is built by using theory (Yin, 2003). By documenting the research process and being as transparent as possible in the process, investigator can construct reliability (Gibbert et al., 2008) which aims at reducing any possible errors or biases (Yin, 2003).

In this research construct validity was built by selecting numerous interviewees with differing experiences and positions at the Institute. Interviews were recorded and transcribed in order to maintain accurate data. Theoretical framework allowed me to compare research findings to existing theory on organizational networks and construct both internal and external validity. Careful documentation of research process which included transcribed interviews, excel sheets and saving all drafts of the research constructs the reliability of this study.

3.3 Data Collection

Possible data collection methods in case study research include archives, interviews, questionnaires, and observations (Eisenhardt, 1989). Evidence gained through research can be qualitative or quantitative (Eisenhardt, 1989). In this research, data collection method was interviews from which qualitative evidence was gathered. Interviews are an important source of information in case study research. Interviewees with particular knowledge and experience can provide significant insights on human affairs, most commonly examined in case studies (Yin, 2003). Interviews are a useful method to collect in depth data as conversations can reveal things that would not be uncovered otherwise (Hirsjärvi and Hurme, 2001). Interviews can be criticized because of inadequate questions or respondent's biases. However, interviews' strength is that they are a targeted way to collect insightful information (Yin, 2003). As Hirsjärvi and Hurme (2001) note, interviews can be a demanding method of data collection, as they are time-consuming and the interviewer should have the adequate skills and experience in order to execute interviews in a good manner. An interviewer must be able to focus on the research objectives and ask questions that serves that need (Yin, 2003).

In this research, in total six interviews⁵ were made. All interviews were done in Finnish. All interviewees were members of staff of the Finnish Institute in London. When initiating the research, there were changes of staff at the Institute. Therefore, it was of relevance to interview the Institute's both current and former Directors and Programme Directors. This choice allowed me to gain an insight into how networks evolve over time and how strongly network relations are linked to individual employees. Other interviewees were selected based on their position at the organization. In order to broaden the understanding the Institute's network relations, in addition to the Directors and the Programme Directors, the Head of Communications and one Intern were also interviewed. Interviews with six individuals with different positions and length of experience from the Institute allowed me to gain insight into the Institute's network development.

One option would have been to also interview representatives of other organizations with which the Institute has established network relations. However, for several reasons, it was a conscious choice to exclude interviewees external to the Institute. Interviews are a time-consuming data collection method and I did not wish to expand on the number of interviewees considerably. Because of personnel changes I felt obliged to interview previous and current staff members inside the Institute. Considering the aim of investigating why and how the Institute develops its network relations, I did not see what additional value interviews with network partners would have provided. Therefore, I chose to focus on the knowledge available from within the organization.

⁵ See appendix 1 for a full list of interviewees

The interviews were semi-structured. A list of questions was prepared and given to read and comment to two people who did not participate in the actual research process. Comments from these people allowed me to clarify some questions and to change the wording of some questions. Before the interviews, the interviewees received a short description of the study and the topics to be covered in the interview by email. The list of questions asked was the same for all interviewees, however, their order and exact wording varied. Furthermore, additional questions were asked in order to clarify what the interviewees meant, or to elaborate on a topic that rose during the conversation. Interviews were done in October and November 2013. Two of the interviews, the first and the last one, were done in Helsinki, one in an office and another one in a cafeteria. Four interviews were done in the Finnish institute in London. All interviews were recorded. The length of the interviews varied from 45 minutes to 1 hour and 10 minutes. All interviews were transcribed. Interviewees were deliberately anonymous. However, I refer to them according to their position in the organization in order to analyse how employees' positions and individuals influence network relations.

3.4 Data Analysis

The data analysis method in this study is content analysis. Content analysis refers to the process of how, in order to analyse data retrieved from interviews, notes or other material, the information is made systematically comparable and a coding outline is employed (Berg, 2001). In content analysis, researchers usually examine either written documents or transcriptions of recorded communication (Berg, 2001). In order to support researchers' interpretations, passages from relevant statements should be included (Berg, 2001).

Before initiating content analysis, all interviews were transcribed. For the analysis I placed all transcribed interviews on one document in the same order as they were done. The initial step of the analysis was reading through the interviews. For different research themes I used different coloured markers to highlight relevant content in the interview data. In the initial analysis phase I divided topics under headlines of relation formation, relation characteristics, relation management, networks in the arts and understandings of networking as a concept. Relation formation included both questions why and how network relations are formed. Relation characteristics focused on topics related to good network relation. Relation management entailed issues such as relation maintenance, possible challenges of networking and individual influence on network relations.

Once I had gone through the transcribed interviews and identified topics mentioned above, I organized the topics into an excel sheet. Under each topic I collected examples from the interview data. I then grouped the examples under more general headlines, still under the topics named above. After establishing the subheadings for each theme, I began to sketch the structure for the

analysis. Relation formation with two central questions why and how of this research was a large entity that I divided into two separate sections. I also restructured other topics in order to maintain focus in the three central questions.

3.5 Critical Reflections on the Research Process

As examined in this chapter, the initial motive for case selection was my personal interest towards the Finnish Cultural Institutes. Nevertheless, I did not select a familiar case (the Finnish Institute in Madrid) in order to reduce possible biases in the research process. I based the case selection on my previous knowledge on the Finnish Institute in London and on information retrieved from documents and conversations with people who were familiar with Institute's activities. Had I selected multiple cases, I would have been able to provide a more holistic view on arts organization's network relations. The choice of single-case study allowed me to gain in-depth knowledge of the networking activities done by the Finnish Institute in London. Even though I was aware of my biases to an extent, I must wonder, if I allowed my expectations on the successful networking model provided by the Institute influence the research process. Aspiring to find well-functioning models of network development, I might have neglected the potential negative phenomena related to networking.

Employing interviews as the sole data collection method was supported by the notion that in case study research, interviewees are able to provide important insights to human affairs (Yin, 2003). Due to changes in the organization, the number of interviewees inside the organization rose to six, which encouraged me to exclude external interviewees. Initial ideas to include a member of the organization's executive board and organizations with which the Institute has existing network relations would have provided a more extensive view on network relations. Mainly due to time constraints and the already existing number of potential interviewees, I chose to interview Institute's staff members only.

Analysis process was time-consuming. I categorized and reorganized the interview data several times. Reflecting critically, I should have been more focused on the main questions of the research. Instead, I spent time going over several minor topics that emerged during the analysis process. In addition, the research process was interrupted for nearly a year due to my professional situation. Therefore, analysis process, which began in November 2013, was completed only in November 2014.

4 CASE DESCRIPTION

This chapter presents the case organization, the Finnish Institute in London. The first part presents the central facts in relation to the Institute's history, finances and operations. The second part aims to describe the Institute's a strong link to networking. It explains the different formal networks that the Institute belongs to and also describes how Institute's operations are largely based on its network relations.

4.1 Organization Called the Finnish Institute in London

The Finnish Institute in London is one the seventeen Finnish Cultural and Academic Institutes that operate internationally. Sixteen institutes operate outside Finland, and Hanasaari Swedish-Finnish cultural centre is located in Espoo, Finland. Thirteen institutes are cultural and four academic. The institutes share similar characteristics when it comes to their structure and mission. They are all non-governmental organizations run by a private trust or foundation. Most of the institutes were founded in the 1990s, and since 2005, the association of Finnish Cultural and Academic Institutes has been acting as a liaison between the institutes and between the institutes and Finnish partners. The main aims of the institutes include promoting cooperation between Finnish and international organizations, supporting cultural exchange and export, and internationalisation of Finnish research, creating both social and institutional networks, and enhancing Finland's visibility internationally.

The operations of the independent institutes are based on the rules determined by the governing foundation or trust. In addition, the institutes' directors and local environment define organizations' operations (Opetusministeriö, 2005). The cultural institutes receive funding from the Ministry of Education and Culture budget; the academic institutes gain financial support from the lottery fund Veikkaus. Funding for the cultural institutes in 2009 was 1, 5 % of the overall cultural budget, slightly over seven million Euros in total (Kontkanen et al., 2012).

The Finnish Institute in London is a private foundation whose mission is to enhance Finland's relations with United Kingdom and Ireland. The Institute was established in 1989, and the Finnish Institute in London opened in 1991. The Finnish Institute in London operates in three countries: Finland, the United Kingdom, and Ireland. The Institute's focus is on education, science, art, and culture. It supports the interaction of researchers, artists, experts, and decision-makers between the three countries by creating new collaborations. Its principal target groups include key actors in education, society and arts in the UK and Ireland, the media, and key actors in central universities.

Recent changes in technology, economy, and culture have guided the Institute to drive positive change through cross-disciplinary and cross-border collaboration.

The Institute's operations are divided into two areas: arts and culture, and society programme. Arts and culture programme tasks include recognizing new themes, events, communities and individuals in the art field and to act as a motor for surprising collaboration. The society programme on the other hand focuses on enhancing open society and equal opportunities in education (<http://www.finnish-institute.org.uk/fi/articles/18-programme>, accessed 9.12.2014). For the purpose of this research, the society programme is not analysed further, as the focus of this study is on the Institute's activities in the art field.

The Institute is governed by the Finnish Institute in London Trust. The board of the foundation has six members. The Institute has five permanent members of staff, the Director, the Programme Directors for Art and Culture and Society, the Head of Communications and the Head of Administration. In addition, the institute has approximately five interns at a time for a period of five to six months.

The Institute receives a yearly grant⁶ from the Ministry of Education and Culture. In 2013, the Institute received in total 600 000 euros, which was 58 % of all income. In addition, the Institute receives additional income from the Ministry for rental expenses, 32 % of total income, 326 000 euros in 2013. Other income in 2013 was 101 368 euros, which equals 10 % of all income, diminishing from 2012 when the additional income was 28 % of the total income (Finnish Institute in London, 2014). Other income included project grants and financial support for particular projects. In 2013, the Institute received financial support and grants from the Ministry of Education and Culture, the Finnish Cultural Foundation, Alfred Kordelin Foundation, Kone Foundation, Skandium and National Trust (Finnish Institute in London, 2014). In-kind support in 2013 amounted to 72 130 euros that consisted of venue services, accommodation, and hospitality and expert services (Finnish Institute in London, 2014). Greatest individual expense in 2013 were personnel costs, 39 % of total expenses (399 648 euros). Another significant cost was real estate expenses, 35 % (367 641 euros). Project expenses were 16 % (160 644 euros), communication 4 % (45 644 euros) and other costs 6 % (65 550 euros) (Finnish Institute in London, 2014).

In its art and culture programme, the Institute has a variety of activities that include projects with shifting emphasis, for example on design and architecture. Artist residencies and promoting Finnish artists in Britain and Ireland are also significant projects within the programme. In addition, the Institute executes art export activities together with Finnish art export and information centres. Recent art and culture projects include a variety of productions of which some were Institute's own productions and others part of different collaborative projects. The aim of the art and culture

⁶ In Finnish *toiminta-avustus*

programme is the internationalization of contemporary art and culture and the emergence of high-quality cultural exchange (Finnish Institute in London, 2013). The art and culture programme creates connections between the Finnish, the British and the Irish professionals, promotes best practices and creates possibilities for new collaborations (Finnish Institute in London, 2013). One recent objective has been to improve the programme's profile and increase its impact by building long-term partnerships, and promoting dialogue on current themes (Finnish Institute in London, 2013).

4.2 Networking Model at the Institute

In 2008, the Institute renewed its strategy placing more emphasis on continuity, which supports the organization's position as a societal actor (Finnish Institute in London, 2011). In 2009, the Institute made its first three-year-plan, based on the strategy developed in 2008. This strategy highlighted the Institute's role as a networker, and the importance of recognizing significant societal change (Finnish Institute in London, 2012). Since 2010, the new strategy has been implemented. The Institute places emphasis on networking activities. The mission statement depicts the central role of networking in the Institute's operations:

The mission of the Finnish Institute in London is to identify emerging issues important to contemporary society in Finland, the UK and the Republic of Ireland and to act as catalyst for positive social change through the impact of the mutually beneficial partnerships it creates. It operates at the cutting edge and takes calculated risk to achieve its mission.

The Institute works with artists, researchers, experts and policy makers in the United Kingdom, Finland and the Republic of Ireland to promote strong networks in the fields of culture and society. New and unexpected collaborations are created and facilitated as the Institute supports the creative industries, artistic interventions, research, foresight and social innovation in new, socially important areas.

(<http://www.finnish-institute.org.uk/en>)

Networking is present in all of the Institute's activities. Promoting strong networks includes several aspects. First, the Institute is an active member in Finnish and international networks such as the network for Finnish Cultural and Academic Institutes, Team Finland and EUNIC network in London. Furthermore, the Institute maintains active collaboration with Finnish information and

promotion centres for art (Finnish Institute in London, 2014). Second, the Institute actively builds networks between Finnish, British and Irish actors by organizing meetings and discussions for professionals to communicate and collaborate (Finnish Institute in London, 2014). Third, the Institute's projects promote networking (Finnish Institute in London, 2013). The Finnish cultural and academic institutes have collaborated for example by realizing the report on Finnish design by the Finnish Cultural Institutes in 2007-2012. Collaboration between the Institute and Finnish Embassies in London and Dublin was renamed as Team Finland in 2012. The Institute is one of the founding members of European Union National Institutes for Culture (EUNIC) London-based cluster. In 2012, the Institute had active collaborations with Music Finland and Dance Info Finland (Finnish Institute in London, 2013). Discussions for professionals in the art field have included for example recent Iconic Houses Europe Symposium that the Institute organized together with Iconic Houses Network in November 2013.

Projects that promote networking include residency programme, Viewpoint architecture project, and earlier design projects HEL YES, REDDRESS, and HEL/LO. HEL YES from 2010 was a pop-up restaurant and exhibition in the London Design Festival. The event was part of the Institute's project Helsinki-London Design-Camp which was also part of the World Design Capital Helsinki 2012 project. Design projects were developed with a strong focus on networking (Finnish Institute in London, 2011). HEL YES brought together various Finnish artists and designers and gained plenty of publicity during the event (Finnish Institute in London, 2012). In 2011, project REDDRESS, an installation, and performance space designed by Aamu Song, was brought to the UK as part of the London Design Festival. HEL/LO was a series of conversations focusing on design and architecture organized in London and Helsinki in 2012. The most recent major project, Viewpoint, Architecture Commission, is collaboration between the Institute and The Architecture Foundation. End-result of this project is a building in London, King's Cross area.

All in all, the Institute and networking are inseparable. In addition to the several formal networks that the Institute belongs to, organizational social networks are significant regarding the Institute's Arts and Culture activities. The Institute develops projects together with network partners, and the projects enable the development of new network relations. This link is studied in more detail in the following chapter of analysis and results.

5 ANALYSIS AND RESULTS

This chapter presents the key findings of the research based on interview data. The first part of the analysis examines the motives for network relation formation at the Finnish Institute in London. Art field related characteristics – content and competition – are discussed, followed by the three types of resources divided according to the model by Gulati et al. (2002). The types of resources are knowledge, reputation and financial. The second part of this chapter analyses the evolution of network relations. Evolution of network relation is examined from two perspectives. First, how network relations are formed and second, what network relation management contains? Network relation formation is examined through relation development process and embedded network relations. Media for network maintenance and temporality of relations is discussed in relation to network management. The third part of the analysis focuses on individual influence on organizational network relations. Individual influence is discussed in relation to particular personal qualities affecting network relations and regarding the role individual employees have on organizational network relations.

5.1 Motives for Network Formation

Networks are without a doubt the most central thing in these kinds of operations. Without those networks, the Institute would not be capable of working. [...] If we imagine the Institute that is broken off from all its professional networks [...] the Institute would not be able to function as a solitary planet. (Current Director)⁷

I think it is strongly in the agenda of the Institute. We build the relations that enable us to collaborate and create interesting projects. (Intern)

This section examines the Institute's motives for network creation. What are the driving forces behind the Institute's network development? First section discusses how arts field affects the Institute's networking. Defining elements in art field identified are content-focused operations and competition. Identifying elements that define networking in the art field provides a context for the Institute's networking activities. The second part of network motivations examines the potential benefits of new relations. The benefits are divided into knowledge, reputation and financial resources according to Gulati et al. (2002). Network relations have a great potential in providing the Institute with various benefits. Through its network connections, the Institute gains access to a

⁷ All interview quotes have been translated from Finnish into English by the writer

variety of organizational resources ranging from knowledge to reputation, and financial benefits. Interviewees acknowledge informational benefits as a key resource retrieved from network relations. Reputation and credibility are other significant resources that the Institute gains through its network relations. Even though financial benefits are not considered as central, interviewees identify the importance of in-kind resources retrieved from network relations. The following table presents the key motives behind the Institute’s organizational networking, building on the different types of resources organizations exchange (Gulati et al., 2002). These resource types have been completed with art field specific motives for organizational network development as identified in this study.

Motives for Network Formation	
1. Deal with art field specific phenomena	Access to quality artistic content
	Means to battle harsh competition
2. Gain knowledge	Gain field specific knowledge
	Access confidential information
3. Build institutional reputation	Develop credibility among local actors
	Access previously unfamiliar organizations
4. Access financial resources	In-kind resources

Table 3 Motives for network development at the Institute

The motives identified in the table above are based on the interviewees’ accounts. Interviewees describe the most central benefits of network relations and explain the distinct resources that are exchanged in networks. These are divided into knowledge, institutional and financial resources according to Gulati et al. (2002). Furthermore, I have included art field specific characteristics that affect networking. All interviewees recognize the central role of content. Network relations are built focusing on the content. They enable the development of projects with high-profile artists and organizations. In addition, several interviewees describe that networking is a useful means to deal with the harsh competition that labels art field, especially in London. Knowledge is considered the most valuable resource retrieved from network relations. Many interviewees describe how the Institute exchanges field specific knowledge and confidential information with its network partners. Another significant resource is the Institute’s organizational reputation. Interviewees recognize that the Institute is defined based on with who it collaborates. Furthermore, previous connections may provide the Institute access to new organizations. Financial resources are not seen as a central

motive in network relations. However, interviewees note that in specific projects financial input may exist. Regarding network relations, the role of in-kind resources such as production assistance, arose as a significant aspect. The following sections discuss these motives in more detail.

5.1.1 Content and Competition in the Arts

In order to comprehend the development of the Institute's network relations, it is important to consider the organization's operational environment. For this purpose, interviewees were asked to describe particular characteristics of networking in the art field. The interviewees recognize a variety of features. For the analysis I have grouped the distinct characteristics under two key headlines which are 1) content-focused operations and 2) fierce competition. In this section the two characteristics are examined in more detail.

In most of the interviews, content rose as the most central feature that defines the Institute's operations and network development. Strong focus on the content implies that the Institute's art and culture activities are based on artistic substance. Content-focused operations that define networking in the art field are present in all levels of the organization's operations. The Institute identifies itself as an arts organization that finds partners and employees who are the most relevant for the content at hand. New project creation, marketing communication and network development are all built focusing on the content, Finnish art and culture. Therefore, when seeking new contacts, the Institute pursues actors that are the most interesting and relevant for promoting the field itself. When the Institute began to develop its residency programme, first step of the process was to identify the most significant British actors in fine arts. During the preparations of Viewpoint 2014 project, which the Institute began together with Architecture Foundation, the two organizations together looked for a suitable third organization for the project. This third partner was London Wildlife trust.

Furthermore, the Institute aims to maintain good network relations to Finnish arts organizations, which guarantees access to quality content. The Institute defines itself primarily as an expert organization instead of an extension to Finland's diplomatic relations. Consequently, focus is on the content as opposed to promoting Finland's public diplomacy. These examples demonstrate how the Institute's operations and network development are executed emphasising the content. Content-focused operations require deep understanding and interest in the arts:

It is really important that you know the basic things, the most central artists and their work or that you are really interested in what is done and how. [...]

Art field is different, for example from the commercial field in the sense that if you do not understand what is done, or the background of the production, it can be difficult in the long run. (Head of Programme)

Emphasis on the content throughout all operations requires vast knowledge from Institute's individual employees. Employees must be familiar with central artists and arts organizations. Content-focused operations require that people involved in the operations must comprehend the field and its substance. Evidently, this is taken into account in the recruitment phase. The Head of Programme who took over design and architecture projects had a background in Helsinki Design Capital project. The Intern who participated in Viewpoint architecture project was an architecture student. The Institute's directors have been professionals with several years of experience in both cultural and academic fields. Art-related expertise the Institute's employees possess, allows for a content-focused dialogue and operations with network partners.

Furthermore, interviewees describe art sector as a very competitive field. This phenomenon is aggravated in London where a great amount of competent actors compete for emerging opportunities. Interviewees acknowledge that London is a challenging operational environment, because of its fierce competition in the art sector.

There are co-actors, who have much more money, the Norwegians, the French, the Americans. [...] Big organizations with plenty of personnel can create many connections. That is a challenge. (Former Director)

The presence of bigger and more affluent cultural organizations forces the Institute to make great efforts in order to gain access to local art institutions. Simultaneously, the organization competes with other foreign cultural organizations with more resources and with local cultural actors. The Head of Communications notes that the Institute has to work more in order to maintain relationships and create new networks. This is because in London certain power structures and tight networks have been developed early on in schools and universities. In this, competitive environment organizations and artists select their partners very cautiously. Networking provides a beneficial operational method in such a competitive sector in a major cultural capital. The Former Director affirms that networking is the only reasonable way to make an impact and gain visibility in London.

Even though competitive operational environment creates challenges for the Institute, it also generates benefits. Competitive environment implies large number of interesting actors. A great potential for new partnerships and projects exists in London. As a result, new developments may occur at a rapid pace. The Current Director explains that in the art field new, interesting growth occurs constantly. It is important to hold on to those emerging organisms as they may develop into significant phenomena. In addition to creating a great pool of potential collaborations, competitive

field motivates. The Programme Director explains how she finds great inspiration in the ambitious cultural sector in Britain. The race to create innovative new projects between professional and competitive actors challenges one to work harder.

The Finnish Institute in London operates in international arts field characterized by a strong focus on artistic content and fierce competition. Emphasis on artistic content signifies that it is at the centre of the Institute's all operations, including networking. When looking for new contacts, the Institute aims to find the most relevant ones regarding the content. Interviewees also note that the art field is a competitive area. London as an operational environment aggravates the competition further. The Institute is forced to compete with more affluent art organizations. Networking serves as a useful means to overcome the competition and to unite forces with other actors. Content and competition seem to dictate network development for the Institute. Content defines with what organizations or people the Institute seeks to build network relations and competition obligates the organization to seek network relations for gaining distinct resources. The resource benefits – knowledge, reputation and financial input – are examined in the following sections.

5.1.2 New Relation – New Knowledge

When the relationship is good, you can go to an area, what you cannot ever ask out loud, or what no one will tell you officially. (Former Director)

It has been a project with high-standard content. [...] After that, follows a situation when you can call them any time. 'Now we have this, are you interested?' Or ask advice on something completely different, and they can do it to us as well. (Head of Programme)

Knowledge is an important resource the Institute gains from its network relations. Interviewees value knowledge as the most important means of exchange, “an ace”, as the Former Director describes. If a person is willing to listen and ask, network connections offer access to a broad range of information. Network partners, who are typically experts in their own field, guide the Institute on field-specific practices. Partners in Britain provide the Institute with useful information on local models of operation. Similarly, the Institute assists its foreign contacts with the particularities of the Finnish cultural sector. Network relations provide the Institute with feedback on emerging ideas and projects. Testing new concepts with network partners allows the Institute to gain important feedback on new propositions and if necessary, develop projects towards correct direction. One

local contact has for example given the Institute guidance on initiating a new project. The contact advised the Institute of the perfect momentum for project launch.

Furthermore, network partners assist the Institute in problem-solving. When the Institute faced challenges related to its architecture project, they contacted a local partner in order to discuss the project and to find possible solutions. Network relations also allow the exchange of information on e.g. where to look for potential sponsors, funding or new possible collaborators. The Institute's public relations partner has provided access to potential sponsors, performers, and designers. Existing partners provide the organization with information of relevant new organizations and the connection to the refereeing actor functions as a bridge between the two organizations.

Furthermore, network relations grant the Institute access to delicate information. Network relations are an important and efficient means to gain information on sensitive matters such as whom with one should not work or what occurs behind the scenes. In a confidential, good relation, organizations exchange knowledge that one interviewee describes as gossip. This type of information can for instance save the Institute from difficult partners.

Overall, network relations allow the Institute to exchange field and location specific knowledge with other organizations. Through its network relations the Institute gains useful knowledge on what people and organizations to contact in specific matters. Existing contacts also refer the Institute to these key organizations and people, facilitating further networking. In addition to practical guidance and referrals, the Institute has access to confidential information through its network relations.

5.1.3 Credibility and Reputation

... it is also about building a reputation. Of course we are defined based on whom we collaborate with. (Head of Communications)

Existing network connections affect the Institute's reputation because it is partly evaluated based on its contacts. The more prestigious network partners the Institute possesses, the more credibility it gains. One interviewee notes the importance of namedropping in initial meetings; meetings run smoother if one can name key organizations and people the Institute already collaborates with. Because the Institute operates on a foreign ground, without roots in the local operational environment, respectable local network partners are vital for the Institute's reputation as a credible cultural organization.

Interviewees state that without its networks, the Institute's activities and position in the field would

be very limited. In order to have an impact and the credibility to attract interesting actors in the competitive arts field in Britain and particularly in London, the Institute must find external actors through whom it can build credibility as an arts organization. Finding reliable partner organizations is fundamental in building organizational reputation.

In addition to developing its own organizational networks, the Institute actively builds new connections between Finnish and British actors. The Institute operates as an intermediary that facilitates the connection between organizations unfamiliar to each other. Successful creation of new connections between different actors builds the Institute's credibility. The Institute's employees have in several occasions, successfully introduced actors to each other. The Institute connects British actors with other local organizations, or Finnish actors with British organizations. Even though the Institute's reputation as a Finnish actor may affect network creation negatively, at the same time vast knowledge of the Finnish art field as a whole builds the credibility of the Institute in the eyes of the British actors.

In addition to establishing network relations with key actors, what other actors communicate about their experiences of the Institute, affects organizational reputation. Network partners share their positive and negative experiences of the Institute outwards. Network partners can therefore either fortify or diminish the Institute's credibility as an actor.

The person you network with, they also have networks. They can speak well or poorly of you. [...] If you ruin it, make all kinds of promises you cannot keep [...] it can have really bad consequences because [...] the other people have networks as well. (Former Director)

Network relations can affect the Institute's reputation negatively which may result in a snowball-effect of declining network relations. Therefore, network relations must be managed carefully. Network partner's negative experience of the Institute may hinder new network development extensively, if the partner spreads harmful information about the organization to its own network partners.

All in all, organizational networks are an efficient means to build the Institute's reputation as a cultural organization. Connection to prestigious organizations and central British actors increases the Institute's reputation. The Institute's role as a facilitator of new connections also fortifies its credibility in the field. However, the Institute must pay attention to how the established relations function. Network partners can reinforce or diminish the Institute's reputation as a credible actor as organizations communicate their experiences of the Institute to their own network partners.

5.1.4 Financial Resources

I think it [networking] is a vital condition for an organization such as the Institute, because we do not have much money, which means we cannot buy services or collaborative relations. We must get people excited about our projects and about us so that they want to work with us. (Head of Communications)

Perceptions on financial gain as a motive for the Institute's network development differ among the interviewees. On the one hand, some interviewees consider that network partners are motivated by the potential of receiving financial contribution from the Institute. On the other hand, other interviewees note that the Institute must find innovative ideas to lure partners, as it cannot afford major financial investments. According to the Former Director, the Institute benefits from its reputation as a potential funder. Forming the initial contact is easier when organizations see the Institute as a potential source of financial benefit. This perception is not entirely erroneous, and when necessary, the Institute is able to invest financially in order to proceed with a project. Nevertheless, interviewees also possess contrary understandings. According to the Head of Communications, the Institute cannot buy networks, but must motivate potential partners through other means: by the quality of their projects, work and potential new partnership the Institute can offer their UK counterparts.

...they look at what you can bring in in a wider perspective not just what that month's reward is going to be. (Head of Communications)

Overall, few interviewees name financial benefits as a significant motive for the Institute's network development. Financial resources are discussed mainly in relation to particular projects. Financial investments might occur, if the network contact is an actual collaborative partner. In relation to collaborations and financial input, risk minimisation is considered a beneficial outcome of financial resource exchange. If several organizations share the costs, they are able to test something new without bearing the risks alone, because resources are derived from various sources. In addition to possible financial gain, interviewees consider in-kind resources a significant benefit from network relations. In-kind resources are not direct financial benefits, but do decrease the organization's own expenditure. The Institute exchanges various in-kind resources with its network partners.

According to the Programme Director, the Institute's connection with the London Design Festival has developed into such a good relation that the Institute has been included in an "inner circle".

Belonging to that circle means that the Institute receives assistance for instance in production activities. Another good partner, Victoria and Albert Museum provided a venue for a conference organized by the Institute and Iconic Houses network. The Institute has offered office space for a Music Finland employee in their premises. Local British actors have also assisted the Institute by providing their communication channels to the Institute's use.

It is difficult to determine to what extent financial resources affect and motivate network formation at the Institute. From the examples above we can deduct that initial network formation is facilitated by the organization's partly false reputation as an investor. It can be argued that the Institute's new contacts are to an extent motivated by the potential access to financial resources. However, financial resources are not the sole means to make the Institute an attractive network contact. It must motivate contacts with innovative projects because organizations seek more complex benefits than exclusively financial resources. Production assistance, providing event or office venue or sharing communication channels are all useful in-kind resources that the Institute exchanges with its network partners.

This section has examined what motivates the Institute in network development. Art field particularities – content-focused operations and competition – define network development at the Institute. Furthermore, resource benefits motivate networking. Knowledge and information resources rise as the key asset exchanged in network relations. Information on local practices and potential collaborators is extremely beneficial for the Institute, a foreign organization operating in a competitive market. Furthermore, network partners are a useful source of more delicate information. The interviewees also note reputation and credibility as important resources gained through network relations. Collaborations with reputable partners, well-executed projects with network contacts and partner's positive or negative comments on the Institute all affect its organizational reputation. The significance of financial resources as a motive for network formation is debatable. More important seems to be the various in kind resources that the Institute exchanges through its network relations.

5.2 Evolution of a Network Relation

The previous chapter examines the distinct motives behind the network development of the Institute by answering the question what benefits the Institute anticipates from its network relations. This part focuses on the evolution of network relations. First, I examine the process behind network relation development. How does the Institute build its network relations? What is the process that the Institute goes through for creating a new relation? Process description is based

on the interviewees' accounts of particular network relations and their evolvement. In addition to mapping out tie development process, I present examples of embedded relations at the Institute. Various examples demonstrate that the Institute's new social relations are embedded in existing connections with organizations and individuals. Examples of expanding existing network, personal relations and referrals shed light on embedded network relation development. The second section of this part discusses network relation management by presenting the media the Institute uses for its network maintenance and by examining how the organizational network relations change over time.

5.2.1 How to Develop Network Relations?

This section examines how the Finnish Institute in London develops its network relations. First part discusses the process behind new network relation by mapping out individual steps towards a new relation. Second part examines how the Institute's network relations are embedded with previous personal and organizational ties.

5.2.1.1 Process behind New Network Relation

The following process description is based on interviewee's explanations on how specific network relations formed by the Institute have evolved. In addition to these specific accounts, interviewee's general reflections on how the Institute develops its relations were used to build this process model. Based on the data, I have separated network development process into five different stages. First step is to recognize the key actors and then evaluate the existing potential, after which actively contact the relevant people and organizations. Once the initial contact has been established, the two parties begin a dialogue to determine the potential of the relationship. Developing suitable conditions for the new network relation to flourish requires maintenance - meeting people, sharing views and interests with them.

The following figure presents these main steps of network relation development:

1. Identify	Identify the potential beneficial contacts.
2. Evaluate & Assess	Evaluate the potential of the relation. Assess the motives for relation development
3. Contact	Contact the key people in the target organization.
4. Communicate	Have an open dialogue with the potential network partner.
5. Maintain	When the contact has been established, maintain connection.

Table 4 Evolution of a Network Relation

In the beginning, of course we start to think [...] what are the places where it would be a dream to see a Finn. When you have identified them, then start shamelessly contacting them. ‘Can we come and visit?’ (Former Director)

The Institute begins to develop a new network relation by determining the key actors in the relevant field. Identifying central organizations and people is based on existing knowledge of the area. Employees’ own information and experience on the field is vital when determining potential new contacts. Following daily media and on-going cultural activities complement this knowledge.

After mapping out potential connections, the Institute selects the actors it will contact. At this stage, it is important to consider the organization’s own objectives. What is the aim the Institute wants to pursue through this contact? Is this the most relevant one regarding the content? What are the potential benefits of this relation? Once the key actors are identified, according to the Former Director, the objective is to begin with the most prestigious organizations. Seeking new contacts amongst the most reputable cultural actors is in coherence with the potential benefits identified in the earlier section. Relation to an esteemed organization is expected to affect the Institute beneficially. The Institute’s own objectives are however only one part of the potential network relation.

...you don't sell them something that does not suit them at all. [...] you cannot sell something without being genuinely interested in the partner organization... (Former Director)

Successful groundwork requires that the Institute assesses potential contact’s interests and motives as well. Even though an organization might be the most significant one in its area, and creating a

connection with it would imply great benefits, it is important to evaluate how that organization's own interests and activities fit to the Institute's objectives. Considering that forming new relations is not an intrinsic value, but groundwork for the future, careful selection of new contacts is essential. Knowledge of the surrounding field, awareness of the Institute's objectives, familiarity with potential contact's interests and evaluation of potential benefits of the relation pave way to successful network development. After determining suitable organizations and initial research, next step is to contact the people, or organizations.

It is merely taking up the phone and calling the right people. (Current Director)

Interviewees identify good practices in establishing the first contact. If first contact is done via email, one must pay attention to the subject line of the mail. Important professionals are known to be busy, and only by reading the title, they decide if they will proceed to read the entire email. Useful practice is to send a copy of the email to the person's secretary or assistant, as they are more likely to react. Since organizations' directors receive an enormous quantity of emails and phone calls, it is advisable to seek contact from other people within the same organization. Former Director notes that being optimistic is important, as usually potential collaborators are interested in getting to know new organizations and projects, but they might not always have the necessary time to devote for it. Naturally, contacting an unknown organization through email or phone is not the only means for initial networking.

New contacts emerge via distinct routes. Initial contacts can occur at professional events. In the art field, professionals meet at festivals, biennales or other content-related events where developing new relations is easier as people can focus on networking. The Head of Communications mentions Frieze art fair in London as an example of an event where presence is required. Art fairs where all key actors are available for meetings, are useful for meeting new people and therefore for networking. Numerous Finnish art professionals are present at the fair every year.

In addition, initial contact may emerge unexpectedly. The Head of Programme recounts one random encounter that occurred at an event organized by the Institute. One spectator, previously unfamiliar to the Institute, made an interesting comment on the topic discussed. Unfortunately, the person had left the discussion before anyone had time to react to the relevant observation. Eventually, the Head of Programme rushed after the spectator in order to get contact details for further discussion. This contact has then become a useful connection. The Head of Programme has exchanged ideas and experiences and gained new insight related to an on-going project from this person.

The Former Director notes that even though attending various events is important, exchanging business cards is only a preliminary step into creating a real network relation. After the initial contact, parties gradually begin to seek common ground:

...we get to know the organization, we develop the relation, we meet for coffee or lunch, and then we say, we have this idea... (Former Director)

You start softly, ask questions, get to know them, and are interested. That is how they can reflect on what in your operations can be of interest to them. (Head of Programme)

Many times we get to know each other and see if we have common fields. (Programme Director)

By getting to know each other, potential partners discover whether the new relation can develop further, if it is possible to find common interests and potential collaborative initiatives. These questions are answered through careful dialogue. Once the grounds for a new relation have been established, it is important to consider next possible stages. Even though it is impossible to predict to what direction a relation develops, maintaining connection after the initial meeting is vital.

Every contact is potentially incredibly important... (Current Director)

If you have the feeling that this could be something, you should give it time. (Current Director)

Interviewees note that not all initial contacts develop into productive relations immediately. Even though relation development process may seem straightforward, it is time-consuming. Building a fruitful basis and scouting relevant connections for the Institute's projects can take years. Interviewees recognize lack of time as a major constraint for network development and maintenance. First, establishing the first contact is difficult because organizations have little time. Secondly, developing initial contacts further suffers from the lack of time. Network development is a demanding task. As Former Director explains, developing network relations is not a shortcut to objectives. Current Director notes that if one has the sense of possible collaboration, relation should be given time. Therefore, deepening an initial contact further should be granted time.

Process description above depicts that network creation is a demanding activity. The Institute develops its network relations via distinct methods, based on careful research on relevant

organizations and people. After assessing the potential, the Institute approaches the organizations and begins a dialogue with the network contact. Sufficient time is allowed for the development of the relation. The Institute's network development is, to an extent, systematic. Network development does not however follow the same steps repeatedly nor is it separated from the Institute's on-going activities. The following section examines in more detail how network relation development is embedded in the Institute's existing relations.

5.2.1.2 Embedded Network Relations

The previous section breaks network relation development into a process which includes several steps. Even though it demonstrates how the Institute consciously invests in network development, it must be recognized that much of the Institute's network development is embedded in its already existing network of contacts, as theory by Granovetter (1985) and Uzzi, 1996 suggests. Embeddedness affects network formation in several ways. This section provides examples which show that network relations formed by the Institute are embedded in previous ties. First, the Institute's existing partner relations deepen and evolve over time, expanding organizational networks. Projects in design and architecture provide examples of this phenomenon. Second, employees' personal networks help the formation of the Institute's networks, as Head of Communications describes. Third, access to gatekeeper contacts, and referrals from existing network partners expand the Institute's ego network.

Immediately we started to build a three-year-project that is purposefully executed and expanded over several years. The aim was to create a contact network and increase visibility. (Programme Director)

HEL YES was important in many ways, but one of the most important things about it was all the people we got to know through it. (Former Director)

When the Institute launched its focus on design, it began from zero contacts and developed into a high-profile project with numerous partners. The objective was to create networks through which the Institute would present the skills and ideas Finland, and the Institute, has to offer. Through its own production HEL YES the Institute established itself as a credible actor in the design field. As intended, carefully planned and executed design projects encouraged further networking and created new collaborations. For example, UK-based architecture and design magazine approached the Institute after they had followed its design projects. From this contact originated a new project, a series of conversations with design professionals executed in both Britain and Finland.

The Institute's current employees have also benefited from the widespread design projects. Many British culture professionals are familiar with the Institute's individual projects such as HEL YES or REDDRESS even if they do not know the Institute as an organization. The reputation from these projects has facilitated the creation of new contacts. The Institute's current focus on architecture has partly been built based on the network relations obtained through design field. Relation with Architecture Foundation began with minor collaborations realised together with Aalto University. Dialogue that continued between the Institute and the Architecture Foundation resulted in an exchange project between young Finnish and British architects. Recently, the Institute, together with the Architecture Foundation and the London Wildlife Trust has realized Viewpoint space on Regent's Canal in London. Further network relations and new projects were developed, building on existing partners and activities.

In addition to projects expanding organizational network relations, employees' personal connections enable the creation of network relations at the Institute. One interviewee describes how she managed to begin a conversation with a potential partner because her husband knew one of the managers in the organization. The collaboration began in a meeting that the interviewee attended un-invited. She described the Institute and the work the organization does to the potential network partner and was able to initiate a dialogue with the organization. The discussion led to collaboration between the two organizations, partly due to personal connections.

Many interviewees acknowledge that network relations are partly based on individual employees' connections. The example above demonstrates how personal connections have facilitated the creation of organizational network relations. Personal link to a significant actor in a relevant organization may enable the development of new organizational ties. In the example above, the competence and profile of the organization was firstly evaluated, and personal connection facilitated the process. In addition to individuals' personal networks, previous professional relations develop the Institute's relations. The Head of Programme describes her experience from the design field. When working on Helsinki Design Capital project in Finland, the Head of Programme met two design professionals from Britain: a design consultant and the deputy director of London Design Festival. During that time, she already established a professional contact to those people. Later on, contacting them again, now as a representative of the Institute, was effortless, as the connection between individuals existed already.

One contact can [...] open an incredible amount of doors. (Head of Programme)

In the statement above, the Head of Programme refers to individuals, who are central actors in a

particular field. Similarly, the Programme Director recognizes the importance of gatekeeper contacts. These individual people function as gatekeeper contacts through which further networking occurs. For instance, the Institute's initiative to offer flight tickets to one design field professional, has then facilitated the creation of new projects and development of a strong network relation. Organizations can also function as gatekeeper contacts. According to the Programme Director, the Institute was a key organization in creating connections between Helsinki Design Capital project and British organizations.

Referrals between organizations and professionals are another usual method of network development for the Institute.

...even in an email introduce people to someone else. Say: 'I thought that you might have something to share on this. If you are interested, meet and talk more'... (Head of Programme)

Existing contacts can refer the Institute towards potential new network partners and similarly the Institute refers its network contacts forward to its other partners they consider relevant and beneficial. The Head of Communications explains how in a conversation with an existing partner she had discussed an emerging project. The partner had then referred the Institute to suitable partners for the new project that they were already working with.

This section has examined how network formation occurs at the Institute. On the one hand, network formation can be broken down into specific processes of identifying, evaluating, contacting, communicating and maintaining a network partner. On the other hand, the network relations of the Institute are embedded in already existing network of contacts. The Institute expands its network through established organizational relations, employees' own contacts, via gatekeeper actors and referrals.

5.2.2 Network Relation Management

The last section on the evolution of network relations focuses on network relation management. The first part examines the distinct media the Institute employs in network relation management. The second part discusses change in network relations.

5.2.2.1 Medias for Network Maintenance

The Institute maintains its network relations through distinct media. First, collaborative projects the Institute has with its network partners, sustain the relation through active communication related to the project at hand. Second, regular marketing communication allows the organization to maintain channels open to the contacts with which the Institute does not have active collaboration. Third, social gatherings such as parties held by the Institute or meetings over lunch or coffee reinforce existing relations.

According to the interviewees, daily work maintains the network relations. In collaborative projects, network contacts are sustained through active communication the project production requires. Therefore, on-going projects are not considered network maintenance as such, but regular work that indirectly maintains the relation. Nevertheless, projects have a significant role in network management for the Institute, because usually relations evolve and deepen through collaborative efforts. The partners with which the Institute has executed successful projects remain as part of the Institute's network. Project partners in design and architecture are good examples of network partners that are maintained through repeated collaborations. New initiatives are often developed together with those partners building on past experiences.

Active project partnerships are only one part of network maintenance for the Institute. In addition to daily production activities that maintain the Institute's wide array of networks, the Institute invests in guarding all relevant contacts for possible future needs. Well-organized information on all network contacts that passes on inside the organization allows for an easy access to previous network contacts. A database tailored for the Institute's needs ensures that relevant information on network relations remains inside the organization even if personnel changes. Marketing communication is a key element in sustaining these already achieved, yet inactive, contacts.

The Institute communicates outwards via newsletters, and a variety of social media such as Facebook, Twitter, and Vimeo. For individual employees, LinkedIn is a useful tool for maintaining professional contacts that might not be active otherwise, Head of Programme explains.

Social media is a good platform for conversation, we are able to exchange thoughts, people invite you to communicate. [...] It is good for maintaining our relationships. (Head of Communications)

Messages sent via social media keep the Institute's networks aware of current activities. Communication via a variety of channels allows the Institute to remain in people's awareness even

though common projects would not occur. The Institute invests in regular communication efforts directed to Britain and Finland.

In order to maintain its wide array of network relations, the Institute organizes events and meetings. Yearly Christmas gatherings bring the Institute's stakeholders together. Events with a particular focus, e.g. a targeted event for design field professionals allow further networking when the Institute's different partners meet each other. When the Institute organizes the events, it aims at building occasions that create experiences to the guests and allows further "contamination" between art field professionals. Events are useful means of maintaining links with numerous contacts. Meetings over lunch or dinner sustain network connections between the Institute and individual organizations or people.

*We maintain our relationship by having personal meetings with our partners, coffee or lunch, to keep each other updated on what we are doing.
(Head of Communications)*

The Former Director describes networking as a strange kind of work, because a large part of it occurs in informal situations, for instance in restaurants and cafés. Even though it might not seem like work, it is work. Even in the informal meetings one has agendas to forward.

Fluent and reoccurring communication is essential for maintaining a good network relationship. Failure of fluent communication may affect relations negatively. Several interviewees identify lack of communication and miscommunication as one of the main reasons for failed network relations.

*I don't like it all, no one does, that if you are really active when looking for a contact or money, and when money has exchanged accounts, you go silent.
[...] That does not encourage collaboration (Head of Programme)*

As the quote above explains network relation requires continuous dialogue; silence does not fortify trust or the relation between two actors. A network relation may suffer from insufficient communication.

As examined in this section, the Institute consciously maintains communication to a range of actors, expanding beyond the individual projects or operational focuses. For future operations, it is important to maintain basic communication channels open to a variety of organizations. With active project partners, network relation is maintained through work. Network partners with whom the Institute does not have on-going collaborations, the Institute maintains a relation via marketing communication, events and meetings. Failure in communication may harm existing network relations.

5.2.2.2 *Changing Network Relations*

Relations and projects are developed for different reasons. Sometimes they turn out to be one-off things. [...] It is a pity, but it is not realistic that the next director would be able to maintain a constantly growing contact network. (Former Director)

The network relations of the Institute evolve over time. Altering operational emphasis and temporary projects signify that organizational network relations are not stable. Operational emphasis affects the evolution of network relations. The organization is committed to promoting distinct fields of art. Contacts unrelated to present activities, expectedly receive less attention. Therefore, when the focus is on design and architecture, contacts in performing arts or film are not maintained with the same intensity. Shifting focus together with temporary projects makes the Institute's network management increasingly challenging.

The Former Director notes that if the Institute were active only in one field, network maintenance would be easier. In this operational model, the Institute must continuously develop new networks and evaluate to what extent existing relations are useful to maintain. The Current Director recognizes that network relations disappear naturally when the operational emphasis shifts. Nevertheless, it would be beneficial to maintain the connection, even at a low intensity, the Head of Communications notifies. Willingness to preserve already established relations is justified as those relations may develop into fruitful, long-term collaborations in the future.

Of course, we have many relations in a field where we have done several projects, worked together for many years. Then there are projects in areas that for one reason or another have only occurred once. But that is not a bad thing as such. (Former Director)

One must understand that firstly, there are long-term network connections that are important, and secondly, there are those related to the events, things, and phenomena that can't be dragged along endlessly. (Current Director)

The Institute has both long-term and short-term relations. In some occasions, relations last for several years during which the Institute executes various projects with the same partner. Alternatively, some relations may exist in the background or vanish after a collaborative project. Furthermore, contacts that have been inactive can be re-established.

The Institute has had repeated collaboration with e.g. London Design Week, Victoria & Albert Museum, and the Architecture Foundation. People and organizations might return to the Institute

after several years, if they were left with a good impression of the organization. The Head of Communications recounts of a contact that had collaborated with the Institute several years ago. This person had been impressed with the work done by the Institute, and continued to follow its operations. Currently the Institute is discussing a new project with him. Well-realized projects may therefore bring contacts back to the organization. Nevertheless, it is impossible and unnecessary to maintain all acquired network contacts.

Limited resources forces the Institute to evaluate which contacts are essential at a given time. The Institute’s focus on distinct art fields affects how its network relations develop. Network partner with which the Institute has executed a once-off project might not receive active attention from the Institute’s part. Similarly, if operational emphasis changes some relations may fade.

5.3 Individual Influence on Organizational Network Relations

In the initial phase of the research, I realized that the Institute had recently undergone staff changes when the Director, and the Arts and Culture Programme Director had changed. Employee changes forced me to reflect on how individual people affect organizational networking. Are there some personal qualities that networkers should develop? How dependent an organization is on the connections between individuals?

Individual influences on organizational networks have been divided into two distinct topics in this chapter. First part discusses individual employees’ competencies that facilitate network creation. The capabilities are divided into professional, social and cultural. The second part examines the role of individual employees in organizational network relations. Individual employees have different roles in network relation management within the Institute. Even though all employees participate in network management, directors’ significance is highlighted in new relation formation and in conflictive situations. In addition, the second part discusses how individual employees act as change agents, especially at the time of personnel change. The following table presents the main elements of individual influence on organizational network relations.

1. Personal qualities	Professional competence
	Social competence
	Cultural competence
2. Role of individual employees	Significant role of director in relation management
	Staff changes affect organizational network relations

Table 5 Individual Influence on Organizational Network Relations

I have divided individual influence on organizational network relations into two sections. First section on personal qualities is based on the numerous abilities that interviewees identified as necessary for fluent network management. I have categorized these personal qualities under three competencies – professional, social and cultural – that rose as the central factors regarding individuals' influence on network management. In addition, interviewees identify that individual employees have distinct roles in organizational network relations, depending on their position. Furthermore, all interviewees recognized that organizational network relations are to an extent tied to individuals, which causes challenges at the time of staff change. The following sections explain these aspects in more depth.

5.3.1 Personal Qualities Affecting Network Relations

I would say that a good networker is one that understands their own area, identifies the right people, and places where they should be – and is approachable, ready to approach others, and is open and warm in the interaction. (Head of Communications)

The creation of a network relation requires, in addition to the development phases identified earlier, certain competencies. Interviewees acknowledge that actors aiming to expand their networks are required to have good knowledge of their operational field and environment, persistently build a basis for possible new connections, operate in a professional manner, and have adequate social abilities. Moreover, cultural competence facilitates network creation when operating in an international setting.

This section focuses on the particular competencies that are required from a successful networker. The interviewees identified specific competencies, such as knowing the field or being a people's person. I have divided the competencies into three categories: professional, social and cultural. Professional competencies refer to actors' acquired knowledge on their field and environment, together with professional reputation. Social competence comprehends individual networkers' attitude and social skills. Cultural competence entails actors' abilities to operate in an international work environment.

5.3.1.1 Professional Competence

Without that kind of know-how [professional, knowledge and experience], you cannot build the networks in a credible way. (Current Director)

Individual employees are required to be familiar with the field and operational environment. Interviewees recognize that professional knowledge is gained through active monitoring of distinct art fields, experience of the work itself, and dialogue with colleagues. Even if the operational focus is on contemporary art, design and architecture, the Institute should be able to answer questions related to e.g. cinema or performing arts. In addition to field specific knowledge, the Institute's personnel must comprehend operational environments in Britain, Ireland, and Finland. The Former Director explains that country-specific knowledge on the Finnish art field she gained during her professional time in Finland, facilitated networking with Finnish organizations significantly.

In addition to acquiring knowledge of the field and operational environment, successful networker must understand the value of existing and potential connections, so that when opportunities emerge, one is ready to react. The Head of Programme notes that the ability to seize opportunities and to be agile is important. Taking advantage of emerging openings requires in-depth professional understanding. A good networker comprehends the value that lies in the connections – existing and emergent – and identifies the needs for network development at a given moment, the Current Director describes. Interviewees recognize that the Institute's strengths, as a networker are its knowledge of the operational environment, genuine interest and expertise in the arts. Furthermore, the Institute as a small organization can react fast when opportunities emerge.

Professional competence at the Institute is built on field-specific knowledge and familiarity with the operational environment. Furthermore, understanding of the potential behind emerging situations and contacts is vital. The Institute as an organization benefits from its ability to react rapidly, and from coherent and professional operations.

5.3.1.2 Social Competence

Social skills and the right attitude are further requirements in successful network development. Good networkers are sociable people who in addition to establishing good relations are able to maintain focus on their professional objectives. According to the interviewees, a good networker is a pleasant person who communicates fluently, is polite and easy to work with. In addition to fluent social skills, good networker possesses a particular attitude. Genuine interest towards partners, open dialogue, and readiness to exchange ideas is essential. Being present and willing to discuss and meet different people is important, as each encounter contains the potential for fruitful relation.

In addition, good networker is flexible in their relation to other organizations. The Head of Communications notes that network relations are based on chemistry between individuals. In their relations, people are more willing to interact with individuals who are friendly, interested, and interesting. This notion explains the relevance of social abilities in network relations.

Even though interviewees' notions of a good networker echo the qualities of a good friend, one must notice that organizational network relations are based on more than fluent socializing. In developing organizational relations, networkers must balance between organizational objectives and establishing a good social relation. Achieving the balance is very important; some interviewees regard business-like attitude as a negative quality for a networker.

It is not altruistic, you cannot be bothered to meet someone only for chatting with them, at the back of your mind you have some secret plan. Therefore, you are a salesman, but you should go so that it does not show. (Former Director)

Whereas good social skills facilitate the creation of network relations, persistent and fearless attitude allow networkers to reach their own objectives. Most of the interviewees state that fearlessness is one of the Institute's strengths as a networker. Small, yet self-confident Institute contacts major names and organizations without hesitation.

One must be curious and persistent, because without these two qualities one cannot go far. There is no point in sitting in front of the desk and waiting for the phone to ring. (Current Director)

The Institute is really daring. There is no fear of contacting big names and organizations, even though we are such a small organization. (Intern)

Overall, fluent networkers are sociable and friendly individuals, who are able to balance between organizational agendas and fluent social interaction. Persistent and fearless attitude drive networkers forward in relation development.

5.3.1.3 Cultural Competence

Absolutely, there are differences in British and Finnish cultures, perhaps precisely in communication. The British are very polite and quite correct.

Even unpleasant feedback is put to a very diplomatic and polite form. It does not sound terrible. One can even criticize and command nicely. (Head of Programme)

The problem is that many Finns may seem very rude to the British. Sometimes there is a communication problem – we are very direct, whereas the British are more indirect and polite. (Former Director)

Differences in communication style rise as the most significant factor affecting the Institute's international organizational collaborations. Interviewees note that when operating in an international setting, networkers must identify and adapt to the differences in all communication, both verbal and non-verbal. The Current Director notes that the ability to read cultural differences is vital when arriving in a new country. If one does not know the particularities of the local business culture, then they must learn them. The Institute communicates continuously with Finnish and British actors.

Most of the Interviewees identify differences in communication and behaviour depending on the nationality. The Finnish are seen as more direct, which may cause problems in the British environment where politeness and saying things “between the lines” is usual. In Britain, it is important to create personal relationships and bonds. People like to work with people, not organizations, the Head of Communications explains. A phone call should begin with a polite “how are you” enquiry before proceeding to the matter at hand. After a meeting, a follow-up phone call or email is very usual in Britain. Furthermore, one interviewee notes that, in Britain, in order to create a good relationship, one must be able to discuss a variety of matters, in addition to the issues related with work.

Moreover, shyness that at times defines Finnish actors may hinder the creation of new relations, as people are too timid to make initiatives towards new organizations. Lack of self-appreciation also impedes some Finnish actors from networking.

In addition to verbal communication, non-verbal communication plays an important role in international relations. One interviewee notes that in some countries dress code is important – differences between formal and informal clothing can cause tension between Finnish and British actors. In general, the level of formality differs depending on the country. In Britain, one should not for example address everybody by their first name.

The differences in interaction and behaviour may hinder a Finnish actor's network development in

Britain. The Institute benefits from operating locally, as an organization the Institute has established roots in Britain and is therefore familiar with local practices and cultural variances. Nevertheless, cultural competence can be expected from other actors as well. The Former Director notes that the Institute aims at making British actors more familiar with the Finnish environment. Bringing British art field professionals to Finland familiarizes them also with the Finnish working culture with an objective to facilitate future collaboration. Therefore, the Institute has a significant role in smoothing the differences caused by local business cultures.

One part of the networkers' cultural competence, according to the Former Director, implies behaving in a more British or Irish manner, when present in that environment: "*you adapt to that system and play by those rules.*" Considering cultural competence in the Institute's networking, the most central aspect is the ability to adjust one's behaviour according to the surrounding environment.

As discussed in this part, network development requires professional, social, and cultural competencies from individual actors. Familiarity with the art field and operational environment together with in-depth understanding of the possibilities that emerging situation may bring constitute as professional competence. Amicable behaviour combined to assertiveness build individual's social competence. When operating in an international setting, cultural competence, the ability to adjust one's behaviour according to the environment and awareness of cultural differences, is essential.

5.3.2 Role of Individual Employees in Organization's Networks

The Institute has five permanent employees: the Director, the Head of Programme in Society and the Head of Programme in Arts and Culture, the Head of Communications & Events and the Head of Administration. Of these five permanent members of staff, the Head of Programme in Arts and Culture is the only employee, who works full-time on the Institute's cultural activities. The Director and the Head of Communications and Events must divide their time between the two areas of focus, Society and Arts and Culture. In addition, arts and culture programme has on average two interns, who usually work for a period of four to six months. The small number of employees and reoccurring staff changes affect the Institute's capacity of network management considerably. This section examines the role and impact individual employees have in network management and network relations.

Interviewees acknowledge that all staff members have a role in network relation management. If

the director was the only person developing and maintaining network relations, the Institute's networks would be more limited, the Former Director notes. Nevertheless, the director of the Institute has a significant role in network management. Large part of director's work is network development. The Former Director explains her role in the development of the Institute's residency programme. First, she was in contact with significant arts institutions in Britain and then travelled to meet those organizations in order to establish the contact. This example demonstrates that director's role is significant in new network development. The Director is usually the person who establishes the first contact. In addition, the following statement supports director's central role in network management. The Head of Programme notes that she would ask the Director's help in some occasions:

It is important to know when to ask the Director along for support and help. If it is a more important contact, we go to the meetings together. (Head of Programme)

The Director's status as the head of the organization seems important in network relations. Certain meetings are expected to proceed better, if the director is present. Therefore, the director has a significant role in new network development and when dealing with particularly important contacts. Moreover, director's presence is required in challenging situations. Interns for example do not attempt to resolve difficulties directly with partners, as the interviewed Intern explains. They ask assistance from the Director or the Head of Programme. Besides the Institute's Director, the Head of Programme is active in Institute's network development.

According to the Head of Communications, a large part of the Director's and the Head of Programme's work is devoted to networking, attending meetings and researching potential partners. The Institute's interns are also given responsibility in maintaining contact with network partners. Interns participate in network management through on-going projects or by answering queries the organization receives.

To sum up, all staff members participate in network creation and management at the Institute. However, directors have a more significant role regarding initial contact development and delicate situations. Considering directors' central role in network management, it is relevant to examine how changing employees affect the Institute's network relations. Report on design projects realized by several Finnish Cultural Institutes refers to the challenge of contact transfer (Lindroos and Laine, 2013). According to the report, institutes' personnel criticise the disappearance of established contacts as new directors begin at their post. The directors' professional abilities differ which creates challenges to contact maintenance (Lindroos and Laine, 2013). The data in this research

suggests similar challenges.

As employees change, so do the network relations. (Head of Communications)

They [networks] are always personal in the end. People follow people when someone changes jobs. That also creates possibilities and generates new contacts. (Head of Programme)

...to some extent, they are personal contacts. In this kind of work that is the way it is, it cannot be overcome, it is like that. (Programme Director)

Even though people change [...] there is continuity in these projects. [...] Even though people might change in partner organizations, there is motivation to continue the projects, because we have done good collaborations before. (Intern)

The interviewees acknowledge that the Institute's organizational network relations are linked to the individuals who represent the organization. Network relations are considered personal relations between people and professional contacts personal ones. This dependence on individuals causes challenges to networking at the Institute. The Institute's organizational network relations are affected by personnel change. Personnel changes impact network development in two ways.

On the one hand, the Institute gains new relations via new employees. At best, personnel changes allow network development when professional and personal network connections merge. Well-managed changes can therefore renew organizational networks efficiently. However, from the interview data it does not become clear whether the Institute actively explores the potential that lies in employees' personal connections. On the other hand, the Institute is at risk of losing its contacts when people leave the organization. When personnel changes, there is a risk that key relations deteriorate. Considering that network relations are based on personal connections, new personnel are always required to re-establish the relation, even if all necessary information would exist. Already established relations cannot be taken for granted. Therefore, it is essential to consider how network relations are best managed at times of change.

In order to maintain existing key contacts inside the Institute, new employees receive information on existing network relations. New personnel is provided with extensive information on existing relations, memos on the most important contacts and potential new ones assist new staff to begin their networking representing the Institute. According to the Current and the Former Director, it is essential that individual employees represent the organization, not only themselves, when networking on behalf of the Institute. Relations where individual has been able to establish a strong tie between a partner organization and the home organization are a great asset to the Institute.

Moreover, network contacts must be notified of the changes. They must know who will be in contact on behalf of the organization, and if necessary, inform where the current person goes. This information sends a clear message to network partners: “...we are interested in what you do, we care”, the Current Director states. In addition to managing network relations at time of personnel change inside the Institute, the organization must react, when changes occur in partner organizations.

People change jobs. We must see who has replaced the person and think whether it is the organization or the individual who is important. Then we follow that thread. (Current Director)

As the quote above explains, by actively examining the situation with a network contact, the Institute is able to establish what action is required. Depending on the case, the Institute benefits from maintaining the relations with the organization or the individual who has left the organization. All in all, being able to transmit the organization’s existing networks through changes is one of the key elements in network management, Current Director notes.

Individual influence on organizational network relations is examined in this research from two perspectives. On the one hand, organizational network development relies on the competencies individual employees possess. Individual’s professional, social and cultural competencies benefit organizational network creation. On the other hand, this research examines the role of individual employees. Directors seem to have a significant role in the initial stages of relation development, and in challenging situations.

Changes in personnel inside the Institute and among partner organizations imply challenges to network management. As employees at the Institute change, network relations may also shift. The extent of the change depends on how information is passed on inside the organization, and how the changes are communicated outwards. Personnel changes also enable the creation of new network relations, if the Institute is able to extract value of the potential network relations new staff creates.

To summarize the chapter on the analysis I use the interviewees’ understandings of networking. Interviewees describe networking as an act of manipulation, convincing and mutual exploitation. These notions give insight into how network development is not an altruistic activity, but purposeful operation that aims at gaining benefits from the other party. These benefits are distinct resources as examined in this chapter.

Interviewees’ comparison of networking with “invisible work” and “detective work” entails the great amount background work that is required for network development. Seeing networking as a game, puzzle or a path suggests that network development is a process. The notions of networking as work and a process are reflected in the process description of network relation development. Above all, interviewees see networking as a relationship between people. Interviewees’

descriptions of networking as communication, getting to know people and as love affairs highlight how even in organizational networking, individual people are at the core of the process. On the one hand, this can be seen as a notion of embeddedness. Organizational networks at the Institute are linked to existing social ties. On the other hand, understanding networking mainly as an activity between people reflects the strong influence that individuals have on organization network relations.

6 CONCLUSIONS AND DISCUSSION

This final chapter of the study provides conclusions and discussion on the research. Focus is on the three main questions this study aimed to answer. Why does an arts organization develop network relations? How do organizational network relations evolve? How do individual employees affect organizational networks? The questions are examined through the theoretical framework which consists of notions of interdependence, embeddedness and individual influence (actor characteristics, human agency and cognition).

6.1 Interdependence and Motivation for Networking

One aim of this research was to answer the question why arts organization develops network relations. Interview data supports the notion of interdependence (Gulati and Gargiulo, 1999) that organizations create network alliances in order to gain access to and to exchange resources. This section discusses research findings regarding financial, institutional and knowledge benefits obtained through network relations.

Gulati and Gargiulo (1999) suggest that organizations develop network alliances in order to gain access to a variety of resources. These resources can be divided into financial, institutional and knowledge (Gulati et al., 2002). This research affirms – to an extent – the above mentioned three resource types as motivations for network formation at the Finnish Institute in London.

The possibility to share financial risks through network alliances (Gulati et al, 2002) was identified by one interviewee as a benefit retrieved from network relations. In addition, one interviewee notes that the Institute's potential network partners may be partly motivated by the possibility of additional funding. The Institute's reputation as a potential investor facilitates initial network formation by opening doors to previously unknown people and organizations. However, at the Finnish Institute in London, expected financial benefits are more linked to in-kind resources instead of monetary input. Keister's (1998) study suggests that interfirm ties enable access to complimentary and replacing methods of financial input.

I suggest that for the Institute, distinct in-kind resources such as production assistance, event venues or communication channels are these complimentary and replacing methods of financial input. Even though network relations may not offer direct financial input, in-kind resources form a significant share of the organization's income. Representative from The Finnish Cultural and Academic Institutes notifies that similar phenomenon of significant in-kind resources can be identified in most Finnish cultural institutes. More research would be required to investigate the exact role in-kind resources have in organizational networks.

Reputation, or institutional resources, as Gulati et al. (2002) discuss, rises as a more significant motive in comparison to financial gain for network formation at the Institute. Stuart (2000) notes that network relations between a less known ego organization and a large alter firm affect ego's legitimacy positively. Collins and Guillén (2012) discuss halo effect in relation to architects' networks. The research supports these notions of building an organization's legitimacy and reputation via its network partners. Interview data confirms that the Finnish Institute in London aims to build network relations to the most reputable arts organizations in Britain and in Finland in order to improve its reputation.

The Institute's operational model of executing projects via other actors supports the concept of improving organizational legitimacy via network partners. Despite the fact that the Institute has had own productions (HEL YES! REDDRESS) in recent years, its main focus is on project development via other partners. The research suggests that finding the most reputable organization for projects allows the actors to reinforce their position in the field.

However, the operational model with a shifting focus challenges the Institute's legitimacy. When the Institute launched its design focus, the organization departed from zero contacts in design field. According to the interviewees, building the organization's legitimacy as a reputable actor in the field took several years. Considering this model, for future operations in distinct fields of art, the Institute is forced to create new network relations in order to establish itself as a credible actor in that particular context. Even though the Institute has been able to establish itself as a design actor, will it be able to reproduce the effect in other fields of art as well? Does regularly shifting operational focus undermine organization's legitimacy? Further study is required in order to investigate the extent to which operational changes may affect organizational legitimacy.

Hannan and Freeman (1977) discuss organization's adaptation in relation to legitimacy by noting that already acquired legitimacy is an asset that change may undermine. Considering the Finnish Institute in London, with main focuses on design, architecture and visual arts, I would argue that the change of focus may occur smoothly. As the Institute's existing projects suggest, overlaps in design, architecture and visual arts are common, and same organizations may work in these fields. Nevertheless, when operational emphasis changes, organizational networks are an efficient means to maintain and gain legitimacy in the art field.

The research data confirms the significance of knowledge as a significant resource retrieved from network relations. The Institute exchanges information on field-specific knowledge such as who to contact on specific matters or where to look for funding on a particular project. Furthermore, the Institute gains confidential information on potential problematic partners through its network links. These information benefits are in accordance with the theoretical framework. Through network alliances firms learn about the best practices (Gulati et al., 2002), on funding opportunities (Burt,

1992), and managers receive guidance on the completion of their work (Chua et al., 2008). Burt's (1992) theory on structural holes notes that networks with structural holes provides actors with information benefits, whereas networks with few structural holes transfer redundant information.

The Institute's particular position as a mediator between British, Irish and Finnish art fields would suggest its position in a network with structural holes. Consequently, the Institute would be in a beneficial position regarding information, gaining new useful knowledge. This research leaves unanswered the relation between distinct ties and knowledge transfer. More research would be required to establish how different types of ties affect the exchange of information, as examined by Hansen (1999).

Networks can provide organizations with numerous benefits ranging from actual monetary input to in-kind resources; building organizational legitimacy; and gaining knowledge on best practices in a particular field. Increasing interest towards networking in the art field is justified, considering the potential benefits that network relations provide. A reputable network partner may help an organization to build its legitimacy. Similarly, partner organization's negative reputation may spill over to other actors in the network. Knowledge transfer facilitates the access to useful information, but it may also force an actor to share knowledge unintentionally or lead to learning races where network partner rushes to gain as much information as possible and then abandon the relation. Therefore, as the research suggests, it is necessary that an organization carefully evaluates its needs for networking. The uncertainty that surrounds networking activities partly explains why a large extent of network relations is embedded in previous social relations.

6.2 Embeddedness as a Motor for Network Formation

How arts organization develops its network relations was the second key question this research aimed to answer. The question is examined through the concept of embeddedness. Embeddedness, notion that economic and social ties between firms are embedded in existing social relations, was examined in this research.

As theory (Granovetter, 1985; Uzzi, 1996) suggests, the Institute develops its new network relations based on previous social relations. Examples of repeat collaborations in design and architecture support this notion. Interviewees' accounts of repeat collaboration with design and architecture organizations imply that the Institute's network relations are embedded in already existing connections.

Uzzi's research (1996) depicts that firms form new embedded relations via third-party referrals and personal relations. Data in this research confirms Uzzi's findings; nevertheless, accounts of

relations based on existing personal relations dominate over third-party referrals. Some of the interviewees noted third-party referrals as a mechanism for network development. Network development emerging from already existing personal relations was however prevailing. Relations created in design projects have expanded alongside the projects, creating further embedded relations from initial ones. Employees' personal relations have enabled the creation of new organizational network relations at the Institute and facilitated the continuity of already existing relations. Data suggests that personal relations that affect network formation are mainly from work or friendship circles, not from school or relatives (cf. Uzzi, 1996).

Even though the Institute bases a fair share of its network development on embedded ties, it also develops new relations from zero, as examined in chapter 5.2. It can be argued that those relations are also to an extent embedded; interviewees note that the formation of new relations is facilitated if one is able to name already existing contacts and project partners to new contacts. Even though there would not be any third party referrals or previous personal relations, I would argue that expectations of reciprocal trust and resource benefits as Uzzi (1996) describes, may exist. Expectations do not however derive from referrals or personal relations, but from the legitimacy, that actor has been able to develop in the field.

Theory on embeddedness suggests negative consequences of embedded network relations. Marginality caused by overembeddedness (Balkundi and Kilduff, 2006), biased expectations (Sorenson and Waguespack, 2005), lock-in or lock-out situations where actors' current ties prevent the creation of new relations (Gulati et al, 2000) or excessive amount of embedded ties over arm's length ties (Uzzi, 1996) are all examples of harmful consequences that may emerge from embedded network relations. Interviewees' general notion on the necessity to abandon previous network relations at the cost of new ones suggests their understanding of possible lock-in and lock-out situations, as described by Gulati et al. (2000).

In order not to reach a situation where its active network relations do not provide benefits related to the current operational focus, the Institute must direct resources only to relevant network relations. Therefore, time is dedicated to research, evaluate and establish relations with central actors in the field at hand. Consequently, relations with organizations with which the Institute has on-going projects are better maintained. The Institute does not simultaneously sustain as strong relations with other actors. The attempt to reinforce only the network relations linked to current activities can be considered an aspiration to prevent possible lock-in situations. Maintaining existing network relations would demand excessive use of the Institute's resources. Instead of sustaining a variety of already established relations, the Institute aims to develop the relations it considers the most beneficial for its operations. The results suggest that organizations can avoid possible lock-in or lock-out situations by actively modifying its ego network.

As examined in this section, the Institute's network relations are embedded in existing social connections. Supporting Uzzi's (1996) findings, this research shows that organizational network formation is based on personal relations and third party referrals. Furthermore, this study suggests that organization's legitimacy may create similar expectations than personal relations or third party referrals, which facilitates the formation of new network relations. Further research is required to test this finding. Regarding potential drawbacks of embedded relations, this study suggests that active evaluation of organizations ego network allows the actor to invest resources on the most beneficial relations and to avoid possible lock-in or lock-out situations. Nevertheless, further research would be required to explore whether the Institute's network relations entail risks such as overembeddedness, biased perceptions or lock-in and lock-out situations.

Strong presence of embedded relations in organizational networks implies that network relations are not developed in a void. Relation development is influenced by personal connections, referrals or even organization's reputation. From managerial perspective, it is therefore important to consider the already existing connections in developing organizational network relations. Does an organization's network have signs of overembeddedness or lock-in and lock-out situations? Can the organization develop additional relations via existing network links? Are employees' network relations utilized to benefit organizational networking?

6.3 Individual Influence on Organizational Networks

Third key question of this study was to investigate individual influence on organizational networks. In this section, I discuss individual influence on organizational network relations. Theoretical framework of actor characteristics, human agency and cognition are examined in relation to the individual influence on organizational network relations. Actor characteristics such as high and low self-monitoring skills affect how individuals form network relations (Kilduff and Brass, 2010; Kilduff and Tsai, 2003). Here, I examine the link between high and low self-monitors and cultural competence identified as a necessary competence for individual networkers. Human agency refers to how individuals, their motives and actions affect network formation (Brass and Burkhardt, 1993; Kilduff and Tsai, 2003). I discuss how the use of behavioural strategies (Brass and Burkhardt, 1993) is reflected in social competencies identified by the interviewees. Last, I discuss individual cognition, employee change and their role in network management.

As opposed to low self-monitors, high self-monitors alter their behaviour depending on their environment (Kilduff and Tsai, 2003). This ability to adapt brings positive consequences such as social approval, trust and liking for the actor (Kilduff and Tsai, 2003). Of the three beneficial

qualities identified for individual networkers, cultural competence has similarities with the notion of high and low self-monitors. Interviewees acknowledge the need to be able to adjust one's behaviour depending on the country of operation. Operating in an international setting is facilitated when actors fluently adapt their communication style to match with the local norms.

The call for cultural competence demonstrates that interviewees consider high self-monitors more beneficial to networking activities. If the Institute's employees are in fact high self-monitors, the Institute as an organization should gain benefits following the three models of high and low self-monitors (Mehra et al., 2001). High self-monitors allow information exchange between unconnected actors as they unite distinct social groups; high self-monitors recognize valuable information better and therefore are better able to utilize emerging opportunities; high self-monitors have greater work performance due to their structural position or their high self-monitoring abilities (Mehra et al., 2001). As acknowledged in the interview data, networking in an international environment requires adaptation.

The concept of human agency refers to how human action, beliefs and actions influence organizational networks. Emirbayer and Goodwin (1994) discuss how social structure and cultural factors affect individual behaviour and consequently network structure. Interviewees' notion on how cultural differences influence network formation supports this theory. Even though the Institute's employees operate in Britain, their personal backgrounds cannot be discarded. Determining how individual cultural and societal factors influence organizational network formation would however require further research.

Human agency and the use of behavioural strategies are partly reflected in the social competencies identified in the research data. Tactics such as assertiveness, polite interaction, use of reason, mutual favours, aim to gain support from superiors and aim to develop alliances (Brass and Burkhardt, 1993; Kipnis and Schmidt, 1988) can be found in the interviewees' understandings of a competent networker. Interviewees characterise good networker as sociable, interested in others, open for dialogue and willing to exchange. In addition, good networker must be assertive in their motives. These qualities have similarities with the behavioural strategies examined in relation to human agency. Call for social skills, friendliness and openness reflect the social tactic of polite interaction. Willingness to exchange meets the strategy of mutual favours and aim for alliance development. Awareness of own objectives together with the drive to push those forward translate into assertiveness. Based on this research, use of the behavioural strategies seems to facilitate network formation.

In addition to analysing actor characteristics and human agency as significant factors in organizational networks, perception and cognition has also gained attention from network scholars. Effective network management requires that the leader is aware of the social relations between

actors both within and outside the organization (Balkundi and Kilduff, 2006). This awareness allows leaders to utilize the network relations to organizational benefits (Balkundi and Kilduff, 2006).

One part of the professional competence identified in the research data discusses the need for in-depth understanding of the potential network relations provide. Corresponding with the theory on cognition, interviewees recognize that a good networker comprehends the value that lies in existing and emerging connections, and is able to identify the needs for network development at a given moment. Even though not specified in the interview data, directors' significant role in network creation suggests that organization's leader does determine the extent to which the organization is able to utilize network relations to its benefit. The leader must follow the development of organization's network relations continuously.

At the Institute, one part of this evaluation is provoked by reoccurring employee changes. When staff members leave and new employees arrive at the organization, network relation management requires particular attention. Detailed information on organization's partners facilitates relation management. Nevertheless, interviewees recognize that network relations are personal ones. Consequently, relation management when staff changes, requires deep understanding of the network relations. The Institute must be aware of its network relations and the extent to which they are personal, organizational or both. The Institute may either lose or maintain existing relations as staff changes. Furthermore, new employees' personal network can provide potential links.

The organization must be aware of these dimensions in order to manage the situation accordingly. This research suggests that employee changes may evoke change in organizational network relations. Understanding of the significant role individual employees has, or cognition of network relations as examined in the theoretical framework, allows organizations to react to the individual influence and use it to the organization's benefit.

In conclusion, corresponding with the theoretical framework, this research demonstrates that organizations create network relations in order to gain knowledge, reputation and to access financial resources. This study shows that in the art field desire for developing quality projects and fierce competition are additional motives for network creation. As existing studies suggest, this thesis illustrates that network relations are embedded in already existing social ties. Network relations evolve based on previous connections between organizations and individuals. Individuals are found to influence organizational networks as individual qualities and cognition affect organizational network relations.

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APPENDIXES

Appendix 1

List of Interviewees

1. Current Director

Current Director refers to the director interviewed in London on 17 October 2013. The Institute was in the process of changing the director at the time of completing this study

2. Former Director

The interview was done in Helsinki on 10 October 2013.

3. Arts & Culture Programme Director

At the time of the interview the Arts & Culture Programme Director was on family leave, currently the Institute has a new Arts & Culture Programme Director. The interview was done in Helsinki on 18 November 2013.

4. Arts & Culture Head of Programme

At the time of the interview, the Arts & Culture Head of Programme was substituting the Arts & Culture Programme Director. The interview was done in London on 16 October 2013.

5. Head of Communications

The interview was done in London on 15 October 2013.

6. Intern

The interview was done in London on 15 October 2013.