

STRATEGY OR SURVIVAL?

THE ECONOMIC CRISIS AND ITS EFFECTS
ON AFFILIATE CONTEMPORARY ART MUSEUMS

CASES OF MOMA PS1
&
MUSEUM OF CONTEMPORARY ART KIASMA



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ABSTRACT

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<p>Title Strategy or Survival? The Economic Crisis and Its Effects on Affiliate Contemporary Art Museums: Cases of MoMA PS1 and Museum of Contemporary Art Kiasma</p>	<p>Number of pages 129</p>
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<p>Degree programme Arts Management Master`s Degree Programme in Helsinki</p>	
<p>Abstract Museum leadership and funding has been in turbulence internationally in recent year. After the global economic crisis, the museum affiliates devoted to the collecting or presenting of contemporary arts, MoMA PS1 and Kiasma, have experienced hardship. The impact of the economic crisis of 2008 in the field has not, however, been accurately addressed in the theoretical strategy literature, leadership or museum studies. This is due partly because of the recent nature of the phenomenon. The effects of the crisis have arrived with a delay to the museums in Finland in 2012 in the form of austerity policy and the reducing of museum expenses, and in the U.S in 2008 the form of lost of sponsorship agreements, cut endowments and fundraising challenges.</p> <p>The concepts of strategic and transformational leadership as well as organizational sociological approach are applied to the study of the two prominent contemporary art museums: PS1, as part of MoMa, New York, and Museum of Contemporary Art Kiasma, as part of the Finnish National Gallery, Helsinki. The cases have been chose from two different cultural and financial environments to research the possible global impact of the crisis. For the presentation of the cases, museum directors, managing directors, curators, senior advisors, managers, development officers and other professionals from the museum field as well as from the international field of the contemporary arts were interviewed in-depth. In addition to the eleven personal interviews, the research data consists of literature, articles, documents, annual reports & budgets, statistical publications and notes taken during the research process.</p> <p>The findings of the study suggest that the turbulence at the contemporary museum field affected the contemporary art museum affiliates in many ways in the U.S as well as in Finland. The consequences were both direct, such as in the form of budget cuts, lost jobs and organizational changes, as well as indirect, in the form of austerity policy affecting the museum`s leadrship, forcing the museums to redefine their strategy and curatorial processes and enhance cooperation between the stakeholders and peers in the industry. It also led, in in the case of PS1, to a whole new approach of presenting contemporary living arts, challenging leadership, as well as to the phenomenon of recycling more existing collection exhibitions to cut museum expenditure in Finland.</p>	
<p>Keywords leadership, strategy, funding, transformational leadership, organizational theory, museology, contemporary art museum affiliates, museum studies, arts management, the global economic crisis.</p>	
<p>Additional information –</p>	

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1 INTRODUCTION

1.1 Overall

Affiliates are a common form to structure different types of museums and make a museum in the region stand out in terms of mission and vision. Affiliation in the museum field can give a museum specialization - an agenda opposed to other museums, e.g. that of the devotion solely to contemporary arts. This is the case with MoMA PS1 (formerly known as *P.S.1 Contemporary Art Center, New York*) and Museum of Contemporary Art Kiasma, Helsinki: two prominent contemporary art museum affiliates in two different countries and cultural ecosystems that are both well known. They are the two subjects of this case study research. The collected data is primarily based on eleven personal interviews: nine in-depth interviews and two preliminary interviews with Museum Directors, Senior Specialists, Managing Directors, Heads of Development, Senior Curators, Curators, Assistant Curators, Communications Managers, Project Managers, Development Officers and other museum and contemporary arts professionals in Finland and in The United States. Secondly, the data is based on other sources & media such as documents & articles, annual reports & budgets, literature, articles and findings in the internet, as well as conversations with other professionals and peers in the field and personal notes of the researcher during the process of interviewing and writing.

In the light of recent strategy and leadership theory as well as organizational theory and museum studies, the effects of the global economic crisis are researched in the two case affiliate museums.

1.2 Contemporary Art Museum Affiliates in a Changing World

The position of the contemporary art museum affiliates is always strongly dependent on their mother organizations. Especially when it comes to financing and budgeting. The Free Dictionary by Farlex defines affiliates as being “organizations or establishment associated with another as subordinates, subsidiaries, or members”. Yet the museums have a strong self-governance as to strategic outlines & content through own decision-making ecosystem

& a director. The boards report to the mother organization. The dual task of independence through a special agenda is a challenge for the affiliates devoted to the presentation, collecting and audience development of contemporary visual arts.

In recent years, funding of the museums has been discussed in the press both in Finland and the United States. In Finland, it has been debated whether a museum should have other than state funding, and how much to maintain an independent voice in curating and collection the arts. In the U.S the ethics of different forms of fundraising from grant making to philanthropy have caused lively discussion. The economic crisis hit The United States in 2008. The interest of this study was to research how and what kind of effects the crisis possibly had on the affiliate museums' funding, strategy and leadership, and in what way the possible changes, if there were any, hit the museums coming from two different funding and ecosystems.

The question of funding had been scarcely researched before, and in museology previous research data was not easily found in the domain of contemporary art museum affiliates partly due to the recent nature of the economic crisis. Nonprofit strategy theories, as well as for-profit, suggested that some research had been made previously in the field, but it became clear very soon, that a case study research of the affiliates in relation to the effects of the economic crisis could result more accurate knowledge in the field of the contemporary art museums.

Arts & Economic Prosperity IV – The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences depict the effects of the economic crisis on cultural organizations in the U.S:

”Arts and culture organizations are resilient and entrepreneurial businesses. They employ people locally, purchase goods and services from within the community, and market and promote their regions. Arts organizations are rooted locally; these are jobs that cannot be shipped overseas. Like most industries, the Great Recession left a measurable financial impact on the arts—erasing the gains made during the pre-recession years and leaving 2010 expenditures 3 percent behind the 2005 levels. The biggest effect of the recession was on attendance and audience spending” (National Statistical Report, 2010:2).

1.3 Financial Crisis – the Economic Crisis – the Subprime Crisis

The recent financial crisis, also known as the Subprime mortgage crisis as part of the economic crisis, hit in 2008 - 2012. The economic crisis initiated first in the United States as the global financial services firm, Lehmann Brothers, went bankrupt. The global economic crisis landed to the European continent with a delay in the beginning of the year 2012. However, the aim of this research is to investigate whether if there were some effects in the Finnish museum affiliate field already prior to 2012. In the U.S the possible effects occurred already earlier, and continue to affect the industry even today.

Business Dictionary defines the economic crisis as “a situation in which the economy of a country experiences a sudden downturn brought on by a financial crisis. A nation facing an economic crisis will most likely experience a falling GDP, a drying up of liquidity and rising/falling process due to inflation/deflation. An economic crisis can take the form of recession or a depression. Also called real economic crisis.” (Source: businessdictionary.com). About the general effects of the crisis, many were in the labor markets as the country hit a deep recession and people lost their jobs by the thousands as a consequence. The crisis in Europe had a somewhat different nature:

“The (subprime mortgage) crisis had severe, long-lasting consequences for the U.S and European economies. The U.S entered a deep recession, with nearly 9 million jobs lost during 2008 and 2009, roughly 6% of the workforce. U.S housing prices fell nearly 30% on average and the U.S stock market fell approximately 50% by early 2009. As of early 2013, the U.S stock market had recovered to its pre-crisis peak but housing prices remained near their low point and unemployment remained elevated. Economic growth remained below pre-crisis levels. Europe continued to struggle with its own economic crisis.” (Source: Wikipedia)

1.4 Turbulence in the Museum Field

In relation to the museum field, how did the crisis affect the non-profit museum field in general? And in particular, the contemporary art museum affiliates in the U.S, PS1, and in Finland, museum of contemporary art Kiasma? What are the differences between the two ecosystems in funding and culture in general?

Financially both are dependent on their mother organizations, as the decision-making is tied to MoMA in the case of PS1, and to The Finnish National Gallery in the case of Kiasma. The U.S. funding system of museums is strongly dependent on private money, as little as 1-3% of the budget comes from governmental or state funding in PS1. In Finland, the state funds the museums mainly. The proportion of private money in Kiasma is very small, mainly acquired through the Kiasma foundation, established in 2007.

The research concentrates in the possible effects of the economic crisis on the affiliates in Finland and United States as to museum funding, leadership, strategy and curatorial decision-making. It seeks overall effects of the crisis in the museum field, and specifically effects to the art museum affiliates in question.

1.5 Aim of the Thesis

The aim of the thesis is to identify and compare the differences and effects of the economic crisis in 2008 - 2012 in nonprofit contemporary art museum affiliates' strategy and leadership in the U.S. and Finland. The data is acquired through a case study of two prominent art museums, personal in-depth interviews with the museum staff, directors, curators, specialists, development officers and other relevant professionals in the contemporary arts field, media sources and personal notes.

The research concentrates in the two cases in depth: case of Kiasma Museum of Contemporary Arts Helsinki as part of the Finnish National Gallery (later referred to as Kiasma), and the case of MoMA PS1, as part The Museum of Modern Art (MoMA), New York, formerly known as P.S.1 Contemporary Art Center (later referred to as MoMA PS1 or PS1). The research seeks to find both direct and indirect effects of the economic crisis in leadership, strategy, funding and curatorial practices of the affiliate museums. The data consists of nine in-depth personal interviews and two preliminary personal interviews, notes, documents, articles, budgets and annual reports, comments of the museum professionals based on discussions and other literary and media source data.

The cases of MoMA PS1 and Kiasma have been chosen from two very different ecosystems as to funding, finance, strategy and museum leadership. The main question concentrates in the direct and indirect effects of the economic crisis in the affiliate museum's everyday life, budget, agenda and leadership. Despite the obvious differences of funding and a different cultural environment, has there perhaps been something similar to

the situations that the two prominent museums have been through? The research seeks to find answers to both these concrete & abstract questions.

The first research question addresses changes in 2008 – 2012 in museum leadership: What kind of changes were there after 2008 in the (affiliate) museum leadership and strategy?

The sub-questions relate to the primary question:

- How do the museums experience `change`?
- Which of the assumed changes have been directly and which indirectly experienced among the museum staff?
- Did the crisis, in all, have an effect on the affiliate museums` leadership? In what way(s)?

The second research question is related to museum strategy. How did the (economic) crisis change the museums` strategy – or did it have an effect at all?

- Was there any strategy for crisis situations prior to the economic crisis?
- If yes, how was the change strategy conducted? What areas it covered in terms of funding, budget, leadership and management? Who were the people responsible for conducting the strategy?

1.6 Significance to the Field

No previous record of research concerning the contemporary art museum affiliates and the effects of the economic crisis have been found in Finland, partly due to the recent nature of the crisis and partly due to lack of research data in museum funding related to the economic crisis of 2008. In the United States, some research has been made through statistics about the subject, such as the NEA annual publications. Stulz (2009) has studied *hyper competition* and risk analyses in the global environment, and emphasized that in the global field of *hyper competition*, traditional risk-based analyses do not work. Victoria D. Alexander (1996) has studied museum funding on relation to organizational theory, but the challenges of the economic crisis in relation to museum affiliates has not been addressed directly in the research.

In Finland, the annual publications of the National Board of Antiquities have been researched for this thesis, and conversations with the museum field specialists show that the subject of the effects of the economic crisis in the cultural sector has not been studied enough. There are studies in the field of museology and in the field of financial studies as well as sociology related to funding of museums, as mentioned (Victoria D. Alexander

1996), but the combination of these in the affiliate contemporary art museum field has not been to found. Previous research has been done in the field of strategy literature, leadership or funding of museums, but studies that combine all of these and researching the effects of the recent (global) economic crisis are scarce. Therefore the research has traits of a somewhat pioneering nature.

1.7 Structure of the Thesis

The aim of the Theoretical Framework Chapter is to demonstrate and identify differences between traditional, management-based leadership theories with the 21st century need for visionary leadership. To conclude the Theoretical Framework Chapter, I will assess the pros and cons of all five theories and analyze how well they fit to the research question of museum strategy and leadership after the economic crisis in 2008.

In the next chapter, Research Methodology, collected data such as personal, in-depth interviews, observations, articles, annual reports and newspaper clippings will be shed light on. The chapter focuses on describing the methodological choices made in the study.

Description of the cases assesses the mission, history, strategy and funding of the two cases, Kiasma and MoMA PS1 in short, and reflects on the cultural policies of the two different countries and cultural ecosystems.

Results and Analyses assesses the results of the collected data in relation to the theory and the cases presented.

As part of the chapter in Ethical Considerations, I assess liability questions and possible biases. I also contemplate on my dual role as both an artist and an administrator in the field of contemporary arts, and how it affects the outcomings of the thesis.

In the Conclusions chapter, I estimate all the five theories of strategy and organizational leadership and compare them with the findings of the interviews, personal notes, documents and other data collected in the study, and discuss topics for further research.

2 THEORETICAL FRAMEWORK

2.1 Strategy and Leadership in Organizations

In this chapter, I will present different approaches to strategy and leadership theories. The aim of the chapter is to present and demonstrate differences between traditional, management-based leadership with the 21st century need for visionary leadership and organizational approaches that have been influenced by sociology.

Strategy as a tool for achieving a better led cultural organization is essential. Theories of Michael Porter, Risto Santalainen and Neil, Philip & John Kotter address the question of communicating ideas inside the organization. Porter and Santalainen take an economical approach into the theory of strategy making and Porter stresses competition and threats whereas Santalainen takes a more holistic view on leading an organization as *a thinking organization*. Kotter builds his strategy theory on the concept of transformational leadership. Kotler, Kotler and Kotler build on this experience and stress the meaning of communication as strategic marketing as a part of the solution. He carefully builds strategy step systems and lists to achieve a functioning and healthy organization and discusses how to lead an organization in practice. Victoria D. Alexander sees deeper into museology and combines her research on museum funding with strategy and sociology theories. Alexander's research brings us closer to the challenges of the contemporary art museum affiliates and the way they should approach turbulence through external and internal scan.

The structure of the Theoretical Framework chapter is as follows:

- Identifying concepts, conceptual frameworks and theories in strategy literature
- Identifying main camps and schools in the field of strategy, leadership and museum theory
- Contrasting and comparing strengths and weaknesses of the theories
- Comparing differences between strategy theories in the United States and Finland in the light of a different organization, funding environment & a cultural

ecosystem

- Building a path to the future and further research: Where has museum strategy led since?

In the Strategy and Leadership in Organizations chapter, I analyze and compare three strategy-making ideologies and identify schools, camps and differences in approach to organizations. The Responding to the Competition chapter questions if Michael Porter's *5 forces theory* still answers to the demands of the 21st century leadership and strategy. In Towards a Thinking and Acting Organization chapter Timo Santalainen builds a more holistic view on leading a company, but the viewpoint is still more of a large business rather than an arts organizations. Santalainen manages perhaps best to articulate the needs of the new leadership through his concept of the '*learning organization*'. The concept is applicable to the field of art museum affiliates' leadership and strategy formation today, it is found in the study. The Tools of Management and Leadership chapter describes the strengths and weaknesses of the most commonly used strategy tools among organizations. In Securing Resources and The Strategic Role of The Resources -chapters we take a closer look at the resources as a basis of an organization to be followed by Recognizing Core Competences chapter in relation to the question of resource allocation. Types of Organizations defines the three structural types of organizations. Kotter's concept of '*transformational leadership*' and change management theory is investigated before the Transformational Leadership Summary.

The eighth chapter, The Field of Museums, approaches the problematic of (affiliate) museum leadership and strategy in specific. Victoria D. Alexander challenges traditional strategy theory with organizational sociology and museum funding. She introduces the notion of the "*External and Internal Environments*" essential to the research that concentrates in the effects of the economic crisis. Finally, we conclude Victoria D. Alexander's sociological approach to museums with a more traditional view on strategic museum marketing in Kotler, Kotler & Kotler's Strategic marketing of Museums chapter.

In the chapter Strategic Management of Museums, the path built by the five theoretical strategic and organizational approaches to leadership and strategy theory are presented, summoned and analyzed though *Table 4*. The aim of the Theoretical Framework chapter is to reflect theoretically what kind of challenges the museum field of today on one hand and strategic management and leadership on the other will face in the future. The theoretical ideas will be united in the end of this chapter. In the final chapter of this study, all the theories presented will be assessed again together with the data acquired through the

research process.

2.2 Responding to the Competition - The Question of Rivalry

What happens when an organization faces competition in the field that it operates in? How to manage rivalry? These are the questions that Michael Porter's strategy theory *5 forces* wants to find answers to.

The *5 forces* theory was created as opposed to the SWOT analysis that was seen as insufficient, *ad hoc*, and not answering the question of rivalry accurately enough. It draws upon industrial organization economics and refers to the overall industry profitability (Porter 1993-2005: 16:2:44, JSTOR). When all the five forces; bargaining power of suppliers, bargaining power of customers, threat of new entrants and threat of substitute products act to drive down overall profitability, the industry is described as "very unattractive", the opposite of this being attractive industry. Porter calls these forces the 'micro environment' as opposed to macro environment, meaning that the five forces are the closest forces to affect the company to serve its customers and make a profit.

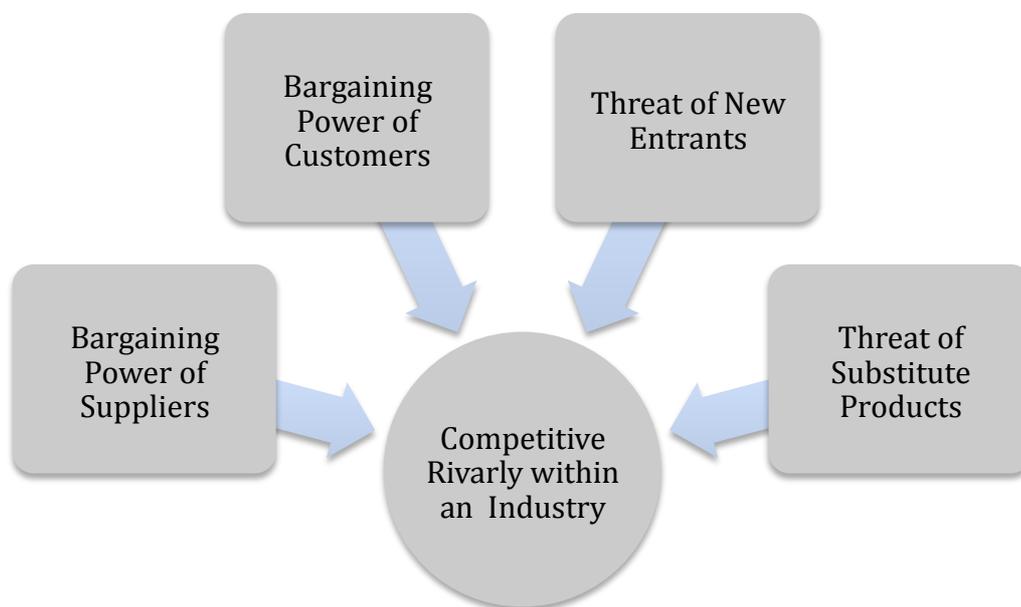


Table 1: *Michael Porter's theory of 5 forces*. Source: Porter 1979.

But does Porter's theory of 5 forces answer to the specific questions & circumstances in the field of cultural organizations? It is accurate perhaps in describing the strategic field of entrepreneurship, but what about museums and cultural organization's leadership? How does the concept of rivalry sit in the cultural field in terms of inner and outer threats?

The analysis of the five different arenas for rivalry widens strategic thinking, because in addition to the traditional rivalry changes it assesses the parties in the beginning of the stakeholder chain as well, and their effect on the ecosystem. The most radical changes often happen due to the birth of new competitors in the field, or of replacing products, services or overall solutions (Santalainen 2009:39). Porter also studied further the Rivalries of Nations (1990), implicating his strategy theory by researching closely the strategy-making of nations.

Scenario analysis is another, alternative and effective means of mapping out the future threats and advantages for organizations. In addition to the five forces strategy, (Wheelen & Hunger 2006) have come up with a roadmap consisting of six instructions for scenario analysis: 1) Defining of the construction materials and anticipating changes 2) Making scenarios 3) General assessment of professional domain in different futures 4) Defining competitive advantages and factors for success 5) Anticipation of competitive situations and behavior and 5) Choosing the “wanted” future scenario for the basis of the strategic work. However, scenario analysis does not work best during an acute crisis of management or e.g. fiscal problems such as challenges due to an economic crisis (Santalainen 2009:38).

2.3 Towards A Thinking and Acting Organization

Timo Santalainen points out that Michael Porter’s *five forces* strategy for rivalry (1985) gets the more relevant, the more radical the changes in the ecosystem. The economic crisis and its effects can be seen as a radical environmental change. Looking further - what kind of changes are identified in the organizational environment after Porter’s 5 forces theory? Are there challenges? How should the challenges be addressed, and is something left out of Porter’s theory, especially in relationship to arts organizations and museum strategy? The *6 forces theory* was established as opposed to Porter’s 5 forces theory that was seen as inadequate. The theory points out that the *5 forces* theory did not explain the environment accurately enough (Porter 2002), leaving out the sixth factor, the complementary products, or in the case of organization theory - the government and the public (Kevin P. Coyne & Somu Subramaniam 1996).

Santalainen takes a different approach to leadership: in the core of his strategic theory are the organizations. Whereas Porter analyses rivalry through the *5 forces* theory, Santalainen takes a leap forward and looks into organizations as *thinking and acting* units. Their task is to build strategic thinking instead of merely following the results of it.

“When rooting (implanting) of a strategy into an organization is done both as thinking and acting, the work succeeds” (Santalainen 2009: 341).

According to Santalainen, there are several reasons why an organization must be active. One is the ever-changing international context, the other the strive for innovation and need for vigilance. Santalainen (2009:7) emphasizes intellectual discipline and sensible thinking: “On sovittava yhteen julkisen palvelun ja liiketoiminnan logiikka”. The business and public domains must meet.

Do the existing models of leadership support the creation of future, Santalainen debates, and continues to question the traditional approach to leadership as both a practice that enables and acts against renewability and flexibility: “Voidaan väittää, että perinteiset johtamisen ja organisoinnin ratkaisut yhtä usein estävät kuin mahdollistavat uudistumisen ja joustavan toiminnan.” (Santalainen 2009:7). Sometimes traditional leadership is the disease itself that prevents the organization from recovering and renewing itself.

According to Santalainen, “Gary Hamel insists on a revolution of leadership” (Hamel 2007 cited in Santalainen 2009:13). The systematic style of leadership of ‘*scientific management*’ has been questioned. Santalainen sees the Six Sigma as an example of the scientific management - its by-product with a *rating system*, which seeks to improve the quality of process outputs by identifying and removing the causes of defects in the organization (errors and minimizing variability such as in manufacturing and business). It simply isn’t enough anymore, Santalainen points out (Santalainen 2009:13-14).

Weber created the concept of the ideal organization as a bureaucracy - which he also criticized – as it’s actions are based on strict control and on the high level of technical skill of the management and human resources (Weber 1905 cited in Santalainen 2009:14). Hamel defines the need for a revolution in leadership through six thesis: (Hamel 2007 cited in Santalainen 2009:13) :

1. The life span of strategies are getting shorter
2. Regulation is dismantled, the obstacles of entering a field are becoming fewer
3. Organizations are more often than not a part of ecosystems or of added value networks
4. Globalization and declining costs of communication some industries make space for cost-effective competitors (India, China)
5. The internet & accessibility to information shifts negotiating power away from producers to consumers

6. Digitalization threatens sellers of intellectual capital (publishers, movie producers, fashion designers etc.). Problem-solving oriented strategy making creates the future (Hamel 2007 cited in Santalainen 2009: 15).

As to leadership terminology and strategic planning, Santalainen stresses that the concepts have developed mainly as answers to a new environment and changes inside the organization. Santalainen sees the effects of strategies in three categories: he distinguishes a *rational, evolutionary and processual viewpoint* (Santalainen 2009:17). In *rational* viewpoint, the organization's leadership is looking for an optimal plan on how to proceed towards the goal. This is the most common way to interpret what a strategy is. *Evolutionary* view accepts the fact that the future is not foreseen nor predictable. The *processual* viewpoint is a combination of the two. It acknowledges the fact that strategy-making is a continuous process of learning and anticipation. It is thinking and acting combined, Santalainen explains.

Santalainen points out that skeptics such as Mintzberg (Mintzberg 2003 cited in Santalainen 2009:17) accentuate the fact that a strategy cannot be understood beforehand. Only afterwards can the means used be analyzed. As to the turbulence of the environment, the skeptics might be right, he continues. The multi-layered and complicated changes in the environment of an organization can take up to a decade to realize. (Santalainen 2009:17)

“Strateginen ajatteliija ei etene tavanomaisen taakse, ellei hän kykene reflektoimaan. Kyky reflektoida onkin nousemassa yhdeksi tulevaisuuden johtajien avainosaamisista.” According to Santalainen, contemplating means searching, wondering, finding connections between things in a different way. It is analysis, synthesis and a conscious effort by the organization. (Santalainen 2009: 22)

The best results will be obtained by analyzing differentiations or creating new, exceptional and not-foreseen solutions, Santalainen continues. Complicated sources of information or statistical data provided by researchers are not needed. What is needed instead, according to Santalainen, is a *deeper understanding of the domains* and the *change factors* affecting them. He concludes by saying that also benchmarking should take into account other than success stories, and take a closer look at different kinds of best and not-so-perfect practices. Organizations and businesses should learn from all of them. Success is sometimes based on coincidence: “Itsestäänselvästi benchmarking kohdistetaan eri alojen *parhaiten menestyneisiin* organisaatioihin. Etsitään parhaita käytäntöjä. Menestyksen valo voi kuitenkin sokeuttaa” (Santalainen 2009:31). Denrell has pointed out that studying failures,

rather than the successful ones, might be even more useful to an organization (Denrell 2005 cited in Santalainen 2009:31).

Santalainen states: “Ajattelevan organisaation strategia perustuu enemmän ajatteluun kuin mekaaniseen mallien ja työvälineiden soveltamiseen.” The idea of a contemplating organization is that of an organization in a continuous process of thought, not of an organization that simply mechanically performs strategic models and implications of these (Santalainen 2009:33). Contemplating is the act that unites strategic thinking into action: it “unifies strategic thought into action and vice versa” (Santalainen 2009:27).

Crossan, Lane & White (Crossan, Lane & White 1999 cited in Santalainen 2009:32) have emphasized the advantage of transmitting strategic thinking of an individual to the organization. The advantages can be seen on three levels, and are always for the benefit of the organization:

- 1) Strategic thinking that has originated from an individual should be built into a useful form for the organization. This means applying the strategy to the language used in the organization’s inner dialogue. The result is a deeper consciousness of the organization’s reality - approving & acting in accordance with it.
- 2) In a group, integrating the thoughts into understanding and action. This leads to greater commitment.
- 3) On the level of the organization, strategic thinking slowly institutionalizes itself into the organization’s (core) processes and structures, rules and routines. These routines and processes can be both a key to a renewal and guarantee a continuum for the organization in the future. (Crossan, Lane & White 1999 cited in Santalainen 2009:32-33)

2.4 The Tools of Management & Leadership

The global strategy consulting company Bain & Co structures the different strategy tools in four categories: *blunt tools*, *basic tools*, *power tools* and *special instruments*. Some of the strategy tools that are most commonly used by the organizations stress statistical data, others scenarios, visions and segmentation. The former have been as blunt tools, whereas the latter, which require visionary leadership, have been proved especially efficient tools for leadership and management (Santalainen 2009:27).

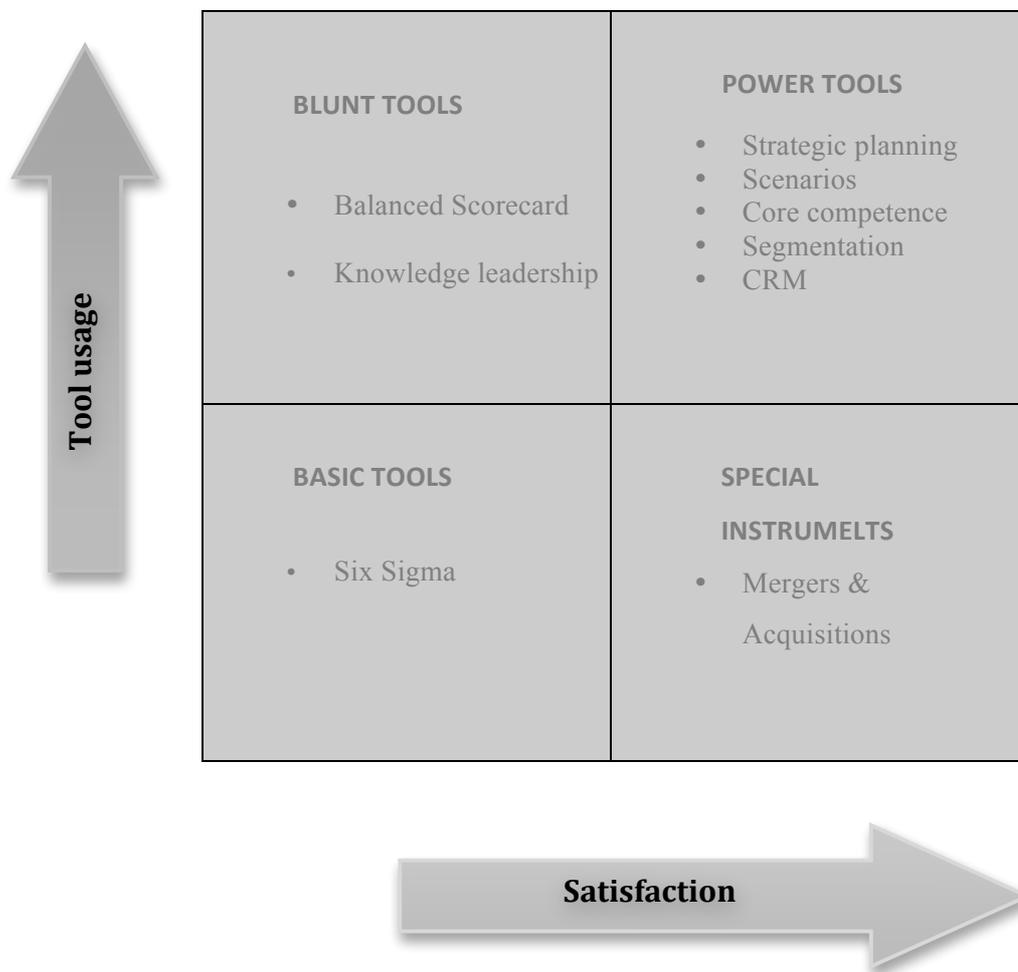


Table 2. The Tools of Management and Leadership. Source: Bain & co (Bain & co 2007 cited in Santalainen 2009:27).

The emphasis on medium and implementation tools in an organization leads easily to *inertia*, meaning `active slowness`. The more turbulence, the more the organization seeks patent solutions. (Santalainen 2009:27). The solutions might, however, not always be the right ones, as *Table 2* (Bain & co 2007 cited in Santalainen 2009:27). Some of the strategy-making tools are experienced in practice as empowering, such as strategic planning and scenario planning, whereas some seem to lead to an arsenal of dispensable tools (e.g. Balanced Scorecard) instead of results.

The Management Institute of Finland made a strategy survey in 2006, that confirmed, that the situation with the strategy tools, described by Bain & co is accurate. In average the organizations used six to eight strategy tools. From the results obtained by JTO can also be

derived that the organizations that used more than just a few of the strategic tools were more successful than the ones that did not or used only one. (Santalainen 2009: 28)

Richard D`Aveni's (1995) concept '*hyper-competition*' describes the turbulent situation of the global environment of the organizations (D`Aveni 1995 cited in Santalainen 2009:65). The concept was first launched by D`Aveni in the turbulent times of the 1990s recession. Its core dilemma is that sustainable advantage is no longer attainable for organizations in a world that changes too quickly.

This leads, according to D`Aveni, to the fact that role of the intermediary organizations changes: Some are not needed, whereas new intermediaries that are born can obtain a lot of space and develop fast. Technology and internet are factors that quickly shape every-day environment in which the organizations struggle for existence. The *hyper-competition era* can be described as postmodern and complex (Juuti 2006 cited in Santalainen 2009:65). Essential traits to the era are jumping from one domain to the next, overcoming traditional barriers, overall fragmentation and a very quick change

How the organization react to hyper-competition varies: several factors of the hyper-competition can be recognized that define how the organization's leadership take a stand towards change (Santalainen 2009: 65-66). According to Santalainen, three different approaches are found:

- 1) *Defense. If an organization has a dominant position due to size or a monopoly, status quo and continuing of daily activities without risk-taking is a possible choice. In practice, defense tactics or isolation have been shown to lead to erosion in the long term.*
- 2) *Quick adaptability. An ability to read changes essential to the environment and flexibility are qualities which help to create an organization that stays vital when drastic changes occur.*
- 3) *Shaping the future. The most renewable organizations create the future. Their strategists are able to think of what has not realized itself yet, and they have the ability to transform the thoughts into action and results. During the hyper competition era, the relative power of the companies in creating environments has increased in comparison with legislative power and politics. Companies` actions are multinational, global, as opposed to local decision-making. They shape the future globally.*

How can we create strategies that are agile in a global environment, and at best, shape the environment?, Santalainen asks (Santalainen 2009:65-66). The four winning traits, according to Harvard professor Nohria (2003) in a strategy are: clearly thought strategy, strategic resources, flexibility of structures and processes & creating of a successful (organizational) culture. Professor Nohria studied 160 organizations strategic tools and techniques for the past ten years (Nohria 2003 cited in Santalainen 2009:66).

Professor Saloner from Stanford University (2011) stresses that positioning can create competitive advantage by a) the favorable structure of the domain (a monopoly) b) differentiation strategy (do things differently) or c) unique networking (Saloner 2011 cited in Santalainen 2009:68). *Hardball* and *curveball* are examples of strategies that seek to mislead competitors and are considered as rough and competitive rival strategies in business world. From Santalainen's definition can be derived that they are only used in extreme circumstances, such as when fighting over very scarce resources (organizations), or wanting to take a leading market position over a competitor, such as over key markets (business) (Santalainen 2009:71-72). Can the *hardball*, *curveball* and Saloner's differentiation strategy be applied to the cultural sector at all? Are we competing against our rivalry organizations, or just peacefully living in the same environment as good neighbors?

Traditional strategy making can also be an obstacle for an organization to create its future. Saloner (2011) has identified the misleading principles of traditional strategy-making, stressing that strategic thinking is not in the least routine implementation of planned frameworks, mediums and techniques, but instead mapping the field conceptually and a continuous renewal (Saloner 2011 cited in Santalainen 2009:75). A strategy is the *need* for re-mapping and renewal of an organization. An example of problematic strategic thinking is a strategy that is bind to the organization's fiscal year – according to this kind of strategy making, thinking in the organization is allowed only during a certain period of the year. However, Especially in turbulent times, Saloner argues (2011) the questioning and finding of answers should be constant in the organization and be bind to the core structures of its every-day life, if the organization is to survive.

2.5 Securing Resources: Physical, Financial & Organizational

One aspect of strategic thinking, and a central one to this study, is a resource-based allocation, thinking inside out from the organization. The resources must then first be

identified. Santalainen identifies six resources within and organization: 1) physical, 2) financial, 3) organizational, 4) HR, 5) intellectual and 6) network-based partnerships (2009:82-83). The balance between these resources is the key to a resource-based planning. Signals coming from within the organization are crucial in this thinking – only after that the signals have been heard can creative solutions be considered. The use and combinations of these must start however from the signals, Santalainen writes. Regarding the subject of this study of the economic crisis, we need to take a closer look at the resource-based strategic thinking in the next few chapters.

Physical and financial resources are important for a result-oriented organization such as a company that strives to make profit. Grant (2008) suggests a doctor-like structure for the strategy making of an organization, where first a diagnosis is done based on the prominent situation, and then, based on the diagnosis, criteria are created for the future well being of the patient (Grant 2008 cited in Santalainen 2009:83).

Greed and profit-based thinking can sometimes shorten the life span of an organization, and affect it especially long-term: Quarter-year thinking is dangerous, Santalainen argues (Santalainen 2009:84). Such can be the case of an arts organization: “Vaikka talouden tunnuslukuja seurataan vuosineljänneksittäin, organisaation strategien on uskallettava ajatella ja tehdä pidemmällä aikajänneellä tulevaisuutta rakentavia valintoja. Pitkään hyvin menestyneet yritykset toimivatkin joustavasti uudistaen jatkuvasti strategiaansa, rakennetaan ja toimintatapojaan sen sijaan, että tutkittaisiin pelkästään numeroita ja juututtaisiin toistamaan samaa menestyksen mallia.” The arts organizations must see further than the quarter-year thinking allows: to future possibilities, change factors, circumstantial and resource-based facts, Santalainen debates (Santalainen 2009:84).

The global financial crisis has, according to Santalainen, proved the traditional risk management skills simply unreliable: “Globaali talouskriisi demonstroi monia *riskienhallinnan sudenkuoppia* muuttuvassa toimintaympäristössä.” Stulz (2009 cited in Santalainen 2009:85) shows that in the environment of the hyper-competition risk analyses and tools based on historical data simply do not work. Some risks are even in the complicated reports of the experts, that the others do not understand: ”Kommunikaatiokuilu estää toiminnan.“ For the next crisis Stulz suggests a “what if“ scenario planning. Santalainen sees scenarios as a good strategic rehearsal for the organization. (Santalainen 2009:85) In the case of the economic crisis and museums, a worst-case scenario has partly already happened during the 2008 turbulence. Could it have been foreseen through scenario planning, is another question we take a closer look at in the Conclusion chapter.

Experience from working life shows, according to Santalainen, that the hierarchical structures of the organization can rather complicate than facilitate the individual's work. It is a victory if the organization does not substantially harm the practical work of its employees. Continuous restructuring of the organization is nevertheless a sign of a non-working organization. On the other hand, it creates belief on the structure as a resource, Santalainen decides. (Santalainen 2009:85) An organization is an organic entity, consisting of structure, processes and personal relations. The formal structure creates the daily-life processes. Personal networks, on the other hand, create the dynamics. (Santalainen 2009:85)

2.5.1 *Strategic Role of the Resources*

According to Salama & Asch (2003), resources can advance an organization's success in five different ways: 1) Resources enable execution. Chandler: "structure must follow strategy", applies here: resources are always submissive. 2) Certain resources affect success despite circumstances 3) Strategy is built on resource allocation, the special asset of the organization. 4) Strategy is built and executed simultaneously around resources, leading to the central importance of the strategists who see to the future. 5) Resources and strategy are united into a transformational process. Through transformation, future is being created. In this manner, strategic thinking and acting are united. (Santalainen 2009:88)

Hamel & Prahalad (2006) have described how inside out, resource-based strategic thinking expands the possibilities compared to outside-in thinking: *the core of the competition challenge* expands from solely the renewal of business processes into the renewal of strategy in an organization. Along with the organizational changes, industries are being changed. In addition to the competition of the market shares, organizations are competing for possibilities. (Santalainen 2009: 88)

Santalainen writes about Hamel & Prahalad's definition: "Tulevaisuuden löytämiseksi strategian tulee merkitä uuden oppimisen rinnalla vanhasta poisoppimista. Asemoinnin lisäksi strategian on pyrittävä ennakoimaan tulevaa, jolloin strategia ei ole pelkkä suunnitelma vaan kokonainen organisaation arkkitehtuuri." –Yksittäisten organisaatioiden lisäksi kilpailijoina ovat entistä enemmän kumppanuusverkot. –Pyritään ennakoimaan tarpeiden tyydyttämiseen ja joskus tarpeiden luomiseenkin. *Tulevaisuuden luominen* edellyttää venymistä ja resursseja kartuttavan vipuvoiman kehittämistä organisaatioiden ja verkostojen sisällä". The creating of tomorrow starts from the strive to foresee future. In

addition to single organizations the rivalries are more often than not networks. Therefore the creation and implication of a strategy demands flexibility and resources in-between organizations. (Santalainen 2009:88)

When the resources have been recognized inside the organization, the work to refine them can start. Johnson, Scholes & Whittington (2006) have been investigating the many concepts among strategy literature. According to the authors, strategic assets signify the most important factors to the health, success and resource allocation and capabilities of an organization. The authors' *strategic capability* -hypernym consists of resources and assets. *Visible resources* mean physical capital and financial resources. *Invisible assets* refer to organizational resources and HR. Näitä hyödyntämällä ja yhdistelemällä luodaan pätevyksiä. Assets are the manifestation of functioning resources. According to Santalainen, Johnson, Scholes & Whittington 's assets mean those processes and functions, which which the organization makes use of its resources in a fiscal manner: "*Pätevyudet tarkoittavat niitä toimintoja ja prosesseja, joiden avulla organisaatio hyödyntää resurssejaan tehokkaasti*" (Santalainen 2009:89). According to Santalainen, "(core) strategic competences are, and should be, only recognized beneath the organization's surface." (Santalainen 2009:91)

Teng & Cummings (2002) remind that competences and assets in the organization should be evaluated at the same time. "Mitä vahvempi yksittäinen resurssi, pätevyys – esimerkiksi tietty tekninen osaaminen tai henkilö – on, sitä todennäköisemmin se estää näkemästä muiden resurssien arvon. Erilaisten resurssien ja pätevyysien merkitystä on tarpeen ajatella myös siksi, että mikä tahansa ydinosaaminen tarvitsee tuekseen muita resursseja" (Teng & Cummings 2002 cited in Santalainen 2009:93). To see all the strengths takes vision, because the core competences often easily hide other assets underneath in the organization.

"Sisäinen oppiminen, osaamisen siirto ja kehittäminen ovat paikallaan vakaassa toimintaympäristössä ja niissä organisaatioissa, joiden tietopohja on monipuolinen. Mitä dynaamisempi ympäristö on, sitä todennäköisemmin osaamiskuilujen täyttämiseen tarvitaan ulkopuolisten kehitysvirikkeiden avulla tuotettavaa tietoa" (Santalainen 2009:93).

The unique resources and competences in the organization can rely on networks and PR. If the organization's success is about to hit a low record, networking is needed to develop the organization. This also creates new domains, new markets and the improvement of rules in

the field, Santalainen points out (Santalainen 2009:93). “Organisaation kilpailuympäristö voi joko edistää tai hidastaa ainutlaatuisten resurssien ja pätevyyksien kehittymistä. The argument supports Porter’s Research on *Competitive Advantage of Nations* (1990): “The harder the competition, the better. Challenges have a refining impact” (Santalainen 2009:93).

Helfat (2007) defines *dynamic capabilities* : they mean the capacity of the organization to create, expand and refine its resources and processes. “Dynaamisen kyvykkyyden laatutaso mitataan sen mukaan, miten tehokkaasti organisaatio saavuttaa itselleen määrittämänsä tulostavoitteet”, Santalainen stresses. The quality of the capabilities is measured according to the organization’s performance level: (Santalainen 2009:93-94)

“Organisaatiot voidaan asemoida eri resurssi- ja pätevyyslajien kautta.-- Jäljitys voidaan aloittaa kysymällä, mikä tai mitkä ovat sellaisia täsmällisiä resursseja tai pätevyyskäytäntöjä, joilla organisaatio erottuu muista. Sen jälkeen voidaan arvioida, onko organisaation tietty pätevyys ilmaistu näkyvästi jossakin vai onko se ajan mittaan kumuloitunutta hiljaista tietoa. Lopuksi on pyrittävä tunnistamaan, missä organisaation osassa kyseinen pätevyys täsmällisesti ilmaistuna sijaitsee.” (Santalainen 2009:94)

Processes are the core of dynamic action. The great challenge related to dynamic resource strategies is finding the balance between stability and renewability (Santalainen 2009:94) Bingham, Eisenhardt ja Furr revise the concept and stress that processes are clusters of action that repeat themselves over time and thus enable the specific actions of the organization (Bingham, Eisenhardt ja Furr 2007 cited in Santalainen 2009:94-95). Santalainen continues:

“Prosessien dynamiikka ohjaa huomion strategisen ajattelun ja toiminnan kriittiseen saumakohtaan. Prosessit tempaavat mahdollisuuksien virtaan. Passiivinen ajelehtiminen tässä virrassa ei luo lisäarvoa, vaan olennaista on kyetä ottamaan mahdollisuudet haltuun. Toisin sanoen pelkkä kokemus ei riitä, vaan tarvitaan mahdollisuuksien tiedostamista. Tämä voi tapahtua luovan kokemuksista oppimisen tai joskus jopa improvisoinnin avulla. Perustavoite on pyrkiä muuntamaan tiedostetut kokemukset tuleviksi ratkaisuksi prosesseja hyödyntäen. Prosessien hallinnasta voi parhaimmillaan syntyä strateginen kyvykkyys.”

It is easy to conclude, Santalainen debates, that strategic processes should be the organization's core dynamic processes. In practice, instead of different implications and goals, a strategy process should be a constant, agile, open, proactive and integrated series of actions, Santalainen analyzes (Santalainen 2009:95).

Real options are a concept of resource-based management, that seeks to enhance the flexibility of strategic resources and capabilities. Grant (2008 cited in Santalainen 2009:95) finds two ways to implement the notion. The first is connected to finance theory. Secondly, resource-based management and strategy can find new investments with the notion of *real options*. Through strategic alliances and partnerships whole new strategies can be developed. Strategic capabilities can be thought as real options as such, because they enable future competitive advantages, Santalainen describes (Santalainen 2009:96).

In the era of the *hyper competition* the barriers of the traditional domains are broken and it is more essential to create new *real options* in the new, undefined industries Todelliset optiot rohkaisevat monipuolistamaan resurrijatteluja ennen kaikkea dynaamisten ydinpätevyyksien suuntaan”, Santalainen concludes (Santalainen 2009:96).

2.5.2 Recognizing Core Competences

Rumelt (1994) has found criteria for *core competences* in an organization: they are 1) Organizational coverage 2) permanent dominance 3) learning by doing 4) the centre of the competition (Rumelt 1994 cited in Santalainen 2009). Separating resources from competences in the organization can be difficult, and they often cross. However, the real competition occurs on the level of core competences, not that of the single products or services.

Core rigidity, on the other hand, is a danger especially in an organization within introverted cultures. It can lead to choosing leaders from the inside of the organization, and thus impoverishing the organization and neglecting benchmarking : “ Santalainen writes: “Yksipuolinen henkilöstön kehittäminen ja avoimien toimien miehitys pelkästään sisäisillä valinnoilla, `venäläisellä puunukke- metodilla`, johtaa samanlaisuuden vahvistumiseen. Samaan päädytään laiminlyömällä ulkoinen benchmarking. Ydinjäykkyydet esiintyvät yhdessä aktiivisen inertian kanssa.” (Santalainen 2009:92).

“Strategy process is - or should be – a core process of the organization, Santalainen

reminds” and continues: “its purpose is guaranteeing continuity”. According to Santalainen, the recognition of *real options* and the creation of added value or a competitive advantage for the organization is everything but the traditional strategic process, in which the strategy is being “updated” (Santalainen 2009:96).

Burgelman (2002): itsenäiset strategiaprosessit. “*Muodollisen strategiaprosessin lisäksi toteutetaan sitä täydentäviä strategiaprosesseja.* -- Autonominen strategiatyö sisältää sellaisia strategisia aloitteita tai todellisia optioita, jotka eivät luontevasti sisälly varsinaiseen strategiaprosessiin. – Olennaista on, että autonomiset strategiset aloitteet yhdistävät erilaisia strategisia resursseja ja pätevyyksiä uudella tavalla.”

It is important to note, that all strategy processes do not lead to results or suit the existing organizational structure. According to Santalainen, the strategies created must be linked with existing goals and functions: “Uudistusprojektien linkittäminen sekä ilmaistuihin ulkoisiin mahdollisuuksiin että olemassa oleviin strategioihin parantaa niiden pitkäjänteisyyttä ja elinmahdollisuuksia. Samanaikainen muutoksen aikaansaaminen ja jatkuvuuden turvaaminen, radikaalit strategiset uudistukset ja pienten askelten kehitystyöt, uudet kokeilut ja aikaisempien kokeilujen tulosten soveltaminen ovat strategisen johdon työhaasteita.” The organization must function at the same time that the new strategy is made, without that either the core functions of the organization or new experiments and strategic endeavors suffer (Santalainen 2009:97).

2.6 Types of Organizations

Santalainen names three categories of the types of organizations: A *functional* or a *line organization* is an organization that strives to execute its basic functions such as the production, funding, accounting, marketing and HR of an organization. The advantages of this type of an organization are a clear division of tasks, responsibility and specialization in one area of expertise. Disadvantages are often problems in horizontal coordination and work routines taking over substance. A functional structure is never a strategic one, Santalainen reminds. (Santalainen 2009:85)

A *division-* or a *unit-based organization* is structured around relatively independent units, which have been labeled according to products, services or geography. The main headquarters offers units support services (such as funding, HR). The advantages of this type of an organization are commitment to strategic implementation and profit

responsibility, and flexibility of structure. However, problems can arise as to the relationship and money /resource allocation between the center and the unit, problems related to individual freedom when optimizing the overall profit of the unit and a lack of horizontal cooperation. The “headquarters problem” has been diminished with a *holding* structure, in which the independence of the units is being increased. Then the task of the central administration is mainly choosing of the businesses (portfolio) and funding. (Santalainen 2009:85).

The third organizational type, a *matrix structure* strives to enhance agility and cooperation within the organization, combining both function and the product or services. The more international and diverse the organization, the more the matrix structure is seen suitable, Santalainen points out. Typically it is the solution of a multi- or transnational company or an international organization working on global or transnational level. (Santalainen 2009:85-86)

Johnson, Scholes and Whittington (Johnson, Scholes & Whittington 2008 cited in Santalainen 2009:86) have explored the advantages of matrix organizations in the business world. The advantages of a matrix structure are: 1) The commitment of the leadership 2) the structure of the matrix that enables a versatile decision-making process 3) Integration process of knowledge into the organization strengthens learning 4) Coordination of decision-making lessens conflicts and makes facing conflicts easier 5) Adaptation to surprises and strategic special situations is easier.

“A matrix organization frequently uses teams of employees to accomplish work, in order to take advantage of the strengths, as well as make up for the weaknesses, of functional and decentralized forms” (Johnson, Scholes & Whittington 2008).

Bartlett, Ghoshal and Beamish (2008) have developed a *transnational network structure* based on transnational and global organizations. The cornerstones of the transnational structure are:

1. *Leadership responsibilities and duties are defined individually, e.g. according to each country or area of specialization. This enhances the independence of the units and the motivation of their leadership.*
2. *Every organization unit creates a special contribution to the entity.*

3. *As a result of differentiation, centers of know-how are born. They possess a combination of both special knowledge in their field and PR/audience development skills.*
4. *Corporate management directs the network functions and offers individual support for each unit separately.*
5. *Global information production and sharing are developed through projects and activity, transnational workshops and diverse strategic development projects.*
6. *The structure of the organization is a paradigm of the leadership, which will be strengthened by development of the establishment and functions.*

Santalainen explains the dangers of a transnational structure: unclearness of responsibility and the unwillingness of the leadership to move as the organization is of a global nature “Transnationaalinen rakenne on -- varteenotettava byrokraatia vierastaville suurille organisaatioille. *Tiimiorganisaatio* ja *projektiorganisaatio* antavat pienemmissä puitteissa samoja etuja.” Sometimes the same advantages can be obtained through a team (unit) organization or a project-based organization (Santalainen 2009:87).

2.7 Transforming the Organization: Change Management and Vision

In his book “Leading Change” (1996), Harvard Business School Professor Emeritus John P. Kotter targets leadership and change management. Change, or transformational leadership, is described in detail to help organizations in its every-day operative level to identify problems and prevent them through effective vision and the communicating of that vision instead of micromanagement planning typical to traditional management. The term leadership is dealt in a wider sense than management, the latter referring mainly to control and the former to a new direction of an organization through change. Transformational leadership in a strategic process in which the urgency level of the organization must be first raised and leadership coalitions properly created before any implications can take place.

John P. Kotter identifies eight mistakes why companies fail *transforming organizations*: (Kotter 1996:3)

- *Allowing too much complacency*

- *Failing to create a sufficiently powerful guiding coalition*
- *Underestimating the power of vision*
- *Under communicating the vision*
- *Permitting obstacles to block the new vision*
- *Failing to create short-term wins*
- *Declaring victory too soon*
- *Neglecting to anchor changes firmly in the culture*

To prevent these mistakes, Kotter has developed an *Eight-Stage Process of Creating Major Change* (Kotter 1996:21). The stages are: 1) Establishing a sense of urgency 2) Creating an effective guiding coalition 3) Developing a vision and strategy 4) Communicating the change vision 5) Empowering board-based action 6) Generating short-term wins to keep people motivated, 7) Consolidating gains and producing more change and 8) Anchoring new approaches in the culture of the organization.

To succeed, an organization must establish a sense of urgency. Creating guiding coalition is necessary in developing the vision and strategy, communicating the change vision and empowering board-based action. To secure a successful process, it is important to generate short-term wins of some kind to keep the people involved motivated. Consolidation of gains is needed to produce more change and anchoring new approaches in the culture.

So how to do all this, and – more importantly - when people are out of their comfort zones and the first steps have been taken, what next? Most organizations settle for setting up guiding coalitions and leave the rest to be resolved on its own. According to Kotter, this is a major mistake. *Nine Ways to Raise the Urgency Level* are addressed to the organization that have leveled their sense of urgency to attain change, and that are truly willing to start the process of transformation (Kotter 1996: 44):

- *Create a crisis by allowing a financial loss, exposing managers to major weakness vis-à-vis competitors, or allowing errors to blow up instead of being corrected at the last minute*
- *Eliminate obvious examples of excess, (e.g. company-owned country club facilities, a large airfare, gourmet executive dining rooms)*
- *Set revenue, income, productivity, customer satisfaction, and cycle-time targets so high that they cannot be reached by conducting business as usual.*
- *Stop measuring subunit performance based only on narrow functional goals. Insist that more be held accountable for broader measures of business performance.*
- *Send more data about customer satisfaction and financial performance to more employees, especially information that demonstrates weaknesses vis-à-vis the competition.*

- *Insist that people talk regularly to unsatisfied customers, unhappy suppliers, and disgruntled shareholders.*
- *Use consultants and other means to force more relevant data and honest discussion into management meetings.*
- *Put more honest discussions of the firm's problems in company newspapers and senior management speeches. Stop senior management "happy talk".*
- *Bombard people with information on future opportunities, on the wonderful rewards for capitalizing on those opportunities, and on the organization's current inability to pursue those opportunities.*

The nine ways to raise urgency level are a good reality check for the organization too often absorbed in their own daily routines and agendas. Kotter wants to wake them up and pull out of their hibernation. So how should a good coalition then be created? The leadership issue is essential. *Creating a powerful guiding coalition (Kotter 1996:51)* means, that the coalition must have the right people, good connections and high credibility. It must be based on trust and a common goal. Clarity of vision is needed, too: managers and employees can figure out themselves what to do without checking with a boss or their peers. In short: what is needed is 1. Position power 2. Expertise 3. Credibility and 4. Leadership.

Vision (Kotter 1996:67) helps to break through the Status Quo better than authoritarian decree or micromanagement. Creating a vision takes both the head and the heart, and some time and is therefore a messy, difficult and sometimes emotionally charged exercise. An operating plan confused by most managers with vision is not a vision. More closer to a plan - yet a plan can never inspire action the way a vision can. A good vision is an important investment in creating a better future. *Communicating Change Vision (Kotter 1996:85)* has many threats, such as under communication and inconsistent messages. The challenge of simple and direct communication is that it demands great clarity of thoughts and courage. To *empower employees* a good vision must (*Kotter 1996:101*):

- *Focus on the customer*
- *Give more responsibility to the lower-level employees*
- *Increase productivity*
- *Speed everything up*

Structure is needed as well. Yet there should be responsibility for products and services, since often layers of middle-level managers second-guess and criticize employees, huge staff groups are expensive and initiate costly programs and independent employees do not

communicate, but only slow things down. Even short-term wins help put the team back on track. Highly successful transformation efforts, those who do not last just for a while, combine good leadership with good management according to Kotter (Kotter 1996:129).

Sometimes *New Approaches in the (Organizational) Culture* are needed. Norms of group behavior are somewhat invisible and hard to change - shared values are invisible and extremely hard to change. Both exist in an organization. Here key is to talk about the need for change: where the old habits come from and how they served the organization well for a certain period of time, and why they do not do the trick anymore and have therefore to be replaced by more up-to-date ideas. *Anchoring change in a culture (1996: 145)* means alterations in norms and shared values come last in the transformational process, a lot of change talk, a turnover is possible in the organizations management level and, finally, all practices must support the new practices.

Kotter envisions *A Twenty-First Century Organization*: its *structure* is non-bureaucratic, with fewer employees, it has fewer levels, it is organized for the upper management to lead and lower to manage and it is characterized by policies and procedures that produce minimal interdependence. The *systems in the 21st century organization* depends of many performance information systems, providing data to customers, distributes data on performance widely and offers management training.

Its *culture* should be externally oriented, empowering, quick to make decisions, open and candid and more risk tolerant, than that of a traditional organization.

2.7.1 *Transformational Leadership Summary*

The key to organizational success according to transformational leadership and change strategy is life-long learning. This means, according to Santalainen and Kotter, building a `learning organization` where leadership is present also in the lower levels of management, including an adaptive organizational culture and unnecessary interdependence. Persistent sense of urgency, team work at the top, broad-based empowerment and a selection of people who can make change visions, and a delegated management for short-term projects and wins. (Santalainen: Kotter:)

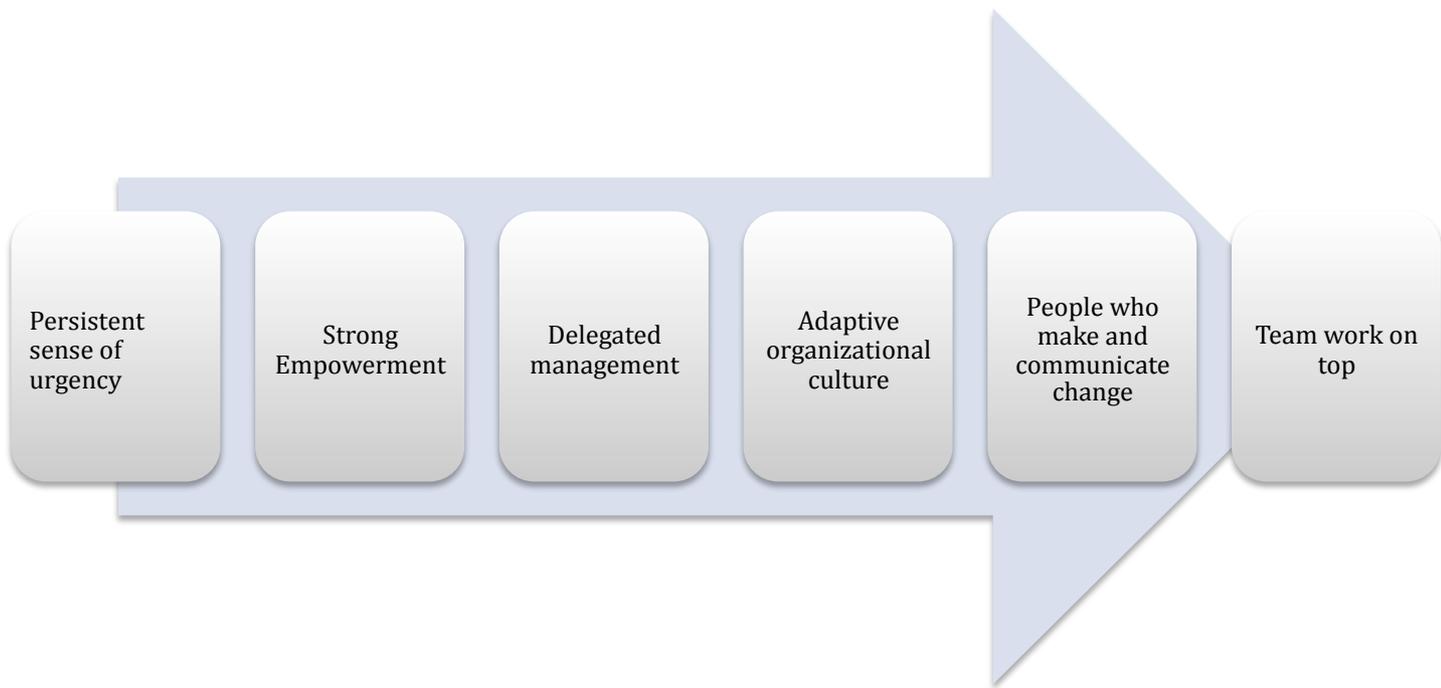


Table 3: John P. Kotter: Leading Change – A Learning Organization.

2.8 The Field of Museums

The Museum studies take us closer to the contemporary art museum field. Whereas Porter, Kotter and Santalainen see a more general approach to strategy making and leadership in organizations, Neil G, Philip and Wendy I. Kotler and Alexander address the museum challenges specifically. The Kotlers explore museums in relation to strategic marketing. Victoria D. Alexander builds theory from sociology through an organizational approach to museum funding. Both theorists bring new aspects to the dilemma of the external environmental changes in museum leadership as opposed to internal, that are essential to the study's approach in dealing with the possible effects of the economic crisis.

2.8.1 External and Internal Environments

Victoria D. Alexander, Associate Professor at Harvard University, takes a different approach to the museums through an organizational sociology research on funding. According to Alexander, organizations are profoundly shaped by their environment (Alexander 1996:12). In *Museums and Money: The Impact of Funding*, Alexander plunges deeper into the museum world: how does funding affect museums both on organizational and curatorial levels of decision-making? "The environment is not a pool of demands to be

passively met”, she writes (Alexander 1996:12).

From strategic decision-making theories, Alexander stresses the fact that they concentrate in organizations as something that tries to fit in to and manage their environment. Strategy management orients museums to the art world (Alexander 1996:13, Chaffee 1985, Child 1972, Miles, et al. 1978).

“Museums may choose to be less attuned to exhibitions if they wish to attract elites. External scholars may be more interested in catalogues of museum collections and in in-depth research on particular artworks published as articles in museum bulletins. Each of these strategies implies a somewhat different external orientation. Though most museums do some combination of all of these activities, the particular mix of orientations dictates internal arrangements and suggests the direction of future strategies.” (Alexander 1996:13)

According to Alexander, strategic contingency theory suggests that internal conflict in museums will increase with the introduction of new environments that add new types of employees inside the organization, or when the old ones are strengthened (Alexander 1996:13). Museum is an easily unbalanced organization. “In museums, the conflict between factions is likely to affect the content of art exhibitions, since exhibitions are shaped by various ‘stakeholders’- curators, administrators, educators, funders and audiences. As any of these groups gets stronger, weaker or changes its point of view, exhibitions are likely to change.” Alexander forgets one important group from her list essential in a contemporary art museum– the living artists that supply the exhibition content entirely. This power perspective of the organizational leadership can be seen, however, as accurate, when later in this study we think of the economic crisis and its effects. The changes in the museum’s environment can have dramatic effects in the museum’s core functions. In the next subchapter we take a closer look at the theory related to the environment(s) of the museums.

Institutional theorists argue that the decision-making in an organization is rather based on legitimacy as well as tangible resources (Alexander 1996:14). A resource flow approach is, institutional theorists stress, therefore perhaps more accurate and can be applied to the research in relation to museum leadership and the economic crisis (Meyer & Scott 1992, Powell & DiMaggio 1991, Scott 1995 cited in Alexander 1996:14). The environments also shape organizations, so we take a closer look at the environments in the next chapter to

gain a deeper understanding of all the factors affecting the leadership.

2.8.2 *Strategic Museum Environments*

Neil G. Kotler, Philip Kotler & Wendy I. Kotler address museums in a changing environment: “Museums operate in a continuously changing environment. The environment, both external and internal, is the starting point for adopting a realistic mission and goals and strategies to achieve the mission.”

Strategic planning can be defined as “*the determination of basic long-term goals and objectives of an enterprise, and the adoption of the courses of action and the allocation of resources necessary for carrying out those goals* “. Strategic planning is led by the institution’s senior staff and the heads of different departments and units. It involves generating different scenarios of the future and planning for them. Strategic planning engages the museum in a three- to five-year planning process. The process provides a perspective on where the museum has been. Where it is, and where it should go given new opportunities and threats and internal organizational strengths and weaknesses. “ (Kotler, Kotler & Kotler 2008:43)

According to Kotler, Kotler & Kotler, a strategic plan confers several benefits: (1) checking on and improving the museum’s performance, (2) providing a framework for decision making, (3) creating a basis for planning new initiatives, (4) identifying ways to motivate museum staff, and (5) scanning changes in the external environment and its effects on a museum organization. “Private donors, foundations, and corporation and other funders increasingly, review museum strategic plans to determine whether a museum is performing well and deserves support. “ (Kotler, Kotler & Kotler 2008: 44-45)

The museums live in an environment, that finds and reshapes itself constantly. An *external environmental scan* helps the institution to see its standing point in the art world and independently assess its core functions and values:

“Museums operate in a rapidly changing and frequently unstable competitive environment. The microenvironment consists of forces and conditions that shape opportunities and pose threats to an organization: demographic shifts, economic and business cycles, cultural value and attitude shifts, political realignments, and government and regulatory programs and policy changes,

for example. Organizations have to monitor these forces for their effects on both short-range and long-term planning” (Kotler, Kotler & Kotler 2008: 47-48).

Kotler, Kotler & Kotler’s environmental scan for museums is especially accurate when considering the leadership situation during the economic crisis:

“For example, during an economic recession, corporate contributions are likely to be reduced, thereby requiring a museum to seek revenue from alternative sources or retrench. Similarly, museums ought to be sensitive to demographic shifts, targeting younger groups, for example, so that they are not only serving largely aging audiences?” (Kotler, Kotler & Kotler 2008: 47-48).

2.8.3 Strategic Management of Museums – A Summary

In this chapter, the theories of organizational leadership, museum studies and strategy have been compared in *Table 4*. They are evaluated in relation to each other regarding the research questions and the purpose of the study. Which one(s) are best applicable to the situation of the economic crisis affecting the affiliate museums? Which theories are implicated best in the industry in Finland, and which ones in the United States? Which are the differences in ecosystem, in funding and culture organizations’ leadership?

Michael Porter’s *5 forces strategy* is a useful classic in the field of nonprofits and well as for-profits. But, does it serve nonprofits in the museum field accurately? The notion of rivalry is also a debated one, a controversial issue in the museum field. Do the museums really compete against each other, or rather, operate in the same industry being interdependent of each other in a fruitful way, and cooperate? How should museum strategy be defined in all? The *5 forces* strategy can be useful when it comes to the effects caused by the economic crisis, on the other hand. As a threat from the exterior comes and causes large-scale changes in the leadership, the strategic approach of Michael Porter might be accurate. But as the critics of this theory point out, there is perhaps after all a gap in the theory, the *sixth force* missing, that of the environment/state/the public. That is the factor that mostly relates to the main research question of this study, the effects of the economic crisis (Porter 1995).

Timo Santalainen's definition of the *thinking and acting organization* serves nonprofits in the museum field perhaps better. Santalainen possesses a holistic view on organizational leadership, that encourages the organization to grow in ambition in relation to its mission, values and daily functions (Santalainen 2009).

John P. Kotter addresses a *learning organization*. Like Santalainen (2009), he questions traditional strategy-making as something that is more likely to prohibit the organization from growing internally and developing a functioning strategy than help it. The ambitious concept of *transformational leadership*, is nevertheless perhaps best implied to businesses than nonprofits. The notion of the classical micro-management not being suitable for the 21st century leadership, is accurate however, as to especially the economic crisis and its effects. The impact of the crisis is global, the crisis largely taking place outside the organization yet effecting it profoundly. Visionary leadership, according to Kotter is needed in every organization of the 21st century (Kotter 1996).

Victoria D. Alexander sees museums through an organizational sociology approach. Alexander assesses museum funding, and comes to the conclusion, that the museums are organizations that are profoundly and constantly shaped by their environments, both internal and external. The approach is applicable to the challenges of the economic crisis, as Alexander's theory takes into account both the environmental influences of a museum affiliate as well as the impact of the (internal) organizational leadership. It does not solely rely on strategic planning (Alexander 1996).

Kotler, Kotler and Kotler use museum marketing as a strategic tool through which they question where the museum has come from, where it stands now and where it is going to in the future. To achieve a better performance and a more realistic audience development programme the museum leadership must ask five questions concerning the direction and goals of the organization. During the process, all of the staff of the organization must be motivated to enhance the overall performance of the museum and reach a more reliable audience segmentation. When asked whom the contemporary art museum affiliates should serve, the audience, education, curators, professionals, leadership or the artists, Kotler, Kotler & Kotler's view is accurate. Implementation of the study to the economic crisis and its effects is taken into account as a capstone of the theory (Kotler, Kotler & Kotler 2008).

Theorist	Name of Theory	Main Ideas	Theoretical Aims
A. STRATEGY THEORY 1. Michael Porter	5 Forces	Classical SWOT analysis is not enough when determining the environment in which the company/organization operates.	Strategy is best defined through the concepts of rivalry, threats and bargaining power, both inner and outer.
2. Timo Santalainen	A Thinking and Acting Organization	The power of strategic thinking is in the individual. Strategy is dialogue between the strategist and the environment. Strategic vision, individual strategies, business plan and strategy context form the strategy. The strategist as a leader of the self.	The aim is to connect the strategic action with the inner strategic thinking and to sharpen the vision of the strategist. Strategic thinking is a continuous learning process of the organization through transformation.
3. John P. Kotter	Change Strategy & Transformational Leadership	Towards a 21 st century leadership. A 'learning organization'. To succeed, an organization must have an adaptive organizational culture, constant sense of urgency, team work on top, strong empowerment of employees, delegated management and people who make and communicate change.	Preparing the leader to lead through vision and lower organization to manage. From classical (micro)management towards visionary leadership and ability to tackle constant change both inside the organization and in the environment.
B. MUSEUM STUDIES 1. Victoria D. Alexander	Museums and Money: The Impact of Funding	Organizational sociology approach. Organizations are profoundly shaped by their environment.	How does funding affect museums both on organizational and curatorial levels of decision-making? Analyzing internal & external environments for museums.
2. Kotler, Kotler & Kotler	Museum Strategy, Marketing and Leadership	Where the museum has been, where it is now & where it is going to. Museums & strategic marketing.	(1) Checking on and improving the museum's performance, (2) providing a framework for decision making, (3) creating a basis for planning new initiatives, (4) identifying ways to motivate museum staff & (5) scanning changes.

Table 4: *A comparison of the theories of strategy, leadership and organizational studies of museums.*

3 DESCRIPTION OF THE RESEARCH PROCESS AND METHOD

3.1 Methodological Approach

The approach of the study is to link the data collected by interviews and documents to the research questions through interpretive, qualitative research (Yin, 1984). The method of the research is a multiple case study based on grounded theory. According to Robert K. Yin, “The case study is but one of several ways of doing social science research. Other ways include experiments, surveys, histories, and the analysis of archival information” The advantages and disadvantages depend on the research question types, the control the investigator has over actual behavioral events and the focus on contemporary as opposed to historical phenomena. The distinctive need for case studies arises out of the desire to understand complex social phenomena (Yin 2003:1-2). Should the research want to find answers to the “how” and “why” questions, a case study is usually preferred as a research strategy. It is used in a study that focuses on contemporary events rather than historical ones, and does not require control of behavioral events.

The methodology chapter aims to shed light to the relationship between the collected data and the theory (Glaser & Strauss 1967), and the methods which were used to process the data. Research method is an instrumental case study, aiming at more information about the effects of the phenomenon of the economic crisis in the museum field through the two different cases. The collected data is analyzed through deductive method focusing on transformational and change leadership theories mentioned in Chapter 3.

3.1.1 Case Selection

The two cases, the prominent art museums in Finland and the U.S. were chosen to demonstrate the influence of different ecosystems and cultural policies to the leadership and strategy of contemporary affiliate art museums in Finland and The United States. I also

had the possibility & network to access these two on a fairly high administrative level.

Due to differences in funding structure the two cases are fundamentally different. They enlighten the differences on the effects of the Economic Crisis. However, as the phenomenon is global, and the data implies similar effects in all two affiliate museums that were chosen, the possible findings have been linked and classified to form a result. The study is an instRumeltal case study, aiming to provide insight to a specific phenomenon and its effects, that of the economic crisis.

The emphasis of analysis of the possible effects of the crisis is on the museums as organizations, but also is intended to shed light on the process through which the crisis manifested itself in the every-day life of the museum and its employees as well as in the strategic decision-making.

United States was chosen from the beginning of the study to be the second case country in addition to Finland. There were many different reasons for this. First, the economic crisis had struck the U.S. the most severely, initiating in 2008 with the Lehmann brothers collapse, with long-lasting consequences not only in the politics and finance, but especially in the field of culture and the arts. In the U.S., many of the institutions are privately funded, and receive only a nominal amount of funding from the community or the state. Many of the museums had been, prior to the collapse, entirely or mostly dependent on private sector funding, mainly sponsorships, private donors and foundations. Hence those funds collapsed nearly overnight resulting in a multitude of consequences in the museum leadership and exhibitions policy.

Secondly, even though the crisis landed in Europe with a delay of three to four years in early 2012, Kiasma had fairly recently (2007) founded Kiasma Foundation in order to enhance its budget and ability to purchase contemporary visual arts through private funding. The benchmark for the foundation was originally Tate Modern in London and Aalto University in Helsinki, according to the former Head of Development Sanna-Mari Jäntti who was founding the foundation (Jäntti May 11th, 2010). The foundations in general are core supporters of the museums in the U.S. and internationally such as the Solomon R. Guggenheim.

Third, personal contacts and networking made a big difference. In addition to the foundation, Kiasma had had a recent cooperation with MoMA PS1 New York, so the contacts could possibly be fairly well acquired. Also, as the President of the Artists`

Association of Finland, I was going to work in 2011 January in a joint exhibition project curated by Alanna Heiss, The founder and former director of MoMA PS1, Arctic Hysteria, in St. Petersburg. The Artists' Association had been working on the cooperation with Heiss in the Arctic Hysteria project since 2008 and, through Heiss, had strong personal contacts to PS1.

Fourth, choosing two examples from two very different funding and ecosystem structures for art museum organizations was one of the core principles of the study. Kiasma, as part of the Finnish National Gallery, is a highly subsidized museum with as high as 78% of funding coming from the state whereas MoMA PS1 NY receives only a minimal grant of a percentage or two from the city of New York annually (McCarthy, January 13th, 2011). In comparison: SFMOMA in San Francisco receives no state funding whatsoever, nevertheless SFMOMA's budget did not drop that dramatically. On the contrary, other institutions with larger endowments, such as the Getty and the Metropolitan Museum, had to make layoffs while SFMOMA did not. MOCA in Los Angeles subsequently laid off a third of their staff (Zarobell, October 8th, 2010; Boehm/LA Times 11.4.2013).

3.1.2 Data Collection Methods

The data has been collected through multiple data collection methods, which are: personal and preliminary interviews, articles, lectures, media & internet sources, archival sources, observations, personal notes, conversations with the specialists in the field and documents. The interviews were conducted in meetings, email and by telephone with museum administrators, curators and staff such as head of sponsorship cooperations, development officers, directors and former directors and assistant curators. To complement these, notes were made through practical and direct observations by the author, expanded notes, media, archives, annual reports & budgets were added, documents, statistical publications and internet sites were searched. The data has then been analyzed with the theories chosen using deductive method. Through the two cases, the study aims at bringing light to the possible different effects of a larger economical phenomenon in the affiliate museum field that the organizations face today.

3.2 The Interviews

Eleven personal interviews were conducted during a period of two and a half years with museum and cultural field experts, directors, curators, managers, development officers and senior specialists: two preliminary interviews and seven in-depth personal interviews for research purposes based on the research questions during May 2010 - April 2013. All of them (100%) were included in the final thesis (see *Appendices 1: List of Interviews*, including an interview guide & *2: Examples of the Interviews*). The interview material consists of five personal interviews in the United States (2010 - 2011) and six in Finland (2010 - 2012). The purpose of the two preliminary interviews was to map the field for research purposes and to collect data in the form of a personal, short 5 – 25 -minute interview and discussion around the theme. From Leevi Haapala's preliminary interview in May 2010 no written record was saved. Communications Manager Piia Laita chose to answer the research questions via email and Director of Kiasma Pirkko Siitari read the final text in April 2013. The purpose of the in-depth, 15 to approximately 45 minute interviews was to go deeper into the challenges of the research questions in the form of a pre-formed question list, as specified later in this chapter, and to get as much relevant data of the topic as possible.

The following questions were asked from all the nine in-depth-interviewees and the same questions underpin the study. Some of the questions were asked more freely if the interviewee chose have a discussion on the topic instead of a strict question-and-answer type of a conversation:

- In general, how does your museum experience change?
- What is 'change' to you?
- What are the biggest change(s) in your museum after 2008, both internal and external?
- How did your organization tackle these changes?
- Who are the key people leading change(s) in your museum?
- What kind of changes took place due the Economic Crisis of 2008 in your museum?
- How did the changes effect the museum's
 - a. strategy*
 - b. leadership and*
 - c. every-day life*, in your opinion?
- Does your museum have a change strategy? If Yes, in what way was it conducted after 2008?

Some additional detailed questions related to basic information such as the employees job description, how long the interviewee had served in the organization, what was the his/her position and title et cetera, were asked in addition in the beginning of the conversation, as well as more precise questions directly related to the topic, depending on the answers and the field of expertise of the interviewee.

The questions were presented beforehand by email together with a letter of intention and a research proposal attached in a minimum of two weeks time prior to the interview. The questions were also given as a print in the interview situation. All interviews except the preliminary interviews and the interview with John Zarobell from SFMOMA, and the preliminary interview of Sanna-Mari Jäntti (Kiasma), that were based on notes, were recorded on tape. One interview was recorded on tape but failed due to a technical error in the speaker (Miller, Kiasma). It was later reconstructed based on the original interview notes together with the interviewee. All the recorded interviews were transcribed by Tutkimustie Ltd, a company specialized in scientific transcriptions located in Tampere, Finland.

As seen in *Appendix 1: Interviews*, and stated before, questions and answers around the actual topic of the interview in the free form discussion were also allowed to some extent. This was done in the purpose of acquiring as much information of the challenges and the topic of the study as possible. The in-depth personal interviews were considered the preliminary data source and core information to the study's viewpoint, that of the effects of the economic crisis in the organizational level of the museums. Secondary data, documents and reports, supported the preliminary data acquired through the personal interviews. In addition to the museum budgets (*Appendix 3: Annual Reports, Budgets & Documents from MoMA, Kiasma & The Finnish National Gallery*), considering the subject, the effects of the crisis and the changes caused by it seemed to be best tangible through in-depth conversation. For this reason, the interviews are emphasized in relation to other data and documents in the research. The interviewees in Finland could choose between answering in their native language instead of English, which all of them chose to do, and the questions, as well as all the quotations and terminology were later translated to English. Since many of the research questions were abstract relating to organizational change and transformational leadership and the topic of the economic crisis a demanding one, the interviewee was first introduced to the subject via email on the form of the question list and a project proposal attached, and was allowed to prepare her/himself specifically for the interview session.

Some of the questions were very abstract, such as: “How does your museum experience change?”, allowing the interviewee to think and define the concept of change him/herself from his/hers professional viewpoint and knowledge. Some were more concrete, asking the specific means of action during and after the economic crisis inside the organization: “How did your museum tackle (these) changes (in practice)?”. All of the questions were formed in accordance with the transformational leadership, change strategy and organizational leadership theories analyzed in Chapter 3, following the deductive method. This was important for getting precise data about change and transformational leadership in the organization, even though, in the view of some interviewees, the questions may have seemed theoretical and out of the museum’s every day life and context. The interviewees were chosen with criteria such as relevance to the topic, relevance to leadership & strategy, proximity to the organizations’ strategic decision-making, status, job description and tasks, relevance or access to the administrative and managerial level of the organization or based on the interviewee’s experience on these in other fields of the industry (specialists and project managers in other nonprofits).

The research focuses on the effects of the economic crisis in the museum field, not its reasons. Therefore, how these changes – if there were such - were handled in the organization, was crucial to the study to succeed. Some questions were left as open as possible for the interviewees to make her/his own choices that he/she felt relevant to the topic in question. Yet the conversation was always directed in the context of the research questions and the given topic, and it was first explained in short to the interviewee, how they were related to the study in general. This followed from the theoretical assumption that the effects of change in leadership can be seen throughout the whole organization, not only on the level of the actual leadership (Kotter 1996).

Data collection was made from annual reports, newspaper articles, budgets, statistics, media sources, the internet and other personal and general observations. From the two pre-interviews that took place in Kiasma in May 2010, Jäntti later left Kiasma and an in-depth interview did not happen as planned. The interview in SFMOMA took place in San Francisco, not New York, in SFMOMA’s premises on the 5th floor, of October, 2010 (Curator John Zarobell), whereas all the other interviews in the U.S were conducted in New York, either on spot or as recorded telephone interviews. The four interviews conducted between the 3. and 17th January 2011 in New York consisted of three interviews about MoMA PS1 New York, two by telephone (Heiss, Johnson) and one interview about PS1 was conducted in the premises of the Museum of Modern Art New York, 4th floor

(Development Officer Jane McCarthy). About other locations, one interview took place at a café near the Finnish Cultural Institute in New York (Project Manager and Interim Director Essi Rautiola). All interviews, notes and additional email comments by the interviewee were considered and included in the final research (see *Appendix 1: List of Interviews*) together with the data from one preliminary interview (Jäntti). Curator John Zarobell from SFMOMA chose to talk freely instead of the Q&A method. The same applies to Founder & Former Director of PS1 Alanna Heiss, who spoke freely about the topic. Others answered the research questions in the expected order.

Some difficulty was found in reaching and contacting the people in question. The local professional culture in New York is extremely hard. To get an audience from the management and administration level employees in museums required several tries, emails, phone calls and, in most cases, re-scheduling of the planned interviews on spot. Sometimes this process required a lot of stamina, some other flexibility. The data gained from each interview was valuable. As a researcher, I found it important not to limit the amount of topics that the interviewees wanted to share with the interviewer, on top of the research questions, if they wanted to speak up, having first informed the interviewees in the beginning that all of the conversation will be recorded. The interviewee could speak as little or as much as he/she chose, but were not stopped, should he/she want to continue discussing around the topic in-depth. Some of the interviewees did not want to be interviewed through traditional research's question-and-answer technique (Zarobell, Heiss), but chose to have a free conversation instead. This was allowed in the limits of the topic of the research. The interviewees were also informed about the possibility to choose a free conversation in an email letter beforehand.

The crisis seemed to be an abstract and at the same time very sensitive subject to many professionals working in the administrative and leadership level of the museums since it included funding and money issues. This was somewhat foreseen. A certain respect and a feeling of trust and relaxed atmosphere was therefore important to construct. Yet it did not always succeed fully. People on the higher administrative level in the museums are often independent professionals and busy people, and they choose carefully who to answer to and who not to. To understand this and still conduct successful interviews was one of the main challenges of the research. For example, the many re-schedulings of the agreed interviews on spot as I arrived to New York after more than a year's planning, could be interpreted, and one started to wonder whether it was actually a result of some level of uncertainty to speak up of the matter so delicate to the interviewees as their organizations, or a lack of trust in a stranger, or half stratnger. Maybe both in some cases. It was therefore important

that the research questions could also be freely formed into conversation, should the interviewee prefer to speak up more freely in a relaxed atmosphere and not to feel unease with direct questions concerning e.g. the museum's financial situation. At the same time, in these cases, even though the order and conduct did not follow the order of the question list, more detailed information was still gained for the thesis. Both gained, and the confidence needed for the research was regained. However, this was not especially easy at times (notes of the author).

An example below shows what kind of challenges there could be as to the gathering of in-depth interview data in New York. The example is taken from the researcher's notebook in New York, January 14th, 2011. The example is of one of the interviewees of a high status. It is given here as an anonymous example to depict the overall challenges of conducting the research:

“I was sitting over a lunch with a Finnish colleague and his partner at the Waverly Diner on the corner of 4th Avenue and 8th Street. We were just about to get out late lunches at 4pm, as my phone rang. It was the interviewee him/herself, apologizing for a million times for being such late in answering, and sounding like being in a terrible hurry, but very friendly. I then learned that his/her plane was about to leave in an hour. Our interview date had already been postponed twice due to sudden overlapping of schedules during my brief stay in New York. I had organized the meetings already in October, and it was all set – before I came to New York. Now it was down to an hour, and he/she was leaving the country. – You see, it was not that you have done anything wrong. It is just that I forgot. You were too organized!, he/she told me with sudden enthusiasm in her voice. The interview was then done on the spot, over the phone, in the windy, 0°C entrance of the crowded and noisy diner, and partly in the restrooms too as the line to the diner got longer and longer and the faces of the people queuing got angrier. My meal got so cold it was uneatable at the time I finally finished the phone call, to the astonishment of my colleagues. I will remember the meal for the rest of my life though. It was scrambled eggs with fried tomatoes, no salt, and a diet soda” (personal notes of the author).

3.2.1 Schedule of the Interviews

The research started in January 2010 by mapping out the field of research, making inquiries and with choosing the topic and research angle. The interviews and contacts were confirmed throughout the research process - from April, 2010, until to April, 2013. It started with mapping the field and listing of possible contacts and suitable interviewees both in Finland and in the United States in organizations relevant and feasible to the subject of the study and ending with the actual data, interviews and conversations, taking place and finding related documents and other material. In Finland the interviews were conducted over a larger period of time than the U.S: between May 2010 and April 2013, and in the United States, during two trips; one to San Francisco in October 2010, a study trip by Sibelius Academy Arts Management Programme, and the second one taking place independently for the specific purpose of collecting data for the thesis to New York in January 2011. Both of the data collecting journeys in the United States lasted for 10 days. In addition, MOCA in Los Angeles, mentioned by curator Zarobell in an interview during the trip to San Francisco, October 2010, as having suffered great loss of budget due to the crisis and therefore interesting to the study, was also contacted. Unfortunately at the time, in the end of the trip, an audience was not granted with such a short notice as the visit was initiated on spot due to the interview, and not properly prepared in advance. Otherwise, and interview from MOCA would most probably have been included in the final thesis as well, since it supported the case. This information was thus replaced and required through articles, documents and other sources of data.

Finland

Pre-interviews were conducted at Kiasma in Helsinki, Finland, May 2010:

- Senior Researcher Leevi Haapala, Kiasma, May 2010 (no written record).
- Head of Development Sanna-Mari Jäntti (2008 – 2010), Kiasma, May 11th 2010.

One interview was conducted at the Finnish Museums Association

- Senior Specialist Marja-Liisa Pohjanvirta, The Finnish Museums Association, 25th May, 2011.

Three interviews were conducted at Kiasma Museum of Contemporary Art in Helsinki, Finland, between February 2011 and March, 2013:

- Curator, Kati Kivinen, Kiasma, 8th May, 2012.
- Chief Curator Arja Miller, Collections, Kiasma, 8th May 2012 (completed via email).
- Communications Manager Piia Laita, Kiasma, May 31st, 2012.

In addition, Pirkko Siitari, Director of Kiasma, read the final text in April, 2013.

United States of America

One interview was conducted on October 8th, 2010, at San Francisco Museum of Modern Art

- Assistant Curator John Zarobell, dept. of Painting & Sculpture, SFMOMA dept. October 8th, 2010.

One interview was conducted on January 10th, 2011, at the Finnish Culture Institute in New York

- Project Manager and Interim Director Essi Rautiola, Finnish Cultural Institute in New York, January 10th, 2011.

Interviews were conducted at MoMA & MoMA PS1 in New York, U.S, during January 13th-16th, 2011:

- Development Officer Ms. Jane McCarthy, MoMA PS1, January 13th, 2011, interviewed at the Museum of Modern Art New York premises.
- Founder and Director Alanna Heiss, P.S.1, January 14th 2011.
- Assistant Curator to Alanna Heiss Beatrice Johnson, MoMA PS1, January 16th, 2011.

Writing of this thesis was conducted over a period of approximately two and a half years from December, 2010, to April, 2013. This MA Thesis was handed in on April 29th, 2013, in Paris.

3.3 Formation of Analysis

The theoretical framework was applied to form the research questions as well as the analysis. One case was studied in depth together with the theoretical framework, and then the successive case. The cases were examined one by one whether if the theory matched the data or not. Then, similarities between the two cases were compared to form a pattern of the possible effects of the crisis. Also, differences in funding structures between the countries in Finland and in the United States were taken into account before drawing the conclusions. In the end of the Conclusion chapter, the effects are demonstrated in a critical debate stressing the similarities rather than differences in the two different contemporary affiliate art museums. Some major similarities between the cases arose from the collected data through in-depth personal interviews, which could not be foreseen from the documents and other relevant data. Therefore the similarities were not an assumption *a priori* on which the results were build, but rather a spontaneous result of the interviews that the study was based on, combined with the theory in question .

As seen in the *Table 4*, change leadership (Kotter) and transformational leadership theories (Santalainen) and Alexander's sociological organization theory can perhaps be more directly applied to the effects of the Economic Crisis in the case museums, data from the personal interviews shows. Strategy theories such as Michael Porter's 5 forces theory, Kotler, Kotler & Kotler applied perhaps to the crisis itself well, but not to the organizations in question, or applied only partially. Concluding from the data, theories that emphasize a more direct relationship towards change within the organization itself, applying the information to the ecosystem and environment, seem to answer better to the research questions.

3.4 Validity and Reliability

The study is mainly built on in-depth interview material, and all of the facts gained from the interviews are the interviewees' personal opinions. The interviews were sent for the interviewees afterwards in written form for proof reading and fact checking. It is always possible, that some of the facts told by the interviewees could have been slightly different in reality, changing the results acquired, or that, as some time had gone between the interviews and writing the research, the memory of the interview was different from what the interviewee actually said.

The museums that do not get state funding, such as SFMOMA and MoMA PS1, also do not publish annual reports. For example, as I contacted the Archives at the Museum of Modern Art New York during a visit in January 2011, and asked for an audience, the answer I received in an email was: "Dear Madame, MoMA has not published annual reports since 1990". Some reports could be found, like the Consolidated Financial Statements of MoMA 2007 - 2010, and some reports on MoMA PS1. In addition, both the affiliates are dependent on their parent museums financially. Some of the key annual reports of the museum affiliates missing, the research has been therefore, completed with additional articles and media coverage, as well as data from internet sites, conversations with specialists in the field and with the in-depth interviews mentioned of the professionals in the field, to gain more thorough and accurate knowledge on the performance and practices of the museum affiliates.

At the time with the study, in the aftermath of the Economic Crisis, there were many changes in personnel, as stated before, in both of the two chosen museum affiliates. The Head of Development Sanna-Mari Jäntti left Kiasma in the autumn of 2010 and

Development Officer at MoMA PS1 Jane McCarthy had been hired during the crisis in 2008, and left in 2011. The former and long-term Director and Founder of PS1 Alanna Heiss resigned in 2009 and in 2010, the new name *MoMA PS1* was introduced to the museum affiliate instead of the former *P.S.1 Contemporary Art Center*. Also, Director Berndt Arell left Kiasma and the new Director Pirkko Siitari was appointed in 2010. All the major changes in personnel & administrative level both in Finland and U.S had happened while the study was in process, and to some extent, therefore shaped the study. For example, at the time of the newspaper articles about Kiasma's financial difficulties during Berndt Arell's era hit the media, only the pre-interviews of the intended study had been conducted. Also, the major personnel changes have affected the study in a way that it has been more difficult to reach the people who are now involved in their new positions about the changes in their previous work, and hence, the material possibly lost through the non-realized, intended interviews of the people in charge at the time, has been replaced by other documents, data and interviews.

Also, due to the highly abstract causes of the crisis still in 2008 - 2010 in Finland, as the crisis only made its way to Europe in the beginning of the year 2012, made it difficult to gather reliable information through the method of interviews at Kiasma, that still had not experienced the effects, or it was still not thought at the time that they had, directly. Every person had a different view on the crisis itself, and it can be summoned based on the interview data as well as the related articles and media sources that the effects of the economic crisis in the arts field in general are yet to be researched thoroughly both in Finland and in the United States in a manner that they were after the previous recession in Finland in the 1990s. In addition, the long-lasting consequences and effects of the austerity policy as a result of the crisis, have not been researched in the cultural sector. Hence, it can be concluded from the data gathered for this thesis, that a further study in this field is strongly needed at some point in the future.

One ethical consideration that has been taken into account is the researcher's role in the Finnish art world. I was elected the current President of the Artists' Association of Finland during the study process in September 2010, having already started writing the research proposal and conducting of the preliminary interviews in May, 2010. In May, 2012 I was appointed the Artistic Director of Lens Politica Film & Media Art Festival in Helsinki, in addition to being a professional, practising media artist. Especially as to the role of the President of the Artists' Association of Finland, before each interview it was carefully explained to the contacts and interviewees that the research conducted did *not* relate to any of the posts, and that the research topic had also been chosen, in fact, completely

independently from the researchers' daily job. It was also stressed specifically, that the research had not been ordered from any of the organizations that the researcher currently represents.

Some attitudes towards the interview process were, nevertheless, clearly reserved. Other interviews were not obtained at all – partly due to changes on the organizations and people moving away from their previous jobs, and to the many changes inside the organizations during the study as well as the financial and organizational uncertainty related to the organizations themselves during this time. The situation affected perhaps the attitudes of the interviewees and made them more reserved. Partly also the reasons described above could have made a difference, since a strict traditional division between the artists and the administrators still exists in the artworld. This could not have been foreseen, but nevertheless, sometimes occurred during the interview sessions and manifested itself as a feeling of tension.

Having possessed knowledge of running art organizations, as well as working as an artist in the field of the contemporary arts for the past 13 years has also helped me in understanding the reactions and practices of the interviewees and the organizations, I believe, and helped also to consider possible biases. The changes that took place in the chosen museums were drastic, especially in the United States. The practical knowledge therefore of the field has helped tremendously in understanding the international contemporary arts scene today, perhaps even better to some extent, than, say, a person coming from a more traditional art history fields. The dual position is special, but has its clear advantages as well.

The complex relationship of the providers of the exhibition spaces, collecting museums' and curator's roles in relation to the artists that provide the context entirely to the museums, and the tensions underlying this professional relationship, would be a possible topic of another study. The artists and the organizational staff are still seen as two somewhat separate worlds, as will be stated later in this study. But going into this topic would lead us astray from the actual subject of the economic crisis. Hence, analysis based on personal notes by the researcher and other media sources were combined with the data in order to add depth to the study, but they were not the topic of this research. Utilizing both the experience as a professional artist as well as a bureaucrat gave the research perhaps a more practical dimension, though this viewpoint was not especially stressed in the research. To understand the museum affiliates' challenges in a more thorough manner in the future, however, a research of the artists inside the museum institutions as possible administrators, stakeholders, and the benefits of this approach, would be worth considering.

4 DESCRIPTION OF THE CASES

4.1 Case 1: MoMA PS1 (formerly P.S.1 Contemporary Art Center), New York

MoMA PS1 (formerly P.S.1 Contemporary Art Center), founded by former Director Alanna Heiss in 1976, is one of the world's oldest and largest organizations devoted solely to the advancement of contemporary art in the United States: Its profile is defined as follows: "An exhibition space rather than a collecting institution, MoMA PS1 devotes its energy and resources to displaying the most experimental art in the world" (MoMAps1.org).

The museum affiliate of the Museum of Modern Art since 2000, is housed in a hundred-year-old Romanesque Revival school building in Long Island City, Queens. MoMA PS1 presents an extensive program of exhibitions and events in its nearly 125,000-square-foot facility. The devotion to the contemporary arts and living artists is central to MoMA PS1's agenda. It distinguishes itself from other major art institutions in its progressive approach to exhibitions and its involvement of artists within the museum's framework (MoMAps1.org).

According to the homepage of the museum, "in October 1997, P.S.1 Contemporary Art Center reopened to the public after a three-year renovation project designed by Los Angeles-based architect Frederick Fisher. The building's facilities were expanded to include a large outdoor gallery, a dramatic entryway, and a two-story project space. Since its inception, MoMA PS1 has exhibited the work of more than 2,000 artists and has mounted some of the most provocative visual arts exhibitions of the last quarter century."

The mission of the affiliate museum is a devotion to the contemporary arts: "In bringing together artists and their audience, MoMA PS1 functions as a living and active meeting place for the general public. Its Education Department offers a lively series of programs for adults and young people. These programs, ranging from daily gallery talks to salon-style conversations among artists, writers, and scholars actively involved in contemporary art, build on the museum's commitment to be both an accessible resource to a diverse audience

and a catalyst for new ideas and art practices.” The museum affiliate’s activities range from Tours guided by scholars and artists who ”introduce adults and school groups to cutting-edge contemporary art through interactive discussions of the themes, techniques, and imagery of the art on view, as well as the personal perspective of lecturing artists.” An internship program by the museum provides graduate and undergraduate students with valuable exposure to the inner-workings of a busy arts institution, as well as a prolonged involvement with the art of current and upcoming exhibitions. In the past, according to the homepage (MoMA.org), ”the Education Department has also organized community outreach programs, a National and International Studio Program for promising young artists, and a teen curator series.”

Since 2000, the affiliate museum has closely cooperated with its parent, Museum of Modern Art New York, and since 2010 more extensively, as the name of the museum was changed to MoMA PS1 to mark a new era: ” The principal, objective of MoMA’s partnership with MoMA PS1 is to promote the enjoyment, appreciation, study, and understanding of contemporary art to a wide and growing audience.” This cooperation has been established throughout the years by collaborative programs of exhibitions, educational activities, and special projects allow both institutions to draw on their respective strengths and resources and to continue shaping a cultural discourse.

The first significant collaboration between MoMA PS1 and The Museum of Modern Art took place in 2000 with *Greater New York* project, a widely acclaimed exhibition showcasing the work of more than 140 emerging New York-area artists concentrating in young and emerging art and artists. This ambitious effort was successfully repeated five years later with *Greater New York 2005*. Both shows demonstrated the diversity and dynamism of the metropolitan area’s artistic community. ”An ongoing collaboration is the MoMA/MoMA PS1 Young Architects Program, an annual series of competitions that give emerging architects the opportunity to build projects for the MoMA PS1 facility from conception drawing to construction. ”

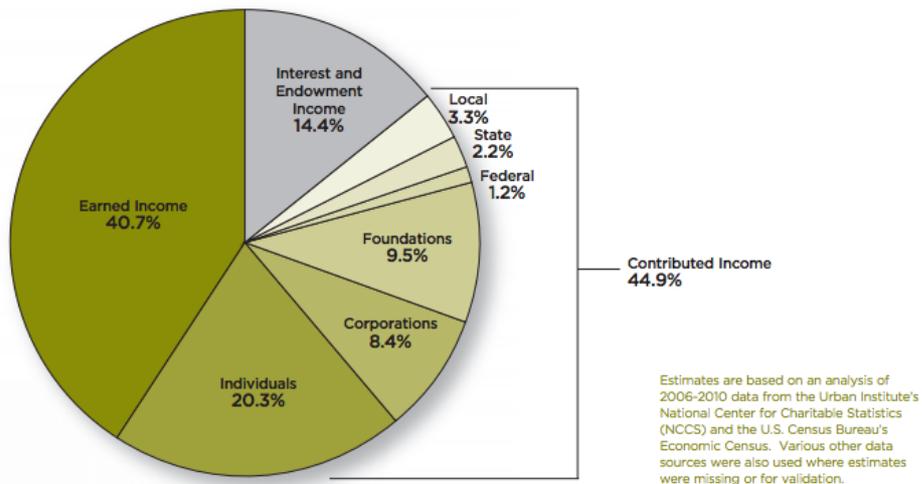
In recent years, PS1 and its parent the Museum of Modern Art have collaborated in for example performance art field with the *Marina Abramovic: The Artist in Present* show in MoMA 2010 (Source: MoMA.org, *Marina Abramovic – The Artist is Present*, HBO documentaries 2012). The agenda of the museum has overall concentrated in performance art strongly since 2010, in the era of the new Director of MoMA PS1, Klaus Biesenbach.

The annual budget of the museum affiliate was circa 4 million US dollars in 2011, of which fundraising consists circa 2 million dollars (McCarthy 13.1.2011).

4.2 Funding Museums in the United States

Museums in the United States receive only circa 2.2% of State funding annually, as seen in *Table 5*. "Established by Congress in 1965 as an independent federal agency, the NEA is the designated arts organization of the U.S government " (NEA 2012). The funding of museums rely mostly on Philanthropy, Fundraising and Sponsorship agreements in the U.S.

Revenue Sources of Not-For-Profit Performing Arts Groups and Museums in the U.S.



NATIONAL ENDOWMENT FOR THE ARTS 1

Table 5. Revenue Sources of Museums. Source: NEA – How the U.S Funds the Arts. National Endowment for the Arts, 2012

"Direct public support is not used to impose arts policy. Instead, government decisions on arts funding tend to be driven by experts in a given field or discipline. -- Direct grants do not finance the bulk of artistic activity in the U.S; they fill gaps, enhance arts education, nourish arts creation, assist in the presentation and delivery of artworks, and enable preservation. These grants thus complement, and do not replace, other means of arts funding. As an example, the NEA requires, for most grants, that the recipient organization couple the amount awarded with an equal or greater amount of other, nonfederal contributions, as will be seen in a brief overview of the NEA. " (NEA 2012:9)

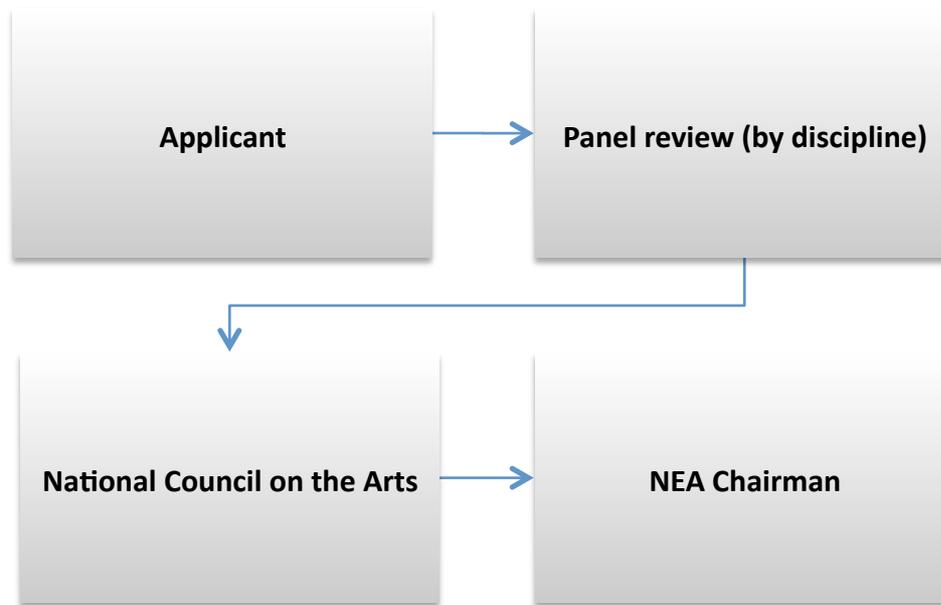


Table 6. NEA Grant Review Process. Source: NEA – How the U.S Funds the Arts. National Endowment for the Arts, 2012

”Three Broad Categories of U.S Arts Funding: 1. Direct public funding (NEA; state, regional ,and local arts agencies, 2. Other public funding, directs and indirect (various federal departments and agencies), 3. Private sector contributions (individuals; foundations; corporations).” (NEA 2012:7)

Arts & Economic Prosperity IV demonstrates that America’s arts industry is not only resilient in times of economic uncertainty, but is also a key component to our nation’s economic recovery and future prosperity.

4.3 Case 2: Museum of Contemporary Art Kiasma, Helsinki

The mission of Museum of Contemporary Art Kiasma is defined as follows: ”Kiasma is a museum of contemporary art under the umbrella of the Finnish National Gallery. Its primary role is to educate the public on contemporary art and to strengthen the status of art in Finland in general.” (kiasma.fi) The basic functions of the museum are organizing changing exhibitions and augmenting its collection, along with research and presentation of the works and active audience development and the programming of the Kiasma Theatre.

Strengthening the role of contemporary art in the society, developing internal and external cooperation and communications and being a role model of contemporary art are central tasks of the museum (Kiasma’s audience development material 2/2009). ”Augmenting the

collection is a major aspect of the operations of Kiasma. The primary focus in the museum collection is on Finnish contemporary art. The collection is also supplemented by commissioning new work. The collection is presented to the public in annually changing thematic exhibitions. Kiasma is an accessible, active and participatory museum. It stimulates discussion on art and thereby on topical social issues. A diverse, changing programme allows the museum to reach different audiences”, the museum defines itself (Kiasma.fi).

The museum, opened in May 1998, consists of collections and exhibitions, museum pedagogy department, Kiasma theatre, Stage and Kiasma café, PR, marketing and sponsorship department, audience development and services, exhibition technique department, administration, and documentation & conservation department, archives and a library. The museum was led by Director Berndt Arell in 2007 - 2010 and from 2010 onwards by Director Pirkko Siitari. Kiasma is an affiliate of the Finnish National Gallery. Stakeholder activity include Friends of Kiasma, Kiasma Foundation, Kiasma Committee and Kiasma Business Club.

The annual attendance is 200 000 visitors. The highest attendance was reached in 2006 when Kiasma hosted the ARS exhibition with 239 700 visitors. In addition, the museum's home pages at www.kiasma.fi have over 300 000 visitors yearly. Kiasma's visitors are geographically mainly from Helsinki metropolitan area (47%), rest of Finland (22%) and other countries (31%). Kiasma is visited by females (64%) more than males (36%), and the majority of the visitors are between 25 and 44 years of age. 38% of the visitors are under 24 years old and only 22% are over 45 years old. The background of the audience is mostly academic (49%), polytechnic (33%), technical school (6%) and comprehensive school (12%) (Kiasma's audience development material). According to the advertising company Dagmar's statistics, spontaneous conspicuousness (spontaani tunnettuus) of Kiasma is the highest of all the museums in Finland (Nykytaiteen museo Kiasma's sponsorship material 2/2009).

The museum building of Kiasma at Mannerheiminaukio, central Helsinki, was constructed through an international architecture competition won by the American Architect Steven Holl in 1998. During the opening weekend in May 1998, the museum attracted 30,000 visitors. Kiasma has subsequently established its position as a national, and especially a local, meeting place. The total number of visitors in Kiasma broke three million in 2011”. (kiasma.fi)

The annual budget for Kiasma is circa 2 000 000 EUR, of which state funding covers 75%. The rest consist of ticket sales, publication sales, other revenues and sponsorship

agreements and fundraising (25%). The value of the sponsorship agreements yearly is circa 300 000 EUR. The budget for purchasing art to collections is circa 300 000 EUR. Kiasma Foundation has been functioning since 2008. Its mission is to raise funds for the museum to purchase art for its collections (Nykytaiteen museo Kiasma's sponsorship material 2/2009).

Kiasma's parent museum, The Finnish National Gallery's total budget in 2011 was 26,8 M€ in 2011, of which endowment from the state was 68% (18,2 M€). Its expenses were 25,6 M€ (Table 7; The Finnish National Gallery's Annual Report, 2011).

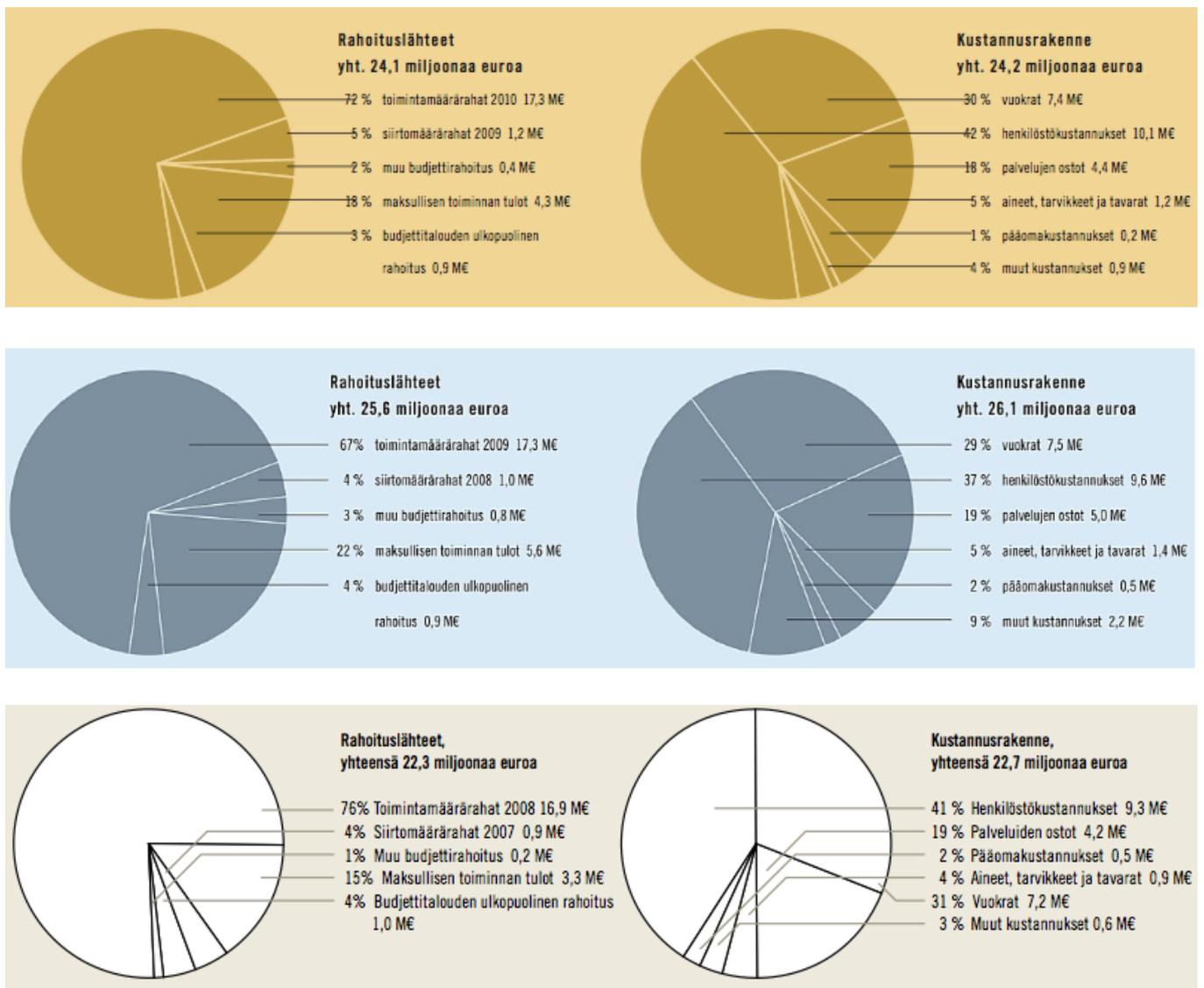


Table 7. The Finnish National Gallery's Budgets 2008 - 2010. Source: The Finnish National Gallery's Annual Reports 2008 (bottom), 2009 (center), 2010 (top).

4.4 Funding Museums in Finland

The museums are strongly state funded in Finland. The funding of the museums is dependent on annual budget negotiations of the Ministry of Culture in the fall (Laita 25.5.2012, Kivinen 8.5.2012). As seen from *Table 7*, the museum funding has overall slightly increased in the state funded museums during 2008 – 2011 (*Table 8*).



Table 8. Museum funding in Finland 2008 – 2011. Source: National Board of Antiquities.

At the same time, the expenses of the museums have steadily risen, as seen in *Table 9*. Due to inflation, therefore, the funding of the state can be said to have slightly diminished in relation to the costs over the years.

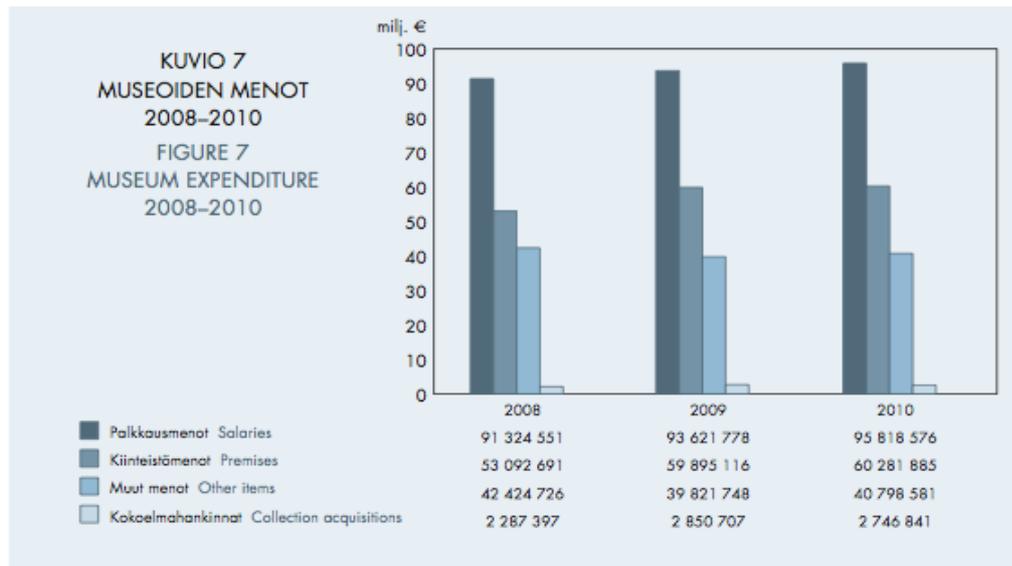


Table 9. *Museum expenditure in Finland 2008 - 2011.* Source: National Board of Antiquities.

According to researcher Pasi Saukkonen, the main themes of the Finnish cultural policy landscape have been discrepancy between objectives and resources, special arrangements rather than mainstreaming in the form of special grants and committed activists. Conclusions can be drawn that a long-term realistic perspective in the cultural policy is necessary (Saukkonen 23.9.2009).

Resources have to meet policy objectives. Also, the losers of the system and practices should not be neglected. The contemporary challenges in Finnish cultural policy have been including supporting diversity, strengthening the creative economy and securing the status

of cultural and art institutions and the opportunities for freelance artists. The objectives of the cultural policy strategy are: Cultural policy strategy's objectives: culture and economy: stronger position, diversification of financial sources, contribution to economy, cultural entrepreneurship, cultural export. According to Saukkonen, a closer look at the situation is necessary in funding the arts in Finland in the future (Saukkonen 23.9.2009).

5 RESULTS AND ANALYSIS

In this chapter, I will present the results of the data collected from the interviews, articles, media, financial reports, documents and other relevant data and notes. I will analyze in-depth and assess the collected data: the interviews, financial reports, articles, newspaper clippings, media sources, personal notes of the researcher and other data from the media and internet sources.

5.1 Kiasma's Change Strategy

In 2012, preliminary information about the Finnish National Gallery's privatization process started to hit the fan in Finland. As a reaction to the new budget cut project of the National Gallery (*Appendix 3: Annual reports, budgets & documents*), the negotiations began between the ministry of education and the National Gallery. As a result, possible large-scale budget cuts in the cultural sector were discussed largely in the media. However, the cultural minister Arhinmäki stopped the process and postponed the negotiations to the next governmental period. Some preliminary decisions had already taken place among the Cultural Ministry's officers to privatize the National Gallery and remove it from the state budget to an independent foundation run by administrators appointed by the ministry. Until that, the process had proceeded discreetly, without raising any public upheaval among the decision-makers, despite many and repeated warnings and concerns of the consequences of the development of outsourcing National Cultural Heritage expressed by the professionals in the cultural field and organizations' representatives (researcher's notes).

The budget of Kiasma is bound to the budget of the state negotiated between the ministry of culture and the state in the fall's fudget negotiations. The results of the fiscal budget negotiations are confirmed for Kiasma affiliate always very late in regard of the following year's agenda already been set. In addition, the extra budget negotiations that bring a part of the funding are done even later during the additional state budget negotiations. This complicated structure of funding challenges strategic planning in general and resource-

based thinking in particular: *“In practice, this means that the museum makes flexible plans that can be assimilated to the changes in funding”*, Communications Manager Piia Laita from Kiasma says (Laita 31.5.2012).

Laita, who has worked in Kiasma since 1999, sees change as a vital part of a contemporary art museum’s leadership and as such is a part of its core strategy. Laita thinks that Kiasma’s overall strategy is, in fact, a change strategy (Laita 31.5.2012). Of the possible effects of the economic crisis, Laita sees that the prevailing, strict funding policy by the state due to the economic recession is currently reflected to all funding by the state. Another reason for changes in the museum policy, according to Laita, is always the change of the director, as mentioned by both Kivinen and Laita (Laita 31.5.2012, Kivinen 8.5.2012). The effect of the recession after 2008 caused by the economic crisis can be, on the contrary, clearly seen in a more precarious approach to sponsorship agreements by the companies and their clear return on investment demands (Laita 31.5.2012).

A big emphasis in the results of the collected data is given to the Director as a leader of the organizational strategy (Laita 31.5.2012, Miller 2012, Kivinen 8.5.2012). It can be derived from the data that some changes in the organizational leadership were related to the natural cycle of changing leaders (Miller 8.5.2012, Kivinen 8.5.2012, Laita 31.5.2012, Heiss 14.1.2011), others to personal abilities. According to the interview data, the new Museum Director Pirkko Siitari had started a development strategy already before the organizational change plans related to the National Gallery started to take place. The vision, mission and values of the museum had been reset in 2010. Thus, the new organizational changes lurking behind the corner just added to this development (Kivinen 8.5.2012).

The director took the main responsibility in leading change. Implementation also included a prominent role of the museum’s PR department. For the implementation special meetings were held regularly for the staff (Laita 31.5.2012, Miller 31.5.2013). Arja Miller, Chief Curator at Collections, Kiasma, says: *“Kiasma’s mission and vision were discussed in different workshops, and the whole staff was involved at some stages. I think it was very important for the whole organization”*.

The new Director Pirkko Siitari started in 2010, whereas the previous Director Berndt Arell was in office 2007 - 2010. About the role of the director and the new era in 2010 after Siitari had been appointed, Miller tells the following:

"I started to work at Kiasma in 2008. Then the director was Berndt Arell, who was a business-oriented director with connections in the business field as well as with some private collectors. Under the tightening budget conditions he tried to get a broader funding for Kiasma from the private sector, and was one of the founding members of Kiasma Foundation, who has donated some significant works to Kiasma's Collections. After Arell left Kiasma for Svenska Kulturfonden, Pirkko Siitari was appointed the new director in 2010. Siitari is a content-oriented museum director, but also very much orientated to the strategy development as well. She started systematically to rethink and redefine Kiasma's mission and vision with the board of directors (johtoryhmä) and other staff. Some organizational changes were also made, for example the marketing and the communication departments were put together as one department" (Miller 31.5.2012)

The personal qualities of the Director affect the museum affiliates' strategy and direction. The organizational changes caused by the austerity policy by the cultural ministry in the recent years, the director has to scrutinize the budget and plan exhibitions more carefully in the future. "In the municipal museums, the municipalities have had a concrete target over the past few years of cutting expenses, say with 30 000 – 50 000 EUR, and this has forced the leadership to cut the costs from wherever they can", says Marja- Liisa Pohjanvirta (Pohjanvirta 25.5.2011). Regional municipalities do not necessarily allocate state funding to the regional museums in the regional art museums, leading to the budget cuts. In the museums, the results of this have manifested to the audience as shortened opening hours, lack of exhibitions and lack of variety, and as joint and circulating exhibitions. Some museums try to combine special activities on the side of the exhibition to build a museum experience in order to make a visitor consume more goods and services during the visit. A ticket price is no longer enough to sustain the basic functions of a museum (Pohjanvirta 25.5.2011).

About the balancing with a too tight budget, Arja Miller says the following:

"We have been struggling with a too small budget ever since I started working at Kiasma. It feels like the society doesn't value culture and especially contemporary arts. Something which is worrying as to its effects on the long run. The global economic crisis is only one factor in this development" (Miller 31.5.2012).

The limits have been met: *” On the other hand, struggling with a small budget can help the organizations to cooperate more. In my opinion, however, we are now in a situation in which further cuts in the budget are not possible without affecting the content”*, Miller debates (Miller 31.5.2012). The relationship of strategy-making to the museum’s funding was clear: the reasons why the museum exists, to whom it exists and why were considered as a fundamental basis for the new strategy. In these circumstances, the museum’s future had to be reflected on carefully (Kivinen 8.5.2012).

At the same time, a traditional line organization had been challenged by project management. The museum has been developed more into a project-based organization, such as in making exhibitions. Exhibitions are more project-based than before. This has been done to break a sector thinking of a traditional organization, and to add flexibility inside the organization (Kivinen 8.5.2012).

An up-to-date sponsorship and fundraising strategy was created for Kiasma and its vision and mission were clarified, as a result of the changes caused by economic crisis in sponsorships (Laita 31.5.2012).

Work groups and teams were established to enhance information flow between different departments (Kivinen 8.5.2012, Miller 31.5.2012). This led to a process inside the organization that was seen as a positive one by many of the interviewees (Kivinen, Miller 2012). According to Kati Kivinen, energy between different departments had been sought. The traditional mass meetings had been questioned and more flexible and smaller groups established to enable information flow (Kivinen 8.5.2012).

The synergy gained from this helped the organization internally. The organization being small, maximum results could be only attained through synergy and cooperation between the departments and staff. However, external changes came always as a blow since the museum’s agenda is always set two years beforehand. This sets challenges both strategy and grantmaking, as the funding must be secured with a delay of approximately two fiscal years. Flexibility is difficult to attain due to funding especially if quick responses to the environment are needed, such as in programming and curating. A beforehand set agenda makes reacting to the environment difficult (Kivinen 8.5.2012).

There were many teams and groups created to discuss strategy inside the organization (Laita 31.5.2012). As discussed before, Kiasma has a change strategy that is an ongoing

process which is a part of the general strategy led by the Director Pirkko Siitari and Maija Tanninen-Mattila, Director of Ateneum, accompanied by Risto Ruohonen, Director General at the National Gallery and the board of directors (Kivinen 8.5.2012).

On the other hand, a special strategy or a team for the possible changes caused by the economic crisis and its aftermath has not been established in the museum. Instead, effects of the crisis in the long run can be seen (Kivinen 8.5.2012). The rise of the costs but the state funding staying the same, without escalation causes challenges. This has not been reacted to fully. Fundraising would be needed, but in a country like Finland (where the economy is not large enough) it is difficult. Sponsorship agreements have been made, but they do not cover all the costs. The state funding is entirely allocated to salaries and basic costs. The ticket sales finance exhibitions. With the new director, a strategy for a more specific audience development has been started in Kiasma, including audience segmentation, since 2010. The grant-making possibilities are limited because of the strong state funding of the museum that prevents the organization, supported by the ministry of culture, from applying from the same sources twice.

According to some employees, the new National Gallery Foundation might enable a better grant-making for the museum. But hardly in sponsorship agreements, curator Kivinen debates. In the negotiations with the ministry regarding The National Gallery privatization process the Director General of the National Gallery, Risto Ruohonen, has mainly been in charge (Kivinen 8.5.2012). In general, the changes in the artworld caused by the economic crisis could have perhaps been foreseen, but this was seen as something quite unlikely in the case of specific museums, according to many interviewees among the staff. (Laita 31.5.2012, Kivinen 8.5.2012,).

The birth of the Kiasma Foundation (founded 2007, started functioning 2008), marking the 10th anniversary of the museum in 1998, was not directly linked to the economic crisis itself, according to Curator Kivinen. Instead it answered the need of extra funding for the purchasing of new artworks to collection. The budget for Kiasma's collection purchases is not on the level of the international artworks prices. Without the foundation, some more expensive artworks would never have been purchased (Kivinen 8.5.2012).

Marketing has been very dependent on sponsorship agreements and money. Things have been moving forward lately. The task of the sponsorship agreements is not an easy one (in the tightening economic situation). A continuous development in the marketing and sponsorship department in the museum is strongly needed. (Kivinen 8.5.2012).

As to a Kiasma's change strategy, the later suspended privatization process of the National Gallery, was still ongoing at the time of the interviews took place. The staff had meetings monthly to prepare for the upcoming organizational change. The employees felt that their needs had been met in these meetings where questions related to the tasks and changes in the organizational structure were discussed openly. The staff has also received leadership training by the museum on how to relate to the changes and how to discuss them with their subordinates. Some of the staff had also seen a possibility for a positive change in the current upheaval of the organization's forthcoming structural changes in the form of enhanced communication on the horizontal level (Kivinen 8.5.2012).

The Museums Association in Finland has a strategy for 2007 – 2013, Pohjanvirta tells, and it has been updated in 2008. The core was sustainability and sustainable development of the museums. On the other hand, it can be said that the economic crisis resulted in the austerity policy that came at the same time, and that had effects on the museums as well as the strategy, too. "In a way, the sustainability strategy came in the right time for the austerity policy", describes Marja-Liisa Pohjanvirta, a Senior Specialist at the Finnish Museums Association (Pohjanvirta 25.5.2011).

In regional museums, as the municipality's budget has been cut due to austerity policy, the situation has affected the museum budgets as well. Sponsorship agreements are becoming more scarce. Museums have sought more project-based funding as a part of their general budgets. The economic situation of the museums is multifaceted. In general, state funding for museums in Finland has increased steadily. Some organizational changes have shaken the municipal museum field the last years. The unifications process of the municipalities and re-organization of activities such as in the case of Turku City Art Museum (Wäinö Aaltonen Museum of Art), have occurred. The tendency can be seen clearly in the museum field that same kind of activity is united under the same roof, even though many of the unifications planned are yet to be realized. (Pohjanvirta 25.5.2011).

The changes can be seen relate to more general changes in population and shifts in centers of population. Services are centralized. The museum buildings attract the same amount of people steadily year to year, but the municipality's service costs can be reduced with centralization. They lead to deterioration of municipal museums whereas the big museums in the population centers get wealthier. It also leads to cuts in the municipal museum exhibition budgets. Exhibitions are not as ambitious and wide in scope as before, lengthening of exhibition durations and co-operation between exhibitions and collections in

the form of e.g. circulating large exhibitions to cut costs. (Pohjanvirta 25.5.2011).

Museum barometer research made by the Museums Association in Finland shows, according to Pohjanvirta, that the best surviving museums are more and more in Helsinki metropolitan area. Also, a tendency to cut costs and expenditures by the museums in recent years was revealed in the study. The results always come with a three quarter of a year's delay. For example, for this study, the Museum Statistics from 2008-2011 were researched. The new statistics of the year 2012 are not published before September, 2013. (Pohjanvirta 25.5.2011, Finnish Museum Statistics 2008, 2009, 2010 & 2011).

5.1.1 Effects of the Crisis: Unification Threats, Budget Cuts and Cooperation

This has many effects on leadership. Layoffs are not common in the museums either, according to Pohjanvirta. First, museum staff especially in the municipal museums are asked to change holiday extra salaries to days off instead. Second, the strict fiscal policy by the state forces museum directors to follow financial matters more and more and plan exhibition agendas more carefully. Third, the mentioned HR costs are also under scrutiny. In the municipal museums, a concrete programme for cutting costs has forced the museums to cut expenditure from all factors. The growth shown by the statistics in the state funding (*Table 7*) does mean that museums especially in municipalities actually receive the money. The main reason for this is that the funds have not been allocated to museums specifically, but are at the disposal of the municipalities for culture and subject to their decision-making. On the contrary, despite the growth in funding, many museums have been forced to cut costs and diminish annual budgets (Pohjanvirta 25.5.2011).

The budget cuts have led to some positive aspects, too. The communication and co-operation of the different cultural sectors has been closer, according to Pohjanvirta, as the museums, orchestras, theaters and the leaders of the unions have come together to affect decision-makers. Members of the parliament have been addressed with general letters, for example. Consultation and support for some museums have also been increased by the Association to help them survive the hardship and in getting them in contact with the decision-makers (Pohjanvirta 25.5.2011). The unification process of municipalities would most likely lead to the centralized museums being more under pressure than before with more limited resources, as the amount of work increases while the support from the state is diminished, Pohjanvirta debates. In recent years, government's long-term plans to unify municipalities in Finland have been progressing. "This would lead to the fact that the staff

of the museums would have to take care of running smaller museums in municipalities on the side of their normal workload”, Pohjanvirta argues (Pohjanvirta 25.5.2011).

The second effect of the threat of possible large cuts has been that the museums have actively sought alternative models to put up exhibitions. In England, good models have been developed from the ideology of co-operation and recycling of exhibitions. In Finland the Museums`Association has made a publication addressing these issues, and suggesting ways for the museum to support e.g. sustainable development in the municipalities. Conservation, restoration and other practices and know-how of the constructed environment possessed by the museums can be for the financial benefit of the municipality in saving costs and materials. This can have a big effect on the municipality`s finance. Not everything has to be constructed from zero. On the other hand, this kind of cooperation means that the basic resources of the museum are met (Pohjanvirta 25.5.2011).

The lack of money has led to multi-faceted effects in the museum field according to Pohjanvirta, in the immediate effect of cutting of costs, but also, in the form of enhanced cooperation and shared models between the existing museums. New models of working had to be developed and this forced the museums to co-operate and share ideas more vigilantly. “In a way, the (economic) crisis has led to the fact that new ways of doing things have had to be invented. This I find to be one of the most interesting sides of the phenomenon.” (Pohjanvirta 25.5.2011).

When asked of the concept of change in the museum world in general, Pohjanvirta sees three larger changes in the museum world in recent years: 1) organizational changes and the unification process of the municipalities 2) enhanced cooperation between professionals, especially in relation to technical changes, digitalization of the material and EU projects and 3) the diminishing of the overlapping functions. The technical change has been great during recent years, and the audience also demands more nowadays. The fiscal policy of the state does not support large-scale investments that would be needed to realize these technical changes. This has led to more cooperation with universities in the field, and taking apprentices, says Pohjanvirta. Also, museums lend out spaces for organizations and companies for extra revenue. On the contrary, new museums being born, such as the Guggenheim process (that was ongoing during the interview took place), or Emma Museum of Modern Art some years ago or the birth of Kiasma, do not change the scene that much. “They add to the scene, but do not affect the existing museums that much”, Pohjanvirta argues (Pohjanvirta 25.5.2011).

Museums have, through cooperation and new buildings and architecture competitions, opened up more to the society, Pohjanvirta says. They have had effects on education as well, when the recent CUMMA curatorial programme started in Aalto University and Sibelius-Academy's Arts Management Programme earlier have been born on the side of the traditional museum education and Helsinki University's art history programme. "We need more multi-faceted expertise in the museum field nowadays", Pohjanvirta says (Pohjanvirta 25.5.2011). As an example, Pohjanvirta takes the role of the director in an art museum. She argues that, since there are not that many museums and posts in Finland, an artistic director, working aside of an administrative director, could be one possibility.

The key factors and people leading the change in the museum field, according to Pohjanvirta, are the Ministry of Culture, the National Board of Antiquities and the Finnish National Gallery as well as the directors of the most prominent art museums, depending on their individual qualities and strengths.

5.2 MoMA PS1: Reshaping Curatorial Practices & Funding

The overall situation in the U.S during 2008 was rough for the museum field, as the budget cuts and losses of sponsorship agreements and fundraising hit the industry. The interview data shows drastic and sometimes quite dramatic effects that influences the museum's as well as the networks agendas on a large scale leading to cuts in exhibition budgets, cancelling and rescheduling of exhibitions and other changes in curatorial processes. As the study focuses on the effects of the economic crisis, the analysis and results for P.S.1 must be dealt together with the overall effects of the crisis on the museum field since 2008. For the thesis, The Finnish Cultural Institute's former Project Manager in New York and SFMOMA's former Assistant Curator in San Francisco were also interviewed, to receive a broader sense of the effects that took place in 2008 on museums in the United States.

The Finnish Cultural Institute in New York's experiences of exhibition cooperations with PS1 during the turbulent year of 2008 and the year preceding the crisis with the Arctic Hysteria exhibition tour, a cooperation exhibition between many stakeholders, were not always so uncomplicated (Rautiola 10.1.2011). According to the interview data, there were many reasons for this. First, according to Essi Rautiola, the former Interim Director and Project Manager of the Finnish Cultural Institute in New York, the leadership and project management processes for example in 2008 went much on a personal level of expertise, that of the Director of PS1 and the Director of the current organization of the project in

charge in Finland. PS1 dealt with the Consulate General of Finland in New York mostly regarding funding and the artist visa issues (Rautiola 10.1.2011). Some of the challenges were thus perhaps due to too many organizations in charge at the same time (notes of the author). The financial side of the exhibition projects sometimes suffered as the artistic demands of PS1 were on a very high level, and budgets were limited, e.g. the visas of the visiting artists alone eating often most of the overall budget. For example, the budget had been granted for another purpose than bringing Jimi Tenor and his band over from Finland for the opening, but PS1 insisted. The pressure on the budget was always very high in the cooperation (Rautiola 10.1.2011).

As the Institute negotiates with many American museums on a yearly basis, some negotiations did not succeed very well: the financial troubles of the museums started to manifest themselves in 2008. For example, some of the partner museums gave sudden announcements during exhibition processes in 2008, that because of their endowments had been recently cut, part of the exhibition tours had to be cancelled. They had already been set and partially even advertized by the museums (Rautiola 10.1.2011). This had large-scale effects on the content of the exhibition tours, as they had to be re-scheduled or negotiated from zero with another organization.

Some of the museums the Institute negotiated with also replaced the more expensive exhibitions suggested by the Institute with other less expensive ones, as the endowment cuts had occurred and the original exhibition has been cancelled. For example, The Grand Rapids Museum first contacted the Institute, suggesting to take an exhibition, then withdraw the project suddenly overnight after having had to face the sudden, overwhelming budget cuts. This happened, according to Rautiola, for example in the Eero Saarinen retrospective architecture exhibition case, even though the exhibition fees demanded by the consortium behind the exhibition were on a moderate level on an international scale. *“Finally, after negotiations with Guggenheim, MoMA and PSI, we ended up doing the New York presentation of the show at the Museum of the City of New York, which was justified regarding the fact that the curator of our exhibition was working at the Museum of the City of New York. But this was not our first choice”* (Rautiola 10.1.2011).

Despite the many challenges, Rautiola does not see, however, a direct connection with the economic crisis and the Arctic Hysteria exhibition’s curatorial process (Rautiola 10.1.2011). Overall, the Arctic Hysteria exhibition presenting a variety of Finnish Contemporary Arts at P.S.1 Contemporary Art Center, New York, in 2008 was highly

successful and resulted for example in many of the participated artists gaining useful international contacts to curators and gallerists. This helped them in their careers. It also had long-lasting consequences for the Finnish gallery scene in general, as the foreign curators found and contacted the galleries of the artists that had been represented by PS1, resulting in large-scale international exhibition cooperations by some Finnish galleries from Helsinki for example in Tokyo that were entirely based on the networks created during Arctic Hysteria exhibition tour (notes of the author).

On the contrary, with the Eero Saarinen retrospective tour, the effects of the economic crisis were clearly seen in the museum negotiations policies and cancellations with some museums, Essi Rautiola says (Rautiola 10.1.2011):

“The exhibition was originally meant to be shown, first in Cranbrook, near Detroit, and then Washington, DC (in the East Coast), Minneapolis, and finally in Saint Louis, after which it was scheduled to travel to the west coast, and then from there across the continent back east to New York and New Haven. West Coast was cancelled entirely, and the prospective exhibition space in New York changed several times (as depicted above). The negotiations were held with several museums, the Guggenheim, MoMA and after MoMA said no, with PS1. After the West coast presentation had been cancelled we started preparing a contract with one mid-western museum instead and they placed a large advertisement in the New York Times. Then came the day that the contract should have been signed, and they unilaterally declared that due to their endowment being cut they had to cancel the whole exhibition ”—
“The museum ended up replacing it with another, less expensive Saarinen exhibition, the father Eliel, instead of Eero produced by one other museum. So instead of a West Coast exhibition, or a replacement exhibition in Michigan, we ended up having to store the exhibition for three months” (Rautiola 10.1.2011).

The Eero Saarinen exhibition had already toured in Helsinki, Oslo and Brussels before it was brought to the United States. The overseas shipping costs of the exhibition alone were around 50,000 U.S dollars (Rautiola 10.1.2011). Rautiola states that proper sponsorship agreements have also been much harder to obtain since the beginning of the economic crisis. This reduced the overall budgets of the exhibitions significantly, as the costs reduce the exhibition budgets. The big sponsorship agreements lost or reduced in value must have

affected the museums greatly, and therefore have had an indirect effect on the exhibitions as the budgets have been cut (Rautiola 10.1.2011).

The other aspect that Rautiola sees in the effect of the sponsorship agreement on the exhibition is related to the content of the exhibitions. According to Rautiola, some of the larger sponsors might have demands and requests concerning the content of the exhibitions. The same thing applies to foundations presenting their art collections in large museums as part of the museums' exhibition programs. They must have a say on the exhibitions' overall view as well as on the content, which they provide. "What is the limit of the impact of the sponsors' demands on the content of museum exhibitions, and when are the compromises adequate?", Rautiola debates (Rautiola 10.1.2011).

According to Jane McCarthy, the former Development Officer at MoMA PS1 New York, the organizational budget of PS1 was "definitely revised and cut", after the 2008 economic crisis (McCarthy 13.1.2011). This led to large-scale changes in the agenda of the museum as well as the leadership of the curatorial processes McCarthy speaks in a surprisingly positive tone about the changes:

"Which was good, there was a lot of staff turnover happening that wasn't related necessarily to the economic crisis, but it was a good opportunity to kind of rethink the budget, (--) [00:35] budget for exhibitions, the amount of money that we were able to raise. So that was a good chance to kind of streamline operations. It also made us think very, on the curatorial side, which I don't work for, but it definitely made them think more about what the focus of their exhibitions would be, and really kind of what the primary programs and shows that they wanted to do, so I think in effect it was difficult for a lot of people, but I think the benefit was it made people very focused about what was possible, what messages you're really trying to get across at the museum, it was an opportunity to become a very lean operation" (McCarthy 13.1.2011).

Judging from the data, the economic crisis was not the only reason for the changes in the curatorial practices as well as in the revision of the museum's overall agenda and mission, but indirectly it forced the organization to make the changes and think over the whole museum concept and the costs of the exhibitions. Therefore McCarthy seems to see a lot of positive aspects in the changes after 2008 as well (McCarthy 13.1.2011). About the overall

changes after 2009 after the start of the new Director Klaus Biesenbach in 2010, McCarthy sums up the following:

“Thinking about what exhibitions we have. We actually have on program that came out of it, that I think (this) was incredible. We, PSI is a huge, huge facility. It's about 125,000 square feet, it's an old Gothic school house. And so, while we didn't have a ton of money in our budget to program big exhibitions or other events, what we do have is a luxury of a lot of space. So what we did is we created a program called Free Space. And the curatorial team contacted other non-profits, artists they knew that were doing kind of exciting, cool things, or performance artists, and literally gave them gallery space for free, to either do a rehearsal for an exhibition, whether it's a performance piece, to have a two-day program go on. So we had everything from Marina Abramović, which, she did her retrospective here at MoMA, when she was staging the works to be shot for the catalogue, they used a bunch of the space in the galleries for that. We had this kind of fashion and art festival happen over a weekend, where we invited really notable contemporary artists and really notable fashion designers to come together and install different works, and that was just open for a weekend” (McCarthy 13.1.2011).

The museum was fortunate to have the space that the other organizations and artists could never afford. New York being one of the world's most expensive places to exhibit art and the commercial prices of rents and real estate, many organizations suffered or even perished after the crisis. In the West Coast, for example, where the crisis hit the hardest (Rautiola 10.1.2011), MOCA Museum of Contemporary Art California in Los Angeles suffered tremendously, and was on the edge of perishing (Zarobell 8.10.2010).

About the change of Director in 2009, when Alanna Heiss left accompanied by a big media attention, McCarthy says the following:

“A lot of changes happened, I wouldn't say necessarily related to the economic crisis in 2008, the long-time, the founder and the long-time Director of PSI, Alanna Heiss, she left in early 2009.-- Yeah. So she left, (--) for about a year we didn't have a Director in place. While they were making a search for that, (--) senior staff, so I think it was an opportunity to re-evaluate how our exhibitions were being planned and programs. So I wouldn't necessarily say that (she --) just because of the economic crisis, I think that it was a

combination of what was happening in the world at large, and also what was happening internally in the institution” (McCarthy 13.1.2011).

The changes were not necessarily that dramatic than what the press indicated about the financial troubles, McCarthy seems to hint. They existed, of course, but the organization was just in a phase of turning a page, like the organizations sometimes do, and to do this many people were let go in the turmoil of the financial consequences and the aftermath. With the change came a new era and a new Director with a new agenda with new challenges, that is it. Nothing more dramatic to that (McCarthy 13.1.2011).

The new Director has his agenda, and performance was emphasized more. With a new Director usually comes a new board. About working with the board and the new members' abilities and networking after the change of 2010 McCarthy tells:

“I would say there is a change, definitely, with our new Director coming, Klaus Biesenbach, who was actually a curator at MoMA PSI for a long time, Head of the Performance and Media Studies Department here as Chief Curator. He's very interested in performance art, he's very interested.. in these kind of (flows) [05:25] of happenings. So I think that change (would be) different exhibitions and programs that will start to take place at the museum. There's been a lot of work with the board, to kind of (-) new board members, a good combination of people who are passionate about the arts, who are in a position, generously (--) to support the museum, with their other contacts or other abilities to help us. Just overall, changing a bit (McCarthy 13.1.2011)”

It is challenging to find the right kind of people to the board, who have the right kind of passion for the arts, McCarthy says. To understand one's responsibilities in the board takes a while. Yet the board has been pulling together, according to McCarthy, and they trust greatly in the new Director (McCarthy 13.1.2011).

When asked about the organizational changes after 2008 in PS1's every day life, a bit surprisingly, McCarthy says that a similar thing happened than in Finland (Pohjanvirta 25.5.2011, Miller 8.5.2012, Kivinen 8.5.2012, Laita 31.5.2012):

“Did it change.. it did change in the sense that, I mentioned earlier that there were some staff turnover, people were leaving, as opposed to refilling those positions, those responsibilities just got given to other people. So the staff was

reduced, and then not kind of replaced, so it definitely.. (a change makes) [07:18] people very busy, working across departments, collaborating with other staff members that they might not have collaborated with before, interacting with other departments here at MoMA that they might not have done before. But I think overall it was good, you know” (McCarthy 13.1.2011).

McCarthy explains her position in the organization and current working relation to the leadership:

*“I report to Todd Bishop, who's the Director of Development for PSI. He's also the Director of Exhibition Funding here at MoMA, so his team raises all the money for the exhibitions. And so, kind of part of his portfolio is PSI. I report to him, and then I also report to Klaus as the Director of MoMA PSI.”
–“Definitely I would say I'm informed in the sense, that because part of my, well my job is to raise money, deal with money, kind of be that middle person between the (income) and the expenses happening, but I do hear a lot of what's happening” (McCarthy 13.1.2011).*

The recent changes, According to McCarthy, led to more collaboration, people communicating on a horizontal level across departments, interacting each other more, in a way that might not have happened before. The style of leadership was different, but McCarthy has no specific record of the previous one, being new to the organization:

“I've only worked so long, briefly, for a few months before she left, so I can't really speak to the difference of her style of leadership and then Klaus's style of leadership, necessarily. As far as my department goes, I'm the one person on the ground over at PSI, for all development, and then I report to Director of Development here at the museum, and then I also report to Klaus as the Director of the museum at PSI. But.. I don't know, uh.. (--) [08:28] are incredibly supportive, definitely meet with them very often. I meet with one of the Directors here a few times a week, we e-mail every day. So I don't know, I wouldn't say there was, related that, (--) crisis”(McCarthy 13.1.2011).

About who is leading the change in the museum, McCarthy thinks for a while, then answers the following:

“Right now it's actually more Klaus, as Director of the museum, and we have a new Curator, Peter Eleey. So they're really, kind of.. they're spearheading the mission of the museum, the exhibitions and whatnot. And as they're in the process of figuring that out, then that will filter to other areas, I think it's (--). [09:47] Our strategy for right now is to cultivate, (--) cultivate more individual donors, we have two membership groups, so we're really trying to strengthen those. One is for young members that are in their mid 20s to early 40s, we wanna create a point of access for these young people that wanna get involved in the museum. So we're trying to kind of, maybe more formalize these points where people can get to the museum. (You don't just have to be a) [10:17] big exhibition funder, or a board member, that they can interact with the museum, and support it financially. I guess that's a strategy, that we're trying to figure out points of access” (McCarthy 13.1.2011).

The future goals in her own work and the audience development of PS1 include audience segmentation for the benefit of the young visitors, cultivating donors and philanthropy and creating “*points of access to people*” (McCarthy 13.1.2011). Creating new networks to support the museum seems to be one of the core aims in the near future of the Development Officer’s work (McCarthy 13.1.2011). The other group cultivated around the museum is a network:

“And then the second group, it's called the Directors' Circle, and we're just now starting to form that. We haven't even had our first event yet. And that will be a membership group, that's kind of.. Klaus, because he has so many colleagues internationally, (--). [10:49] is a very large, affiliate social network, it's an opportunity for these people to give on a regular basis to the museum, so it's again, (very, again), higher level membership group will get time with Klaus, studio visits, you know” (McCarthy 13.1.2011).

The crisis hit the museums field in the United States in 2008 causing a lot of turbulence. How did McCarthy, as an employee in the PS1 experience the changes, and in which way was the crisis dealt with on the organizational level? McCarthy sees here that the relationship between the parent museum, MoMA, and PS1 has strengthened in a very positive way, at least for a short period of time. She stresses the fact that the employees were properly informed on a regular basis throughout the crisis, and that this led to a feeling of togetherness among the staff of both MoMA and PS1:

Sure. I think that it was handled well, I think that it was handled realistically. I

don't think it was a surprise to people at PS1 when staff positions weren't fulfilled or raises weren't given, people understood what was going on, understood that it was a time (--). [12:11] One thing that MoMA did, that I thought was really great, started doing these all-staff meetings, with MoMA, it's huge, there's 700 employees here or something, and PS1 which is at 15 employees. Doing these big, all-staff, (BTM) meetings, and the Director here spoke to everyone in very straightforward, plain terms, saying this is where we've been the past couple of years, and here's 2009, you could see the number of members dropping off, perhaps, or the size of (--), or fund raising. So it was a very honest meeting with everybody, and I think it was (--) to have that information, to understand where the museum was coming from, and then also when decisions were made after that, it wasn't a surprise. People (knew --), [13:04] so I think they did a great job to just be very honest, 'cause everyone felt it personally in their own lives, in their jobs, you know" (McCarthy 13.1.2011).

As the National Gallery announced in 2011 that the privatization process will take place early 2014, there is no record, based on the interview data, of the leadership of the National Gallery gathering people in Kiasma together. Nor did they know where the changes came from, and why were they needed. Instead, the affiliate was left struggling on its own in an atmosphere of fear of losing jobs, budget cuts and an upcoming upheaval and a large-scale organizational restructuring. Even though the skilful staff convinces that the changes could bring something good as well, there is an underlying tone of uncertainty and doubt (Miller 8.5.2012, Kivinen 8.5.2012, Laita 31.5.2012, the researcher's personal notes).

Here, judging from the data, a significantly different approach to the crisis can be seen between the United States and the austerity policy by the government in Finland. Even though there was a feeling that the crisis was threatening people's jobs, the feeling of togetherness prevailed: *"Yeah. I think everyone kind of, I mean I certainly didn't think that the economic crisis was (over), (it seemed to get) worse and worse and worse and worse, and.."*

The meetings were held on a regular basis to the staff, but the large meetings of all the staff of MoMA and PS1 gathering together were more scarce:

"There's been a few, there was a (few during) [13:33] 2009. And then also, they do these all-staff meetings, I think once a quarter. But the ones last year

were very much focusing on where we are now.. you know, (about how -- staff --) and you know, that kind of stuff.

The reactions of the staff to the changes were moderate, partly because the museum leadership managed to make the cuts without any lay-offs:

“I think they made some very good decisions, I think they made some very hard decisions. I think that they were realistic in reducing budgets, reducing staff. No-one was laid off, I thought that was amazing. They really relied more on just natural (--), [14:36] people retiring. And people leaving a position to go back to grad school or whatever, and they just made the decision not to replace that person. So overall I think they did, their number one priority was not to lay anybody off, which they didn't. And then just making the hard decisions based on that of.. paring down budgets a bit. I think they handled it really well” (McCarthy 13.1.2011).

According to McCarthy, the people in charge and leading the change are the board of the directors, the Director and the Associate Director of MoMA:

“I would definitely say it's, a lot of our Board of Directors, Agnes Gund is our chair (in 2011). She's phenomenal, and she's really (-- [15:26] what's going on, she's really great. Klaus definitely, Peter. And then, they (-) also in tandem with Glenn here at the Museum of Modern Art, and Kathy Halbreich is the Associate Director of MoMA, and she came, she was Director of the Walker Art Center in Minneapolis for many, many years. So she understands kind of what small, the challenges facing a small contemporary arts' institution. She's been a great, I think sounding board (for Klaus --). I would say those are the people that are really spearheading things” (McCarthy 13.1.2011).

McCarthy tells the following about the funding, annual fundraising and budget for the museum affiliate, and who is in charge of it:

“The key.. the budgets are led by the Curatorial Department and then our Chief Administrative Office, they're kind of in tandem to create that. But as far as affecting the budgets, yeah I can say if there's something that'd be hard to fund raise for, what would be difficult, what would be easy.. easy to (-- personally. There's certain (-- that it's easier to raise money for than others.

So I would definitely say that as they're creating budgets, just to keep in mind, maybe we have those extra (--) [20:07] that they might wanna do, and (I would say after --) raise money for the central part of it let's just see where we're at.”—“ For PSI we raise about 2 million dollars” (McCarthy 13.1.2011).”

The economic crisis of 2008 hit the museum’s fundraising the hardest affecting the overall budget, of which, according to McCarthy half is fundraising money:

“Yeah, I would say corporate sponsorships, corporate funding has really dried up quite a bit. That's been difficult. Our individual donors have been giving less money. They're still giving, but they're giving (--) [21:06] less. The Board I have to say has been remarkable, they're really committed to this institution. And there were a number of, (--) couple of Board Members who said, 'I was hit pretty hard, and I need a year to recover'. And they did, they gave less money in 2008 - 2009, but they're back up to their previous amounts. They're committed, (--), it's understandable, (that they have a) hard time. (--) Board's been fantastic. Our foundation giving is something we definitely need to work on, as far as strategy goes a lot of the exhibition (agenda at) MoMA PSI is done very quickly, because it's contemporary art, it's kind of very fresh, it's very of the moment, so in the, historically exhibitions were planned with not a lot of (lee time, --) six months, a year, when they're application's due or (--). [22:05] So the way that our planning happens, doesn't always (benefit from --)” (McCarthy 13.1.2011).

Also, the profile of the museum as a contemporary arts affiliate concentrating in living artists and contemporary arts does not support strategic planning on a very long term as to exhibition agenda. Long-term planning is needed in most cases for the funding applications (McCarthy 13.1.2011). The museum does not have a collection of its own, but cooperated more with MoMA in exhibition-making after the crisis:

“But one thing that's actually been really great, because of the relationship between PSI and MoMA, is that more and more we can take the, (borrow from) MoMA's old collection, and they have (a large) collection. So we did that with a show called 1969, that was a combination between the Archives Department and PSI, so we went into the Archives collection and took kind of both art work but ephemera in different (--) and created this show, kind of

about what was happening in 1969, both (aesthetically) and artistically, which was great. And then we're doing a show that opens in two weeks (February 2011) called Modern Women: Single Channel, and it's a group show of video works by female film makers, that are all in the (MoMA collection). So it's great to have access to that..” (McCarthy 13.1.2011).

Talking more about her work at PS1, McCarthy depicts the PR work related to her work. The museum is also working towards easier philanthropy and donations practices online, or online fundraising:

“So this has been interesting, 'cause it's lot more individual relationships with people. Some foundations stuff, but it's a lot more individual relationships. I would say in general, online giving, we don't do it at PS1 yet. We're working towards that, to update our website to have that capability. But I think that once we have that, (--) staff to do that would be really interesting. Just, you know, so that an average person who wanted to (--)..” [25:42] ” ..so you would just go online and say (--) tax write-off, it's (funny)” (McCarthy 13.1.2011).

Audience development has gone further: *“Changes.. our membership groups have grown quite a bit, which has been good, so that definitely takes a lot more time. When I first came there were 25 members, and we have 75, so that's been a big growth” (McCarthy 13.1.2011).* About the economic crisis` impact on the affiliate museum McCarthy says:

“I think we're still kind of seeing what the fallout of the economic crisis was, you know. People are (still losing investments), [26:46] they have to build a portfolio again, are really being a lot more cautious about what they invest in, and at the same time (more careful) what they invest in. So I see this as caution” (McCarthy 13.1.2011).

The future of fundraising McCarthy does not see very brightly: *“The threats. Um.. I don't see corporate giving coming back in a big way at all.”*, and explains that long-term relationships will be important for PS1 in the future:

“I mean, I would say (--) when it comes to any kind of corporate money that we're gonna get, which is difficult because people'll give you money, but then they want (something back). I think the future is gonna be really still

cultivating individual relationships. Long-term relationships” (McCarthy 13.1.2011).

Asked about whether PS1 has any state funding, McCarthy answers:

“We don't (have any). We don't have state funding or federal funding, but PS1.. MoMA is a private institution, but PS1 is part of the Cultural Institutions' Group of New York City, so it's a consortium of art, science and culture organisations that are.. I guess, (--) funding from the city, and work on city property. And admission to our institutions is not mandatory, it's suggested. Because they're supposed to be kind of, (--) open public good. So it's, everyone from the Metropolitan Museum of Art is a CIG. We're a CIG. The Brooklyn Museum, Queens Hall of Science I think is a CIG. So it's a really different mix, by mission, by (size), [28:40] by our (--) budgets, very, all over the map. So I think, that's our only source of city fund-, government fundy, is through the city there. But I imagine that that will decrease in coming years” (McCarthy 13.1.2011).

So how did it all actually happen, and what led where? The founder and former Director of PS1, Alanna Heiss, describes the situation and turmoil to which the loss of exhibition budget led the museum affiliate in 2008 :

“It was just like within the first month -- all exhibitions to which we have to raise substantial money. Everybody was doing this. I wanted to do it so I could give the artist or the collaborator enough time so they would know it wasn't just to get out of a bad situation, I was trying to give everybody time to figure out what they would do” – “These were the actions of any rational person, business or not business. Then we looked at how, the next thing was, we looked at ourselves and tried to decide how, this PS1, not MoMA, MoMA was a different matter” (Heiss 14.1.2011).

The beginning was very rough. The leadership were forced to make harsh decisions that had long-lasting effects not only for the museum affiliate's future, but also to the employees and their families. Heiss stresses that the decisions made were made so that none of the jobs were lost, and that was a conscious decision by the leadership, quite an extraordinary achievement both in the field of nonprofits as well as for-profits to which the direct consequences of the crisis hit the hardest. The budget cuts that the museum then had

to inevitably face, according to Heiss, were executed regarding the prioritization of the people:

“The next thing we did was we tried to think what parts of the building we could close, and how much we would actually save. The big expenses for us at PSI were guards [01:31]. We have so many shows at one time at PSI, maybe five, seven shows at one time. And it means the whole building, three floors, has guards. So we tried to analyze whether it would be smarter to close one floor and then keep two floors open and put the existing shows on those floors. These are all management issues. And the answers for us were often quite different from the answers for anyone else. And they were different because we had outsourced our guards [02:14] years before, so we had no employees for guards. We had a company, we didn’t have any employees. And the second thing which was very, very different for us is that we were only involved with contemporary art which is being made by living artists. So, we didn’t have to worry about the conservation of art that we had or storage of a collection, there being no collection. We had to worry instead about the actual living artists who we were working with and how they were going to live. So, for us it was a more immediate and quite frankly more interesting problem than worrying about dead art: we were worrying about living artists, to the extent that we could worry about anyone. And then the next thing we did, and MoMA did the same thing, was we looked at the staff. And we told everybody that we would try to keep the full-time staff, but that there would be absolutely no new hires, and no raises for a period of probably two years. And the second thing is we offered people who were full-time to go part-time, so that they could, if they wanted, take the initiative to get another part-time job that might pay more.” (Heiss 14.1.2011).

About the changes in the agenda and curatorial practices of PS1 after the crisis, that changed because of the budget cuts, as well as some of the turmoil that resulted, Heiss tells the following:

“And we found out that in fact we experimented with shows that would not need guarding. And these kinds of decisions have to be made by different people, the curators usually. You have to be able to work with the artists and have them explain to you what their concerns are. We put the artist in the

driver's seat as much as we could. In doing so, we naturally encountered some artists who felt a bit threatened. But it was the only honest way to do full programs for the next year or so, because they had a responsibility to even say: "Okay, I don't care, I'm going to change pieces to adapt to these limitations, or I don't think I should do the show now". So, thinking of your job for the Artists Association, you have a different way of (accepting) [06:07] things than a museum, or you should have" (Heiss 14.1.2011).

The decisions caused naturally some internal discussion in the organization as well as among the artists. In the turmoil of the budget cuts, the organization was fighting for its existence, as well as for the artists not to run away, according to Heiss. Many other spaces for live art in the industry had already perished. The divided arguments went back and forth for a while, but an open and honest discussion was always maintained between the organizational leadership and the artists, according to Heiss:

"There were pro arguments and con arguments. And the same argument would say yes, these are good people, they were doing the right thing by making these decisions with artists, but also say they're wrong, they should tell themselves to just put the show up, it doesn't matter (they've not done) any more shows. We were very aware that there were two sides of arguments from each of the decisions. We talked to them openly and we tried to figure out what to do and we tried to do what was right for PS1, which is a living institution with no collection. And our intention was to keep it alive till there could be some recovery. So, definitely, we had an institutional duty, I thought, which had to do with keeping the place going. And many places closed. Most of those places were performing arts places or young galleries and so on" (Heiss 14.1.2011).

The times that followed during the first two years were hard for PS1, can be judged from the interview data. Some other organizations like orchestras had already gone down, Heiss describes the situation (Heiss 14.1.2011). Heiss gives despite all the turmoil of the times, credit to her follower Klaus Biesenbach, who started in 2010 for being accustomed to difficult situations and in making PS1 rise from the hardship again:

"And in the next two years of course there were these types of places had just decided not to go forward. It was especially true with musicians and orchestras. -- Now, what's happy about it is that you can, I hope you've been

out to PSI which is doing very well, is that the current director who worked at PSI many years and (then) also started his own place, KW in Germany, knows very much about how to (do that) [08:33] with bad times” (Heiss 14.1.2011).

It had never been very easy for PSI. As the budget dropped by a million USD, the consequences were drastic, in relation to PSI’s extensive agenda and the scope of the museum’s functions in presenting contemporary arts:

“..Like San Francisco or MoMA or Helsinki, we had never had those good times, so for us it was in a funny way almost a little bit easier. And it’s not usually (on something) [noise], but the budget was probably dropped a million, almost a million in the first year, but now it’s (balanced), it was already a very low budget before. And it’s still a low budget. It’s (still -) real thing. ” (Heiss 14.1.2011).

Beatrice Johnson, Assistant Curator to Alanna Heiss at PSI, tells about her role at PSI, that she first started as an intern at the museum affiliate:

“First of all, I didn’t have any other job prospects, and second of all I really loved the team at PSI, I loved the staff, projects and everything, so I said that I would stay on for another month or so. And I ended up staying for six months as a non-paid employee. And by that point, Alanna had given me a few research projects which were very intricate, and pushed me a little bit more than the other interns, and (-) in November her assistant at the time Jelena had to go to a biennale in El Salvador and so Alanna asked me if I would cover for her for a few days which I was happy to do. And they actually needed extra help in the director’s office, so they offered me a sort of part-time (second) assistant position which I happily took” (Johnson 16.1.2011).

There were many changes going on at the museum at the time in 2008 and 2009, according to Johnson, and they affected her work as an Assistant Curator to the Director, as the decrease in sponsorship money wrecked the exhibition plans and the budget:

“Well, there was everything that Alanna was telling me about closing down certain parts of the building, and the exhibitions had to be cut. For me there was a very direct impact, because I had been working on a big building-wide show called Spectacle, which was a show of Asian, high technology and

monumental art. Very sophisticated, and technically complex show. And that was going to take over the whole building, it was a very large exhibition, with equally large budget. Alanna (Heiss) had taken several trips to Asia to do research, and I had organized all of that research. And, after probably almost a year of work, our main sponsor for the project fell through. I had to go back to working primarily on administrative tasks, which was disheartening after such an investment in time, and looking forward to curatorial work on such a large-scale project.”

The changes in the overall agenda of the organization were large as well. Long-term plans had to be aborted, and project-based exhibitions replaced them, part of the building was closed, et cetera. Johnson stresses that the effects of the economic crisis were much deeper and even more dramatic in other industries, such as business and for-profits:

“And we had to do a hiring freeze,, and close certain parts of the building to the public until we were able to absorb the overhead. I think for my colleagues and I the changes weren’t as drastic as for, I don’t know, friends of mine who were in advertising or who were in finance, because many of them were just being laid off. For us it was more of a reduction in exhibitions and projects” (Johnson 16.1.2011).

The people in charge of the changes and leadership, according to Johnson, were:

“Alanna, of course, the board of directors, and the director of the Museum of Modern Art. And then the senior staff and Alanna Heiss at PSI were really going over all these questions and communicating with the board of directors to see what could be done.” – “The director of MoMA, Glenn Lowry, was on the PSI board, he was very involved.” (Johnson 16.1.2011).

The process for managing the changes that occurred after the budget was cut in practice was a complicated one, there was no simple change strategy, according to Johnson, that was implemented at the time. :

“I think for exhibitions we had to become more creative with how to manage funds, which artists to work with, which parts of the building to use, etc. Of course Alanna (Heiss) had a lot of important ideas, and she was able to put together a curatorial programme in spite of the fact that these funds were not

coming through.”—“ I didn’t feel the pressure of the financial crisis directly, because none of the staff was laid off, none of the curatorial team had to be left out or anything. So, on that level PSI felt it a lot less than other places I think because the budget at PSI is always so lean. In terms of the exhibitions, there had to be some reworking, but there wasn’t a drastic negative impact on the overall vision, more of a re-envisioning” (Johnson 16.1.2011).

About the cancelled large exhibition and other effects after the crisis, and the curatorial advisors, Johnson debates:

“The curatorial program was re-evaluated and there were many smaller projects that were done instead of that the big planned exhibitions. And we had the system at PSI of the curatorial advisors, a team of curators who proposed exhibitions of varying sizes and scope for the curatorial program. They were able to develop new projects with that system, so it was possible to fill in new shows with smaller budgets” (Johnson 16.1.2011).

Johnson tells that she was not involved in the strategic group that the Director and the Executive Assistant to the Director were in, but she could nevertheless sense the changes in her every-day work and the atmosphere in the organization:

“It was hard for the staff of course and it was also hard because of the general environment. There were some changes, some small daily changes that had to be made and some staff members suffered more than others, but I think as a whole it wasn’t a drastic overnight change. ” (Johnson 16.1.2011)

Change in the every-day life of the museum affiliate was therefore more concrete to Johnson as an experience. She sees some positive sides to the changes as well, such as involving many people in the projects and the emphasis on young, emerging artists. Finally, she reflects on the change of Director in 2009, how did it make her feel, having worked as Assistant Curator to the Founder and Director of PS1:

“Well, the same example of this big Asian exhibition was for example to have something that would take over the entire building, that would be a very unified curatorial vision as opposed to bringing many different projects together, to fill the many different spaces and to bring in many different curators. I think that was one of the changes that probably was a good thing,

in fact. I think that having to work with a very lean budget, to involve many different people, to involve younger artists is beneficial. And I, obviously I lived very first-hand the transition at PSI from Alanna Heiss to first a sort of interim director team and then the new director, that was for me a change, especially because Alanna founded the place, and for many it was a very odd thing to happen, to not have Alanna be there, the head of PSI anymore“ (Johnson 16.1.2011).

About the follower, Klaus Biesenbach, Johnson talks in a pleasant tone, addressing the need for a change in an organization as well as the need for a good ex-Director to move on at some point:

“It’s a very big change, because as many said, PSI was sort of Alanna’s baby. But I know she is very happy with Klaus’s directorship, I think the staff is quite happy with his moving in as well, and I think change is most times positive. And for Alanna it was hard, of course, because she had spent the last 30 years running PSI. But for her it was great to come back to the Clocktower (Gallery) and to feel like she could start a new project all over again, one of the things that she does really well. And the Clocktower (Gallery) gave her that opportunity, because PSI at that point was a large institution with a large exhibition programme, with a large budget. So Alanna had to navigate many different aspects of the project whereas at the Clocktower it is a sort of clean slate. And I think it’s been good for her to go through that. And great for me as someone who works very closely with her” (Johnson 16.1.2011.)

How the crisis was handled among the staff, according to Johnson? She sees a phase of uncertainty that followed the change, that was natural in the circumstances, but hard for the staff:

“I don’t think it was necessarily positive or negative. I think it was just sort of hard for them to not know exactly who to report to, to not exactly know what was going on. I think it was more the state of uncertainty which was different, and difficult. I don’t think they were necessarily happy or unhappy with it, it was just sort of hard for them to not know who would be coming in, what would happen then, and what their future at the institution was” (Johnson 16.1.2011).

Her own role in the change process was to support the Director, and to move on to the next project, the ARTonAIR.org and continue working there close to her: *“She (ran) [17:41] many of these decisions, let me in to sort of ask me what I felt and I think it was important for her to have just someone else’s perspective on it, someone who was younger than her, someone who was new to the project and could bring, I don’t know, a good outside view. Because everyone at PSI, the senior staff at PSI had been working with each other for so long that sometimes I think it’s hard to have perspective”* (Johnson 16.1.2011).

Following the crisis in its aftermath, Johnson has a deeper point to make about the overall situation about the New York art scene, that resulted in a positive outcome, that PS1 was strongly involved in at the time, after the organizational & budget changes of the museum in 2008-2009:

“Well, at that point the art market was such a bubble, and during the crisis, along with everything else, it finally burst. And a lot of my colleagues and I at PSI saw that as a welcome change where younger artists who are not necessarily selling at auctions, or being shown at, you know, the Museum of Modern Art, this very large, powerful institution, felt that they would be able to become a more active part of the art scene and be able to produce work for work and not work for money” (Johnson 16.1.2011).

Media sources, articles, documents and financial reports support the evidence derived from the principal data of the interviews. The budgets and funding structure of the affiliates PS1 and Kiasma show that the effect of funding on the museums’ agendas has been extensive (Agreement between the Finnish National Gallery and the state to reduce expenses 2011-2013; Consolidated Financial Statements 2007-2008, 2008-2009, 2009-2010 and 2010-2011 Museum of Modern Art New York; The Annual Reports of The Finnish National Gallery 2008, 2009, 2010, 2011 and 2012). The interview data combined with Museum statistics in Finland shows that even though the endowment for the museum sector has slightly increased over the years in general, inflation and increased costs mean that, in real terms, the level has decreased. (Museum Statistics 2008, 2009, 2010 and 2011, National Board of Antiquities). There is no doubt that this has had an impact on the museum field. In the U.S, the arts strive to find new audiences, as philanthropy and fundraising are needed to complement the ticket sales after endowments dropped and philanthropists fled in the aftermath and turmoil of the financial crisis of 2008 (NEA National Statistical Report, U.S 2010).

Also Kiasma seeks to find new audiences to meet the tightening budget requirements in the form of a change strategy, the interview data and the museum affiliate's documents combined (Kiasma - A Museum of Contemporary Art publication 118/2008, Kiasma's audience development material 2/2009). Perhaps this is a result of the austerity policy by the state that forces the museum affiliate to work harder, to gain in ticket sales compares to the other affiliates Ateneum and Sinebrychoff that do much better in this field (The Annual Budgets of the Finnish National Gallery 2008 - 2012).

Reducing museum expenses has led to many significant changes in the museum affiliates both in terms of funding, but also agenda and curatorial practices, as well as leadership of the affiliates (PS1 Reports, Museum of Modern Art New York Archives). In the media, the mission and values of the museum institution have been discussed from the side of the visitors (Tarvainen, HS 23.1.2011), as well as the media (Järvi/ HS, 28.8.2012; Heinänen & Uimonen/ HS, 19.1.2011, HS leader 19.1.2011) and from the side of the museum institution itself (Ala-Kapee, Pirjo, Museo magazine no. 2, 2011; Ruohonen & Tanninen-Mattila, Helsingin sanomat, 21.1.2011).

In the turmoil of the economic crisis and its aftermath, what does this mean to the museum affiliates in question? How did they actually survive the changes, and what can we think of the transformational leadership, change management, strategy and organizational theory in all this, through the cases and the results presented? In the following chapter 6. Conclusion, we take a closer look at the findings of the study critically and assess the data of the museum affiliates in the light of the literature presented in the beginning of this research in chapter 2.

6 CONCLUSION

6.1 Main Findings of the Study

In this chapter, a critical discussion of the results acquired through the collected data is presented together with the information acquired from the study of the two cases. A short look will be cast on what happened in the museum field in both countries also afterwards the interviews took place. In the end, we will assess further developments in the field of the contemporary art museum affiliates and the economic crisis debate and study possible further research topics on strategy, organizational theory and their implications. The findings presented in the Results and Analysis Chapter 5 are then compared with the Theoretical Framework Chapter 2, and the information acquired through the presentation of the two cases in Chapter 4. Description of the Cases. In the end, further suggestions on topics and ideas valuable to the field that have come up during the study process, are presented. In the light of the two cases, the Conclusion chapter looks deeper into the challenges of the economic crisis in affiliate contemporary art museums' leadership and strategy, and clarifies how was the crisis dealt with internally as well as externally in the organizations in question, implementing the deductive method in the research.

Both Kiasma and MoMA PS1 are independent of their mother organizations artistically, but financially they depend on them fully. They could be described in the sense of Santalainen's division as being independent units as affiliates (Santalainen 2009), but as to financing, they are a part of a traditional line organization. This dual position makes their situation difficult especially in funding and strategy negotiations. The interview data clearly showed in chapter 5, that tension was experienced on both sides already before the Agreements to reduce expenditure between the state and the Finnish National Gallery.

Some key questions arose from the cases: What was the difference between the reactions of U.S museum and Finnish museum affiliates regarding funding, strategy and leadership during the economic crisis? How did funding, strategy, curatorial processes and leadership

interact? And how did the two case museums handle both the direct and the indirect consequences of the economic crisis and its aftermath, losing sponsorship agreements, fearing for jobs and recycling exhibitions?

In Finland, a strong state dependency has surely its advantages, such as a relatively secured funding for the museum field, but also its disadvantages – a dependency on the ministry level in budget negotiations, that varies according to the political situation. On one hand, they have a relatively secured funding, but on the other, a rigidity, based on the empirical analysis, that does not enable reacting to the contemporary changes in the environment, such as Alexander describes in his study on museums and funding (1996).

In Kiasma, change takes place in five-year cycles with the directors' rule. The end of the era of Berndt Arell marked 2009, and the beginning of Pirkko Siitari's leadership 2010. The new Director started to make strategy right away. The change strategy seemed very clear. The emphasis was on both the museum's organizational strategy as well as audience development plan to enhance the museum's attendance, all of which were, at the time of the interviews in May 2010, still in process after the Director had changed. In addition, the forthcoming changes related to the Privatization process of the National Gallery that at that time, was bound to take place already in the beginning of the year 2014, and Kiasma as a part of it, was also adding to the uncertainty. The future of the museum was at stake, giving direction to the change (Kivinen 8.5.2012). The government later in spring 2013 decided to put forward the plans, presumably after very tight negotiations inside the cultural ministry and between the ministry and the museum field. The subject of the National Gallery's privatization process comes up in many interviews conducted in Kiasma, spring 2012, and remains an open question in the Finnish museum policy as to its purpose and mission (Kivinen 2012, Miller 2012, Laita 2012).

Is growing museum attendance best attained by cutting the budgets of the museums in question? (Agreement between the Finnish National Gallery and the state to reduce expenses, 2011-2013). Could it be that, in fact, it acts against the change? Austerity policy has been debated and questioned in 2013 worldwide, but it appears, that the new discussion in the international cultural political field has not quite reached the ministry level in Finland. Turbide, Laurin, Lapierre, Laurent & Morissette, suggest in their article *"Financial Crises in the Arts Sector: Is Governance the Illness or the Cure?* That weak governance could be in fact *"an illness permeating the arts and culture sector"*. *"Then it might be argued"*, the authors continue, *"that many of the financial crises we are witnessing today could have been avoided. It is possible that through better governance the*

stakeholders of these organizations could have anticipated the financial and organizational problems ” (International Journal of Arts Management: Winter 2008: 4). In Kiasma, austerity policy simply cuts the costs, thus prohibiting the organization to recover from the previous cuts and produce culture, but it does not make the leadership, or the functions of the museum, more efficient, it has been revealed in this study. This general misunderstanding of an efficient leadership equalling the cutting of expenses doesn't make sense in the cultural field, since austerity policy implied to the cultural sector only paralyzes the targets of the policy and causes great hardship. If culture is to produce something valuable for a nation and the international community, here must be an investment by the state, and directed with a visionary leadership such as defined by John P. Kotter (1996), not by cost-based management to guarantee profit and return logic. This must be clear, since according to the literature that this study refers to, if an investment is made by the state in culture - as in any other productive sector in the society, say business - the return will be guaranteed in jobs and superior achievements. If the opposite is done, and the responsibility to produce culture is outsourced to the private sector, endowments cut and expenditure reduced, the institutions such as museums are forced to seek other funding that necessarily doesn't help the agenda of the institution. In the worst case, private money can dictate the content, the literature suggests. To sum up - in the cultural sector, private money is not king, but a needed supplement when the state funding is not enough, the theory suggests. The data of this research strongly supports the fact that austerity policy in Finland should be adapted first to better meet the requirements of the cultural sector, not implied to it as such from other fields in society alien to it such as the business world.

Transformational leadership in an organization in the sense Kotter (1996) defines the process, can only occur when there is an organization to transfer. In PS1, the change in 2010 was even more drastic. From budget to artistic agenda, great changes were ahead for the new organization. The research shows what kind of changes there were during the economic crisis through personal interviews with the current and former staff. Secondly, other media sources, documents and financial reports support the evidence derived from the principal data, as shown in the previous chapter.

6.2 Contemporary Art Museums – Leadership in Turbulence

Judging from the data, many of the effects that took place after the Economic Crisis in the U.S were mostly practical, such as sudden loss of endowment and other funding sources. However, the research data showed clearly that they affected not only the funding but also

curatorial and budget decisions of the museums, as well as work contracts between the artists and the affiliates. The changes in the museum environment resulted in rescheduling of exhibitions, cancellations and reconstructing concepts and ideas related to the artistic content as well as to the curatorial practices in the two museums. In accordance with Kotler, Kotler & Kotler (1996), *external environmental scan* would be perhaps needed in the turbulence of the museums in a crisis to direct them strategically. Santalainen's *thinking and acting organization* can be also implied here, since the crisis set the museum affiliates' leadership such demands that perhaps could not be easily foreseen by traditional strategic management. Alexander (1996) debates on the same kind of issues in her study as to museum funding, its environment and the internal changes caused by the external factors in the organization, but looks at the situation from a wider perspective, a sociological point of view rather than from a strategic marketing angle only (Kotler, Kotler & Kotler 2008). Therefore, the theory of Alexander can be better adjusted to the cases of PS1 and Kiasma, than any other theories presented in this study, especially to PS1, as the effects of the crisis in the affiliate were drastic, multifaceted and of a very unpredictable nature, as stated before.

The effects of the economic crisis were both direct, such as budget cuts, and indirect ones, such as changes in curatorial programs, agenda and enhanced cooperation between collections, exhibitions and institutions. Surprisingly, some major similarities between the cases arose despite the differences in cultural environment and funding which could not be foreseen from the documents and other data. Even though the financial turmoil had a direct influence on museum funding structure in the form of reduced endowments, especially in the U.S West Coast, conclusions can be drawn from the research that the changes were not always negative. They lead, in some cases, to a whole new approach of curated exhibitions and co-operation forms, and horizontal communication enhancing internally in the organizations, in the meaning of Timo Santalainen's (2009) theory of a *learning organization*, as stated before. Decisions concerning strategy were both of a very practical nature, such as diminishing exhibition costs, and abstract: They affected the agenda and curatorial and artistic content of the museums, as the budget cuts led to the P.S.1 changing from mainly an exhibitions venue to MoMA PS1, a more performance-oriented arena for events, due to the sudden saving of costs. In Kiasma, the narrowing operative budget as well as the constant threat of budget cuts by the state due to austerity policy combined with the Finnish National Gallery's privatization process in the near future, all had consequences in the organization. Internally, they caused great uncertainty among the staff in the fear of lay-offs, and the need to cooperate and recycle exhibitions more than before externally. The *sixth force*, in this case, really was the state, as argued by the theorists that followed

and criticized Michael Porter (1979).

In Finland, the situation of the state-funded organizations was the opposite - they were mainly safe in terms of large-scale cuts in endowment - although the Ministry of Finance suggested some rather large reductions in Kiasma's budget regarding the purchasing of new artworks already in 2011 and 2012. Austerity policy makes it difficult for the museums to both plan and execute the exhibitions. The continuous fear of annual budget cut threats and paralyzes the organizations but also forces them out of their shells. The harsh policy by the state and the threats of the forthcoming large-scale organizational changes in 2014 due to the privatization process of the Finnish National Gallery and possible lay-offs caused by the agreement between the Finnish National Gallery and the state to reduce expenses (2011-2013) underpin the study. The uncertainty among the staff of the affiliate museum was tangible.

Some positive aspects of the crisis can be seen, however, as stated by *Arts & Economic Prosperity IV*:

"Yet, even in a down economy, some communities saw an increase in their arts spending and employment. As the economy rebounds, the arts are well poised for growth. They are already producing new and exciting work—performances and exhibitions and festivals that entertain, inspire, and increasingly draw audiences" (National Statistical Report, U.S, 2010:2).

6.3 Museum Affiliates: Strategy and Survival

The upcoming changes of the privatization of the National Gallery in 2014 greatly pressured the museum to cut its costs. This is due to the possible resulting budget cuts and the Agreement between the Finnish National Gallery and the state to reduce expenses (2011-2013) and the austerity policy followed by the government. Although the Minister Paavo Arhinmäki succeeded in the Spring Budget negotiations of 2013 to stop the privatization process and freeze the planned large-scale cuts in the overall budget of the museums, as well as the rest of the cultural sector, in the beginning of 2014 to the next governmental period of rule, the threat still remained in the air. As stated before, the pressure from the political turmoil of the National Gallery's privatization process was clearly tangible in the research. An atmosphere of adjusting to the overwhelming future changes and contemplating over the possible changes in practice for the museums seemed

to be a dark cloud in the sky of the industry in Finland. Also direct concern on cuts on HR & employees' fear of losing their jobs was expressed to some extent between the lines.

The economic crisis can be seen as a structural phenomenon, affecting funding mainly, but the research suggests that it also has an impact on the institution, consisting of dynamic networks, as a whole. According to Timo Santalainen, "*an organization is an organic entity, consisting of structure, processes and personal relations. The formal structure creates the static processes. Personal networks create the dynamics*" (Santalainen 2009:85). The sociological approach by Victoria D. Alexander (1996) also suggests, that the museum affiliate is an entity strongly affected by its environment, both internal and external. The economic crisis embraces both of these types of change.

As to the traditional management-based leadership theories, the global financial crisis has, according to Santalainen, proved simply unreliable (2009). As stated in the *Theoretical Framework Chapter 2*, Stulz (2009 cited in Santalainen 2009:85) shows that in the environment of the *hyper-competition*, risk analyses and tools based on historical data simply do not work. Some risks rely in the complicated reports of the experts themselves, as well, a language which ordinary people working in the organizations do not necessarily understand. Communication can also prohibit action.

For the next crisis Stulz (2009 cited in Santalainen 2009:85) suggested a "*what if*" scenario planning. Also Santalainen sees scenarios as a good strategic rehearsal for the organization (Santalainen 2009:85), but on the other hand, in accurate budget cut situations which demand quick decision-making from the leadership, they might prove inadequate. In the case of the economic crisis and museums, a worst-case scenario already happened during the 2008 turbulence in the United States, diminishing the museum budgets in terms of both endowments and sponsorship agreement, and austerity policy and cost reductions in Finland (Agreement between the state and the Finnish National Gallery, 2011-2013I. Could it have been foreseen through scenario planning, as Stulz suggests (2009)? It is a question to which this research perhaps can not find an answer. More data and more research - and perhaps another financial crisis - would be needed to test Stulz' arguments in real life in the context of museum leadership.

Johnson, Scholes and Whittington (2006 cited in Santalainen 2009:86) have explored the advantages of matrix organizations in the business world. Judging from the data, in mixtures of traditional line and a unit organizations such as Kiasma or PS1, the leadership could possibly profit from a matrix organization's more freer form, that of relying on more

up-to-date global management by networks, or a structure that combines traits from a matrix organization as well as a unit organization (Johnson, Scholes and Whittington 2006 cited in Santalainen 2009:86).

Kiasma Foundation, founded in 2007, can be seen as a kind of an intermediary organization, that is 'in-between organizations'. It generates extra funding for the museum through donations and philanthropy to be used for the collections, yet being relatively independent. The purchases of larger pieces of art the museum would not otherwise be able to afford within the scarce resources allocated to it by the state through the National Gallery. These kind of organizations inside the organization are needed more and more in Finland, as endowment has a tendency to drop in future years due to current austerity policy of the government and contracts between the museums and the state such as *The Agreement between the state and the Finnish National Gallery* (2011 – 2013). The agreement was established to cut expenses from the museum sector in the long run (Cost agreement between the State and the Finnish National Gallery 2012-2013 by reducing the costs of HR).

Regarding the findings of this study, however, it must be emphasized that austerity policy may be extremely harmful to the cultural life and growth of Finland as a nation, as the museums are already struggling with far too few resources. At the same time, project money and fundraising will be an essential part of funding of the museums. The museum institution could also benefit from new forms of funding, such as co-funding, implemented in a form that would suit the museum organization. These are the possible future tendencies in the field of culture and funding of the arts, that are already in use for example in the global film and music industry.

In Kiasma, teams and working groups were set to meet the organization to challenge the traditional line organization. Its weakness in communicating horizontally (Santalainen 2009) was hence challenged by the new strategy-making led by the new Director Pirkko Siitari. Emphasis was put on the departments to co-operate more and share ideas. Information flow was made more efficient and agile. The traditional line organization challenges have therefore been met to some extent (Santalainen 2009), acknowledged and some improvements have been already made in the leadership, based on the findings. Special emphasis had been put on project management. This had, according to the data, led to a more open and approachable organization. Yet in new forms of funding, sponsorship agreements and fundraising the challenges remain, as well as the complicated bureaucracy of the Finnish National Gallery being the parent of Kiasma that it relies on in negotiations

regarding strategy. Whatever direction the Finnish National Gallery takes in its policy, Kiasma's leadership must follow. The dual role of the museum as a valued contemporary art museum with an moderately extensive program reaching many stakeholders and fields in the society, and the role as an affiliate, a subordinate of the Finnish National Gallery is likely, based on the findings of the research, to continue to cause challenges in the future.

As to Kiasma, the danger of *active inertia* and rigidity is, implicating Santalainen's theory, always present (Santalainen 2009:92-92). In Finland, *active inertia* is perhaps more a danger than in the U.S, which is a substantially larger country with more museums, curators, leaders and Directors and staff. The division between an artistic Director and an Administrative Director is also quite rear still in Finland.

During the research process I wrote an article signed by two gallerists and a cultural critic about the resources of purchasing artworks in Kiasma, which emphasized the lack of resources for contemporary arts in Finland, especially as to the purchases of new artworks, affecting all of the industru from artists to galleries and museums: "*The mission of a contemporary art museum in a historical continuum is to guarantee a multitude of contemporary art into the nation's memory*" (Ojamo, Hanna, Toppila, Nina & Oksman, Henriikka: Museoiden tulisi ostaa teoksia kaikista gallerioista, Helsingin Sanomat Mielipide C14, 15.2.2013). The article was written in reference to a public discussion of the purpose of the contemporary art museum Kiasma's purchases. The resources are an essential part of Santalainen's theory (2009), as well as this research's primary and secondary data, and have a direct impact on the museum institution, the content-providing living artists' work conditions and income as well as the cultural field as a whole. During an economic crisis, and the austerity policy that follows led by the government, the resources of the art institutions become scarce. The results, based on this study, show that the cultural field suffers at large from the implications of this policy on the organizations, and creates the *sixth threat* in the meaning of the followers and criticizers of Michael Porter's theoretical work. At the same time, it opens up doors for collaboration and new possible approaches to curating, audience development, education, museum practices and agenda. Organizational leadership, in terms of John P. Kotter's *transformational change strategy* (1996), is also hit by a turmoil.

The results gained from MoMA PS1, New York, and SFMOMA, san Francisco, show strongly, that the changes in the American museum field, both direct in the form of budget cuts and indirect in the form of organizational changes and changes in curating exhibitions, were much more dramatic than in the state-dependent Finnish equivalentents. The museums is

the U.S are highly dependent on private money, philanthropy and fundraising. In the West Coast, the situation varied depending on the funding structure and decisions made after the crisis. For example, SFMOMA's budget dropped dramatically, and without any previous notice. Institutions with larger endowments, such as the Getty and the Metropolitan Museum, had to make layoffs while SFMOMA did not. MOCA in Los Angeles in stead laid off a third of their staff. This threat is underpinning the austerity policy in Finland as well. Boehm wrote recently about Museum of Contemporary Art California's struggle to exist at the LA Times (Boehm/ LA Times 11.4.2013).

In the case of PS1, the economic crisis lead to both direct and indirect changes in funding and the museum's curatorial program. The budget was drastically cut after the crisis, leading to new curatorial choices made by the leadership in exhibitions based on collections and a new overall strategy in-the-making, in addition to the rough budget cuts. The research shows how large-scale and multi-dimensional the changes and challenges in PS1 were in general. The founder Heiss left P.S.1 in 2009 followed by a lot of media attention. The new Director of PS1 Klaus Biesenbach started in 2010. In the interview she tells frankly about the long-term financial difficulties of the museum, already before the crisis hit.

In Chapter 5. Results and Analyses, the interviews conducted at Kiasma, Finnish Cultural Institute in New York and The Finnish Museums Association showed that, in general, the effects of the economic crisis on the contemporary affiliate museum field in Finland were mild and applied only on a long run. The indirect effects of the austerity policy led by the government, on the contrary, were strong, the data showed. One of the main effects of the economic crisis landing to Finland in the beginning of the year 2012 was that, for already a couple of years, attitudes towards state-funded institutions and policy-making had become much more strict. This affected the museums by creating an atmosphere of fear, where Kiasma, aside of having suffered for a long time of financial difficulties and lack of resources, now had to convince politicians to provide the museums at least the minimum resources needed during the turbulent recession to come. The collected data showed, in Chapter 5., that Kiasma had never recovered from its previous budget cuts in the 1990s recession. It had consequently survived with much smaller funding from the state that ten years ago. At the same time, the costs of the international artworks as well as the salaries and other normal expenditures in the museum's budget were on a constant rise.

In relation to the forthcoming large-scale changes of the National Gallery's Privatization process, it is quite surprising that the affiliate museum was left struggling alone in the

atmosphere of uncertainty. In PS1, the effects of the crisis were handled with large meetings of the staff of the parent museum, Museum of Modern Art, and PS1. In Finland, the leadership of the National Gallery was hiding in its shell, as only one interview was given by the Director General for the press, the main newspaper Helsingin Sanomat in 2011 to cut the gossip. This communication was everything but open, and made the museum affiliate's struggle even harder in the turmoil of the austerity policy, a constant threat of budget cuts, and a general atmosphere of fear underneath the organization that was tangible for the researcher during the interviews as well. One cannot but wonder what kind of a strategy was behind this policy. Even in PS1, where the effects of the large-scale budget cuts occurred in the aftermath of the economic crisis, the staff was gathered together in an atmosphere of hope, to face the hardship together. Director General Risto Ruohonen did not reply to the interview request concerning this research.

In addition, the research shows a shift in museum exhibitions: there are more projects than before, more cooperation and more recycling of old and joint exhibitions by the stakeholders in the field. The project based-thinking has surely, having been done as a conscious strategic move by Kiasma as found in this research, broke the 'sector thinking' of a traditional line organization. It has added flexibility inside the organization.

However, the internal changes do not always manifest themselves to the artworld, as the audience sees mainly what is on display in a museum. Daigle & Rouleau argue in *"Strategic Plans in Arts Organizations: A Tool of Compromise Between Artistic and Managerial Values"* that there is a great difference between traditional management and leadership of an arts organization: "Because art and management are grounded in historically contradictory, not to say conflicting, values, this duality contributes to the ideological tensions that are intrinsic to arts organizations" (International Journal of Arts Management, Spring 2010: 13). Although accountability and cultural impact studies are a contemporary tendency among the strategy and museum literature, there are still some major challenges in bringing economy into the arts, Alessia Zorloni writes in *"Designing a Strategic Framework to Assess Museum Activities"*, (International Journal of Arts Management, Winter 2012: 31). The collection exhibitions and recycling of old material is clearly seen by a visitor in Kiasma in the recent years, something which is not necessarily only a positive thing to cut museum expenditure. In the cultural field, it is largely seen as a lack of imagination and sometimes even a downfall in the museum's agenda and artistic integrity. The criticism therefore, derived from the results of this studies, is partly justified.

Andrea Hausmann reminds of the fact that although museums and marketing are important factors, according to many surveys, word of mouth dictates the museum visitors' habits (International Journal of Arts Management, Spring 2012: 32). In a competitive arena like museums, the institutions must provide the visitors something which beats other entertainment, educational and recreational activities. At the same time, to provide content for the international arts community can be difficult to combine with the entertainment goal. Kristin Demetrious argues in *"Marketing and Public Relations for Museums, Galleries, Cultural and Heritage Attractions"* that marketing and public relations have a legitimate, central but transforming relationship to cultural institutions such museums and galleries and (International Journal of Arts Management, Winter 2012: 68).

Mintzberg analyzed the turbulence in the environment (2003): *"As to the turbulence of the environment, strategy can not be understood beforehand. The multi-layered and complicated changes in the environment of an organization can take a decade to realize"* (Santalainen 2009:17). This applies to both of the affiliate museums. The results of a possible recession followed by austerity policy and the turbulence that they caused in the environment of the arts organizations, are clearly depicted in this study. Even after the economic crisis, the changes can only be seen after a decade or two. Therefore, a further study in the field of the arts organizations and recession might be necessary.

The two different ecosystems in Finland and the United States are perhaps not directly comparable as such, as the results of the study show, but the economic crisis and its effects were global, affecting the environments in which the museum affiliates operate. Therefore, also the effects on culture at some level could be global, it is argued in this thesis. The difference between the two countries, the United States and Finland, has been taken into account and dealt with separately in the research. However, some similar reactions to the crisis in the internal organizational level of the affiliates are obvious and show strongly in the results despite the differences in funding structure. This clearly shows the global nature of the crisis as something that causes similar reactions and exceeds local differences in the nonprofit arts organizations, such as museum affiliates.

The birth of the Kiasma Foundation was not directly linked to the causes of the recession, the study shows, but instead answered the need of extra funding caused by the austerity policy of the government for the purchasing of new artworks to collection. The birth of the foundation can nevertheless be seen in a continuum of the need to enhance private funding in the cultural sector in the aftermath of the economic crisis and to seek new forms of funding for nonprofits. The budget for Kiasma's collection purchases is not on the level of

the international artworks' prices. Without the foundation, some more expensive recent artworks would never have been purchased, like Eija-Liisa Ahtila's video installation *Where is Where?*, that was purchased entirely with the Foundation's money.

After the interviews, many changes and turbulences occurred in the museum field in Finland. In the end of the interview period a new, artist-oriented museum concept, Checkpoint Helsinki, was developed as a result of the debate of the Guggenheim museum in 2012. It led to the fall of the Guggenheim when the City Council of Helsinki turned the proposition down in April, 2012. Before the decision, the cultural field was strongly divided in two, as the main newspaper took an active role in encouraging the museum's endeavours whereas the opinions of the Finnish art professionals, curators, gallerists and artists remained mixed (Heinänen, Kaisa/ HS & Uimonen, Anu/ HS 19.1.2011; Helsingin Sanomat, leader, 19.1.2011). Museum policy on an international level hit the news in Finland in an unseen manner.

6.4 Suggestions for Further Research

In "*How the U.S Funds the Arts*" The National Endowment for The Arts, U.S states (NEA 2012): "In recent years, arts managers not only have weathered an economic recession; they have been challenged to address evolving patterns of arts participation, which include a blurring of genres, categories, and traditions, as well as shifting boundaries between the professional and amateur arts sectors. To navigate this changing landscape, while working in a fiscally tough climate, U.S artists and arts organizations must rely on a network of allied but independent funding sources." In what ways have these boundaries been shifting, genres been blurred, and traditions challenged? The relationship between the traditional institutions and the new rivalries would be of great interest for a further study.

In the field of strategic management of museums, (Odile Paulus: Fall 2010: 12), another suggestion in the field of funding would be how the institutions of contemporary art balance between fiscal management, including private money that is never neutral, and the artists' needs and expenses of the exhibition projects. The NEA report states: "--Private sector contributions, (which) make up the lion's share of contributed income for arts organizations." "Earned or contributed, both means of income are unpredictable. Consequently, arts organizations face a two-sided challenge. On the one hand, they must cope with rising expenditures for artists, artworks, productions, and educational projects.

On the other, they must forecast the revenue needed to support their program goals.” (NEA 2012:8)

Third, Walter Benjamin comments on the function and purpose of contemporary art museums as follows: “Art museums did not always exist, they are basically a recent invention, and it seems they have now exhausted their purpose, became obsolete, along side even the very notion of art.” (Benjamin 2010:23) What is the role of the museum in the every-day life of the artists, the living, especially? Does a museum still serve a role, and in what way?

Based on the findings of the study, a thorough study of the effects of the economic crisis in relation to austerity policy in the international contemporary museum field would be needed. Many of the interviewees expressed their interest in the subject, but felt they had not thought about the connection before. The ideas and perceptions that were born out of the many fruitful conversations with museum directors, specialists, curators and other professionals during this research strongly suggest that the field and topic has not been thoroughly investigated. Hence, another interesting subject for further research could be which of the nonprofits have suffered from the loss/ reducing of sponsorship agreements due to the economic crisis the most in the U.S, especially regarding large museums in the United States. In America, debate on the austerity policy (Turbide, Johanne; Laurin, Claude; Lapierre, Laurent & Morissette, Raymond, 2008:4) and the ethics of fundraising continues. The role of fundraising, philanthropy and private patrons in effecting exhibition content causes discussion and has its roots in the old and familiar theme of patrons versus public institutions (Chong, Derrick 2002:44; Paul DiMaggio 1983:61-8).

Another subject that would possibly need closer examination is the dilemma of the artists in contemporary art museums. In Alexander’s work, contingency theory in the organizational approach suggests the idea of the different factions inside the organization enhancing conflict (Alexander 1996:13). In which way are the artists received, generally, in the museum, a home to the art they present? Are they on the last ladder of the food chain as freelancers and workers providing the or genuinely welcomed and seen as an essential content-supplying force, a core asset without which the contemporary art museum could not simply survive? What kind of aspects and possible confrontation has there been? How does the austerity policy and the cutting down of the museum budgets affect the artist’s work in the museums? Nathalie Moureau & Dominique Sagot-Duvaurox state in *“Four Business Models in Contemporary Art”*, highlight the importance of the involvement of artists in cultural projects in the development of their careers (International Journal of Arts

Management, Spring 2012:44). This interaction is beneficial for the institutions as well as the artists, the authors debate.

The findings of the study suggest that the turbulence followed by the economic crisis at the contemporary art museum field affected the museum affiliates strongly both in the U.S as well as in Finland. The consequences were direct, such as in the form of budget costs, lost jobs and organizational changes, as well as indirect, in the form of austerity policy that affected the museum's leadership throughout, forcing the museums to redefine strategy, funding and curatorial processes and enhance cooperation between the stakeholders and peers in the industry. It also led, in the case of PS1, to a whole new approach of presenting contemporary living arts challenging leadership as well as the phenomenon of recycling existing collection exhibitions to cut museum expenditure in Finland. The impact of the global economic crisis on culture in the long run, however, is yet to be understood.

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8 APPENDICES

Appendix 1. List of Interviews

Appendix 2. Example of the Interviews

Appendix 3. Budgets from the Annual Reports & Documents from MoMA, Kiasma & The Finnish National Gallery

Appendix 4. Photographs. Kiasma, The Finnish National Gallery, SFMOMA, MOCA, PSI and research material.

Appendix 1. List of Interviews

The interview Guide

- *The list of the personal interviews conducted between May 2010 and April 2013 in Finland and in The United States, the research questions and procedure have been specified in Chapter 3. “Description of the Research Process and Method.”*
- *All the telephone interviews were recorded in New York City in January, 2011.*

Finland

Preliminary interviews at Kiasma, May 2010

- Senior Researcher Leevi Haapala, May 2010, 15 min.
- Head of Development Sanna-Mari Jäntti, May 11th, 2010, 30 min.

Interviews at Kiasma (February 2011 – April 2013)

- Curator Kati Kivinen, May 8th, 2012, 38 min.
- Chief Curator Arja Miller, Collections, May 8th, 2012, c. 45 min.
- Communications Manager Piia Laita, May 31st, 2012, *via email*

In addition, Pirkko Siitari, Director of Kiasma, read the final text in April, 2013.

Interviews at the Finnish Museums Association

- Senior Specialist Marja-Liisa Pohjanvirta, 25th May, 2011, 45 min.

The United States of America

Interviews at the SFMOMA, San Francisco (October 2010)

- Assistant Curator at Painting & Sculpture dept. John Zarobell, on October 8th, 2010, c. 45 min.

Interviews at the Finnish Cultural Institute in New York (2011)

- Project Manager and Interim Director Essi Rautiola, The Finnish Culture Institute in New York, January 10th, 2011, 22 min.

Interviews at MoMA and PS1, New York (January 2011):

- Development Officer Jane McCarthy, MoMA PS1, interviewed at MoMA New York, January 13th, 2011, 33 min.
- Founder and Former Director Alanna Heiss, P.S.1, *telephone interview*, January 14th, 2011, 15 min.
- Assistant Curator to Alanna Heiss Beatrice Johnson, *telephone interview*, MoMA PS1, January 16th, 2011, 20 min.

Appendix 2. An Example of the Interviews

Example 1. Former Development Officer Jane McCarthy, MoMA P.S. 1, 13th January, 2011

Interviewed at the MoMA New York premises, administrative floor.

Number of transcription: 24262/1

Name of interview file: Haastattelu_13012011

Length of interview: 33 min

Transcribed on: Tutkimustie Oy June 3, 2011

Indicators used: I: Interviewer(s)

R: Respondent(s)

Other notations: , (Micro) pause

.. Interrupted or continued statement

(-) Omitted word or part of word

(--) Omitted part of speech

(word) Unclear word or uncertain spelling

underlined Word or part of speech with particular emphasis

[brackets] Transcriber's comment

Comments: Due to ambient noise, there are significantly more omitted parts of speech than usual.

I: Can you define some kind of drastic changes that have happened after 2008 crisis, in general?

R: We definitely revised our organisational budget, and we reduced it. Which was good, there was a lot of staff turnover happening that wasn't related necessarily to the economic crisis, but it was a good opportunity to kind of rethink the budget, (--) [00:35] budget for exhibitions, the amount of money that we were able to raise. So that was a good chance to kind of streamline operations. It also made us think very, on the curatorial side, which I don't work for, but it definitely made them think more about what the focus of their exhibitions would be, and really kind of what the primary programs and shows that they wanted to do, so I think in effect it was difficult for a lot of people, but I think the benefit was it made people very focused about what was possible, what messages you're really trying to get across at the museum, it was an opportunity to become a very lean operation.

I: So it also made people sort of come together or something like that?

R: A bit, yeah.

: Could you (--)? [01:24]

R: Sure. (extract from interview 33 min)

Example 2. Marja-Liisa Pohjanvirta, Senior Specialist, 25th May, 2011, the Finnish Museums Association

Litteration numero: 24261/1

Haastattelun nimi: Haastattelu_25052011

Haastattelun kesto: 45 min

Litteroitu: Tutkimustie Oy 31.5.2011

Puhujien merkinnät: K: Kysyjä(t)
V: Vastaja(t)

Muut merkinnät: , Lyhyt tauko puheessa
.. Puheenvuoro jää kesken, jatkaa puheenvuoroa

(-) Pois jäänyt sana tai sanan osa

(--) Pois jäänyt jakso

(sana) Epäselvä sana tai jakso

alleviivaus Erityisen painollinen sana tai jakso

[hakasulkeet] Litteroijan kommentti

Huomautukset: --

V: ..strategioita museoille, että meillä on tehty Museoliiton strategia viimeksi 2007–2013, sen tyyppinen strategia. Ja sitä on päivitetty helmikuussa 2009. Se oli ikään kuin tämän kyseisen 2008 vuoden jälkeen sitten. Mutta sitten tässä myöskin on otettu aika voimakkaasti esiin tämä kestävä kehitys, se tuli oikeastaan samaan aikaan, osittain. Toisaalta seurauksena siitä, että tuli taloudellisia ongelmia ja tuli sitten tämmösiä säästötavoitteita ja yritettiin keksiä sitten keinoja, millä selvitä. Kestävä kehitys tuli kuin tilauksesta tavallaan tähän, että se on järkevä muutos toimintamalleihin.

K: Voiko sanoa, et se oli jonkinlainen seuraus tästä kriisistä?

V: Sitä voisi tulkita niinkin, joo. Ainakin käytännössä voisi ajatella. Saatettiin pukea tämä kriisi positiiviseen asuun [naurahtaan].

K: Minkälaisia muutoksia museostrategiassa olet huomannut vuoden 2008 jälkeen, muita kuin tämän kestävä kehityksen?

V: Sikäli tämä taloudellinen puoli on vähän kaksisuuntainen, koska toisaalta valtion avustukset museoille ovat kasvaneet koko ajan. Samoin Museoliiton valtionavustus on pysynyt suunnilleen samana, että meillä ei ole kuitenkaan vähentynyt se. Ja missään muuallakaan tämä avustus ei ole vähentynyt, mutta sitten toisaalta niin kunnallisissa museoissa kunnan rahoitus on pienentynyt ja muu rahoitus on yleensä pienentynyt. Esimerkiksi sponsorointirahotuskin on etsinyt yhä tarkemmin ne väylät, mihin sijoitetaan. Ja sillä tavalla niin, tämä museoiden ja meidänkin itse hankkima rahoitusosuus on siten laajentunut. Tietenkin, kun meillä on näitä projektiavustuksia, jotka tulevat myöskin opetusministeriöltä, niin niiden osuus on laajentunut tai suurentunut. Ja myöskin museot ovat hakeneet enemmän tämmösiä projektiavustuksia. Ja myöskään henkilöstössä ei ole varsinaisesti ollut tämmösiä, että olisi vähennetty henkilöstöä muutoin kuin siten, että jos on ollut työllistämistuella olevia projektityöntekijöitä, niin niitä ei ole pystytty ottamaan moneenkaan paikkaan. Mutta vakituisen henkilömäärän pieneneminen, niin sitä ei ole tapahtunut.

K: Aivan. (extract from interview 45 min)

Appendix 3. Budgets from the Annual Reports & Documents from MoMA, Kiasma & The Finnish National Gallery

The Museum of Modern Art Consolidated Financial Statements 2007-2008, 2008-2009, 2009-2010, 2010-2011 (in thousands)	3.6.2007- 30.6.2008	30.6.2008- 30.6.2009	30.6.2009- 30.6.2010	30.6.2010- 30.6.2011
Assets				
Cash and cash equivalents	\$ 73,843	\$ 44,252	\$ 51,043	\$ 32,573
Receivables				
Accounts receivable	944	642	2,276	1,994
Contributions receivable, net	186,982	174,458	161,978	170,526
Accrued investment income and other receivables	1,123	691	1,248	2,925
The Trust for Cultural Resources	36,345	35,945	35,645	35,645
Inventories	9,878	9,750	9,932	8,738
Prepaid expenses and other assets	20,113	12,096	11,437	13,071
Investments, at fair value	714,435	565,741	639,117	744,035
Investments held on behalf of others	3,844	2,933	3,424	4,013
Property, plant and equipment, net	580,945	556,785	545,699	527,248
Museum collections	-	-	-	-
<i>Total assets</i>	\$ 1,628,452	\$ 1,403,293*	\$ 1,461,799	\$ 1,540,768
Liabilities and net assets				
Accounts payable, accrued expenses and other liabilities	\$ 40,468	\$ 37,606	\$ 37,143	\$ 32,103
Deferred revenue	3,555	2,509	37,751	26,000*
				38,528
Loans payable (from 2009 including: "bond premium, net of accumulated amortization")	331,875	333,852	332,536	331,252
Funds held on behalf of others	3,844	2,933	3,424	4,013
Postretirement benefit obligation	16,137	28,762	41,970	33,371
<i>Total liabilities</i>	395,879	405,662	452,824	470,267
Net assets				
Unrestricted				
Museum operations				
Museum funded property, plant and equipment	16,386	17,168	31,854	33,279
All other (including advances to The Trust for Cultural Resources of \$36,345 in 2008 and \$ 37,345 in 2007)	491,657	332,276	329,255	342,496
	507,943	349,444	361,109	375,775
Plant and equipment funded by designated gifts	369,283	342,496	316,620	292,040
	877,226	691,940	677,729	667,815
Temporarily restricted	150,501	90,204	109,239	164,992
Permanently restricted	204,846	215,487	222,007	237,694
<i>Total net assets</i>	\$ 1,232,573	997,631	1,008,975	1,070,501
<i>Total liabilities and net assets</i>	\$ 1,628,452	\$ 1,403,293	\$ 1,461,799	\$ 1,540,768

* Total assets dropped by \$225 159 thousand between June 30, 2008 and June 30, 2009 (notes of the author).

* "Art acquisition payable" (new 2011).

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Financial Statements of the Museum of Modern Art, New York 2007-2011. Source: Consolidated Financial Statements, MoMA 2007-2008, 2008-2009, 2009-2010 & 2010-2011.

Museum of Contemporary Art Kiasma <i>Key Budget Figures</i>	2008	2009	2010	2011	2012
2008, 2009, 2010, 2011 & 2012 <i>(in euros)</i>					
Income					
Ticket sales	567 955	513 658	562 554	€ 751 643	793 075
Publications	15 403	11 085	9 898	€ 24 948	11 159
Other income	16 430	38 761	39 039	€ 30 482	47 991
Total Income	€ 599 788	€ 563 504	€ 611 491	€ 807 073	€ 852 225
Expenses					
HR	2 776 403	2 728 998	2 571 726	2 505 201	2 746 463
Purchased services	819 640	600 243	146 866	111 213	483 035
Purchased goods and material	122 133	125 452	76 308	73 925	150 608
Other expenses	199 783	184 592	579 224	1 050 759	187 724
Total expenses	€ 3 917 959	€ 3 639 286	€ 3 374 124	€ 3 741 098	€ 3 567 831
Total	-3 318 171	-3 075 782	-2 762 633	-2 934 025	-2 715 606

Source: The Finnish National Gallery Annual Reports 2008, 2009, 2010, 2011 & 2012.
© Hanna Ojamo 2013

Museum of Contemporary Art Kiasma: Key Budget Figures 2008 -2012. Source: *Annual Reports of The Finnish National Gallery 2008, 2009, 2010, 2011 & 2012*

4.2 TOIMINNALLINEN TEHOKKUUS

IV Tulostavoite

Näyttelyiden ja teattereiden kävijämäärätavoitteet

	Tavoite 2011	Tavoite 2012	Tavoite 2013
Kokonaiskävijämäärä	477 700	565 000	455 000
Maksavien kävijöiden määrä	294 750	356 900	279 900
Maksavien kävijöiden osuus	62 %	63 %	62 %

V Tulostavoite

Maksullinen toiminta (kustannusvastaavuus)

	Tavoite 2011	Tavoite 2012	Tavoite 2013
tulot/kokonaiskustannukset	16 %	19 %	14 %
tulot/erilliskustannukset	49 %	62 %	44 %
hintatuki/erilliskustannukset	49 %	35 %	53 %

VI Tulostavoite

Taloudelliset tavoitteet

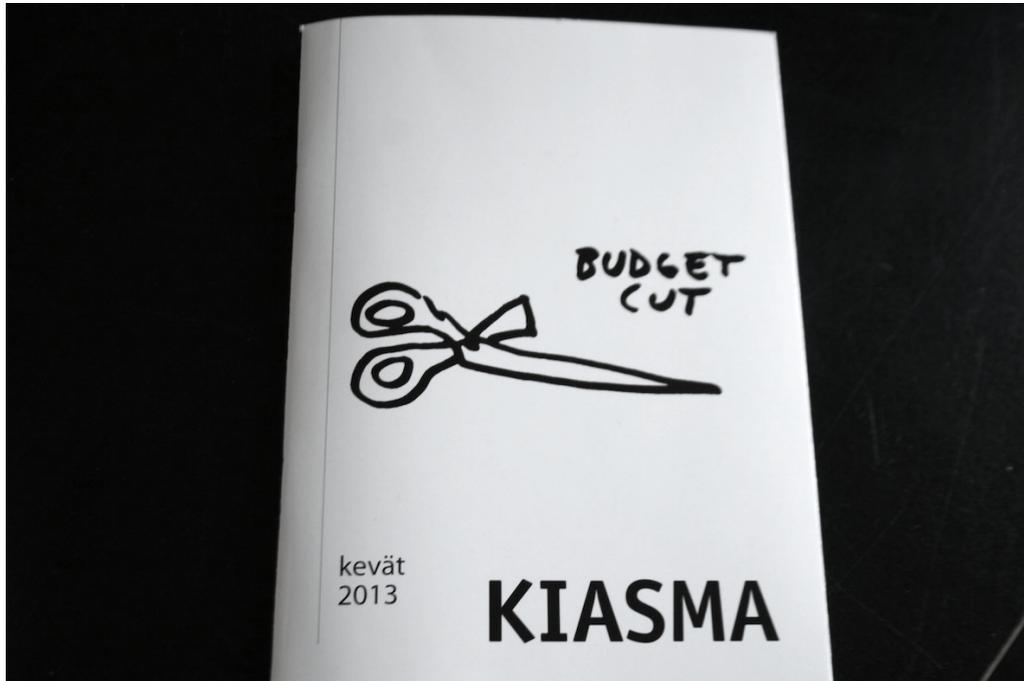
	Tavoite 2011	Tavoite 2012	Tavoite 2013
Näyttelykäynnin keskitulo	5,03 €	5,23 €	4,20 €
Näyttelykäynnin keskihinta	3,22 €	2,02 €	2,51 €
Näyttelyjulkaisujen myydyt määrät/painokset	60 %	60 %	60 %
Hallinnollisten palvelujen osuus kokonaiskustannuksista	16 %	16 %	16 %

Functional Efficiency of the Finnish National Gallery. Source: Agreement between the Finnish National Gallery and the state to reduce expenses, 2011-2013.

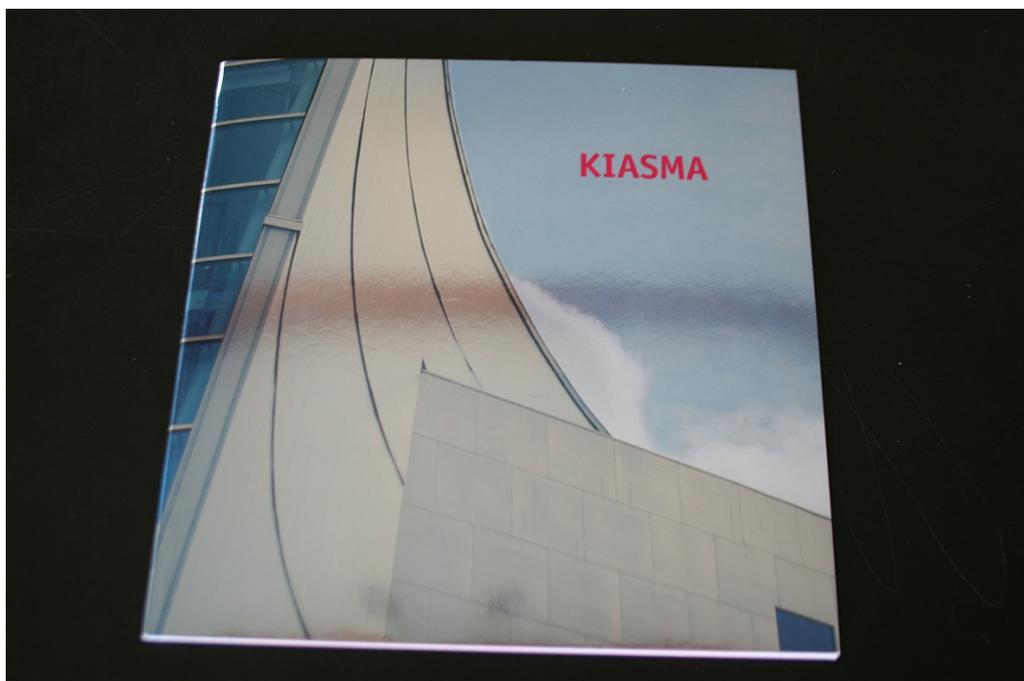
- Table IV, Left column from top down: Overall attendance, paying customers, percentage of paying customers. On the right: Goal 2011, Goal 2012, Goal 2013.
- Table V, income & expenses. Left column: Overall income & expenses, direct costs.
On the right: same as above.
- Table VI, Left column: Financial Goals. Left column top down: income per visit, average price per visit, sold publications, the percentage of administrative costs of overall costs.

Appendix 4. Photographs. *Kiasma, The Finnish National Gallery, SFMOMA, MOCA, PS1 and research material.*

Kiasma



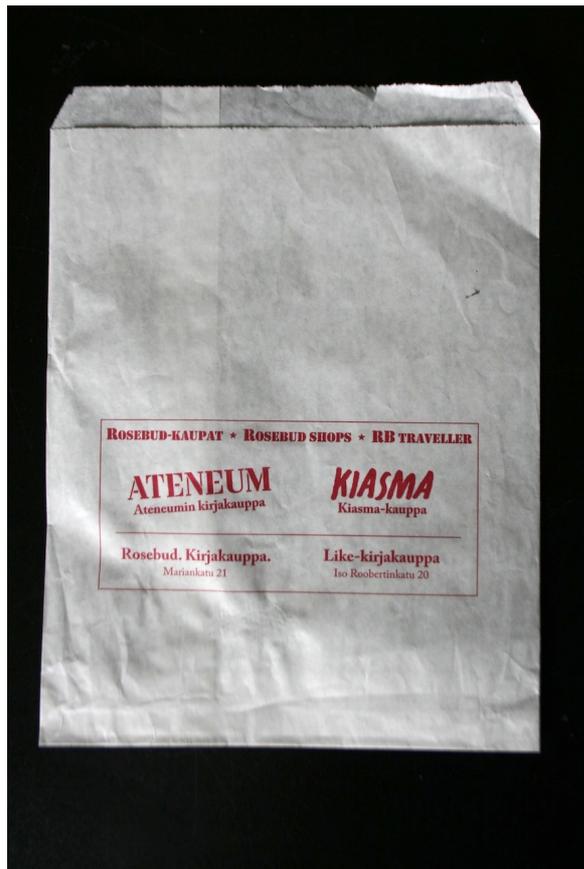
Photograph 1. *Agenda, Spring 2013, Museum of Contemporary Art Kiasma, 2013.* Photo: ©Hanna Ojamo



Photograph 2. *Presentation Book, Museum of Contemporary Art Kiasma, 2008.* Photo: ©Hanna Ojamo



Photograph 4. *Presentation Book, Museum of Contemporary Art Kiasma, 2008.* Photo: ©Hanna Ojamo



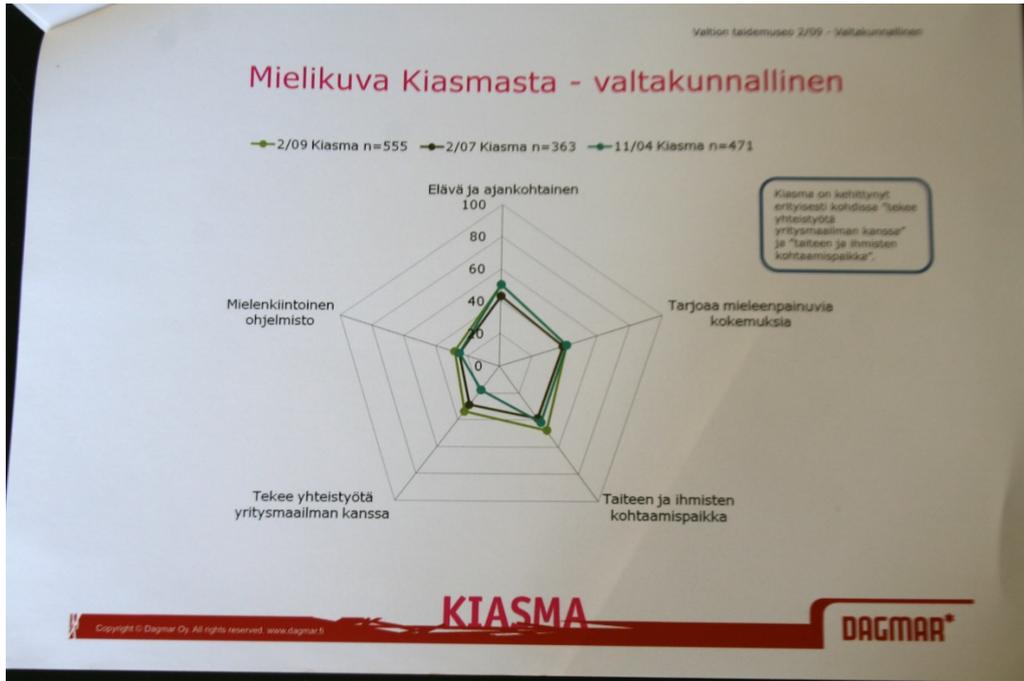
Photograph 5. *Kiasma shop, Museum of Contemporary Art Kiasma, 2012.* Photo: ©Hanna Ojamo



Photograph 6. *Kiasma's Audience Development Material 2/2009, Museum of Contemporary Art Kiasma 2009.* Photo: ©Hanna Ojamo



Photograph 7. *Kiasma's Audience Development Material 2/2009, Museum of Contemporary Art Kiasma 2009.* Photo: ©Hanna Ojamo



Photograph 8. *Kiasma's Audience Development Material 2/2009, Museum of Contemporary Art Kiasma 2009.* Photo: ©Hanna Ojamo

The Finnish National Gallery



Photograph 9. *Annual Report, The Finnish National Gallery, 2009.* Photo: ©Hanna Ojamo



Photograph 10. Newspaper clipping: "Away from Museum Bureaucracy!". Interview of the Director General Risto Ruohonen about the National Gallery's future changes. Helsingin Sanomat, Cultural pages C1, 28. August, 2012 . Photo: ©Hanna Ojamo



Photograph 11. Finnish Museum Statistics 2009, National Board of Antiquities, Finland. Annual Report of The Finnish National Gallery, 2008. Photo: ©Hanna Ojamo

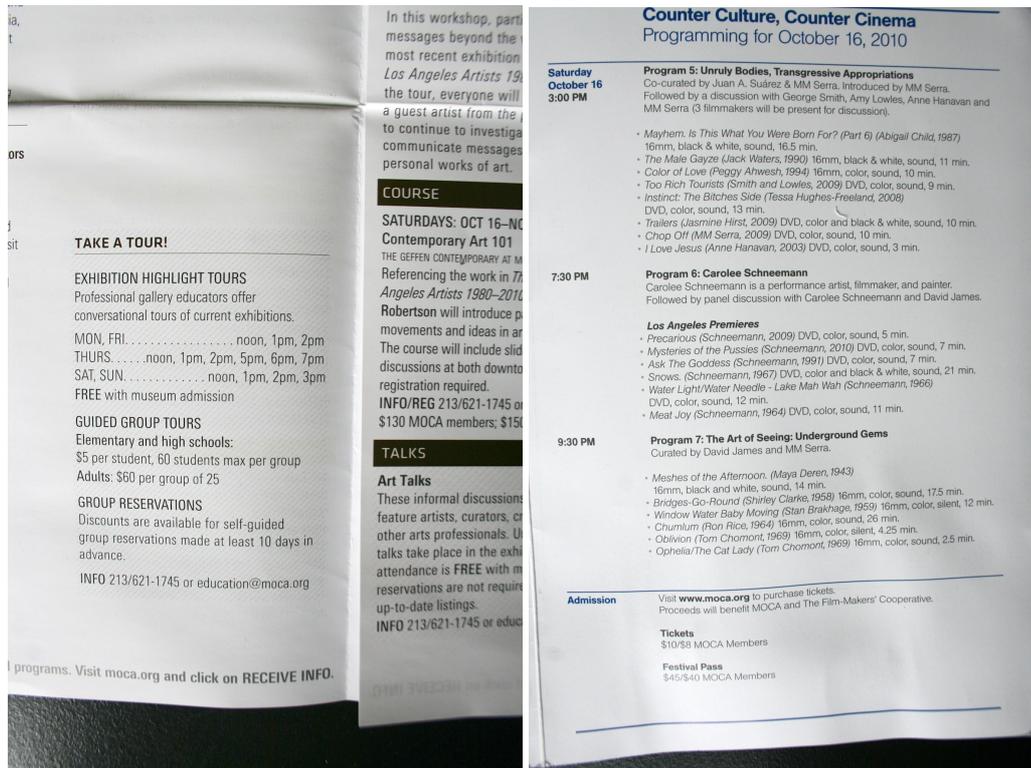
SFMOMA & MOCA



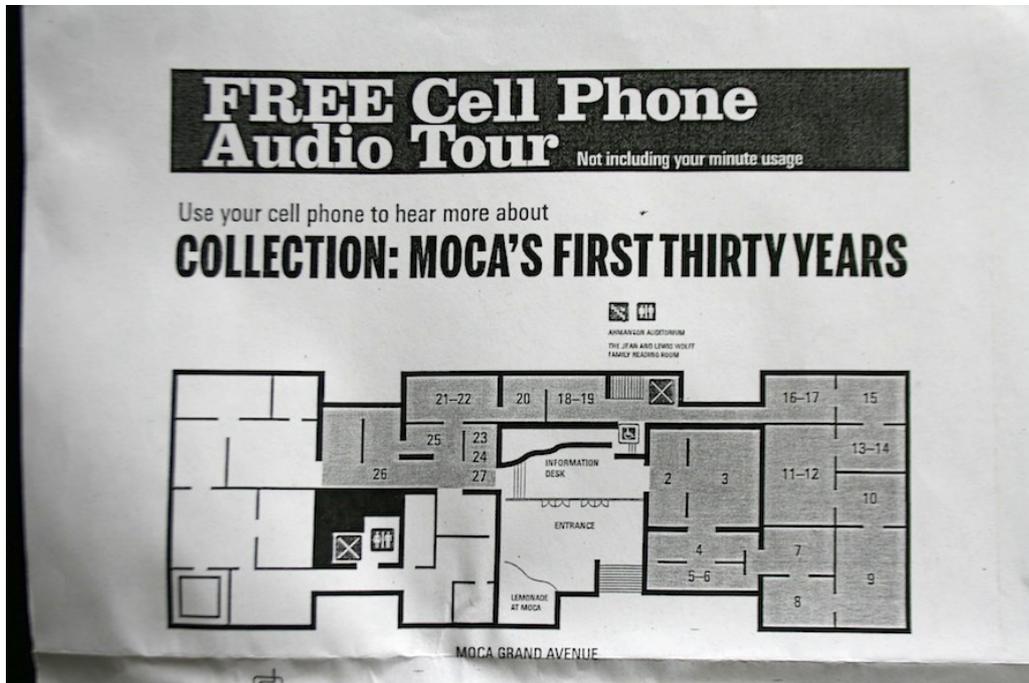
Photograph 12. *Interview and exhibition material from SFMOMA, San Francisco, October 5th-8th, 2010.* Photo: ©Hanna Ojamo



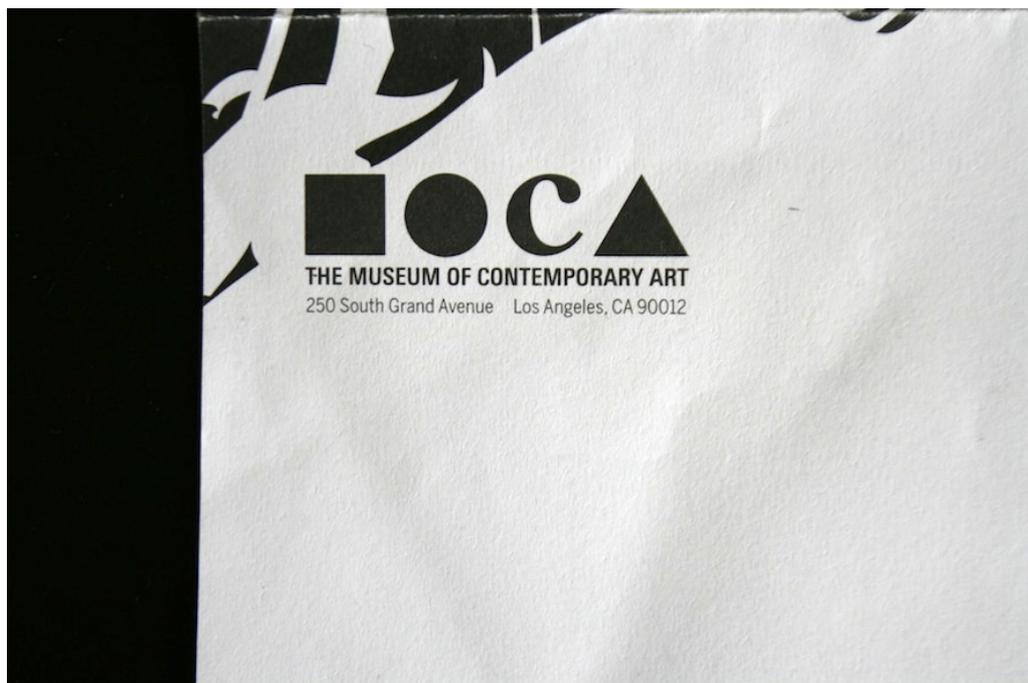
Photograph 13. *View from the corridor to SFMOMA's rooftop sculpture garden on the 5th floor. Interviews at SFMOMA, San Francisco, October 8th, 2010.* Photo: ©Hanna Ojamo



Photograph 14 & 15. MOCA exhibition brochures, posters & booklets, Los Angeles, California. Source: MOCA, October 2010. Photos: ©Hanna Ojamo



Photograph 16 & 17. MOCA, exhibiton brochures, posters & booklets, Los Angeles, California. Source: MOCA, October 2010. Photos: ©Hanna Ojamo



Photograph 18 & 19. MOCA. exhibition brochures, posters & booklets, Los Angeles, California. Source: MOCA, October 2010. Photos: ©Hanna Ojamo

The Museum of Contemporary Art, Los Angeles & Pacific Design Center & Charles S. Cohen present

COUNTER CULTURE COUNTER CINEMA

Counter Culture, Counter Cinema: An Avant-Garde Film Festival
Co-Curated by David E. James and MM Serra

SilverScreen Theater Pacific Design Center
8687 Melrose Avenue
West Hollywood, CA 90069

This cinema extravaganza, programmed from the collection of The New American Cinema Group/ New York's Film-Makers' Cooperative, showcases the long-term alliance between experimental cinema and counter-cultural activity. Covering 50 years, these films and videos explore sexuality, politics, communal experiments, and transgressive film appropriations.

MOCA THE MUSEUM OF CONTEMPORARY ART
PDC PACIFIC DESIGN CENTER

MEMBER EVENTS AT A GLANCE

See moca.org for updates and additional events

MOCA members are part of one of the most active and influential creative communities in the nation. Join us this fall for special events and programs centered around the artistic practices that have defined Los Angeles art over the past three decades.

Benefits correspond with your level of support.

To UPGRADE YOUR MEMBERSHIP, please call 213/621-1794.

INDIVIDUAL AND ABOVE (\$75+)

Behind-the-Scenes Tours
SATURDAYS, SEPT 11, OCT 2, NOV 6, noon-1pm
MOCA GRAND AVENUE
Enjoy the insider's view of MOCA on members-only tours. Members will explore MOCA Grand Avenue from permanent collection storage in the boardroom, get an overview of MOCA's landmark Bunker Hill building, and learn how to make the most of membership. Space is limited. Reservations required.
INFO 213/621-1794 or membership@moca.org

Members' Preview Day
SATURDAY, OCT 30, 11am-6pm
MOCA GRAND AVENUE
All MOCA members are welcome to attend the advance viewings of *The Artist's Museum: Los Angeles Artists 1980-2010* at MOCA Grand Avenue, showcasing the remarkable works in MOCA's collection produced by Los Angeles's finest since 1980.
INFO 213/621-1794 or membership@moca.org

INDIVIDUAL AND ABOVE (\$75+) CONT.

Members' Opening
SATURDAY, OCT 30, 7-11pm
We invite contemporary art MOCA Collector *The Artist's Museum: Los Angeles Artists 1980-2010* at an exclusive members-only event at MOCA's original industrial venue in Little Tokyo. Cash bar and music.
INFO 213/621-1794 or membership@moca.org

CURATORS CIRCLE AND ABOVE (\$1,500+)

Closing Day Walkthrough
SEPT 2010
MOCA GRAND AVENUE
Contemplate the emotional work of Arshile Gorky once more on a private walkthrough of MOCA's presentation of *Arshile Gorky: A Retrospective*.
INFO 213/621-1778

MOCATRAVEL: Spiral Jetty
SATURDAY, SEPT 25, 2010
MOCA GRAND AVENUE
Pack your bag for a MOCATRAVEL day trip exploring Robert Smithson's monumental earthwork *Spiral Jetty* (1970), located on the Great Salt Lake in Utah. Using black basalt rocks and earth from the site, the artist created a coil of earth that rings the lake with three extensions into the translucent red water.
INFO 213/621-1778

DIRECTOR'S FORUM AND ABOVE (\$4,500+)

Exhibition Walkthrough
SEPT 2010
We invite contemporary art MOCA Collector *The Artist's Museum: Los Angeles Artists 1980-2010* at an exclusive members-only event at MOCA's original industrial venue in Little Tokyo. Cash bar and music.
INFO 213/621-1778

MOCA PARTNERS AND ABOVE (\$10,000+)

Artist Reception
FRIDAY, NOV 5, 2010
MOCA GRAND AVENUE
Join us in celebrating *Jannis Xenakis: Composer, Architect, Visionary*, a special presentation of works on paper that reveals the graphic origins behind the innovations of this major 20th-century figure who brought together architecture, music, and advanced mathematics.
INFO 213/621-1778

SAVE THE DATE

The Artist's Museum Happening
SATURDAY NOV 13, 2010
Join us in celebrating MOCA's upcoming *Legacy* as a gathering place for the city's prominent artists. This year's annual gala will mark the premiere of an exceptional experiential platform created especially for the occasion by featured artist Doug Aitken. All proceeds will benefit the museum's exhibition and education programming.
INFO 310/201-5033 or gala@moca.org

MOCA THE MUSEUM OF CONTEMPORARY ART, LOS ANGELES | INFO 213/626-6222 | moca.org

MOCA GRAND AVENUE
292 South Central Avenue
Los Angeles, CA 90012

THE GIFFEN CONTEMPORARY AT MOCA
8687 Melrose Avenue
Los Angeles, CA 90012

MOCA PACIFIC DESIGN CENTER
8687 Melrose Avenue
West Hollywood, CA 90069

MUSEUM HOURS
MOCA GRAND AVENUE and THE GIFFEN AT MOCA: MON-FRI, 11am-5pm; SAT, SUN, 11am-5pm; TUES, WED, closed; THUR, 11am-5pm; FRI, 11am-5pm; MOCA PACIFIC DESIGN CENTER: MON-FRI, 11am-5pm; SAT, SUN, 11am-5pm; TUES, WED, closed; THUR, 11am-5pm; FRI, 11am-5pm.

MUSEUM ADMISSION
\$10 general public; \$5 students with I.D. and seniors (65+); MOCA Pacific Design Center is FREE. MOCA's other locations are FREE for members, youth under 12, ages 13-18, and preschool-aged children with groups. On Thursdays all locations are FREE for the general public from 5pm to 8pm, courtesy of Wells Fargo.

A portion of the galleries at MOCA Grand Avenue will be closed for installation September 21 through October 30, reopening October 31 with *The Artist's Museum: Los Angeles Artists 1980-2010*. MOCA Pacific Design Center will be closed for installation October 19 through November 5, reopening November 6 with *Jannis Xenakis: Composer, Architect, Visionary*. Dates and programs are subject to change. Please call ahead or check moca.org. STAY IN THE LOOP! Receive monthly e-mails about upcoming exhibitions, events, and programs. Visit moca.org and click on RECEIVE INFO.

PUBLIC PROGRAMS AT A GLANCE

See moca.org for updates and additional events

SEE ART, MAKE ART

Sunday Studio
These FREE hands-on, artist-led workshops are held on the first Sunday of every month for all ages. No reservations required.
INFO 213/621-1765 or lflores@moca.org

SUNDAY, SEPT 5, 1-3:30pm
MOCA GRAND AVENUE
After spending some time in a spotlight tour of *Arshile Gorky: A Retrospective* to explore some of the artist's painting techniques and processes, join guest artist **Michael Pisaro** for a hands-on workshop inspired by the exhibition.

SUNDAY, OCT 3, 1-3:30pm
MOCA GRAND AVENUE
Explore works from MOCA's permanent collection and discover how artists have been inspired by Los Angeles. Meet and work with guest artist **Vincent Valdez** to create your own Los Angeles artwork with family and friends.

SUNDAY, NOV 7, 1-3:30pm
MOCA GRAND AVENUE
In this workshop, participants will explore messages beyond the visual stimuli in MOCA's most recent exhibition *The Artist's Museum: Los Angeles Artists 1980-2010*. Following the tour, everyone will meet and work with a gallery curator from the permanent collection to continue to investigate the ways artists communicate messages through their own

TALKS CONT.

SUNDAY, SEPT 12, 3pm
The Crisis of Arshile Gorky
MOCA GRAND AVENUE, AHMANSON AUDITORIUM
In conjunction with *Arshile Gorky: A Retrospective*, **Kim Theriault**, author of the critical study *Rethinking Arshile Gorky* and associate professor of art history, theory, and criticism at Dominican University, will discuss Arshile Gorky, the Armenian genocide, and crisis of identity in the artist and his work. Theriault is one of the first scholars to connect Gorky's traumatic past with his abstract work.

THURSDAY, SEPT 23, 6:30pm
Iranian Modern and Contemporary Art Today
MOCA GRAND AVENUE, AHMANSON AUDITORIUM
Moderated by MOCA Director **Jeffery Deitch**, this discussion panel will include **Dina Nasser-Khadivi**, an expert on the development of the market; **Mohammed Afkhami**, a key collector based in New York, Dubai, and London; **Leila Taghinia-Milani Heller**, whose New York gallery specializes in artists from the Middle East; and **Shirley Elghanian**, founder of Magic of Persia, a non-profit that has developed a significant Contemporary Iranian Art Prize for young emerging artists.

SUNDAY, SEPT 26, 3pm
Panel Discussion: Ryan Trecartin and Collaborators
MOCA PACIFIC DESIGN CENTER, BLUE CONFERENCE CENTER
Join MOCA for a conversation with artist **Ryan**

PERFORMANCES

SATURDAY, NOV 6, 6pm
Persepolis
LOS ANGELES STATE HISTORIC PARK
1245 N. SPRING STREET, L.A., CA 90012
In conjunction with the opening weekend of the exhibition *Jannis Xenakis: Composer, Architect, Visionary*, this high-intensity spectacle, originally staged at the ancient site of Persepolis in Persia in 1971, will be the first site-specific reinterpretation of Xenakis's pioneering musical land art spectacle, *Polytope de Persepolis*, adapted to the Los Angeles State Historic Park.
INFO 213/621-1745 or education@moca.org
FREE; no reservations required

SUNDAY, NOV 7, 4pm
Oresteia
THE WILD BEAST AT THE HERB ALPERT SCHOOL OF MUSIC AT CALARTS
The Herb Alpert School of Music at CalArts presents an outdoor performance of the final version of *Jannis Xenakis's* only opera, *Oresteia*. This West Coast premiere includes performances by baritone **Paul Berkolds**, a large mixed chorus, a children's chorus, and an orchestra.
INFO 661/253-7816
FREE; no reservations

FILMS

THURSDAY-SATURDAY: OCT 14, 15, 16
Counter Cultures, Counter Cinemas

Photograph 20 & 21. MOCA, exhibition brochures, posters & booklets, Los Angeles, California. Source: MOCA, October 2010. Photos: ©Hanna Ojamo

MoMA PS1 & the Museum of Modern Art



Photograph 22. Advertisement of MoMA PS1 at the Museum of Modern Art New York, January 2011.

Photograph 23. MoMA PS1, main entrance, 22-25 Jackson Ave, Long Island City, New York 11101, January 2011.



Photograph 24. MoMA PS1, main building seen from Jackson Avenue, New York, January 2011.

Photos: ©Hanna Ojamo



Photograph 25. *Interviews at the Museum of Modern Art*, New York, January 13th, 2011.



Photograph 26. *View from the exhibition space, Museum of Modern Art*, New York, January 13th, 2011. Photos: ©Hanna Ojamo