

TOWARDS PARTICIPATION AND CREATIVITY

A Conceptual Model for Managing Change in Arts Organizations

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Abstract

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Abstract <p>The shift towards knowledge society has allowed individuals to create, share, and connect with each other, increasing participation and social production models both in- and outside the dominant art worlds. In order to keep pace with this trend, arts managerial research needs to expand its focus from mono-disciplinary art institutions to the creative networks, and acknowledge the external and internal factors pressuring the 'organization' of arts organization towards openness. Participation and creativity can be enhanced when allowing diversified, flexible, and complex ways of working. Change management offers tools for implementing this development.</p> <p>Any type of change management requires a conceptual model, which structures and guides new thinking and renders it meaningful. Instead of top-down driven policy and economy models, this thesis approaches ongoing change as a collective dialogue of a complex social system, which aims to support freedom of the arts and the welfare of the creatives. Whereas cultural production traditionally differentiates between production of art works and (mass)distribution of art works to audiences, a third approach presented in this thesis dissolves the distinction and focuses on the creation of network models to enhance collective participation.</p> <p>Networks are seen as a destiny of collective agency where artists, creative actors, and audiences can operate in terms of primary choice or rejection in- or outside of the dominant forms. The research findings suggest that network structure challenges the traditional way to use authority. This happens precisely because upsetting the hierarchy decreases the power of the controller(s), while allowing collective actions to become more complex, and therefore problem-solving to be administered by people closest to the production processes. It is important to understand that decreasing top-down control does not mean that the mass of individual's contributions is not organized. Instead, there is a need for a mechanism that permits the collaboration on a base of self-government, competition, and collaboration. This requires cooperation among government, policy makers, stakeholders, educators, and sector professionals for nurturing talent and creativity in new and unexpected ways.</p> <p>As part of the process, it is not enough for arts management to carry responsibility of cost-efficiency and organizational stability, or focus on supporting artistic integrity inside hierarchical institutions. Instead arts management should increasingly face adaptive challenges for maintaining aesthetic experiences as shared social capital among communities and for adapting to emerging social production models. Sometimes this mission might require arts organizations to abandon the familiar and routine and develop capacity to improve the networks, encourage two-way communication, increase audience involvement, utilize social network distribution channels, and allow remix, reuse and production of unfinished cultural content.</p>	
Keywords Change Management, Active Audience, Participation, Creativity, Organizational Development, Hybrid Organizations, Hierarchies, Networks, Knowledge Society, Creative Economy, Cultural Production.	
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**Because organizations are nothing else than
a product of our collective imagination.**

- Holger Nauheimer, Change Management Blogger

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1. INTRODUCTION

The struggle between tradition and innovation, which is the basic principle of the internal development of the culture of historical societies, is predicted entirely on the permanent victory of innovation.

- Guy Debord, The Society of Spectacle

It sounds reasonable to accept that artistic practices are undergoing temporal changes. For example Raymond Williams, the classic academic thinker of the cultural studies refers to art as 'the use of [specific] skills evidently related both to changes in the practical division of labor and to fundamental changes in practical definitions of the purposes of the exercise of skill.' (Williams 1983, 42) Also German cultural critic and philosopher, Theodor Adorno has been linking art inherently to its production environment by claiming that: 'artwork is a product of its age. The technology used in the art work will be similar to that used in the industry.' (Adorno quoted in Edgar and Sedgwick 2002, 3) The rising paradox is that 'the leaders of arts and cultural institutions are not always expected to manage in response to change'. (Moody 2005, 69) Almost contrary, 'organizations have been designed to do certain things consistently and therefore they systematically resist the change for a notion of ensuring stability'. (Zaltman 1977, 94-103)

This thesis examines the change process in a structural level. The shift from institutionalized to network model will be explored in the context of arts and cultural production and distribution. The external and internal forces driving the change are become understandable when analyzing the historical development of cultural production, technological innovation and arts managerial discourse from the industrial era to the knowledge society¹. As a result a model reflecting the changing needs of active citizen-consumer is introduced, which requires management processes leading the development towards 21st century hybrid arts organizations.

The conceptual development aims to add to the organizational development discourse by revealing how organizational structures can be reorganized and new, emerging models built upon the power of connectivity, network structure and distributed practices. Several

¹ Term of Nico Sther (1986) referring to gradual process of societal development, which acknowledges that human action is knowledge based and that knowledge has a social function. When examining the structure of knowledge society the point of view is in production, distribution and reproduction of knowledge.

pioneering projects already exist, but in many arts organizations the management strategy might have neglected or does not fully understand the ongoing shift towards mass collaboration, even when it might support 'free culture'², progress of the arts and contemporary artists, including those creative's working outside of the typical artistic arenas.

1.1. Problem Formulation

Several post-industrial sociologists have been writing about the new economic strategy, which brings cultural industries more centric to economic development. (Bilton, 2007; Cunningham, Banks and Potts, 2008; Florida 2002; Gray 2007; Hagoort, 2005, Hartley 2008; Scott 2006) With the evolution of increasingly intelligent networking and Internet technologies (including social media) many governments are driving innovation and employment as part of the creative economy policy. The new tactics of the state affairs, building upon social responsibility, citizenship, and brand loyalty, can provide a vital insight into how arts organizations are pressured by complex, hidden, and sometimes violent structures driving innovation into the cultural labor process. To reassure innovation and creativity, the new model for effective cultural labor process must shift from centralized, command-and-control networks to shared, supra-institutional relational systems working through a small and loosely joined network of actors. To gain a better perspective on the process, Dutch art and economics professor Giep Hagoort suggests to look at the past when considering the future.

In the 20th century we saw a dominant position for existing mono disciplinary organizations. Museums, opera houses, theaters and cinemas are the icons of this period. Cultural policy was focused on the leading position of these institutes. But in this new 21st century there are fundamental changes in the society: need for creativity in the society, digital communication around Internet, the growth of subcultures and new cultural communities, globalisation. (Hagoort 2005, web source)

By analyzing external and internal factors and reasons behind the change, and comparing old and emerging models, a conceptual model for change, giving direction to strategic planning and change management can be developed. As part of the shift, arts managers must understand how collaboration can traverse traditional boundaries and develop levers for action - both technological and organizational - that will accelerate the progress of keeping cultural values as a shared social capital among communities.

² Term used by L. Lessig refers to free culture similarly as free trade, freedom of speech, not as free product.

1.2. Research Question

Network technology and social media can be seen as the essential drivers of the distributed practices where 'works of arts' are produced and consumed as 'collaborative experiences' melted into apparently ubiquitous virtual worlds and communicated through evolving social media networks. The emerging forms of social production require new thinking which takes into account the contradiction that:

In publicly funded culture the public still tends to be seen in terms of 'audiences' or 'attenders' or 'non-attenders', whereas in contemporary society the individual is 'the origin rather than the object of action'. As the Harvard Business School Professor Shoshana Zuboff explains: 'the new individuals seek true voice, direct participation, unmediated influence and identity-based community because they are comfortable using their own experience as the basis for making judgements'. If that is true in business and public services, why would it be different in the case of culture? (Holden 2007, 24)

Although technology can provide a system for improved interaction between amateurs, artists, the public, funders, and experts, getting the new production models to work in practice depends on adopting a new mind-set in emerging organizational structures. This can be a challenging prospect for institutions focusing on stability hampered by poor management, inadequate communication, and old institutional logic, especially when taking into account that both the traditional and new cultural production models are always inseparably linked to forces exercising control over funding.

The main research question of this thesis encourages new thinking and change management initiatives by examining: 1) How structures of cultural organizations can be developed from hierarchical mono-disciplinary institutions to hybrid, flexible network organizations which allow for collective participation, and the sub-question, which approaches the process of change in more strategic manner: 2) How can a dynamic framework which supports network thinking be built?

1.3. Research Framework and Previous Research in the Field

Every time we speak of the "institutions" as the other than "us", we disavow our role in creation and perpetuation of its conditions... ..We are the institution. (Andrea Fraser 2006, 133)

During the past decades, individual cultural organizations and art managers have been seen as

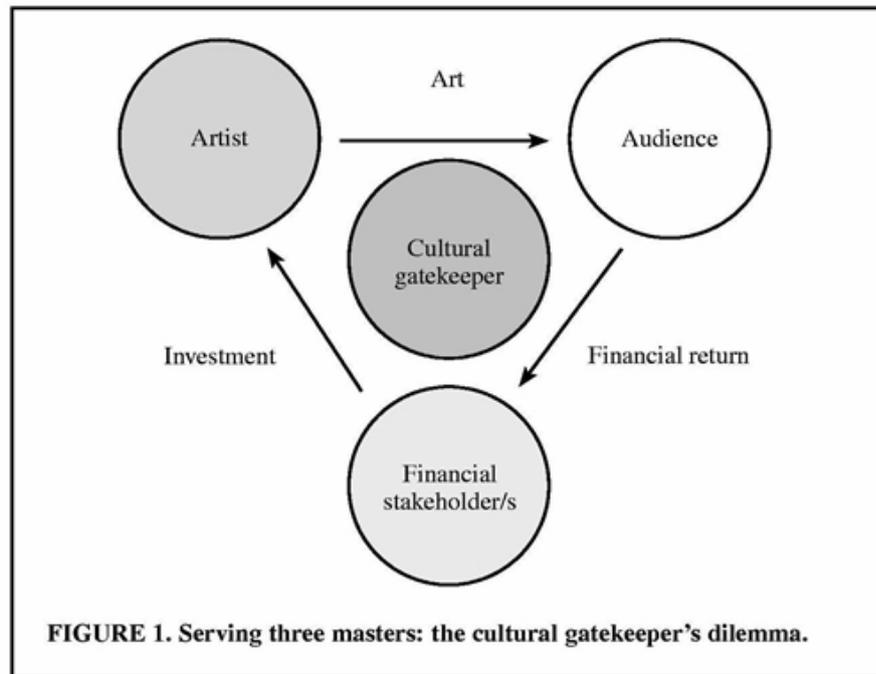
operating as part of a complex context where the functions and dimensions were characterized in terms of creative systems, networks, and clusters of activity, some of which were spontaneously formed by groups of individuals and businesses, some artificially engineered by regional policies. (Hagoort, 2005; Gray 2007, Becker, 1982; Bilton, 2007; Hesmondhalgh, 1996, Hartley 2008). These local clusters involve a complex division of labor – driven especially by the new ICT developments – all of which work to tie people to places (Scott 2002; 2004; 2006). The development invites an examination of the emerging role of arts managers as leaders of the change in arts organizations.

When considering how sensitive the discussion around new economy demands are related to cultural professionals and the artistic community, it might not seem obvious to choose policy and economic development as the starting point for building an analytical framework for analyzing change in arts organizations. Actually, policy and economy are just a part of the external factors driving the change; the analytical framework examines change: 1) on the structural level, and 2) as a part of a wider evolution increasing complexity in human organizations.

In fact, positioning and rethinking the role of arts managers characterizes much of arts managerial research. For example, traditional British arts administration literature places arts managers between the state, the artists, and the audience (e.g. Pick 1996). This positioning reflects that arts managers are facing the dilemma of serving several masters as part of their cultural gate-keeping role: 'their prime obligation is to construct art which is neither product nor service, and whose demands sometimes place them in position opposition to prevailing political and legislative systems (Pick 1996, 2).'

While Pick might be seen as representing old-fashioned administrative tradition and the positioning does not tie arts administrators to any particular context, as the gatekeeper model reveals, there are several contradictory forces which are influencing artistic and cultural production processes.

Figure 1: The Dilemma of Serving Three Masters



Source: Modified from Julia De Roeper: *Serving Three Masters: The Cultural Gatekeeper's Dilemma*. The Journal of Arts Management, Law, and Society. Volume 38, Number 1, Spring 2008.

The dilemma of serving various masters conceptualizes the complex environment with several demands that arts managers are dealing with. Unfortunately, it does not help to solve more practical problems related to arts managerial practice. Strategic planning specialist and Director of the Kennedy Center, Michael Kaiser suggests evaluating the environment for placing strategic planning decisions into a broader context:

A review of the environment in which the business operates, coupled with an objective review of its own internal strengths and weaknesses, has proven to be essential to determining the most effective way to achieve corporate goals. In this respect, the needs of an arts organization are no different from those of a for-profit corporation. (Kaiser 1995,5)

Because my research topic opens up as a complicated tangle of political, social, historical, institutional, and technological factors, organizational change seems an ideal framework to begin with. It is also a topic not fully explored in arts management.

Management values and missions are leading the collective behavior of organizations.

However, whereas private businesses are typically seen to be driven by maximizing the profits of their shareholders, a similar economic logic, as arts management scholar Eric Moody points out, 'is not so clear when considering what the world's art institutions are administered to achieve beyond sustaining their own existence, programmes and expansion (Moody 2005, 68)'.

Arts management scholar Derrick Chong has defined three commitments for arts organizations: 1) a commitment to excellence and artistic integrity, 2) a commitment to accessibility and audience development, and 3) a commitment to accountability and cost effectiveness. (Chong 2002,10) Chong's loose framework draws management's attention beyond maintaining stability. Actually, one of the manager's key tasks is to balance the need for stability with the need for change. 'Interest in organizational development as a separate topic of arts management has grown up over the last twenty years.' (Dragicevic-Sesic 2005, 49) Organizational development refers to processes involving complex educational strategies designed to increase the capabilities of organizations and institutions to operate successfully over a given period of time, adapting to changes and initiating them. Following this logic, UCLA assistant professor Ichak Adices has identified a relatively unexplored area of research: 'Art as an area of human activity and in its organizational aspects and managerial functions. (Adices quoted in Chong 2002, 12)

In this thesis 'art' is approached as collective human activity, and 'organization' of arts organization is examined through existing and changing power, control, and authority structures. The changing world and emerging needs of socially networked citizen-consumers is expanding cultural productions outside of the hierarchical art world structures and institutional labour processes. (Harney 2008) Therefore, research can work as a tool - not an end - offering deeper understanding and conceptual models for decision-makers. The results should be approached as: 1) environmental and structural analysis rather than a panacea for every problem (Tusa 1997 quoted in Brkic 2009, 273) when planning how to organize cultural labor, 2) the servant not the master answering to changing behavior of artists, audiences, arts organizations, cultural management, and cultural policy (Dragicevic-Sesic 2001, 10), and 3) defending the role of art in society by redefining its relevance (Brkic 2009, 275) and existence in contemporary society in a more diversified, democratic, and participative manner.

1.4. Aim of the Thesis

A conceptual model of organizational development can be applied in practice for exceeding the limits of existing models in organizational behavior. However, the main aim for this research is to lead us to thinking about where art worlds seek active audiences and where they are adapting to changing environments by redeveloping and opening organizational structures.

Organizational development in this thesis relates to adaptation of societal change towards networks and proactive customer behavior, which is 'characterized by a constant and pervasive tension between innovation and control'. (DiMaggio and Hirsch 1979) Therefore, for me, the most fascinating research focus is not related to analyzing the changes in the market positions, even though the market, and more precisely the social network market, is one of the systems reflecting change in a conceptual manner. What I am interested in focusing on in this study is examining the change from the Industrial Era to the Knowledge Society. As a result, I seek to propose a conceptual model which examines change in hierarchical structures and communication flows, besides emphasizing the distributed practices merging into the processes of cultural production, enabling collaborative productions and unfinished cultural commodities.

The topic is relevant because this development enables people to move from passive consumption to active co-creation in several areas of cultural life, which furthermore drives profound shifts in consumer behaviors and attitudes. When technological innovation provides ubiquitous access to online culture, it will increasingly merge boundaries between offline and online culture for the simple reason that masses of wired citizens are constantly carrying their personal electronics devices, which are convergent and mobile. These new forms of sharing and collaborating might contain the possibility to reconfigure the relationship between producer and consumer (or user) on more equal terms, and furthermore redevelop the non-profit, governmentally funded cultural organizations.

1.5. Personal Motivation

When conducting this thesis process, I have kept in mind that the scale of the research is a master thesis. My intention is to build upon my own educational history which began from one of the oldest approaches in arts (or cultural) management, focused mainly on the technological

processes of the production of art (cultural) managerial work.

This tradition of education has been typical in Central and Eastern Europe (Lukic 2006, Dundjerovic 1993), but also the United States (Langley 1990, Jackson 1995), and the United Kingdom, and in other environments where the teaching staff are more likely to be practitioners from the field; often lacking academic and pedagogical experience in arts management and any other field. (Brkic 2009, 274)

The disadvantage of this type of education 'relates to managing processes in the professional environment which has already been constructed by someone else'. (Brkic 2009, 274) Following this logic, it is important to question the limitations of the given organizational models and operational environments, which besides constantly developing over time are tied to the particular socio-geographical context of Finland, where the policy, market and government failures are inherently present in the way in which arts management is taught and practiced, even when discussing international manners of handling the arts.

The ongoing societal and technological change makes us face: 'both unprecedented challenge and an unprecedented opportunity.' (Poole 2009, 25) Understanding the opportunity was, for me, one of the main motivations to join the Arts Management Master's Degree Programme in Sibelius Academy. This master programme highlights multidisciplinary³ and an intercultural approach. As typical for the European arts management tradition, the course flirts with sociology (Brkic 2009, 274) and cultural policy (Dragicesic-Sestic 2005), and emphasizes arts management (transformation from arts administration into arts management in the Nordic context⁴) in the non-profit sector. My education has increased my curiosity towards academic level arts management discourse besides expanding my focus on various areas in arts management and professional practice. These both will be reflected in this thesis research, which focuses on examining the process of organizational change through theoretical models exploring changing structures from hierarchical to hybrid network organizations.

Finally, over the past three years, in which I have been living and working in Amsterdam and Mexico City, my perspective towards arts management and participation challenges have deepened. In some respects, the Dutch consensus-driven 'polder model', encouragement of creative entrepreneurship, and 'the strong discourse of cultural agency in Latin America' have

³ Term of Derrick Chong (2002, 12) refers to broadening base of perspectives for compensating academic deficiencies.

⁴ Presented by Cantell 2008 in 'Taide ja Yhteiskunta: Taidemaalman rakenteet ja toimijat II. koulutusraenne Suomessa.' 8.2.2008

further expanded the way in which I understand the opportunities to manage innovation in the cultural sector.

1.6. Structure of the Thesis

Chapter 2 introduces the chosen research method, which approaches openness and participation as possibilities that can be supported by organizational structures, if motivation and a strategic framework for change is supported. Chapter 3 gathers information from multiple angles about factors driving social production models in the processes of cultural production and distribution. The shift from the industrial to knowledge society will be examined in the framework of organizational change, driving new thinking and organization for cultural labour favoring entrepreneurship and innovation over life-long careers in mono-disciplinary institutions. Chapter 4 applies complexity theory and network configuration models for identifying differences in institutional structures of hierarchical, hybrid and network organizations. Chapter 5 presents new thinking and evolving structures by examining: 1) the shift from hierarchical institutions to hybrid organizations, 2) shift from one-to-many to many-to-many model of distribution, and finally, 3) by creating a dynamic model for managing change towards participation and creativity. Finally, the last chapter, chapter 6, summarizes the problem, gathers up the main research findings and discusses briefly the challenges for researchers and for leaders interested in participation, creativity, and network environment.

2. RESEARCH METHOD

There is a difference between reacting to a structure and creating your own structure as a reaction.

- Unknown Designer

When I started to gather information for the analytical framework, inductive methodologies strongly appealed to me as I had a rather practice oriented understanding of the cultural sector which gave me an insight into the processes of local cultural organizing, even when I had only a little awareness why bottom-up methodologies had gained hegemony in academic circles. I was considering a case study research, which works on a methodological norm of its own in cultural studies, emphasizing agency over structure, ethnography over theory, and the particular over the general.

I set a clear goal to examine how cultural organizations are changing in contemporary settings and started to explore how organizations could recognize openness as the fundamental possibility, not just for contemporary artists, but also for consumers. Theoretical arguments such as the ones from British strategic management professor Stefano Harney invited me to expand the narrow focus approaching cultural labor process purely in the institutional context. Harney (Harney 2008) presents sharp criticism and encourages the discipline of arts management to expand its perspective from a purely institutional focus, as the position between public and private management, mixing professional paid labor, unpaid amateurs, and volunteering non-artistic staff suggest to acknowledge a wider framework.

A literature review convinced me of the lack of perspective between theoretical and conceptual thinking and reality. Too many studies of cultural organizing seem to be dominated by top-down, ideologically motivated management models that are highlighting hierarchical organization models and industry oriented political-economy approaches which do not respond to the practice of how culture is created. Urban geographers like Allen J. Scott and Andy Pratt (Scott 1999, Pratt 2000) have noted that creative enterprises are connected into collaborative networks, which extend horizontally across peer groups and vertically into channels of supply and distribution. I believe that this is often the case for the art sector as well, which is much more diverse than the focus of official institutions, such as national operas

or city theatre systems, suggests. The network of sociability holds the transactional partnerships together and besides producers, audiences are often part of these local cultural communities. Scott (1999) and Pratt (2000) pay attention to the reciprocal relationship between the fans and the artists, and this is another issue not often taken into account in the structures of official arts organizations.

New thinking can be expressed in a model that can be used for strategic and operational planning. This model examines the change towards the increasingly complex environment of cultural production and distribution. Here, creative economy, internationalization, network structures, and easier barriers to enter the cultural distribution can be seen as reasons driving the evolvement of complexity, increasing the number of arts organizations, and their relations to various publics and agents operating in the field.

2.1. Chosen Method

The strategy process must encompass a disparate set of motives and personalities; a 'top-down' approach is unlikely to work in this context. Accordingly strategy in the creative industries follows Mintzberg's model of emergent strategy in an adhocracy (Mintzberg and Waters 1985, Mintzberg and McHugh 1985), rather than Porter's more deliberate, analytical approach (Porter 1985, 1996). (Bilton 2006)

The research has a form of a theoretical thesis. It aims to offer conceptual models, which can be used by arts managers for gaining understanding about organizational change towards participative forms in cultural production, and distribution that seem inherent to our time.

Therefore, the research does not gather primary data or analyze secondary data for examining the situation in the field, which would limit the focus to a certain field, organization(s), or geographical context. Instead, the research focuses on applying models of complexity theory for identifying structural changes that can be used by arts managers as a tool for strategic and operational planning. The conceptual development towards participation offers structures for openness and innovation in the complex social network environment, maybe as far as encouraging hybrid organization models as a way to operate.

Cherished institutions and familiar ways of working will be threatened along with the privileged role of professional, authoritative sources of knowledge... .. The web's significance is that it makes sharing central to the dynamism of economies that have hitherto been built on private ownership. That is why the new organization models being generated by the web are so unsettling for traditional corporations created in an industrial era model of private ownership. (Leadbeater 2008, 225)

The research process begins by revealing patterns and structural relations with power, which might not be apparent without deeper analysis. With the use of information visualization techniques and application of complexity theory, changing relationships between different actors and organizational forms can be analyzed on a more concrete level.

The conceptual model is concentrating on the following variables:

- 1) Explore a command system shift from centralized to hybrid and network based system where centralized control is abandoned,
- 2) Indicate change from one-way mass communication to a many to many model of social network communication, and
- 3) Identify a wider framework for supporting cultural production and distribution enhancing participation and creativity.

I believe that the conceptual research method serves well the field where increased focus on interdisciplinary projects, with their bricolage⁵ methods (used for pragmatic and strategic purposes) from diversified intellectual communities, can be seen as an attempt to find appropriate ways of engaging with the multifaceted nature of contemporary life. Professional arts management circles are one of these diversified multidisciplinary communities, where pragmatic and strategic purposes and practice oriented results are becoming more popular. Therefore, research arguing clearly its motivation, conceptual models, and the role that arts managers should take as part of the change process is useful.

⁵ Metaphor developed by Lévi-Strauss's (1966) referring to reusing and improvising new uses of items. In cultural theory, used in analysis of subcultures, particularly of processes by which elements are appropriated from the dominant culture.

2.2. Why the Topic is Relevant

‘The introduction and dissemination of new media technologies has a history of huge impact on consumption practices (Hesmondhalgh 2002, 65).’ The social networking technologies have provided a platform and public face for conversations, collaborations and co-created content to be seen, accessed, and distributed to a broad audience. Still digital networks have, to a limited extent, ‘altered existing social relations or production and consumption, even when they have produced a huge amount of small-scale cultural activity (Hesmondhalgh 2002, 213)’.

With theoretical models, the changing systems can be understood in a conceptual manner. What I am interested in creating with this research is an examination of the ways communication and coordination flows, besides when the social production forms and offline and online elements are merging into the processes of cultural production, enabling collaborative productions and unfinished cultural commodities.

The topic is relevant because even in 2010 most of the cultural products are divided as online and offline experiences, with the most radical arguments predicting that ‘this division might disappear already in ten years time’. (Poole 2009, 11) Without predicting a timeframe for the change, it is still reasonable to assume that when technological innovation provides ubiquitous access to online, it will increasingly merge boundaries between offline and online culture for the simple reason that masses of wired citizens are carrying their personal electronics devices, which are convergent and mobile. These new forms of sharing and collaborating might contain possibilities to reconfigure the relationship between producer and consumer (or user) on more equal terms, which sounds like an ideal direction to lead non-profit governmentally funded cultural organizations and to approach art as an experience in inter-human space.

2.3. Limitations

Whenever managerial issues are studied in a complex and emotionally sensitive field such as the arts, there is a risk to misperceive what contribution is possible to make. ‘One reason is that there is no consensus of the definition of art among experts or public (Peacock 1994, 3).’ In fact, scholars engaged in theory and practice combining arts management are often specialists in some form of art, but applying practices to other forms of art, for example

between opera and contemporary dance, or between different geopolitical areas, or even between European countries, such as France and Finland, not to mention some Latin American countries, is rather complicated due to different historical traditions and governmental interference, through both direct and indirect support and protective legislation. Several researchers have become aware of the methodological limitations of their academic traditions, as theory has become a way of telling stories about the world, used much as a narrative or other mythology in generalizing real-life experiences. Still, analyzing environmental changes from past to present might help to gain a deeper understanding and more holistic view for planning long-term strategies for the future of the cultural sector, and this is good enough reason to bare the limits in methodological tradition.

2.4. Defining Approach

Organizational change in this thesis will be seen as a natural ongoing process of human interaction created by dialogue. Organizations are complex social systems, and the change process generates individual lifetime experiences (both for workers and to audiences), besides person-specific emotions. Successful organizations are driven by the passion and responsibility of their members, in addition to artistic integrity and cost efficiency. They depend on deep alignment around a common purpose, which is developing over time, and through a continuous development of internal capacity to embrace uncertainty. Whereas the change process cannot be predicted, 'it can be optimized. In here, information for understanding the change factors helps in drawing the direction (Nauheimer 2007, web source)'.

3. ORGANIZATIONAL CHANGE, CULTURAL PRODUCTION AND PARTICIPATION

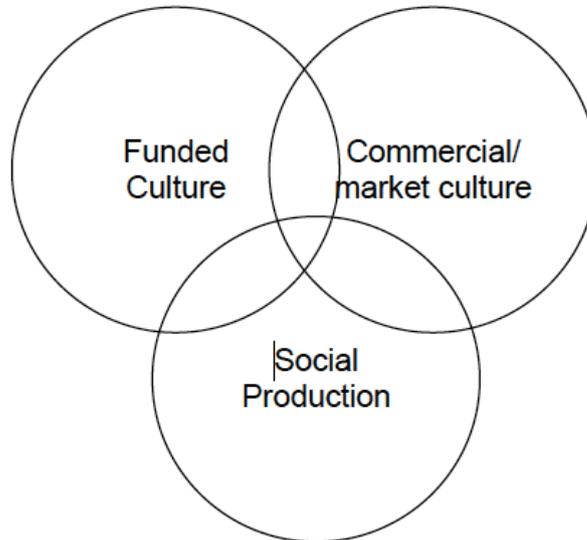
During the 21st century masses of individuals have become active participants in the public sphere as part of the shift from the industrial era to the Experience-orientated Network Society (Drucker 1994, Castells 2001, A Kolsaker 2006, Heinonen 2006, Ahlqvist 2007). For example, in the media landscape social technology has become more popular, shifting passive consumption-oriented forms (such as television, radio) to production-orientation (such as user generated-content [UGC] and social networking).

In the field of contemporary art, French curator, museum director, and contemporary art theorist Nicolas Bourriaud has been focusing on analyzing how art reprograms the world in his essays '*Postproduction*' and '*Relational Aesthetics*'. Bourriaud's intellectual analysis, which has also been an inspiration for this thesis, approaches art as the practice of contemporary culture where artistic experimentation is taking place not only in the traditional structure of arts organizations (where sustaining established functions seem to prevent creativity), nor in the economic development programs (using political goals for driving global markets for the Western cultural commodities) but: 1) 'in the sphere of cultural production where traditional distinction between production and consumption, creation and copy, readymade and original work has blurred', and 2) 'in the interhuman sphere where communication between individuals, experts, communities and new technologies are provide tools for connection'. (Bourriaud 2002, 6)

Think thank writer John Holden has been describing the phenomena as the rising forms of social production which are merging into the fields of funded culture and commercial culture expanding the production forms:

Creative production now navigates three territories, not two. Publicly-funded culture and online social spaces both feed commercial activity. Both social production and funded culture, which themselves overlap, are experimental spaces and testing grounds, but in different ways – you can't do a live performance on YouTube, you can't get global feedback in a studio theatre – but how they integrate and interact is not yet well understood. The policy implications for publicly-funded culture in relation to new types of real and virtual social space need to be interrogated and developed. (Holden 2007, 16)

Figure 2: Social Production Form Overlapping Creative Production



Source: John Holden: *Publicly-funded culture and the creative industries* in Demos Report for Arts Council of England. June 2007, p.16.

This chapter gathers information about organizational change factors related to participation and social production models. The focus is on the interhuman sphere, because change in organizations is seen ‘as a process of human interaction’ (Nauheimer 2008, web source), a product of the collective imagination. For identifying the change, the theoretical framework gathers information around organizational evolution from the industrial era to the network society, and more specifically from the development from consumption-centered to production-centered processes related to art and cultural production. The main aim is to provide a theoretical and literature framework enabling a deeper understanding of how organizational changes occur because of situational fluctuations in environmental demands (external and internal). In the examples, the focus is on identifying more precisely how social technological innovation, art and cultural production practices, and societal transformation are strongly interlinked and constantly developing.

3.1. Cultural Production and Consumption

A fundamental principle of institutional art theory is that since 'art' can be practically anything, it leaves the definition of properties in actual artworks aside to focus on context, that is the sociological framework with the proper use of artistically relevant actions, beliefs, and authorities. (Bydler 2004, 168)

In this thesis, the production and consumption of art will be seen as intimately bound with the production and consumption of any other commodity within that society (Adorno 1991). Therefore it makes sense to track the multiple angles of change related to cultural production and consumption practices, as will be explained later.

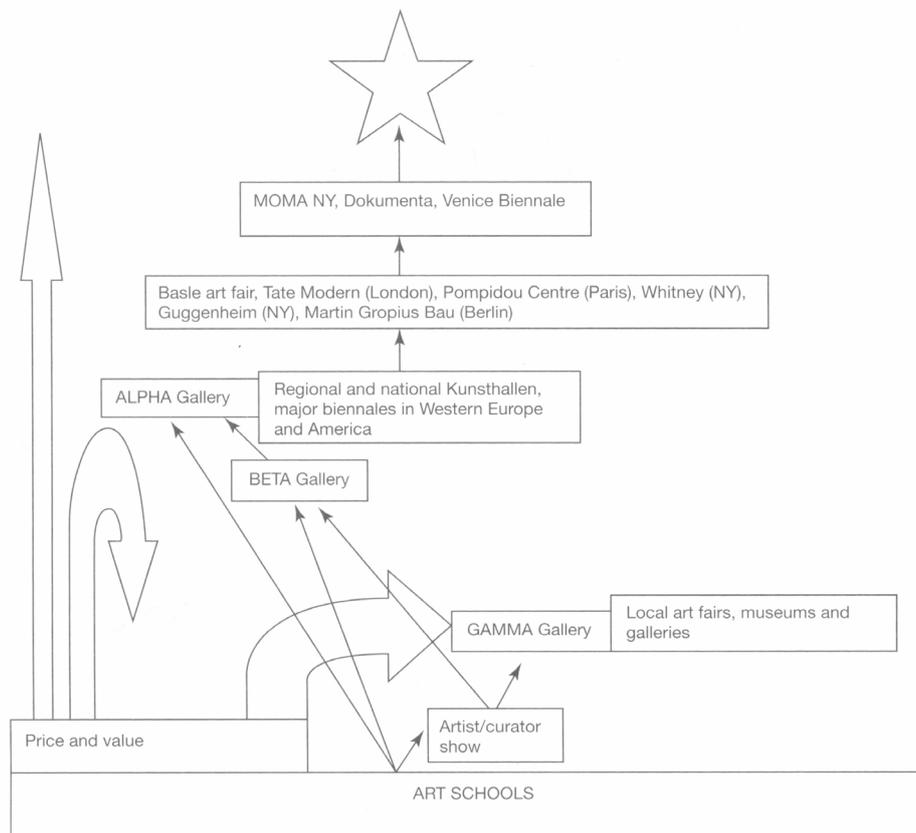
When being precise, art does not really easily fit to the function of consumption. The consumption of art is not literally consuming, because symbolic goods and content, even originals such as pieces of visual art can be reconsumed and reused in several contexts. In fact, it seems that the reusage by (mass) audiences has become the goal when building success for a piece of art, and transforms these items to become part of the public cultural history and common cultural memory⁶.

There are many areas and instances in the field of cultural production in which individuals do not exert their demand for art directly, but rather leave the decision to some representative specialist body. 'Consequently institutional conditions are essential in determining to what extent an organization is able to call itself 'artistic' or 'cultural' at all (Peacock 1994, 9).' Expressions such as 'art world' refer to a dominant system of production, distribution and utilization of art. Arthur Danto first used the term "art world" in 1964, referring to a social practice of a network, which circulates theories about art and expects its members to know them. Art historian Charlotte Bydler has been emphasizing the operational, social and economic terms of the art world club: 'art world consists of established institutional environments, funding systems and individual careers.' (Bydler 2004, 162) The art world institutions are creating a visible structure and hierarchies in the presentation and displaying of the art, which can be examined by institutional and conceptual models. For example by visualizing the symbiotic relationships and hierarchies between visual arts galleries, museums, alternative art spaces, biennales, large and small curated exhibitions, and catalogues.

6 Referring to Guy Debord's term about cultural history and its institutionalization process.

The following figure is focused on explaining the value development through the symbiotic relationships between the display context and reputation of the artist.

Table 1: Star-System: Progress of the Artist from Art School to Stardom



Source: Iain Robertson: *Understanding International Arts Markets. Chapter: The international art market.* Routledge. 2005, p. 29.

The figure by Iain Robertson helps to understand the institutional art world framework - its star-system - which influences the price and value development of contemporary art (and artist). The display (compare Venice Biennale or local gallery) reflects the (market) value of the art, and the careful selection process that the cultural gatekeepers are doing when separating junk from art. The development towards stardom leads from local galleries to national institutions and furthermore to the international arts scene which also means increase in price and value. Moreover, the figure visualizes the institutional framework where so called 'high art' is inseparably connected to the ongoing cultural historical process which involves a cognitive structure enabling the understanding of the arts through specialism. (Dickie 1984)

3.2. Factors and Reasons behind Change in the Art World

Art works can be conceived as the product of cooperative activity of many people. Some of these people are customarily defined as artists, others as support personnel. The artist's dependence on support personnel constrains the range of artistic possibilities available to him. Cooperation is mediated by the use of artistic conventions who both makes the production of work easier and innovation more difficult. (Becker 1974, 767)

The changes in the art industry or an organization and their strategies occur as result of the interaction of the people participating actively in the culture in which they are living and working. Interactionist sociologists, most notably Howard Becker, have been analyzing relationships between art and the art world. On Becker's analytical framework: 'changes in art occur through changes in the art worlds (Becker 2008[1982], 309)':

New art worlds develop around innovations – technical, conceptual, or organizational changes – but most innovations do not produce new art worlds. (Becker 1982, 310)

In this thesis, the change in art, art organizations and the art world are approached as an inherent part of the dynamic society surrounding today's organizations. Therefore the question of whether change will occur is no longer relevant. Change is rather seen as a necessary way of life in most organizations. It is driven by external and internal factors, which are the alteration of work environment in organization. 'Organizational change involves, by definition, a transformation of an organization between two points in time.' (Barnett et al 1995, 1) In this thesis the change is presented through conceptual analysis from highly hierarchical centralized towards hybrid or distributed network representing the art institution of 20th century and the creative network of actors of the 21st century.

3.3. Creative Industry and Economy Evolving Through Time

Using a distributed network platform for collaboration and cooperating in tandem creates a net effect—the wisdom of the crowd. A network, if empowered by the right people at the periphery, is far more effective at anticipating and solving problems than a single source. Essentially, the sum of a number of people is infinitely smarter than a single person. (Frazier 2007, 6)

The field of political economy highlights some important aspects of the art through creative industry evolvement. The new economy discourse argues for the end of mass-production and a rise in cultural (proactive) consumption as a part of a strategy of permanent innovation: 'accommodation to ceaseless change, rather than an effort to control it.' (Piore and Sabel 1984,

16) The new strategy seems to work through the agency of small, independent production units, employing skilled work teams with multi-use tool kits, and relies on relatively spontaneous forms of cooperation with other such teams to meet rapidly changing market demands at low cost and high speed (see Bilton, 2007; Grabher, 2002; Storper, 1994; Hesmondhalgh, 1996).

Cunningham, Banks and Potts (2008) have been examining creative industries development through different phases towards knowledge culture by building a framework analyzing the links between phase, value-add, and form and innovation agent.

Table 2: The Evolvement of Creative Industries

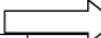
The 'creative industries':
evolving through time (successive phases)

Phase	Form	Value-add	Innovation/ change agent
Enlightenment/ Modernism	Art/ Reason	Individual talent	Civic humanism
Industrialization	Media	Industry scale	Cultural industries
Creative Industries 1 (1995- 2005) Creative Industries 2 (now)	Industry, Market	IP outputs / Inputs (economy)	Creative clusters/ Services
Creative Industries 3 (emergent)	Knowledge /culture	Human capital (workforce/user)	Citizen- consumers

Source: Cunningham, Banks & Potts 2008 adapted in Hartley 'From the Consciousness Industry to Creative Industries: Consumer-created content, social network markets, and the growth of knowledge'. Media Industries: History, Theory and Methods, 2008. Blackwell, p. 10.

In Cunningham, Banks and Potts' model, art created by individual talent was related to modernism and enlightenment, whereas industrialization drove the growth of media and entertainment industry. Currently, the creative industry's development has been linked to market, utilization of IP right, and creative services. The emergent knowledge culture, where creative industry is evolving, leads relates to creative industries targeted to active citizen-consumers where added value is human capital and collective creativity.

Table 3: The Creative Economy Model Evolving

The 'creative economy':
 evolving sideways:  (co-present concepts and models of creative industries)

<i>Creative form</i>	Art, Individual	Media, Industry	Knowledge, Market/Culture
<i>Model of culture</i>	Residual	Dominant	Emergent ⁶
<i>Economic model</i>	(1) Negative	(2) Neutral	(3) Positive, (4) Emergent
<i>Policy response</i>	"Welfare"	"Competition"	"Growth," "Innovation"

Source: Cunningham, Banks & Potts: 2008 adapted in Hartley 'From the Consciousness Industry to Creative Industries: Consumer-created content, social network markets, and the growth of knowledge'. Media Industries: History, Theory and Methods, 2008. Blackwell, p. 9.

Cunningham, Banks and Potts' (2008) second table analyzes complex and dynamic ways in which a culture evolves through policy response and economic models. The table takes into account market failure linked to art (which requires subsidy from the rest of the economy, and which has been answered through public funding policies). Compared to the negative economic model of art, the media industry is seen as the creator of dominant culture in the framework of competition. The emergent model is overlapping both the media industry and art sector, and therefore encourages the creation of new kinds of production practices.

An important aspect of concepts of residual⁷, dominant and emergent culture is their co-existence. Importantly, earlier forms of creative economy do not suffer extinction while evolving, instead: 'they are supplemented not supplanted by their successors (Hartley 2008, 9)'. The future development adds the value of human capital as workforce and collective activities are 'forming new forms of polity, citizenship and participation for the economic/cultural system as a whole.' (Hartley 2008, 8)

The focus of this thesis is to examine how the change from the enlightened and industrial era changes organizational structures of arts organizations in the emerging knowledge culture. Fundamentally, one main hypothesis is that art worlds can be organized through collective collaboration with individuals if flexible, modular structures for organizing cultural labor are

⁷ Raymond Williams means by residual those beliefs, practices, etc. that are derived from an earlier stage of that society, often reflect a very different social formation (different political, religious beliefs, etc) than the present.

created. With network thinking and by adopting hybrid models, allowing innovation is possible even in traditional arts organizations.

John Hartley has been conceptualizing a social network market model, which aims to answer the development of the knowledge culture structure as part of the creative industry development. Particularly referring to art (as opposed to media industry), one research challenge is presented through criticism (Jyrämä 2002) claiming that traditional economic theories cannot be applied to art markets, as they are incapable of considering all aspects of the markets. 'The unique nature and subjective evaluation of art works, for example, differentiate them from other products.' (Jyrämä 2002, 50) In institutional studies the market is defined as an organizational field or fields, meaning 'those organizations that are aggregate, constitute a recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies and other organizations that produce similar services or products' (DiMaggio and Powell 1983, 148). Whereas the art world approach emphasizes the social practice; 'The concept of field is wider than of market or industry, since it includes non-commercial actors.' (Jyrämä 2002, 51) Unlike market or field approach, the network approach acknowledges the role of the individual and the influence of the social relationships (Easton and Araujo, 1994), not only commercial factors. Therefore, network approach serves the purpose of examining social production.

3.4. External Factors Behind Organizational Change

If we want to understand why organizations are pressured to open up we should acknowledge the pressure from the outside groups and external factors. (Hellriegel 1982, 691)

Organizations are set in a particular country and region to which they are inextricably linked. The concept of 'external environment' is an important consideration in change management as it attempts to understand the forces outside organizational boundaries that influence how the organization operates and how and what it produces.

Key dimensions of the environment that bear on the institution include the administrative/legal, technological, political, economic, and social and cultural contexts, the demands and needs of external clients and stakeholders, and relations with other pertinent institutions. (IDRC 2010, web source)

In this thesis examining external factors focuses on the field of arts and cultural production which furthermore offers a tool to examine organizational change from the industrial era to the creative networks of the knowledge society. Some examples of environmental considerations are also introduced.

3.4.1. Changes in Technological Environment

In order to understand the change factors pressuring hierarchical structures towards more open and flexible structures, it is necessary to accept that the fields of technological innovation inherently overlap with the field of art. Technological innovation has a long relationship with the development of cultural production. Marxist theory sees the technological development as a driver of revolution for the creative economy through cultural production.

The complex historical process by which a fairly limited sphere of commodity production (common to all but the most primitive societies) becomes the dominant form of economic production, and by which the whole economic and social structure becomes reconfigured around the need of capital to produce, distribute and sell commodities at a profit. (Marx 1976).

The processes of technological reproduction are necessary for understanding the innovation in cultural production. Although before going further, I want to point out that the discussion of the cultural (commodity) production does not mean reducing the value or meaning of art as such into a commodity.

Cultural mass reproduction (typical of the industrial era) works on the basis of allowing the initial investment in material, skills and time to be recouped by the volume of sales of the copies. Whereas Theodor Adorno and Max Horkheimer famously expressed in their book *Culture Industry* [1991] negative arguments that standardization and pseudo-individuality of mass reproduction would destroy the aura of the art; Walter Benjamin described positive aspects of this shift in *The Work of Art in the Age of Mechanical Reproduction* [1935]. (Benjamin 1968) The symbiotic relationship between production process, technological innovation and art (industry) is relevant when focusing on more recent societal changes such as 'the rise of creative industries and social technologies such as the Internet, which are further altering the cultural landscape'. (Berger 2004, 11)

Equally high art and popular art have been drawn into the dynamics of commercialization opened by technological reproduction modes. For example, the music recording industry transformed the field of classical music not just meant the birth of the pop music. First vinyl, then C-tape, after that CD, and more recently digital mp3 files with whole online music platforms such as Last.fm or Spotify have been part of product portfolio making Sibelius, Mozart and Stravinsky well-known among the mass audience in a similar manner as pop stars like Madonna or Michael Jackson. The technological innovation related to the recording industry did not only influence customer behavior by opening home and private listening, but also 'recorder music industry restructured orchestral singing and playing styles.' (Eisenberg 2005) Similar arguments could be made about cinema and theatre, or in the field of visual arts with printing and photography.

What Adorno failed to understand was pointed out by Mieke (1979, 1987, 1989) who registered the distinctions between the different kinds of cultural commodities that were derived from the mechanism whereby exchange value was collected. In general there were three different models of realizing exchange value of cultural commodity: 1) physical objects carrying cultural content were sold as commodities to individuals (records, videos, scripts of plays, paintings etc.) 2) private and public media broadcasting (particularly radio and television) which were available free to consumers and made money out of advertising and sponsorship, 3) live or public performances (music, visual art exhibitions, theatre and cinema) depended on restricted viewing and charging an admission fee. Over time Adorno's concept of the Culture Industry developed to the plural form of the cultural industries, referring to each sub-sector with different ways of realizing exchange value, different ways of managing demand and creative labour, and different levels of capital investment and corporate control. (O'Connor 2007, 18-25)

More recently, the pervasiveness of network technologies have contributed to the further erosion of the rigid boundaries between high art, mass culture and the economy. (Cox, Krysa & Lewin 2005) The discourse on technology heralds social media tools as having challenged traditional regimes and allowing for new modes of social reproduction with participatory network qualities based on democratic and distributed modes. 'Co- and peer production are assumed to be liberating for individuals, transforming the power relation between capital and work'. (Fisher 2008) The new forms of co- and peer production are not necessarily market driven, but intended to have value for a specific community of users. 'As far as they might be

challenging the idea that technology serves dominance (Priest & Stevens 2004, 13).'

In more critical manner (following the Marxist tradition) Maurizio Lazzarato (1996), has been explaining how the involvement of customer to cultural commodity production creates a new power relation. It transforms the person who uses it (immaterial labour process), and therefore commodity enlarges, transforms, and creates the 'ideological' and cultural environment of the consumer. Lazzarato uses the concept of immaterial the labour for the labour that produces the informational and cultural content of the commodity.

Immaterial labor refers to two different aspects of labor. On the one hand, as regards the "informational content" of the commodity, it refers directly to the changes taking place in workers' labor processes in big companies in the industrial and tertiary sectors, where the skills involved in direct labor are increasingly skills involving cybernetics and computer control (and horizontal and vertical communication). On the other hand, as regards the activity that produces the "cultural content" of the commodity, immaterial labor involves a series of activities that are not normally recognized as "work"—in other words, the kinds of activities involved in defining and fixing cultural and artistic standards, fashions, tastes, consumer norms, and, more strategically, public opinion. (Lazzarato 1996, web source)

Immaterial labour process means that cultural content becomes 'unfinished' in new ways, which is related to openness in the production models. Furthermore, the development towards openness is not only changing the social structures directing individuals and audiences but also changing several production processes as examples in the business sector suggests. (Leadbeater 2008)

3.4.2. Changes in Social and Cultural Environment

Art is, first and foremost, a social practice... ... I would suggest that if I had nobody in the world with whom I could converse about my experience about Joan Miro's art, and no books to read on the subject, my deep connection to his paintings would soon wither and disappear. Because a community already exists that is defined by its passion to art, we constantly seek affirmation and solidarity within that community. (Cameron 2004, 122)

Social practices are essential drivers of processes where cultural content is constructed as 'works of arts' or 'news' or 'cultural events' or 'styles' or 'artistic school'. Besides art works, a huge amount of cultural content circulates in public and private spaces in the form of communication commodities keeping art alive and sharing specialism related to the art world systems. 'Arts' and 'culture' are always outcomes of the interactions of a large number of actors or agents in the socio-political sphere where the relationship between artists, audience and arts

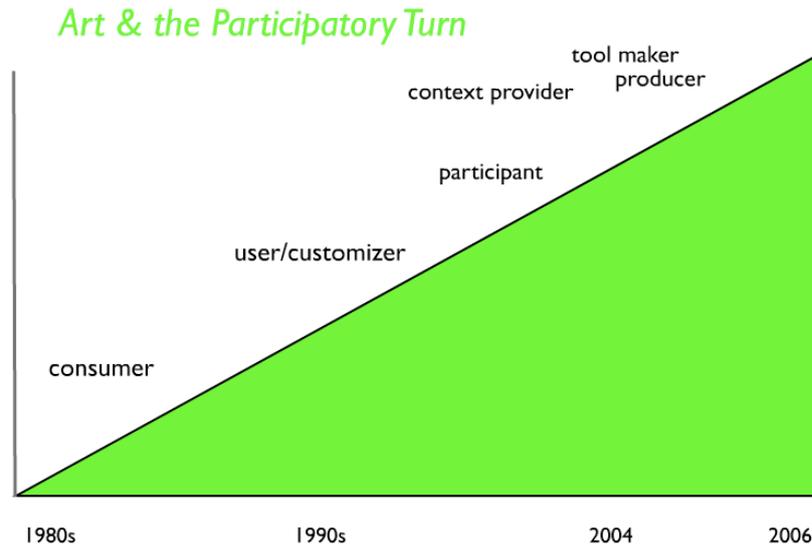
organizations is dynamic and symbiotic. The ongoing change relates to the rise of active audience tradition which 'indicates the shift in production where the time founded on the creative production itself is seen as a 'commodity' building identity of the community, and the development furthermore influence the practice how culture is shaping the personality of an individual in the society.' (Ebewo and Sirayi 2009, 281)

From the audience point of view, both social media and social production models reflect new customer behavior where convergence of production and consumption allows masses of individuals the power to create, share and connect with each other.

Social Media is the democratization of content and the understanding of the role people play in the process of not only reading and disseminating information, but also how they share and create content for others to participate. It is the shift from a broadcast mechanism to a many-to-many model, rooted in a conversational format between authors and people. (Solis 2007, web source)

Similar kinds of development are reflected as a participatory turn in art where the shift is from objects to subject.

Figure 3: From Consumer to Producer: Development of Participatory Art



Source: Trebor Scholtz: *Art and Social Media*. Presentation for Social Media week 7. March 21, 2009. Web source: <http://www.slideshare.net/trebor/week7-social-media>, accessed 21.9.2010, slide 19.

The conceptual development from the 1980's towards 2006 has changed consumer to user and participant, and further, towards toolmaker and producer. This transformation influences the ways in which individuals are consuming cultural content and communicating with arts organizations.

For example, the transformation from (reactive) consumption to proactive production influence the museum visit in several different manners. Dutch digital culture organization Virtueel Platform has analyzed relationship changes between the consumption-centered and production-centered museum visit with an aim to clarify the process of how museums should see these new relationships.

Table 4: From Consumption-centered to Production-centered Museum Visits

	Consumption-centered	Production-centered
Artifacts	Isolated	Connected
Museum visitor	Observer	Participant
Expertise	Institutionalized Individual	Networked Collective
Knowledge production	Limited authoring	Co-authoring
Text	Referenced	Hyperlinked
Databases	One location	Multiple locations, <u>mashups</u>
Web site	Static	Dynamic
Search	Surfing	RSS
Copyrights	All rights reserved	Some rights reserved

Source: Ulla-Maaria Mutanen (Engestöm): *On museums and web 2.0*. Virtueel Platform, Netherlands 2006.

Table 1 shows that the transformation from the consumption to production-centered museum visit relates to the shift where the role of audience is transformed from passive observant to active participant. Furthermore, the table identifies the way which sector professional relates to artifacts and tools and reflects arising questions from copyrights to need for creating more social and user-friendly activities. The table provides a useful overview of where to start when developing and implementing operational strategies for participative audience and collective expertise.

For people leading and managing cultural production processes and organizations, understanding the change towards production-centered museum visits becomes important, especially when making strategic decisions and implementing the cultural production processes in a contemporary society where the audience is active and creative productions take place in more complex contexts.

It is certain that the profound shifts in consumer behaviors and attitudes allows several opportunities for attracting new audiences, even the ones from a far geographic distance, as

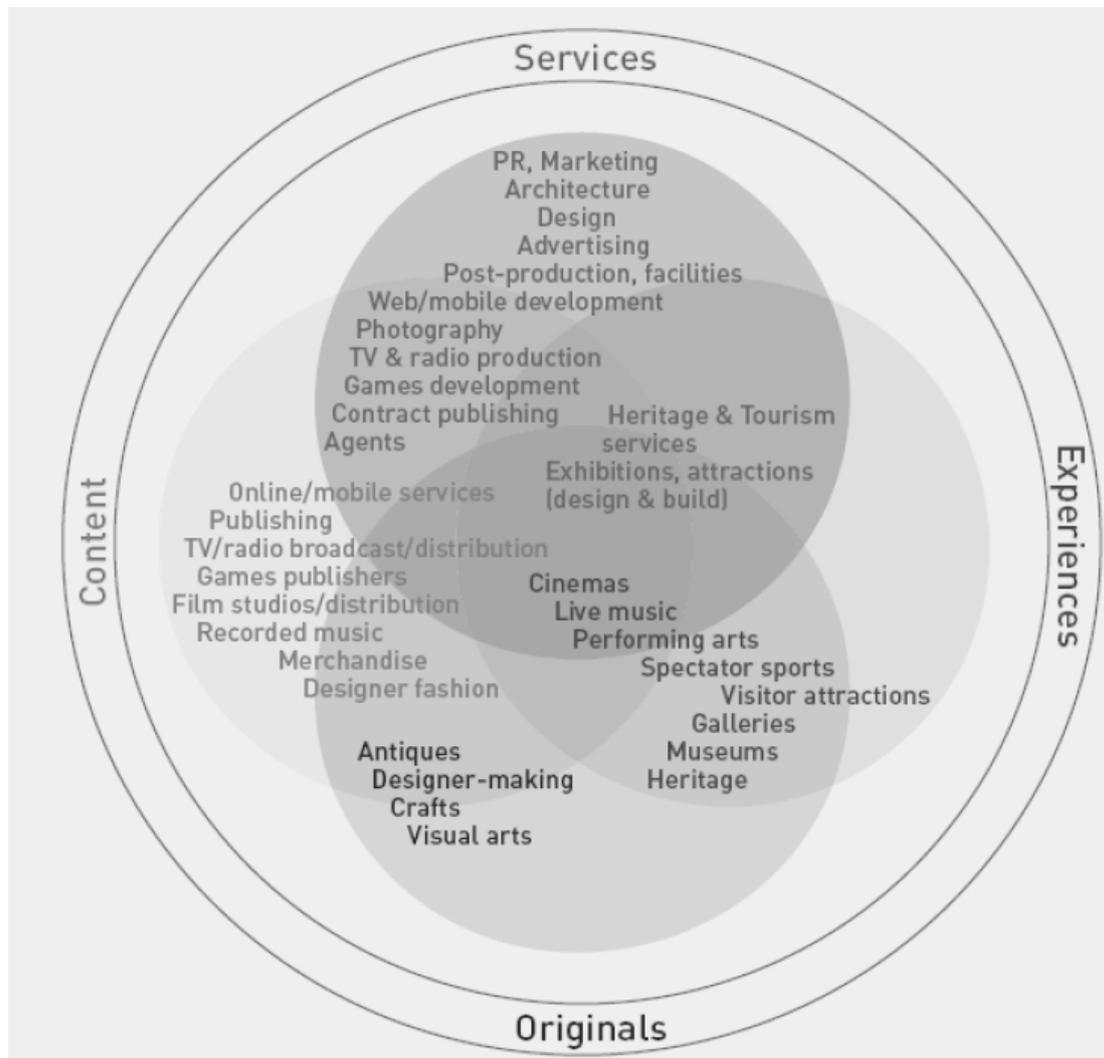
leading international institutions have already noticed. Each organization needs to find their specific focus and their communities, and understand that cultural commodities will also change.

3.4.3. Changes in Economic Environment

The creative industries are those industries are those industries that are based on individual creativity, skill and talent. They are those that have the potential to create wealth and jobs through developing intellectual property. (DCMS 2001, 04)

The contemporary political climate has been in favor of placing art among the creative industries. The cluster model is dividing different creative production processes based on their main activities to services, experiences, content and originals.

Figure 4: ‘Clustered’ model of the creative industries by the type of activity



Source: Nesta: *Creating Growth: How can the UK develop world class creative businesses*. NESTA research report, 2006. London.

The creative industry framework is useful for dividing creative forms based on their profit models: content, services, products, experiences and originals, but the model does not leave room for audience participation nor help to explain the changing characteristics of creative labour.

In fact, following the criticism of Dutch critic Merijn Oudenampsen, it is hard for me to be convinced that what we are currently witnessing with the Creative Industries, Creative City, and Creative Class discourse is not more than an expression of a general shift towards more entrepreneurial modes of cultural governance: 'an exercise implementing matrix-like overly

deterministic notions turning new values-into-action causal chains' (Oudenampsen 2008, 16) with a purpose re-evaluating the management resources for public purposes. This argument can be supported by revealing links between development of governance and discourses of creativity, each of which has its own history. For example, ERICarts *Creative Europe* report explains that 'the concept of governance has evolved historically in the same manner as that of the creative industries.' (Cliché, Mitchell & Wiesand 2002, 20) Moreover, the ERICarts report refers to the debates in the policy sector where Tony Bennett and Gordon Smith have been describing the process of désétatised nation state as part of the a neo-liberal project reducing the role of the state which fits into the context of globalization and aims to form 'interaction between network of actors leading to various forms of informal co-operation, more formal complementary action when arriving to at a stage of inter-dependence within system of governance.' (Cliché, Mitchell & Wiesand 2002, 21) Following the logic of désétatisation, the shift towards creative industries indicates the restructuring of the political, financial, and intellectual resources around the idea of creativity as a prime contemporary value. (Leadbeater, 1999; Howkins, 2002)

Along these lines, another relevant discussion would be whether some hierarchical arts organizations, such as orchestras or operas, should be considered as creative organizations at all (creativity in system, not by employed artists). Creativity in this thesis is not limited to generation and development of raw talent, neither to innovative marketing solutions. Instead, following the ideas of Bilton (2007) 'creativity needs to encompass aspects of cultural production as a complex process, not just the ideas and talent which provide the raw material.' (Bilton 2007, 20) Related to participation, creativity could be something related to approaching new ways of orchestrating a project such as Youtube Orchestra (see appendix 2) or in technology enabled sophisticated delivery, such as showing top quality Opera productions in cinema theaters.

3.4.4. Changes in Political Environment

The governance of culture is typically directed through two separate policy streams, 'cultural policy and economic development'. (Bilton 2006, 3) In the field of cultural policy, Gray's research findings show that cultural policy has been changing in similar ways across many countries, and the increasing governmental choice to use culture and particularly arts as

instrumental tools for the attainment of non-cultural, non-arts goals and objectives, has pressured arts managers to demonstrate the 'need' for political systems where arts and culture are generating a benefit over and above aesthetics. (Gray 2007, 203-215)

These changes effectively led to a commodification of public policy through the creation of ideological conditions within which exchange-value becomes increasingly favoured over use-value in the creation, implementation and evaluation of policies. (Gray 2007, 203)

In Finland with the creation of the welfare state (in 1965): 'numerous new tasks were assigned to the state that diminished the responsibility of the people and the civic society regarding cultural policy (Kangas 2003, 85)'. Art was seen as part of cultural life in modern society, and the artists' right to economic security and the enhancement of people's participation. Objectives for the democratization of culture and cultural democracy was that the state and municipalities committed to provide cultural services (referring especially to high culture) for their citizens through institutional units. (Silvanto, Linko & Cantell 2008, 169).

The move beyond the welfare state took place in the late 1990's when cultural industries and cultural export shifted as key issues (see Silvanto, Linko & Cantell 2008, 169). The second stream of economic development since the 1990's included the urge to improve the economic responsiveness, and particularly in western society, this has meant involvement of the creative industries as a growing sector in the global economy.

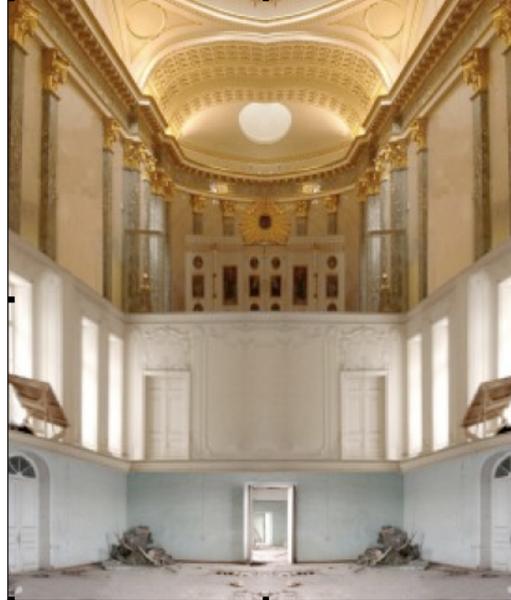
It is important to remember when discussing art organizations that the dichotomy between public and private should always be taken into account. As arts organizations often position themselves closer to the public than private, the symbiotic relationship with the state (or municipality) entitles them to fulfill public purposes. This is especially relevant in the context of a Nordic (welfare) system where the role of the public structures supporting cultural infrastructure is strong compared to the private structures. It is important to understand that these public obligations in particular time and space might not necessarily reflect the needs of individuals, but rather the climate of the cultural policy and how the economy controls funding. Stefano Harney reminds us that it is often not enough emphasized that fundamentally nothing is ever private or public, but 'instated with degrees of privacy or publicity'. (Harney 2006, web) Under capitalism, 'the growth of socialization means, the growth of the state'. (Harney 2006, web source)

Example: Russian State and Museum Relationship

A short historical overview related to modernity, following the post-war period, opened a museum and heritage sector and provided access to the masses to the inherited culture of the nation state and humanity. Basically, the museum was opening itself to be the place where mass audiences could experience the greatest exclusive commodities or works of arts, those that patrons or experts of the nation had been collecting to be remembered by the next generations. These are the pieces of art that have the highest value judged by the institutional and commercial art establishment, and access to these objects had been previously restricted by the lack of education and leisure, as well as by the private property rights of the rich and the disgraced. 'The nationalization of culture thus entailed an element of democratic collectivization.' (O'Connor 2007, 15) This has furthermore led towards the commercialization of the museum experience, where museum shops, fancy cafeterias and family workshops are adding profitable leisure activities that make a museum visit a more customer friendly package, a sort of middle class vacation experience.

As an example, one of the world's biggest art collections and its show room, the Hermitage, carries in its history the values of the ruling power and the changes in Russian society. The three drastic societal changes from tsarism to communism and most recently towards capitalism are all inherent parts of the museum institution.

Picture 1: Historical Layers of Hermitage, St. Petersburg



Source: OMA - Office for Metropolitan Architecture and Rem Koolhaas: *HERMITAGE 2014, ST PETERSBURG, RUSSIA, 2008*. Ongoing project, web source: <http://www.oma.eu/index.php>, accessed in 10.10.2008.

The top layer on the metaphorical architectural drafting reflects the aesthetics of Versailles Palace and praises the enlightened monarchs, more precisely the power of majestic Catherine the Great whose private taste the art collection is fundamentally visible. The middle layer visualizes the time after revolution, when the Winter Palace and the surrounding buildings were declared as the state museum for the communistic era. During the most unstable times, such as during the Second World War, some rooms served temporarily as a hospital for wounded soldiers which further emphasizes the public responsibilities that arts institutions share as being part of the larger societal framework. The bottom layer represents the commercialization and current development where world-known Dutch architect Rem Koolhaas and his studio have been working to refurbish the customer experience by creating structures that help in assembling huge crowds, while keeping the connection to the history of Russia. While visiting the Hermitage, a customer might pass by a huge ice-skating ring placed in the plaza in front of the Winter Palace. This also highlights how our time in public spaces which were once the altars of political conflicts are now places enhanced for leisure time experiences.

All the historical layers of the Hermitage reflect the changes in the complex relationship between the state and art institution, and more importantly reveal the drastic changes that link cultural policy, economic developments, and concrete museum experience.

3.4.5. Changes in Labour Market

Brigit Mandel (2005) has been identifying the labour market changes among the cultural sector in the recent years by arguing for the strong economization which can also be seen to be linked to transformation from the industrial era to the network society.

The transformation from the consumption-oriented to production-oriented society (new service sector, digital revolution) includes the idea that creative potential in general has acquired much greater importance. The cultural sector is among 'the new employment growth sectors', states the European Commission in its 1999 reports. Arts and culture will play an important role in helping society to change because they can produce creative ideas and new models, argues the Deutsche Kulturrat, which is dedicated to promote the meaning and value of cultural work as being more than a luxury niche of society.

Durkheim (1984) identifies the concept of division of labour as central term of explaining the difference between pre-industrial and industrial societies: 'in terms of the way in which societies are held together as stable units.' (Durkheim quoted in Edgar and Sedwick 2002, 98) The change from industrial to the network oriented knowledge society seems to suggest that life-long jobs in firms and institutions belong to the past.

People will change their jobs frequently and many will work as freelancers. People will have to be far more flexible and self-responsible for their work. They can never stop learning and acquiring new knowledge and new skills. (Birgit Mandel 2005, 165)

Whereas bureaucratic industrial art 'organization narrowly defined jobs, spelled out lines of authority, emphasized the hierarchical flow of information and orders from the top to the bottom' (Hellriegel 1982,51), the new production modes of the network society and post-industrial era has foregrounded small businesses, networks, risk-taking creativity and constant innovation in a way that set the cultural industries as central for economic growth and a new kind of economy. The development requires new kinds of skills from the employees to survive

and succeed in the cultural labour market. These changes will be extremely interesting in the Nordic context where cultural labour has traditionally been hired with long employment relationships to the service of the public sector.

Characteristics of the Creative Labour

The cultural sector is extremely labour-intensive; a lot of manpower is needed and approximately 80% of art organization's expenses are staff-costs. On an average each artist creates three more jobs for cultural workers who are running various tasks from communicating and managing the artistic performances. Most cultural workers have a high level of education which means that they have an academic degree, although the general income of cultural workers is lower than in other academic jobs. Still, the people in cultural management jobs earn more than the artists they manage.

Most cultural workers live and work in big cities where most of the cultural and media institutions are situated. In Finland the main concentration is in Helsinki. Cultural workers often have short time contracts. They work on projects and have patchwork biographies. Also many cultural professionals have more than one job. They, for example, work in parallel as cultural manager, as an artist, and as a lecturer to make enough income. Besides this, the barriers between paid work and voluntary work or hobby are constantly flowing and people do projects as volunteers.

Birgit Mandel has been arguing that there will be a big change of cultural labour markets in Europe in the next years 'away from public arts administration jobs to market orientated part-time project work. The future cultural worker is an individual entrepreneur who no longer fits into the patterns of full-time professions.' (Mandel 2005, 165) Mandel's observations seem to fit well in the context of cultural hub Berlin where between 1995 and 2003 the total number of cultural jobs grew up to 31% (8,4 % of all jobs are situated in the cultural industries) whilst the number of freelancers and entrepreneurs grew more than 50%. In fact, more than 50% of the cultural enterprises in Berlin are only one-person companies.

The cultural markets will fade away from mainly public financed institutions to private markets with far more competition. The audience's demand will become far more

important, as well as the demand to find private sponsors for the arts. (Mandel 2005, 166)

However, there are big differences between countries in cultural labour statistics even within the EU. For example in the Netherlands 35 % cultural workers are self-employed and 59 % work as part-timers, whereas in Finland only 20% are self-employed and less than 20% work as part-timers. Part of the differences can be explained through the traditionally high level of social service provision in the Nordic welfare model, 'the notion of 'public social services state'. (Anttonen 2007, web source) Although, also in Finland:

There signs of extensive privatisation of services including contracting out, out-sourcing and greater use of commercial services. In addition, municipalities have adopted new governance structures to run local social policies. Changes are piecemeal but deep-going.(Anttonen 2007, web source)

Nevertheless, the number of people who work as freelancers and self-employed entrepreneurs is extremely high in the creative sector.

3.5. Internal Factors Behind Organizational Change

The internal environment of the organization is affected by the organization's management policies and styles, systems, and procedures, as well as employee attitudes. The internal factors can be related to adopting technological advancement in use, organizational growth pressure, changes in the cost structure or political pressure driving integration and collaboration. Based on literature review, I have chosen to focus on the internal challenges of changing ICT technology (social media), change in management values, changing cost structure and change in employee's attitudes.

3.5.1. Technological Advancement

The new technologies of digitalization and the Internet threaten the market positions of artists and intermediaries. Artists because the technology of production works may be readily accessible and craftsmanship may no longer be a defining characteristic of art. Intermediaries because their rents are linked to entry barriers in the distribution market. (Legros 2006, 286)

Digitalized elements can be seen as an inherent or enhanced part of any type of cultural

production in the context of contemporary society. For example, in the field of contemporary architecture, computer renderings make it harder everyday to distinguish between built buildings and projects. Increasingly, the showcases in contemporary architecture are iconic images of buildings that gain visibility in magazines, blogs and competitions. One could even claim that a digital image has become the most suitable format for presenting contemporary projects as they can be produced fast enough and gain more visibility in online environments than the real buildings in their physical environment.⁸ Also in fashion, design, sculpture, and any other field where creation of the original work requires heavy investments in materials and labor, images and project concepts distributed in online media and social networks are essential forms constructing the social practice and activities where works of art will flourish and gain reputation.

The increased access to distribution channels and participative modes, as already happening in the public and private media sector means also that: 'the notion of expertise has started to evolve'. (Toivonen 2007, 15) For example, through social media regular people have started to share their expertise. Fundamentally, the shift from a consumption-centered towards production-centered system refers to a change where individuals, who in the industrial era where 'objects of the market research and audience studies, are now using participatory practices and various applications as active subjects.' (Toivonen 2007, 15)

The concept of user-generated content [UGC] refers to various kinds of media content 1) which is publicly available (especially via the Internet), and 2) that is produced by end-users (also referring to the rise of amateurs). UGC is perceived as having major social, economic and cultural implications. For example, 'most user-created content activity is undertaken without the expectation of remuneration or profit.' (OECD 2006, 4) and more fundamentally production is taking place outside of the professional practices.

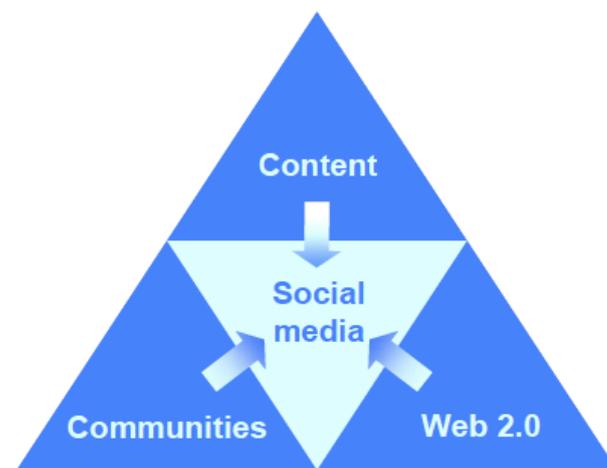
In this thesis the focus is on User-Generated artistic and cultural content. UGC can be seen as constituting only a portion of a website where the majority of content is prepared by administrators, but numerous user reviews or comments are submitted by regular visitors to the site. Also UGC might refer to other types of participative cultural production processes. Typically in the UGC value chain.

⁸ For example, Zaha Hadid worked for 10 years by developing images, before building her first real building.

Content is directly created and posted for or on UCC platforms using devices (e.g. digital cameras), software (video editing tools), UCC platforms and an Internet access provider. There are many active creators and a large supply of content that can engage viewers, although of potentially lower or more diverse quality... ..Users select what does and does not work, for example, through recommending and rating, possibly leading to recognition of creators who would not be selected by traditional media publishers. (OECD 2006, 4)

The UGC is often generated with social media technology. The term 'social media' describes a set of technological tools that enables shared community experiences, both online and in person. Social media applications are either 'completely based on user-generated content or alternatively user-generated content and the actions of users play a substantial role in increasing the value of the application or service'. (Kangas et al 2008, 1) The core concepts of social media are content, communities and Web 2.0 technologies. Some of the well-known social media applications are Facebook, You tube, Flickr, Twitter, My Space and Linked In, even though several cluster related networking tools also exist such as community management systems Anymeta developed by Mediamatic linking creative organizations in the Creative Amsterdam Area.

Figure 5: Illustration of the Core Concepts of Social Media



Source: Petteri Kangas et al: *“Ads by Google” and other social media business models*. VTT RESEARCH NOTES 2384, 2007, p. 9.

In Kangas illustration, Web 2.0 refers particularly to a set of technologies that enable easy production and distribution of social media on the Internet. 'It provides a functional environment for the realization of social media together with content produced by users.' (Kangas 2007, 11) In this thesis web 2.0 tools are seen as 1) tools which are enabling

distributed communication processes for arts and cultural content and/or 2) environments where web 2.0 tools are linked to offline cultural environments.

Communities, in Kangas illustration refers to a group of people with common interests who connect with one another to learn, play, work, organize and socialize. 'Communities can be large or small, local or global. They can be public or restricted to members.' (Kangas 2007, 12)

Adopting new technologies for the use of arts organizations can increase information sharing and helps in the creation of relationships. Still, it is important for the employees to understand that social media is not controlled in a similar manner as traditional media. It is organic.

3.5.2. Change in Management Values

No arts organization is going to have an easy time growing consistently. Costs are rising, ticket prices are already high, touring engagements are difficult to obtain, substitute products abound and funding will be competitive. In this difficult environment, development and implementation of a comprehensive long-range plan will be essential for success. (Kaiser 1995, 30)

In many European countries (including Finland and the Netherlands): 'the cultural policy has been driven by a perception that management in the cultural sector has been underdeveloped and unsatisfactory.' (Hewison 2004 quoted in Bilton 2006, 3) For example, Eric Moody has criticized management of the cultural sector for its 'failure in addressing the welfare of the practitioner, to represent culturally diverse communities and to develop new markets (Moody 2005, 65-68).' Also, the degree of independence that governments afford to arts support has been a universal concern. For example, IFACCA has been criticizing discussion centering on the choice between arts council or ministry, even when such a dichotomy enormously oversimplifies the issues.' (IFACCA, Topics in Arts Policy no.9, July 2009) 'In highly centralized countries such as in Germany and France the activity is linked to policy which distributes the support with the help of expert committees.' (Voegen 2005, 18) Whether these experts are emphasizing approaches of art historians, social scientists, curators, artists, arts managers or academics opens up the debate further.

When considering that arts management is seen as an increasing phenomenon in contemporary society and is used as a tool for re-educating the next generation of cultural gatekeepers, one

essential direction for growth seems to be international markets.

German Herman Voegen has been analyzing the development of the global level arts management discussion by claiming that: 'cultural management is well on its way to establishing high international standards in handling the arts.' (Voegen 2005, 17) The existence of academic research circles such as the International Conference on Arts and Cultural Management (AIMAC) or non-governmental networks such as the European Network of Cultural Administration Training Centers (ENCATC) are scenes where global scale research activities are taking place. Voegen claims that the popularity of arts management is linked with shifting values which open more proactive roles for future arts managers : 'the judgement which cultural activities, where and to what extent should be supported, must be prepared and realized by cultural managers.' (Voegen 2005, 18) In the light of Voegen's arguments, it becomes easier to understand that the nature of arts management research is also in linking and sharing creators (intermediaries) and creative ideas. Some might even say to an extent that the research and gatherings act as catalysts or a 'lobbyists' for creative visions. One of these creative visions attracting new audiences is in leading collaborative processes, which are becoming more viable.

3.5.3. Change in Cost Structure

All arts organizations must be vigilant with respect to market trends and dynamic customer needs. By identifying and responding appropriately to any shifts, an arts organization may be able to ensure its longevity and relevance within particular community. (Finley et al 2006, 16)

The cultural field is very sensitive to economic fluctuations (both in the public and private sectors). In the private sector, economic recession influences demand directly and sales decline rapidly. 'In addition, centres of art apparently follow economic trends; in order to thrive, they require not only strong economic backing but other, surroundings, cultural and media activities.' (Jyrämä 2002, 61) In the publicly funded culture, the recession typically means budget cuts.

The scale from market-orientation and product-orientation can be used to describe focus either on tailoring arts offerings to particular target markets or the other way around. Publicly funded cultural organizations are typically focused on exposing artists to a wide audience more than

producing artists and art that the largest audience demands.

Examples of product-focused arts organizations are chamber music ensembles and contemporary art museums, whereas Broadway productions, for instance are very market focused. (McCarthy 2001, 49)

There is evidence that ‘recent changes in the funding priorities of governments and philanthropic organizations ‘are causing arts organizations to become more customer-focused (Clopton et al 2006, 49).’ Here, the question of who is considered a customer becomes important as audiences may have heterogeneous arts preferences and different perceptions about the appeal or value of particular offerings.

French sociologist Pierre Bourdieu (1979) has linked aesthetic concepts such as ‘taste’ defined by those in power. Through research, Bourdieu shows how social class tends to determine our likes and interests, and these furthermore are a distinction of a social class reinforced in daily life. ‘Tastes are the practical affirmation of an inevitable difference. It is no accident that, when they have to be justified, they are asserted purely negatively, by the refusal of other tastes.’ (Bourdieu 1984, 56) Elite taste groups also tend to be favoured by the public funding system, which was mainly built during the cultural policy period of the enlightenment. The funding decisions are validated based on support of artistic excellence, which in practice is evaluated through self-assessment and peer-review of the experts. Therefore, it is reasonable to assume that the evaluation method does not support diversity in its process.

Self-assessment and peer review must not, according to McMaster, be the sole methods of determining artistic excellence. As Francois Matarasso has so perceptively said, when it comes to McMaster, ‘perhaps, in the end, what really needs to be excellent is the conversation we have about culture’, and that conversation cannot be excellent if it excludes the voices of the public. (McMaster quoted in Holden 2007, 24)

My main intention in this chapter is not to attack the dominant production models benefitting unequally different taste groups, but rather to reveal deeper problems influencing the welfare of artists, such as using aesthetic quality arguments made by the public sector for building and maintaining a hierarchical star-system, which through the over-supply of artists and producers leads to a severe unemployment problem at the bottom of the system. ‘Although they [artists at the bottom] are highly trained, their contribution to the society is low (no income), and they contribute to the creative economy mainly as consumers.’ (Moody 2005, 64)

Culture needs a strong infrastructure, which has a strong base on high quality art education, and this requires steady public funding. But it is also important for the success of more wide practitioners to receive support for more entrepreneurial activities and skills that enable building a flexible career through a supportive tax policy (low employment costs, release from VAT, direct tax cuts for small and part-time entrepreneurial activity and equal social care). Also when redeveloping infrastructure, it is important to understand the special characteristics of the cultural production professions and artists' special needs.

The most stable cultural job situation in Finland has been, since the early 1970's, in National institutions, which enjoy public funding through 'man-year system' accounted in units of work input, whereas fundraising for innovative projects has been more difficult to attain and requires donations from the private sector. Since the 1990's, the age of knowledge society with globalization and development of information technology has been starting to change the situation. Changes in working life, public breakdown of age, internalization and increased urbanization are building new networks between individuals, communities and companies, which also change the cost structure of the cultural organizations. Institutional collaboration with the 3rd sector and cultural production framework has become more complex (order-producer model), yet, changing old institutions seems slow and challenging because motivation is lacking. (Tirkkonen 2009)

3.5.4. Change in Employee's Attitudes

The concept of openness has a long tradition in various art forms. Umberto Eco refers to openness as works which have been organized into multiple possibilities, both in their performance and reception. (Eco 1962, 162) These works become 'unfinished' when the composer hands them to the performer (compare a classical composition to improvisatory jazz) and furthermore contain 'a dynamic kaleidoscopic capacity to suggest themselves in constantly renewed aspects to the consumer'. (Eco 1962, 163) Eco also argues for the wider links towards societal development and cultural production by claiming that 'in every century the way that artistic forms are structured reflects the way in which science and contemporary culture views reality'. (Eco quoted in Haseman 2009, 162)

Social production models require professionals to consider openness as a possibility to be offered for the audience also, allowing participation over Read-Only-style, produced as passively consumed works. This requires professionals to reevaluate their position against audience communities, towards providing platforms enabling dialogues for experiencing culture, not just focusing on producing products to be sold, and spaces to be walked into. The shift that employees need to understand relates to sharing and nurturing expertise around art in more complex manners, some of which relates to content created by the audience through social media.

Producing art and related cultural content with the tools that enable collaboration, increasingly means using tools of social technology. The influence of (social) media such as in the case where art has some presence 'online', reflects the nature of the content, not the product or good.

The characteristic of the term 'content' reflects that art does not get consumed like a product, but instead is open to reuse, and also open for recommendation and remix. The history of the technological mass production of culture explains how the term “content industries” has become a common term for categorizing the cultural production where the system began to grow in different customs, legalities, and practices wrapped around Intellectual Property (IP), which gives rights to all authors (or right holders such as producers) to collect fees from the public displaying, reuse, performance, or copy of the intellectual property.

In the era of mass collaboration, when ideas can be shared among audiences, cultural professionals, and suppliers, it will become more difficult to identify who did what, and therefore shared ownership forms are needed. The shift requires a new attitude from the employees to see their role as platforms, facilitators, and educators.

3.6. Summary

In this chapter I have used literature and previous research in the field for gathering information on how arts organizations are evolving towards knowledge society. The main focus was to provide multiple angles for understanding the change as ongoing and complex

processes.

The following table crystallizes the external and internal factors driving the organizational change in the field of cultural production and distribution.

Table 5: Shift from Industrial Era to Knowledge Society by Author

External Change Factors	Industrial Era	Knowledge Society
Technological changes	Mass-Reproduction	Network Technology, Remix, Reuse
Economic Changes	Negative Market Model	Emergent Market Model
Social and Cultural Changes	Passive Customer	Collective Participation
Political Changes	Arts for Arts Sake	Creative Economy and Employment
Changes in Labour	Life Long Careers in Public Institutions	Network of Freelancers, Multiple Jobs

Internal Change Factors	Central Hierarchy	Distributed Practices
Technological Advancement	Mass Media	Social Media
Change in Management Values	Art Historians, Expert Committees	Arts Managers, Public
Employee's Attitude	Read-Only	Openness, Building Communities
Cost Structure	State support	Several Funding Sources, International collaboration

The purpose of gathering the change factors is to use them as a base for developing models for organizational change. These factors provide a deeper understanding of the organizational evolution, and also crystallize a direction for new thinking and network nature of the field where organizational development can be used for building better structures.

4. ANALYTICAL FRAMEWORK: SHIFT IN ORGANIZATIONAL STRUCTURES

Art markets were found to have a network structure. The networks are overlapping, and a range of small nets around one gallery to large, loose international networks. The network structure is based on relationships. It can be argued that a networks's creativity comes from shared interest in art and shared beliefs, norms and values." (Jyrämä, 2002, 55)

Distributed environments combining the use of Internet technologies with cultural content production and distribution provide remarkable, rising opportunities for arts organizations and citizen interaction and involvement. It also creates a paradox: the actions of citizens seem to be moving faster than arts organizations' abilities to keep up the development. Technology alone won't solve this challenge. The change requires structural development, allowing that the knowledge and the power to act moves to the edge of the organization, away from centralized control.

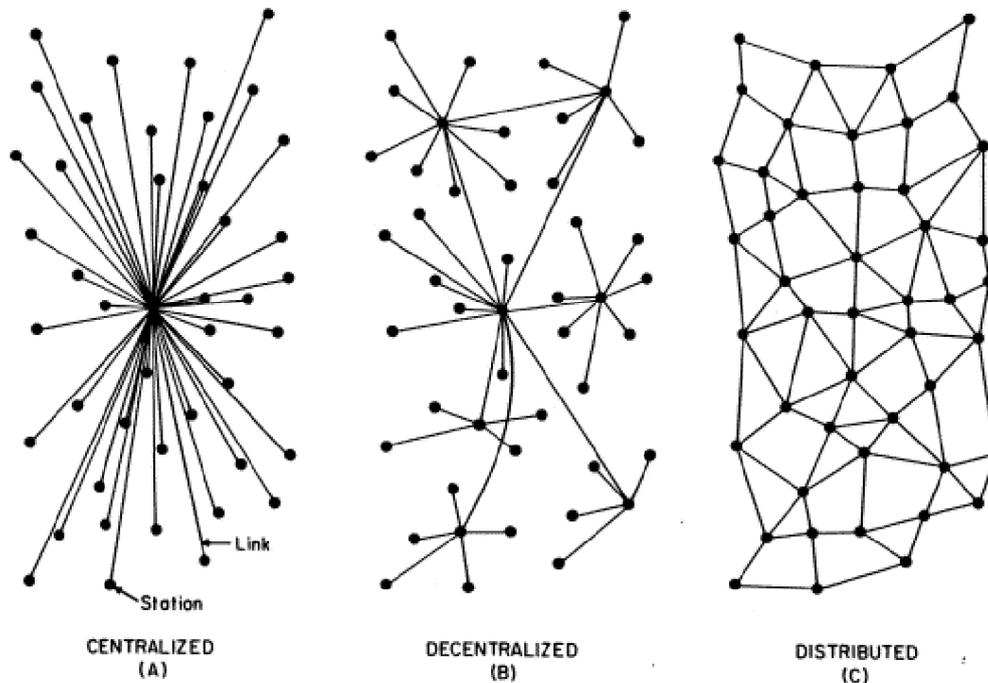
The aim of this chapter is to build an analytical model that can be used for understanding and analyzing change towards distributed networks on an organizational level. The main effort is to analyze structural changes between centralized, decentralized, and network frameworks.

4.1. Modeling Change from Centralized to Distributed Networks

To achieve a coordinated network, centralized control must in fact be abandoned: complex interconnections emerge into order spontaneously, without command centre. (Hartley 2008,7)

Engineer Paul Baran (1964) created a distributed framework for packet-switched networks to provide a communications solution that would withstand a nuclear attack. While this framework was originally important to the defense strategy of the United States, it later developed into what is known today as the Internet. Although there are a wide variety of network configurations, all can be categorized as centralized, decentralized, or distributed, as shown in following figure.

Figure 6: Network Configurations by Paul Baran



Source: Paul Baran: *On Distributed Communications Series*. Introduction to Distributed Communications Networks (chapter 1), RAND Corporation, 1964.

In Baran's framework, centralized and decentralized networks are loosely sewn together and therefore vulnerable to attacks, whereas distributed networks are strong, tightly sewn, self-supporting infrastructures based on collaboration. 'The value of a distributed environment is that the network learns faster and gathers more intelligence and information than any individual or organization, and shares information with other networks.' (Frazier 2007, 4)

In the development of knowledge driven network society, Baran's theory of connecting the dots in a distributed, horizontal way has also become the basis for connecting communities, governments, and agencies in new way. 'A distributed network works by pushing knowledge to the edge, and enables that the people closest to the problem have the best information to solve the problem.' (Frazier 2007, 3) This approach is more resilient and effective than any other, although achieving results requires cooperation among governments, cultural policy, stakeholders, arts managers, artists and all other actors of the sector who are participating in building viable environment for collaboration.

In the field of creative management, Chris Bilton (Bilton 2006) implements collaborative development with arguments that top down interventions to improve the quality of management in the cultural sector risk further alienating and undermining cultural managers. For understanding how to keep the people closest to the problem in the information flow loop (with the power) to solve their problems, I argue that a distributed framework can offer efficient solutions. Therefore, the analytical framework offers tools to further examine the structures between hierarchical institutions and networks allowing collective behavior.

4.2. Complexity Theory and Control Structures

In organizations coordination occurs because individuals influence each others' behavior. The influence is often called control. It is not necessarily coercive control, though coercion may be an aspect of control. (Bar-Yam 2003)

The creative economy models and creative clusters maps organized around modes of making profit are not helping to understand that the production and distribution themselves have transformed. 'The creatives that used to be organized around market serving corporations (meaning musicians selling their creative work to record labels, moviemakers to film distributors and television companies) seems to be transforming to a broadband model where consumers are linked in social networks, and productive energy can come from anywhere in the system (Hartley 2008, 8)'. Following the logic, the networks of small or micro-businesses driving the creation of cultural content with the innovation of the active users do not fit the label of an industry⁹. Also, many performers and freelancers are now days more like itinerant traders (Terranova 2004 quoted in Hartley 2008, 5), and the organizational coordination needs to be able to answer to this challenge.

Complexity theory researcher Bar-Yam (2003) has been tracking the relationship between collective global behavior and the internal structure of human organizations, and argues that the progress of civilization can be characterized through mathematical concepts that apply to all complex systems. Bar-Yam has tracked the historic progression in the structure of human organizations in relation to an increasing complexity of their social and economic contexts

⁹ Referring to Hartley's (2008) claims from industry towards social network markets as the term industry and industrial production line have been imagined as one-way distribution, with meanings and 'content' proceeding along the value chain.

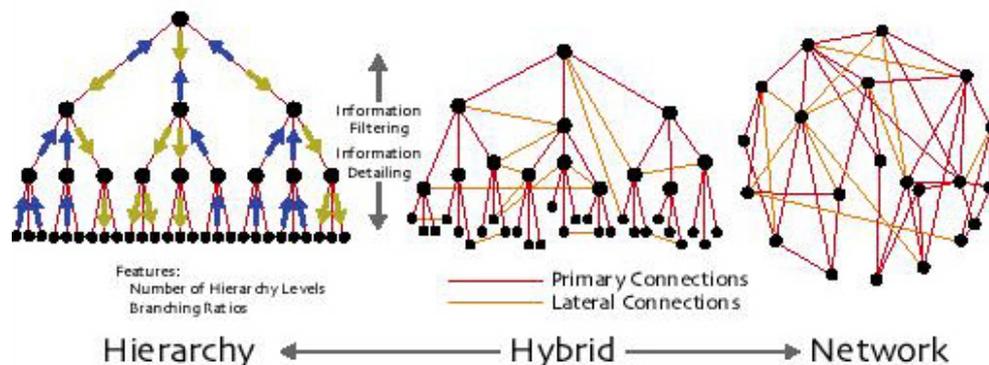
(see appendix 1). Bar-Yam's analysis suggests that when the complexity of collective behavior increases, the number of independent influences increases, and a manager becomes unable to process/communicate all of them:

Increasing the number of managers and decreasing the branching ratio (the number of individuals supervised by one manager) helps. However, this strategy is defeated when the complexity of collective behavior increases beyond the complexity of an individual. Networks allowing more direct lateral interactions do not suffer from this limitation. (Bar-Yam 2003, 5)

The coordination of production and distribution processes takes place by relating behaviors of different individuals to each other. For example, in a typical 'industrial production line each individual performs a particular, usually simplified repetitive task and the effect of many individuals performing repetitive tasks results as a large number of copies of a particular product.' (Bar-Yam 2003, 10) The administrative protocols are determining who is responsible for what, and to whom, when, and where information is available.

In distributed communication and production models the information created and disseminated among various primary and bilateral connections means changes in hierarchical structures of information sharing. The change in control structures from hierarchical to distributed in figure 7 (Bar-Yam 2003) is useful in explaining changes in the creative sector from hierarchical corporations towards a distributed broadband model.

Figure 7: Hierarchical, Hybrid and Distributed Network by Yaneer Bar-Yam



Source: Yaneer Bar-Yam: *COMPLEXITY RISING: FROM HUMAN BEINGS TO HUMAN CIVILIZATION, A COMPLEXITY PROFILE*. NECSI Research Projects, New England Complex Systems Institute, Cambridge, MA, USA, p. 11.

In an idealized hierarchy all communication, and thus coordination of activities, is performed through the hierarchy. Lower levels of the hierarchy are responsible for locally coordinating smaller parts of the system, and higher levels of the hierarchy are responsible for coordinating the larger parts of the system.

The purpose of the control hierarchy is to act as a mechanism for ensuring that control over the collective behavior is translated into controls that are exercised over each individual. Therefore, a single individual (the controller) is able to control the collective behavior, even though this not does mean directly controlling the behavior of each individual. (Bar-Yam 2003, 10)

In the network framework, transactions are not floating in an organization from up to down via hierarchical information filtering; instead the amount of primary and lateral connections are connecting hubs. The increase of primary and lateral connection means, in an organizational setting, that internal interactions give rise to more complex collective behaviors.

In complex systems, the hierarchy ensures coordination between various parts of the system participating in production and distribution. 'A complex system is defined as one in which many independent agents interact with each other in multiple (sometimes infinite) ways.' (Encyclopedia for Business 2010, web source) An important concept in complexity theory is that there is no master controller of any system. Rather, coherent system behavior is generated by the competition and cooperation between actors that is always present.

4.3. Coordination, Control and Role of a Manager in Network Environment

The more organizations relied on detailed, systematic, routine specification of its existing procedures, the less its people were encouraged to think beyond those procedures to new orientations. (Mintzberg 1998, 112)

There is plenty of evidence by scholars (Alter and Hage 1993; Brass et al. 2004; Provan 2007) and practitioners that the network coordination in supra-organizational level has significant advantages, such as 'enhanced learning, more efficient use of resources, increased capacity to plan for and address complex problems, greater competitiveness, and better services for clients and customers (Provan 2007, 229).' Although, it is important to remind that the shift towards open and network models directly influences the coordination possibilities of a manager. Some management literature approaches the difference with comparison of terms managers and leaders by referring to operating in open and closed systems. 'Managers flourish in closed systems; leaders come alive in open systems.' (Hargrove & Owens 2003, 6) This division is also importantly inherent when considering the control and coordination power of a planner in

a set of big institutions (controlling through collective will of bureaucratic organization) or as an entrepreneur struggling for control individually driven by the will to shape his/hers destiny. If the aim is to foster innovation and creativity, it is important to remember that:

Innovation thrives in conditions of diversity, not efficiency, and spaces designed for a single function – be it movement, sport, entertainment, or culture – are unlikely to foster innovation. This is why old-style cities remain unmatched as sites of creativity: Diverse peoples and cultures are crammed into them in a most undersigned manner. (Thackara 2005, 104)

Unlike organizations, networks must be governed without the benefit of hierarchy or ownership.

Flexible vision addresses complex issues through multilateral coordination and at best, this enables the achievement of more complex results than just the goals of individual organizations. Network is based on collective action and the collective governance of these activities. Therefore, it relates to the democratization of cultural production and distribution practices. The way to deal with an uncertain and complex world is to ‘vision a broad outlines for strategy, while leaving the specific details to be worked out.’ (Mintzberg 1998, 209)

4.4. Applying the Analytical Models

Applying Baran's and Bar-Yams' models of structural change which enable participation in arts organizations, in this thesis the focus is on the creative production environment, where forms of publicly funded culture, commercial culture, and social production models are coexisting. The shift encourages new thinking which approaches 'creative culture in terms of the growth and innovation among the entire population, not merely among industry, artistic experts' (Hartley 2008,16) and arts worlds. The shift relates to the rising active-citizen tradition where, instead of being passive objects, audiences, users and citizens, individuals and communities become subjects, navigating as agents, connected with hubs, sharing knowledge, and experiencing culture via mass collaborative practices.

The conceptual development argues for the need of building a dynamic and productive interrelationship among agents, networks and enterprises. 'Individuals originate ideas, networks adopt them, enterprises retain them' (Hartley 2008, 19) In the shift, the Internet plays as an important creative outlet, altering information production and enabling democratization

of content production which is changing the nature of communication and social relationships (referred to as the 'rise of the amateur'). Two-way communication tools change the way users and audiences produce, distribute, access, and re-use information, knowledge and cultural content. 'These may result in lower entry barriers, distribution costs and user costs and greater diversity of works as digital shelf space is almost limitless,' (OECD 2006, 5) and furthermore, provides opportunities to collective participation.

Table 6: Structural Change from Traditional to New Modes by Author

	Traditional	New
Organizational Model	Hierarchical Institution	Collaborative Network
Information Flow	Hierarchical	Bilateral Connections
Coordination	Top Down	Self-Organization, Network Governance
Content Development	Read-Only	Allowing Participation
Distribution Strategy	Through Gatekeepers Goal-Oriented	Through Social Networks Open with Broad Outlines

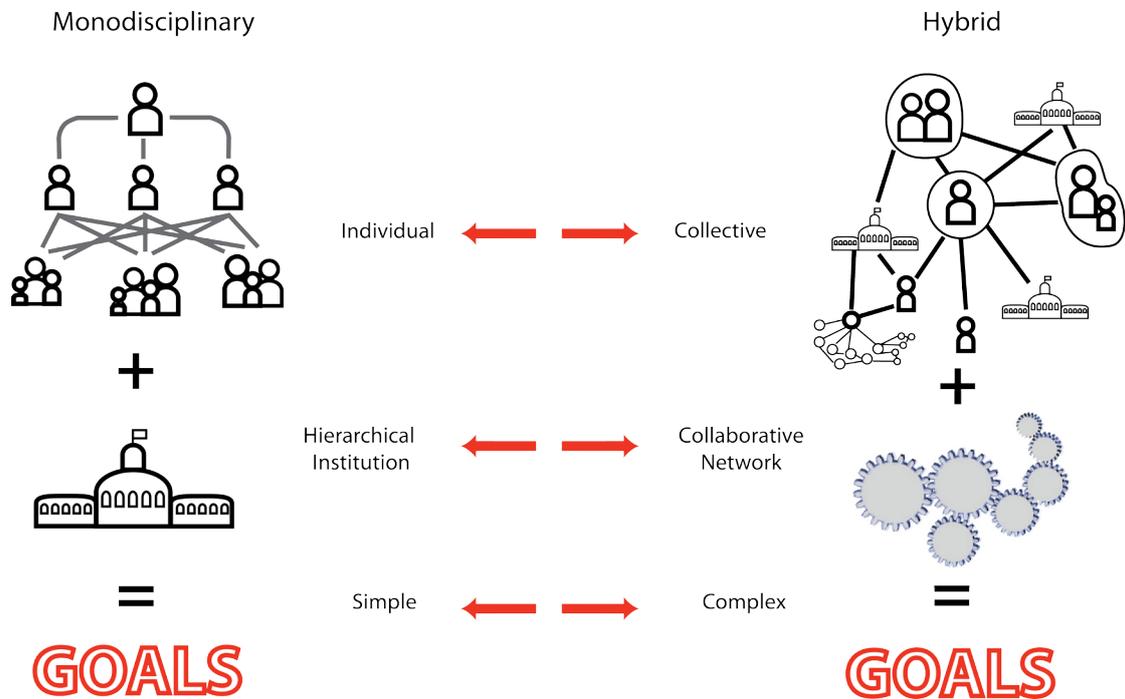
5. CONCEPTUAL MODEL ENHANCING PARTICIPATION

The new way of thinking and hybrid organization models allowing social production seem a natural evolvement of the creative industry, but the question remains: how do we achieve the change successfully? So far, as expressed through external change factors, it has been by establishing a policy and economy agenda answering technological innovation. Whereas policy focuses on problems and framework, arts managers are the ones operating on an organizational structural level, which according to complexity theory is an imperative for a knowledge-based organization.

My main argument behind this conceptual study is that arts and cultural organizations should allow for more complexity of collective behaviors which will lead to democratization, audience involvement, and unexpected innovation. On an organizational level this happens by breaking down the hierarchies and bringing in new thinking. The conceptual models presented in this thesis identify the change from mono-disciplinarity towards distributed models and hybrid organizations, which furthermore approach the change from three different perspectives.

5.1. Shift in Organizational Structures

The emerging contemporary work environment is based more and more on collaboration for the reason that working contexts and topics are becoming more complex. Hierarchical organizations constructed by units, documents, and charts are shifting towards hybrid organizations, constructed networks, relations and conversations building upon technology, globalization, and information sharing. Diversity and specialization are increasing, and therefore more people are needed for the success of an organization. When the cultural labour process is expanded beyond stiff institutions to the hybrid network run by flexible, loosely tight small actors, audience members can also take a more active role in cultural production. More creativity is required and less hierarchy expected as visualized in model 1.



Model 1: Shift from Hierarchical Institutions to Hybrid Network Organizations

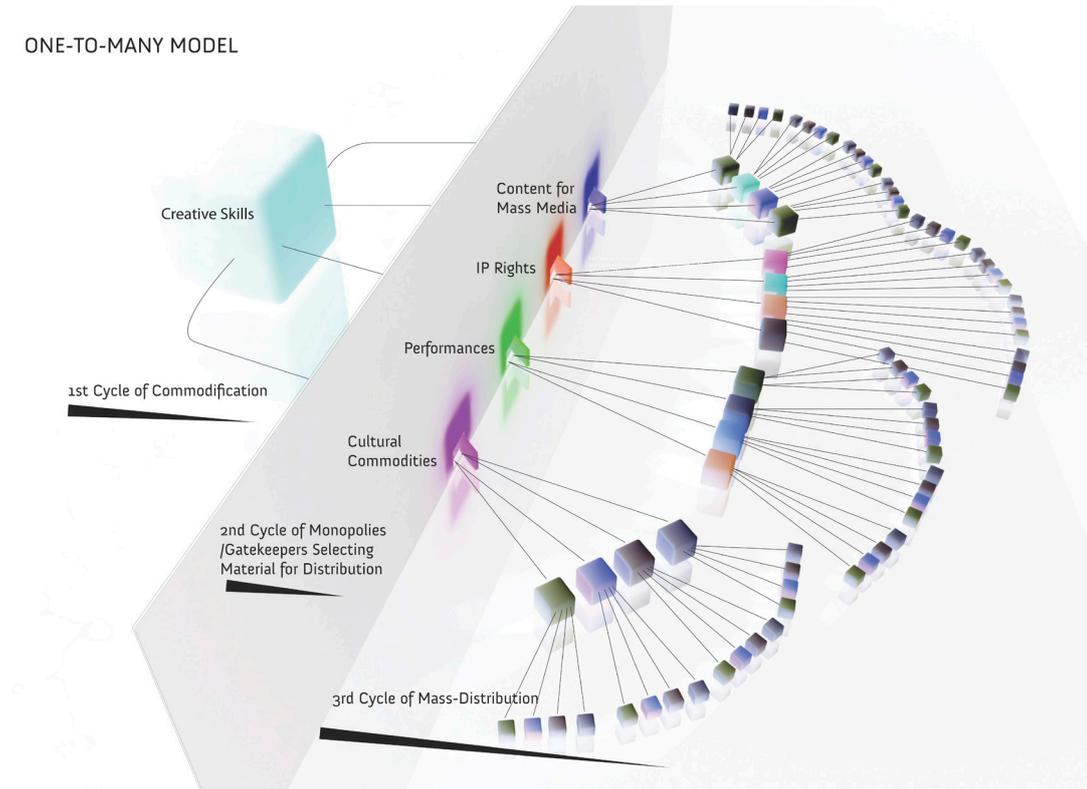
This requires that the pressure of rigid, authoritarian hierarchy is eased and one-to-one connections between networked members are allowed. This happens by eliminating the complex middle-management ladder and opening information sharing and communication flow between various actors. The development reflects that the cultural work environment is expanding beyond stiff monodisciplinary institutions, at the same time when knowledge and the power to act are moving to the edge of the organization, away from centralized control. Spontaneous communication, creativity and relational fluidity can be encouraged in a network. Collaboration and competition between flexible moduls is controlling the collective behavior. The form supports a project type of work and allows for the addition of a greater diversity of specialists' skills to be incorporated into the production processes. Factors of productivity and motivation help to overcome the alienation of impersonal, rationalized procedures. The decision-making is democratized as people close to the

production problems receive the information to solve them. Active communication between the production team and audience members is possible. The network structure encourages cooperation among actors, and the new thinking should be applied in all areas from product development to distribution.

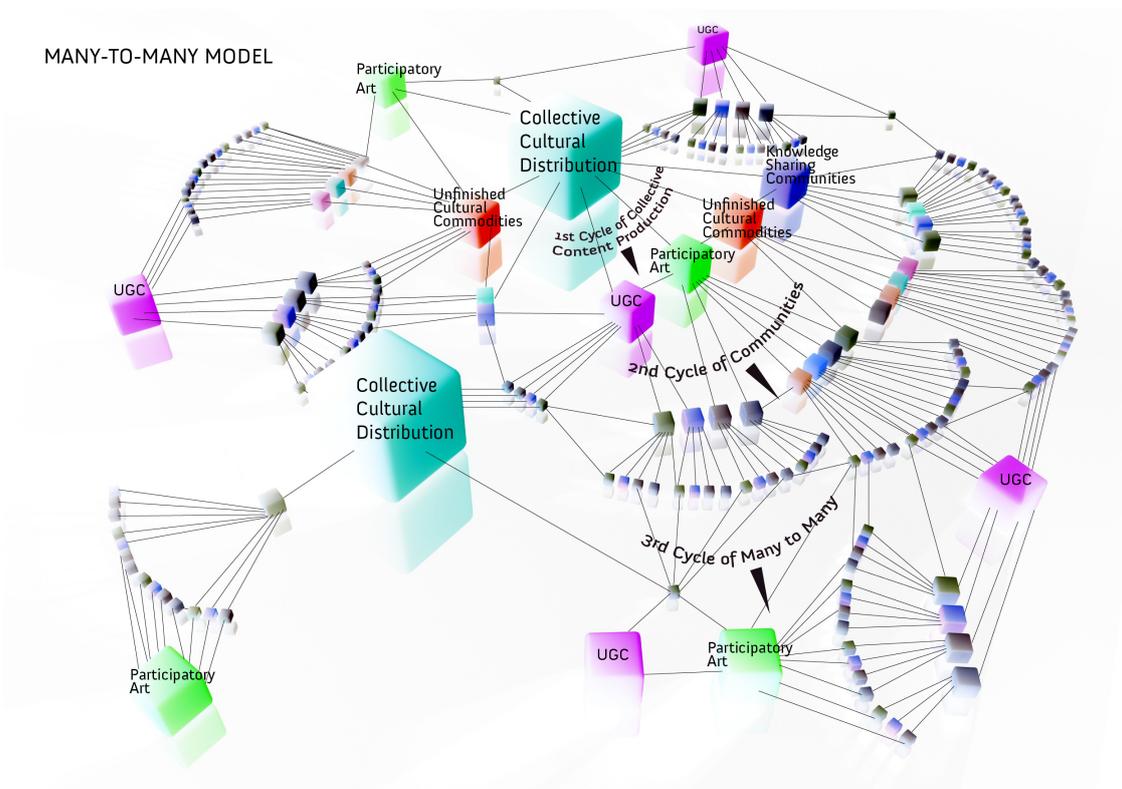
5.2. Shift in Cycles of Product Development and Distribution

Independent creators are becoming more independent from the traditional industrial era mass-distributors. The development reflects the changes in cycles of distribution between concentration and competition. Open and collaborative models will increasingly challenge closed hierarchical models as a way to develop cultural products to organize work and engage consumers.

ONE-TO-MANY MODEL



MANY-TO-MANY MODEL



Model 2: Shift from One-to-many to Many-to-many Model

The 1st cycle of the product production process reflects the shift from organizing talent around traditional monopolistic gatekeepers (such as big record companies utilizing IP rights), to many of the new creative actors building their services and models around product innovativeness, turning consumers into participants by mobilizing their commitment. The forms of social production utilize collective content production models by turning the passive audience to active content producer of user-generated content.

The 2nd cycle of distribution relates to the traditional commodification of the cultural commodities under the regime of big corporations and cultural gatekeepers, whereas the new distribution models threaten the monopolistic position of old intermediaries as entry barriers to the content distribution. The shift gives competitive advantage for the actors from the peripheral parts of the field. A long-tail phenomenon enables audiences to access a wider diversity of products, which breaks the star-system as niche markets are growing around sub-cultures and interest-based lifestyle communities. Communication runs in two ways.

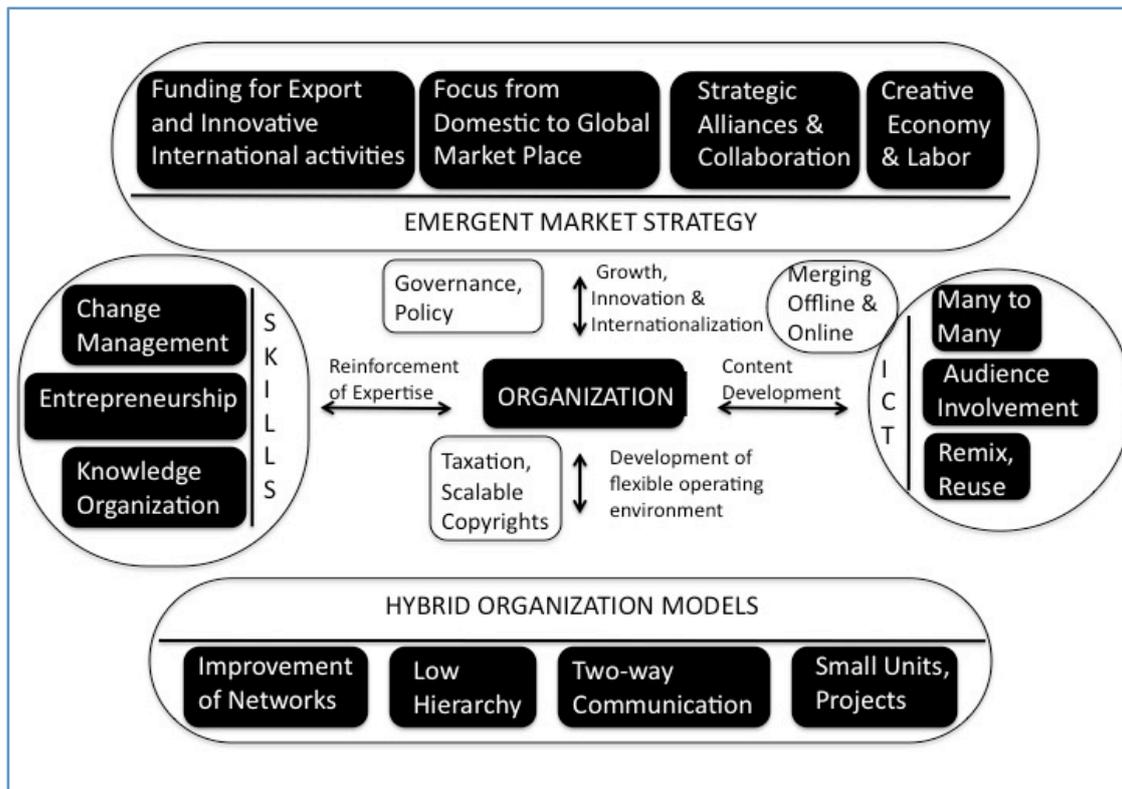
The 3rd cycle of distribution means a shift from the one to many model of mass-distribution, delivering standardized commodities via distributor network. The new unfinished products can be attenuated by small or even micro-production networks, which produce a limited series of custom objects or personalized services targeted to subcultures in global marketplaces. When masses of individuals are forming creative communities for contributing content, the distribution from traditional one-to-many model and read-only content shifts to many-to-many way of publishing and sharing information. Instead of settling on being passive consumers, the creation of content pulls the audience to consume and participate, and the distribution is expanded through the social networks.

Besides influencing product and services, development openness and participation has a huge impact for the brand; it increases transparency and authenticity for the brand. Therefore, managing expectations becomes crucial when two-way communication enables expressions of critique and user experiences to communities. Social networking has become a tool to report, react, and discuss anything from news to random thoughts, and some discussion boards have been organized around cultural subcultures such as music. The fluidness of the platform allows users to take the services into completely unexpected directions. As part of the process, arts organizations need to rethink themselves rather as platforms for the communities than one-way distributors, and find a balance between allowing participation and maintaining control.

5.3. Managing Change Towards Networks and Participation

The shift from the industrial to knowledge society means that the speed of changes has been accelerated in several dimensions: knowledge, information flow, innovations, and globalization. A successful change should not only take place on the structural level as it requires cooperation among government, policy makers, stakeholders, educators, and others actors that releases and nurtures talent and creativity in unexpected ways. Therefore, a long-term dynamic model, reaching beyond 3 to 5 years, an organizational strategic planning framework, and building upon distributed practices and network perspective is also necessary.

Based on theoretical literature, I have chosen four directions that will be used as dimensions for building a dynamic model with several focus areas for a strategic planning framework. The dimensions are emergent market, ICT technology, education, and hybrid organization model. In addition to hybrid organizational structures and many-to-many distribution models (introduced in figure 1 and 2), this model will examine factors and express new thinking of how change towards networks could be implemented and planned.



Model 3: A Dynamic Model for Managing Change Towards Participation

This focuses on four main directions: 1) information and communication technology merging online offline environments, 2) emergent market strategy driven by policy and economy development, 3) educating skills needed for reinforcing development, and 4) hybrid organization models enabling flexible operating environment. The model involves several subareas for holistic strategy development, which relate to internal and external factors identified in chapter 3.

ICT Driven Network Technology enables participatory content development. The practice of cultural Do-It-Yourself, remix, and recycling takes place in the social context, the realm of human interactions. The spaces to be walked into are transforming into a dialogue through merging online offline elements, where contemporary groupings may occur. On the technological level, the evolution means that the system wrapped around private Intellectual Property (IP) gets scalable forms where some rights are reserved or all content is open for public displaying, reusage, performance, or copy of the intellectual property. Read and

Write forms, many to many models, and audience involvement becomes the way to experience and live culture in more participatory manner.

Development of Flexible Operating Environment leads to hybrid organization models which are encouraging free sharing of ideas that are coming from various sources and expanding beyond the organization. Mobilizing communities becomes more important than concentrating power at the top and issuing instructions from high to low. Individual careers are becoming more fragmented, and projects among the network are a typical form of organizing units to work. Two-way communication is turning audiences into participants creating solutions, and offers a way to recover a social dimension to cultural production. Recognition, sharing, and participation works for some public and cultural volunteers, but there is also a need for viable business models that will allow cultural entrepreneurs to earn income. Therefore, it also requires the input of a governmental framework to regulate legalities and enhance viable models through taxation and copyright laws.

Emergent Knowledge Market reinforces growth, internationalization, and innovation. When approaching ‘internationalization as a process of becoming part of the international network’ (Jyrämä 2002), the added value occurs as interplay between individuals (experts), the collective (circles and networks) and public/customers. Top-down strategies driven by the government and policy are limiting the potential diversity of the markets as internationalization is not only about exporting products. There is a need for direct support for small actors as the complex internationalization can grow from individual relationships and people running the processes adopting the new inner codes. Several subcultures are global by nature (such as electronic music culture), whereas several state funded organizations choose naturally to serve the domestic markets (such as city theatre system).

New Skills Reinforcing Expertise. Much of the traditional educational strategies in the art sector are taking place in higher education institutions educating cultural workers and artists for the use of the public sector. In the current policy-economic environment, the cultural markets will fade away from mainly publicly financed institutions (where budget cuts are increasing and demands for demand to find private sponsors for the arts has started as examples

in the Netherlands, where 40% budget cut for the arts) to private markets with far more competition. Following the logic, the audience's demand will become far more important. To draw new characteristics of cultural workers and skills that educational programmes should enhance relates to the new type of entrepreneurs, most likely a one-person company, working in changing teams for different projects. The entrepreneurs need to operate in networks of innovative and communicative milieu, especially those located in big cities. Unfortunately, the cultural entrepreneur runs his enterprise with hardly any capital and therefore direct support to small entrepreneurs such as tax breaks are important. Also education and expertise about how to gain support to realize one's own ideas as the main motivation is the content of the work. Therefore, frameworks offering places to develop projects and productions further, or serious networking, seem more useful strategies for enhancing expertise. Everybody needs to find their niche and be ready to network their way in global markets.

Besides supporting entrepreneurship government and policy can also enhance collaboration between various public actors through network thinking.

Example: Dutch Museumkaart - Applying Network Thinking to Product Packaging

The supra-institutional network perspective can be used in innovative customer segmenting and product packaging, leading from selling single visit or singular museum friend programmes to activating cultural participators through long-term, covering memberships. State supported cluster thinking in the Netherlands has led to a development of a nation-wide Museum Card targeted for active cultural goers. Instead of offering free visits, such as big capitals such as London do, the Museum Card represents a financial viable way for cultural goer. Renewable yearly, it is a personal pass entitling the card holder to enter more than 400 Museums in the Netherlands as many times as the customer wants for a single yearly cost of €39.95. Besides working for the benefit of big and small institutions (the customer does not value the content of a single exhibition according to its single visit price) its flexibility allows for a card holder to just pop into a museum for 30 minutes without feeling the pressure to see everything, and also to repeat visiting museums.

Its value is obvious to any resident, expat, and even tourist who plans to make multiple visits to Netherlands over a 12 month period. This can be also bought as a gift. For the researchers and marketers, the Museum Kaart opens an active segment to target special programs such as visiting lectures or one time events. In the end, the participating institutions are funded by the government, which by offering a product package of changing and permanent exhibitions of 400 museums valid for a year, encourages a regular culturally enthusiastic visitor whoer would spend more for the single events in a year. It isan efficient way to increase the cultural capital of citizens and support regular visits, besides increasing the influence of cultural tourism inside the country. The similar attitude in the film sector or gym sector shows that people buying memberships are more willing to spend on related services such as cafe and restaurant or museum shops.

5.4. Conclusions

When organizing cultural labour inside traditional hierarchical institutions, the coordination of the production exposes limits to the complexity of collective behaviours of the system. Top down models of the communication flow between actors and work flows does not support creativity, participation or answer to the changing customer behaviour of active audience. Therefore, there is a need to adjust to the development of the knowledge society by expanding the network thinking to cultural production and distribution processes, which requires changes in organizational structures.

6. CONCLUSIONS AND DISCUSSION

If, for a long period of time artwork has managed to come across as a luxury, lordly item in this urban setting (the dimension of the work, as well as those of the apartment, helping to distinguish between their owner and the crowd), the development of the function of artworks and the way they are shown attest to a growing urbanisation of the artistic experiment. (Bourriaud 2002b, 4)

The main focus in this thesis was to examine the change towards participation and creative forms of cultural production and distribution. The change analysis was contextualized between two forms in time (which are cultural and structural by nature): the 20th century industrial organization and the 21st century creative hybrid or network organization.

The models show that when the pressure of the authoritarian is eased and one-to-one connections between networked members are allowed, complexity, flexibility and diversity are expanding, also in unexpected directions. With technological advancements, extended mobility can be tolerated or even demanded, allowing work to be relayed through communication channels. Spontaneous communication, creativity and relational fluidity is encouraged in a network, and the system increases creativity and participation.

As a conclusion, the analysis suggests that participation and creativity can be enhanced when creating actively organizational structures allowing for more diversified, flexible and complex ways of working. The dynamic model proposed aims to answer how we can construct this flexible environment where artistic experimentation, creativity, and citizen-users' involvement can take place.

6.1. Summary of the Problem

Expertise is hard-won and valuable, but everywhere from medicine to TV talent shows, the relationship between expert and non-expert is being renegotiated. (Holden 2007, 31)

The relationships between commercial culture, public-funded culture and social production are merging. For one thing, the change means that 'the process of interpreting and assigning

meaning to an object is becoming more open (and democratic)'. (Poole 2009,3) For another thing, the development poses a profound challenge to 100 years old notions of the arts world's authority, maybe as far as changing the way that professionals see their role in relation to their audience, which furthermore requires new organizational and new thinking.

The problem is that cultural contents, customer's needs, and the world are changing faster than arts organizations. Even though innovation, artistic experimentation and creativity should be seen as natural part of evolvement of both artistic practice and ways to organize cultural labour. However, several arts organizations do not understand the change towards networks, lack motivation for it or resist the change for ensuring old institutional ways of working.

For gaining a deeper understanding how arts organizations are pressured to evolve in contemporary settings, I started this thesis by gathering external and internal factors driving the change. I came to a conclusion that the network technology and economy-policy issues are necessary, but not sufficient to explain new modes of social production and participation, which take place in several areas of life in the development of a knowledge society.

The analysis of change factors demonstrates that the relationships and institutional framework (art worlds) for cultural production and distribution is inherently linked to wider societal progression and development towards a network society which allows for complexity. Even when policy objectives have been changing and creative economy is becoming more central to contemporary development, in many arts organizations management is still characterized by relatively low incremental innovation intensity. Therefore, it becomes important to discuss and examine arts managers' role in relation to organizational development and change management.

6.2. Main Findings

Whereas on an individual level, change is an internal process and a reflection of growth, on an organizational level it is something collective that management, several external and internal forces, and cultural gatekeepers' can influence with organizational structures, decision-making and development programmes. A good starting point is in understanding that any type of

change management requires some kind of conceptual model, which structures and guides the new thinking and renders it meaningful.

Complexity theory suggests that to allow for complexity and diversity in organizational problem solving, it should take place by people close to the production process themselves. Following the logic, in contrast to the outward policy driven model of change, the proposed conceptual model presented in this thesis aims to show how knowledge and power inside the field can be implemented to the structures of the creative system by involving multiple creative people and minds to promote continuous organizational development. To achieve this, the structural change from hierarchical organizations towards a distributed model is needed. The new thinking also encourages expanding the focus, and examining and organizing cultural labour into institutional settings in order to approach creative production outside of the dominant production models in the networked model.

Table 7: A Comparison of Old and New Paradigm Perspectives

Old Paradigm	Emerging Paradigm
Culture is produced in a linear system through one-way industrial value chain.	Culture is produced in a two-way communicating network of social relationships and collaboration.
Creativity is policy based identified and supported individual talent.	Creativity is in systems enhancing collective capabilities for the creative sector.
Arts management focuses on coordinating cultural labour inside mono disciplinary institutions.	Art management leads the development of a network coordination allowing more diversified amount of creative's to operate.
'Organization' of art is constructed by documents, units and charts.	'Organization' of art is constructed by networks, relations and dialogue enabled by technology.
Artistic excellence is determined by specialists' at the top of the art world.	Artistic excellence is determined in a dialogue with communities.
Government interference, policy and economic models are directing support for the cultural sector.	Self-governance, collaboration and competition are directing the collective goals.
Values of elite and the ones in power are deciding what is considered as (publicly funded) art.	Social practices make art as shared value among public.

The above comparison is an attempt to capture the research findings as old and new paradigm without the intention of making one better than the other. Thinking makes a difference also in the art world.

In fact, information society sociologist Manuel Castells refers to the network not just as a form, but as a destiny of collective agency where individuals are operating in terms of primary choice or rejection of the network, following more or less viable paths within or outside the dominant system. (Castells 1996 quoted by Holmes 2004, 37) In practice, the network structure challenges the traditional way to use authority by opening some hierarchical structures in the art worlds. Complexity is enhanced by breaking the hierarchy, which on the one hand decreases the power of controller, and on the other hand allows collective actions to become more complex. It is important to mention that decreasing top-down control does not mean that the mass of individuals' contributions would not need to be organized. Instead, there is a need for a mechanism that permits the collaboration on a base of self-government and leadership. These self-governed control structures based on competition and collaboration are neither so structured that change cannot occur nor so unstructured that chaos ensues.

In a context of complex systems and constant change, even small actions can have a powerful, transformative effect on the bigger picture. Thinking local and thinking small is not a parochial approach, and it is not an abdication of responsibility for the bigger picture. (Thackara 2005, 96)

It is also important to understand that evolving models of social production does not mean distinction of the traditional forms of cultural production and distribution. Depending on the organizational starting point, new possibilities should be approached as new opportunities to answer artists', audiences' (individuals, citizens) and shareholders' needs.

New thinking flourishes around ongoing dialogues, unfinished cultural production, and expanded experiences, and crystallizes the key direction of how complexity, innovation, time-paced evolution, and collective capabilities can be encouraged in the art sector. I believe that the most fertile place will be in the middle where many arts organizations, public and private, will be collaborating together for shared cultural content and to keep artistic values as shared

social capital among the communities.

Creating community is only marginally about technology. What matters is the copresence through time of bodies and the emergence of shared meaning as we interact with each other in meaningful activities. (Thackara 2005,. 109)

Participation has advantages; the time built in cultural production engages and enlargens the ideological and cultural space of the individual, besides giving back to the paid employee and public.

Desire can be stimulated and new, rapidly obsolescent products can be created by working directly within the cultural realm as coded multimedia in particular, thus at once, and resolving part of the problem of falling demand for the kinds of long-lasting consumer durables produced by Fordist factories. (Brian Holmes in Cox et al. 2004, 34)

There are concrete signs that economic conditions favour this kind of open innovation models as rising development costs and more competitive markets demand innovation in several areas of production and distribution. The driving factors predict that more organizations will create open-organizational models that draw the attention of the communities and share intellectual property outside the traditional schemes. These emerging open processes will run along the more traditional cultural production and distribution practices, enabling growth and participation. (see Leadbeater 2008 and Bilton 2007)

In this kind of environment 1) successful cultural production and distribution flourishes in a more diversified manner and creativity blends into systems through extensive communication channels providing freedom for creative activity on a more democratic base, 2) there are specialized expertise and collaboration among big and small actors, and product development includes experimental products which can be created via collective labour, and 3) successful institutions link the past and future together through rhythmic, time-paced change management processes, enabling them to benefit from the new tools and technological innovation.

6.3. Towards Innovation, Complexity and Organizational Development

The increasing complexity is manifesting itself through increasing specialization and diversity of professions, which several relate to the creative sector. The whole field is changing as

'among the possible future organizational structures are fully networked systems where hierarchical structures are unimportant.' (Bar-Yam 2003, 10) In this environment, the development towards participation and networks supports the freedom of the culture and creative experimentation which is open for everyone.

Free Culture, in its most basic notion, is about the resources and rights available to every individual to make a contribution of his or her choosing to culture (a distributed system of meaning) and to communicate their activities to anybody he or she wishes to. It is an transformative view of culture were the input and output of the productive process are not categorically distinct, implying that existing cultural artifacts and processes are part of the resources available to everyone. (FreeCultureForum 2010, web source)

Based on research findings, I chose to argue that in today's world it is not enough for arts management to carry the responsibility of cost-efficiency and organizational stability, nor focus on supporting artistic integrity by supporting hierarchical institutions of the dominant production models. When the struggle between tradition and innovation is seen as an inherent part of cultural production and distribution, arts managers can adopt new thinking to their activities for achieving growth, innovation, and in general serving the needs of audiences (or citizens), artists, and shareholders. Therefore, arts management should increasingly face adaptive challenges for 'maintaining aesthetic experiences as a common experience and value shared by members' (Joly 2005, 19) and adopt to the network models where 'innovation, change and growth is attributable not to firms only, but also not socially networked consumers' (Hartley 2008,12) Sometimes this mission might require arts organizations to abandon the familiar and routine, and, as a part of the progress, arts managerial practice could develop the capacity to harness knowledge, stimulate organizational learning, and if needed embrace transformational change towards hybrid models.

Hence it is increasingly evident in the emergent marketplace and older forms that the creative industry display attracts both classical institutional arts managers as well as creative entrepreneurs. For both, expanding their thinking beyond the traditional is important. For example, for the public-sector, arts organizations rather than fighting for internal growth under budget cuts, or stiff stability with all its negative effects on the innovation and labour practices, external growth through cooperation, clustering, and strategic alliances could be ways to fulfill organizational goals, growth and internationalization. Collaboration with the private and 3rd sector also opens new possibilities for supportive services and creative agencies. But the responsibility is not only among creatives; policy makers also need to

provide a comprehensive and efficient framework that supports network processes, rather than encourage internal growth and institutional stability.

I approach organizations as complex social systems, and organizational change a process of human interaction created by a dialogue. More complex thinking requires acceptance of living the change, journeying and developing skills to work in constant change through common principles, forums and dialogue. In here, every person is a change agent and the role of the change leaders are to act as ‘director, navigator, caretaker, coach, interpreter and nurturer’ (Nauheimer 2007, 46) of these journeys. Even though organizational change processes cannot be predicted with absolute certainty, they can be optimized. New structure needs new working culture and new working culture needs new structure.

If you want to implement change, you have to encourage people to imagine the future of their organization. Together, collectively. (Holger Nauheimer 2007, 25)

6.4. Challenges for the Researchers

Although the network approach acknowledges the role of the individual and the influence of the social relationships (Easton and Araujo, 1994), management research has concentrated on commercial relations. (Jyrämä 2002, 53)

Expanding the research focus from institutions to networks differs from examining individuals or organizations. The most obvious reason is that networks are not legal entities; instead they are cooperative endeavours comprised of autonomous actors, institutions and organizations. Therefore, the legal imperative for governance or collecting data is simply not present as it is for legal organizational entities. One solution could be focusing on projects for a reason that much of the creative work is project-based, although this angle does not help in analyzing or building long-term goal-directed organizational networks with a distinct identity and proper network governance system.

Whereas in individual projects management can operate through recruiting and brokering relationships, in the networks this kind of activity is much more complex as networks are open forms. Even still, in networks some form of governance is necessary to ensure that participants engage in collective and mutually supportive action, and that network resources are acquired

and utilized efficiently and effectively. The modes and systems of good network governance would be a good research topic to examine further.

Another challenge for the researchers of organizational development relates to the paradox is that organizational change is not the same thing as organizational growth. As organizations expand, they become less likely to change, as there is no reason to change something proven to be successful. For example in Finland, for several arts organizations the road to growth has been getting into legally public-funding. This system is protected by the orchestra and theatre act, and the funding targets are typically national or regional public institutions, although more recently even successful private groups, such as Tero Saarinen Co has been adopted to the system. The management problems of these institutions are various, from Baumol's cost disease to finding it extremely difficult for the new groups to enter the system. Changing the system itself has proven to be rather difficult as people resist change for various reasons, even while acknowledging that there are fundamental problems in it.

Unfortunately, national and regional governance models do not answer the network coordination problems with relation to the heightened complexity, interdependency, globalization and new organizational forms. Also several research and statistical providers, such as Statistics Finland is built as a system to serve the needs to follow the development of stiff institutions, and therefore, the statistical measures and systems of how data is collected overemphasizes the focus to public cultural service providers, and information about the creative networks is rather difficult to get.

This research is the size of a master thesis, and therefore deeper analysis about the design actions we might take to improve the efficiency of information transfer within a network could be linked to creating hubs, or adding new links, or acting as artificial shortcuts between otherwise distant regions. Mapping social networks and an analysis of the topology of communication links within a network may help identify where such interventions are needed. Equipped with this information, future arts managers might be able to adjust to the network architecture, create clusters of linked individuals, or put together groups with complementary expertise.

In the end it is important to remember that today's theories about creativity are more likely to

be based on processes or systems rather than on the search of a singularly gifted individual. In a network, individual creativity for self-expression has a lot of room, as the creative work is built around individual personalities and their relationships in a field where much of the work is project-based. Even though we tend to see creative people as specialists and obsessive individuals, because of the nature of their skills and talents, many of them need to be generalists, with a broad range of organizational skills and connections. I believe that there is need to open up experts for new thinking, and this can be done via various research methods. There is a lot of space for development as most literature on organizational networks does not explicitly address management and governance challenges. This new thinking must critically approach the dominant modes, adjusting the limiting perspectives in the field of arts and culture. One of these is the challenge of participation, which is a natural evolution of the cultural field in this complex world. In this world, the change is constant, and therefore, research should be able to evolve with it, such as through organicist thinking.

Organicism, and those who adhere to this worldview (organicists), explain ambiguity as a result of the fact that people, systems, events and things develop. They do not stay static. To distil the ambiguity and wrestle the problem to the ground, organicists seek to delineate predictable stages of development, trends or trajectories. Organicists' root metaphor depicts the answer to problems in the understanding of sequences in which change is explained in terms of growth or regression. Life and events within it evolve. Some aspects regress, others evolve. (Hargrove & Owens 2003, 3)

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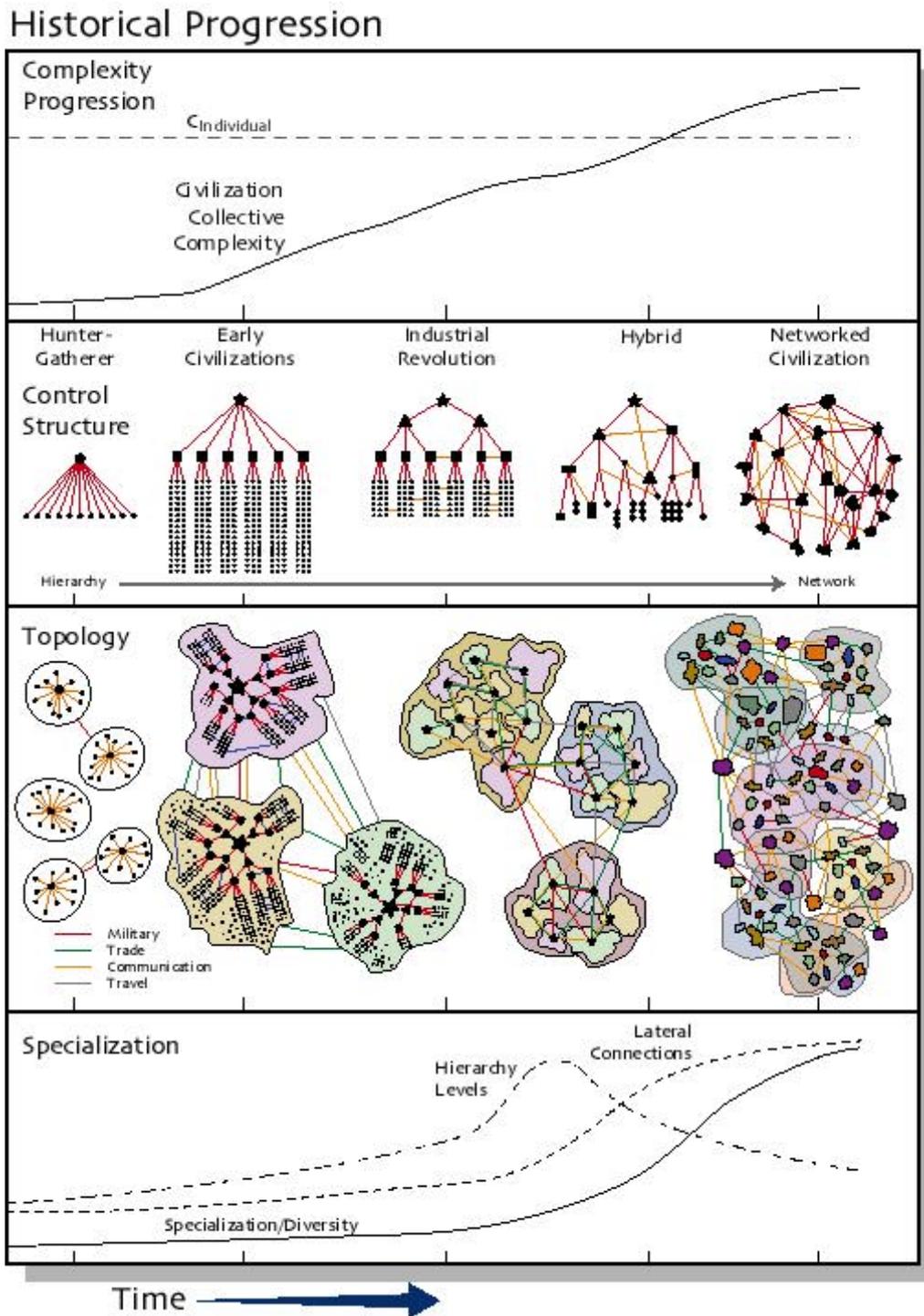
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Appendices

Appendix 1: Historical Progression by Baneer Bar-Yam (2003)



A schematic history of human civilization reflects a growing complexity of human civilization reflects a growing complexity of the collective behavior of human organizations. The internal structure of organizations changed from the large branching ratio hierarchies of ancient civilizations, through decreasing branching ratios of massive hierarchical bureaucracies, to hybrid systems where lateral connections appear to be more important than the hierarchy. As the importance of lateral interactions increases, the boundaries between subsystems become porous. The increasing collective complexity also is manifest in the increasing specialization and diversity of professions. Among the possible future organizational structures are fully networked systems where hierarchical structures are unimportant.

Appendix 2: Introducing YouTube Symphony Orchestra

YouTube Symphony Orchestra

From Wikipedia, the free encyclopedia

The **YouTube Symphony Orchestra** is an amateur [orchestra](#) assembled by open auditions hosted by [YouTube](#), the [London Symphony Orchestra](#) and several other worldwide partners. Launched on December 1, 2008,^[1] it is the first-ever online collaborative orchestra. The open call for entries was until January 28, 2009. Musicians wishing to audition had to post a video of themselves playing the "[Internet Symphony No. 1 'Eroica'](#)", by [Tan Dun](#), along with a second talent video of themselves playing a preset audition piece to YouTube. Musicians of all cultures were encouraged to audition, as even if a particular instrument was not specifically scored in the original score, a musician was allowed to simply play a part in the same pitch range as their native instrument. Judges selected finalists and alternates from January 29 to February 13, 2009 and the finalists were voted on by the YouTube community from February 14 to February 22, 2009^[2].

Winners, mostly amateur musicians, were announced on March 2^[2], and were invited to travel to New York in April 2009, to participate in the YouTube Symphony Orchestra summit, and play at [Carnegie Hall](#)^[3] under the direction of [Michael Tilson Thomas](#)^[1]. As of the concert date 15 million YouTube viewers had watched the audition tapes.^[4] The concert featured a series of short pieces that had been rehearsed for several days, as well as guest soloists [Joshua Roman](#), [Gil Shaham](#), [Measha Brueggergosman](#), [Yuja Wang](#), and classical / electronica composer [Mason Bates](#). Three children tutored for the event by pianist [Lang Lang](#) played a one piano / six hand arrangement of a [Rachmaninoff](#) waltz.^[4]

The Tan Dun submissions were compiled into a [mashup](#) video premiered at Carnegie Hall on April 15, then hosted on the "YouTube Symphony Channel" as of April 16. On October 5th, a video posted on the YouTube Symphony channel announced that they would be doing a second symphony, this time performing at the Sydney Opera House on March 20th. Thomas will again be directing, and has asked Bates to write a piece, entitled "Mothership", in which performers will be invited to improvise with the orchestra, both live and via an uplink.

[\[edit\]](#)

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