



JYVÄSKYLÄN YLIOPISTO

Does sector matter?

A study on marketization in third sector
festival organizations

4.10.2017



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Presentation Structure

- Background, definitions, theoretical and analytical framework
- Empirical research
- Results and conclusions

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Central concepts

- Sector (public sector, market sector, third sector)
- Hybrid organization
- Marketization

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Research questions

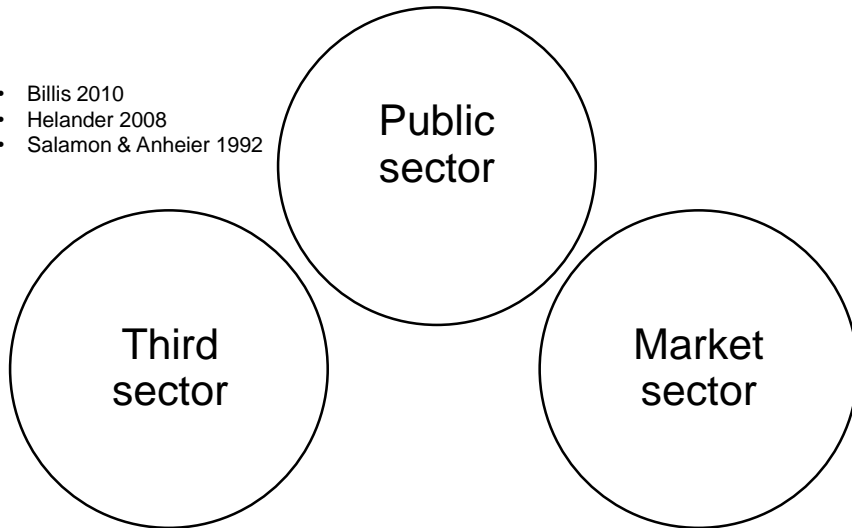
- What makes festival organizations third sector actors?
- What kind of marketization takes place in festival organizations?
- Why does marketization appear in or are adopted by festival organizations?
- How do third sector and hybridity as phenomena explain the behavior of festival organizations and changes in it?

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Separate sectors of society

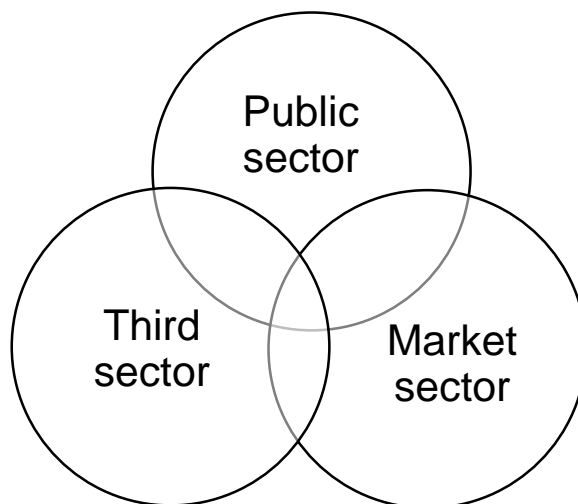
- Billis 2010
- Helander 2008
- Salamon & Anheier 1992



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Hybridization



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Ideal type sectors (Billis 2010)

| Core elements | Third sector principles | Market sector principles |
|------------------------|-------------------------------------|-------------------------------------|
| Human resources | Volunteers and members | Paid personnel |
| Financial resources | Dues, donations and legacies | Sales and fees |
| Operational priorities | Commitment about non-profit mission | Market forces and individual choice |

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Institutional logic approach

(modified from Thornton et. al 2012)

| | Community | Non-profit | Market | Corporation | Profession | State |
|-----------------------|---|-----------------------------------|--|---|---|--------------------------|
| Sources of legitimacy | Unity of will. Belief in trust & reciprocity | Independence | Share price | Market position of firm. | Personal expertise, association with quality of craft | Democratic participation |
| Sources of authority | Commitment to community values & ideology | Nonprofit mission | Shareholder activism, bureaucratic roles | Board of directors. Top management | Professional association | Bureaucratic domination |
| Basis of strategy | Increase status & honor of members & practices | Increase mission outcome & output | Increase efficiency & profit. | Increase size & diversification of firm | Increase personal reputation | Increase community good |
| Economic system | Cooperative economy | Social economy | Market economy | Managerial economy | Personal economy | Welfare economy |

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Empirical research

- Third sector organizations that applied state funding for organizing a cultural festival or event in 2014
 - Total sample: 233 festival organizations
 - 200 associations
 - 13 foundations
 - 17 limited companies
 - 3 co-operative
 - 104 responses, 45 % response rate
 - Quantitative and qualitative analysis

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Empirical research

- Finnish-Irish Society r.y.: Irish Festival in Finland (3 000 €)
- Taidekeskus Salmela Oy / Art Centre Salmela: Multidiciplinary art event (38 000 €)
- Pori Jazz 66 ry: Pori Jazz Festival (125 000 €)

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Sector does matter

- Organizations prime sector provides an important source for festival organizations to reflect their activities and build their identity. Traditional third sector definitions and characters still reflect well the reality of festival organizations
- Organizations prime sector is important also in those situations where an organizations has adapted hybrid methods

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New third sector

- Alongside the traditional third sector features, new features emerge: professionalism is an important operational priority and the source of organisational identification for the festivals
 - Quality content and professionally designed and implemented settings of a festival
 - Competence and proficiency of staff (paid and voluntary)
 - Professional organizational structures

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Hybrid festival organizations

- Hybridity is typical for the festival organizations
- Hybridity in festival organizations is
 - measurable and observable features
 - interpretations made by festivals themselves and their stakeholders

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Hybridity and plural logics

- Market oriented audience relation
 - Aim of an organization is to identify and meet the expectations of a customer -> sale of a product or service
 - Audiences as ticket purchaser
 - Audience (size) as legitimator of an event
 - Program planning is at some degree affected by the analysis of customers
- Mission oriented audience relation
 - Emphasis on the artistic or other non-profit mission
 - Audience as member of community
 - Audience as experiencer of art
 - Social perspective, special groups, art accessibility

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Relationship with public authorities

- The relationship with public sector has an effect on festival organizations sectoral orientation. It may both support or prevent marketization

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Thank you!

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