

The Institutional Embeddedness of Project Networks: The Case of Content Production in German Television

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SYDOW J. and STABER U. (2002) The institutional embeddedness of project networks: the case of content production in German television, *Reg. Studies* 36, 215–227. Project networks are an organizational form of production and exchange among functionally interdependent but legally autonomous firms and individuals. Although these networks are of limited duration, co-ordination of actors and activities takes place with respect to past experiences and future expectations. Project networks depend on supportive institutions in the surrounding organizational field to provide the regulative and normative resources within which practices are given meaning. In this paper, we explore the role of 'institutional thickness' for the performance of project networks in television content production in two media regions in Germany. We use GIDDENS', 1984, structuration perspective, to emphasize the dynamics and ambiguities of institutional processes. The analysis suggests that the two media regions differ in institutional thickness in ways which explain, at least in part, differences in the growth and viability of project networks.

SYDOW J. et STABER U. (2002) L'ancrage institutionnel des réseaux de projet: l'étude de cas de la production du fond et de la forme dans la télévision allemande, Reg. Studies 36, 215-227. Les réseaux de projet constituent une forme organisationnelle de production et d'échange parmi des entreprises et des individus qui sont interdépendants du point de vue fonctionnel mais autonomes sur le plan juridique. Malgré la durée de vie limitée de ces réseaux-là, la coordination des acteurs et des activités a lieu en fonction des expériences du passé et des attentes futures. Les réseaux de projet dépendent des organismes de soutien situés dans le domaine organisationnel environnant afin de fournir les ressources régulatrices et normatives au sein desquelles les pratiques se voient donner un sens. Cet article cherche à examiner le rôle de l'ancrage institutionnel pour ce qui est de la performance des réseaux de projet dans la production du fond et de la forme dans la télévision de deux régions d'importance médiatique en Allemagne. On se sert de la perspective stucturante de GIDDENS, 1984, pour souligner la dynamique et l'ambiguité des processus institutionnels. L'analyse laisse voir que deux régions se distinguent du point de vie de leur ancrage institutionnel d'une façon qui explique, du moins en partie, les différences de la croissance et de la viabilité des réseaux de projet.

Réseaux de projet Organismes

Ancrage institutionnel Théorie de structuration
Télévision

Structuration theory Television

SYDOW J. und STABER U. (2002) Die institutionelle Einbettung von Projektnetzwerken - Der Fall der Content-Produktion für das deutsche Fernsehen, Reg. Studies 36, 215-227. Projektnetzwerke sind eine Organisationsform ökonomischer Aktivitäten von zwar rechtlich selbständigen, jedoch funktional interdependenten Unternehmungen bzw. Unternehmern, die für eine begrenzte Zeit - ein Projekt zusammenkommen, ihre Zusammenarbeit allerdings im Lichte ihrer bisherigen Erfahrungen und im Schatten ihrer zukünftigen Erwartungen koordinieren. Projektnetzwerke sind dabei auf die Unterstützung durch Institutionen in dem organisationalen Feld angewiesen, die ihnen den Zugriff auf Ressourcen ermöglichen und Sinn und Legitimität verfügbar machen. In diesem Beitrag wird die Rolle von "institutional thickness" für die Performanz von Projektnetzwerken im Feld der Content-Produktion für das Fernsehen in zwei deutschen Medienregionen untersucht. Dies geschieht auf der Grundlage der Giddens' schen Strukturationstheorie, die die Dynamik und Ambiguität von Institutionalisierungsprozessen betont. Die Analyse zeigt, dass die zwei untersuchten Regionen sich hinsichtlich der institutionellen Dichte signifikant unterscheiden. Dies erklärt - zumindest zum Teil die Wachstums- und Erfolgsdifferenzen der Netzwerke und Regionen.

Projektnetzwerk Institutionen Institutionelle Dichte Strukturationstheorie Fernsehen

INTRODUCTION

Project networks constitute an organizational form of co-ordinating activities and relations among legally autonomous but functionally interdependent firms and individuals. Project networks are 'temporary systems' (GOODMAN, 1981) in so far as the project activities are limited in time. But because network actors coordinate their activities with reference to practices and experiences of collaboration in previous ventures and in anticipation of future relationships, project networks are more than just temporary systems (SYDOW and WINDELER, 1999). Although project tasks are temporary, the network of interpersonal and interorganizational relationships in which tasks are embedded may be more enduring. Network stability provides the context within which the kind of trust, commitment, and reciprocity norms can develop that support project coordination. Because of the temporary nature of tasks, and despite a certain degree of relational stability, project networks themselves develop only a limited set of institutions. As a consequence, they depend more heavily than other organizational forms, including other types of interorganizational networks, on supportive social and political institutions in their organizational field. These institutions not only supply essential material and informational resources but also set regulatory constraints, create possibilities for interorganizational action, determine normative expectations, and provide the social context within which practices obtain project-relevant meaning.

In this paper, we explore the significance of institutional thickness for the performance of project networks in television content production in two media regions in Germany. We compare the interaction structures and processes in the media regions of Cologne/ Düsseldorf and Berlin/Babelsberg. The empirical data for this analysis were collected between 1998 and 2000 through semi-structured interviews conducted primarily with producers and managing directors of 16 major production firms, and programme editors and chief executive officers of the four broadcasting stations located in the two media regions. Interviews with providers of artistic and technical media services, funding and development agencies, and other industry experts enabled us to cross-validate most findings. A total of more than 70 interviews were conducted. They each took an average of 2.5 hours and focused on the organization of projects, the integration of the customers (i.e. the broadcasters) in the projects, and their efforts to co-ordinate and control the production process within the institutional setting of the regions.

The analysis is informed by GIDDENS', 1984, structuration perspective. Although originally developed as a social theory, it also helps to understand the institutional embeddedness and dynamics of project-based production systems in time and space, in that it forces attention to the duality and recursiveness of the relationship

between action and structure. While structural approaches neglect the possibility that individual or corporate agents have significant latitude even under severe structural constraints, more action-oriented perspectives tend to overlook the constraining and enabling capabilities of structures. Structuration theory tries to overcome, more than any other perspective, the one-sidednesses of much theorizing, and by doing so contributes to a more dynamic understanding of (inter-) organizational life, including the development and reproduction of institutions. By highlighting institutional processes and spatial dynamics, the present study not only goes beyond conventional management oriented explanations of project organizations. It also offers a theoretical perspective which, we believe, deserves more attention in the analysis of the timespace dimension of modern forms of production organization.

PROJECT, PROJECT ORGANIZATION AND PROJECT NETWORK

A project is defined as a temporally limited set of interrelated tasks (LUNDIN and SÖDERHOLM, 1995). When tasks are truly unique, the project is formulated for a set of contingencies that will not recur. Good management, in this situation, depends heavily on the creativity and flexibility of the project participants, especially when knowledge about how, why, and with whom to interact is poorly understood. By contrast, when tasks are repetitive, the co-ordination of the project is likely to take on at least some of the properties of a 'permanent' organization, in that members can develop common frames of reference within which learning can take place. Regardless of whether project tasks are unique or repetitive, they are limited in time and identifiable within temporal boundaries. Projects may be seen as a 'highly organized way of dealing with time problems and of acting according to the perception of time as being scarce, linear and valuable' (ibid., p. 440). Perceptions of time provide a rationale for arranging social relations and for organizing project objectives, instruments and management processes.

Projects are usually not a series of isolated activities but are embedded in a system of more or less enduring social relationships within the context of a project organization, which has a distinct social identity and organizational culture. This identity and culture may develop within and, as in the case of project networks, between organizations. Project organizations may complement or, in industries characterized by increasing 'project-ification' (MIDLER, 1995), replace more permanent organizational structures. The 'social capital' of project organizations consists of obligations and expectations concerning the co-ordination of tasks and reflects the collective capability of project members to learn and innovate. But social capital can also generate negative outcomes, as when social relations are so tight and

exclusionary that they lead to inertia and stagnation, rather than innovation and change (UZZI, 1997; GARGIOULO and BENASSI, 2000). Project management thus concerns more than the execution of goals and the use of technical instruments (budget plans, deadlines, etc.). It also has to address the causal ambiguities, interest conflicts and legitimacy issues one normally finds in social relationships (SAHLIN ANDERSSON, 1992).

When the project organization is itself embedded in a larger web of long term and reciprocity-based interorganizational relationships, it takes on the character of a project network. This network connects the project enterprise to the firms which participate in the project as well as to the organizational and institutional environments in which these firms are embedded. The member firms do not dissolve within the context of the project organization. Although they are functionally and economically interdependent (as project members), they retain their legal autonomy and organizational identity. To the extent that project networks comprise relationships that exist beyond the specific and current boundaries of the project organization they may be considered 'latent organizations' (STARKEY et al., 2000).

The spatial boundaries of projects and project networks are drawn partly on the basis of material resource requirements (such as access to studio facilities in film production). But, more importantly, they reflect the necessity of face-to-face contact for individuals to exchange and interpret difficult-to-code knowledge. The difficulty of transmitting tacit knowledge, as well as the strength of local cultures and traditions, explain why some networks are highly place-specific and difficult to transfer to other locales. But the regional component of project networks is not well understood. In the literature on innovation systems and industrial districts, some authors treat territorial closeness as a defining characteristic of interfirm networks (MALMBERG and MASKELL, 1997), whereas others examine it as a variable, exploring the extent to which actors must be located in proximity to be able to co-operate effectively and learn jointly (STABER, 1998). In line with a structuration theoretic perspective (discussed below), and supported by our empirical observations, we think of territorial proximity as a social variable. Project networks may be thought of as existing within an organizational field whose spatial boundaries are determined by the fact that the actors orient themselves significantly towards each other, the region in which they are located, and the industry of which they are part. There is an awareness among the actors of their regional embeddedness, as reflected in the ways in which their social practices are linked to the regional institutional framework. This awareness can be explored when the concepts of structuration theory are employed as a 'sensitizing device' to interpret empirical observations (GIDDENS, 1984, p. 326).

A STRUCTURATION PERSPECTIVE ON ACTION, STRUCTURE AND INSTITUTIONS

A substantial literature exists on project organizations and project management. Some of this literature focuses on the management aspects of projects and project organizations, typically taking a situational contingency perspective. From this perspective, it is assumed that there is one best organizational design that suits a particular set of circumstances. These circumstances are seen as given, and the design and management of project organizations is assumed to be motivated mostly by technical-efficiency criteria, implemented rationally and purposively. This perspective addresses some important contingencies but does not capture the dynamics and ambiguities of project organizations, nor does it examine the role of spatiality and institutional resources. More recent approaches have emphasized the system character and the relational aspects of project organizations (e.g. HELLGREN and STJERNBERG, 1995; EKSTEDT et al., 1999; LUNDIN and HART-MANN, 2000). By taking into account the role of social legitimacy, tacit knowledge, political interests, sensemaking processes and resource dependencies, and thus the possibility of interest conflicts and path dependencies, they come closer to capturing the reality of many project organizations, including project networks. By paying attention not only to the business context but also to the social framework in which project work takes place, these approaches help to explain why inefficient project enterprises are not always eliminated (quickly) from the market. They are thus a useful corrective to the conventional technical-efficiency approach, by viewing the project enterprise as an organizing process rather than a rationally structured organization, and by accepting the associated ambiguities as givens rather than something to be defined away.

Although these more recent approaches to the study of project organizations and project networks offer important insights into various dimensions of this organizational form of production, none of them addresses the interrelated aspects of structure and action as simultaneously and explicitly as we think is necessary and possible, given the advances in social theories. Similar to EKSTEDT et al., 1999, who analyse action and knowledge formation in temporary systems, we think that GIDDENS', 1984, structuration theory provides a useful perspective for integrating and reinterpreting the concept of project network in light of its relationship to institutions (see SYDOW and WINDELER, 1998, for an earlier attempt in a different context). We use structuration theory to explore the dynamic constitution of institutional embeddedness, with reference to the reflexivity of agents and their actions, as well as the recursive interplay of social interactions within and across the organizations involved. This perspective deals both with the creation and maintenance of ideas, structures and institutions, and with change and continuity, using the same language. And it offers a set of 'sensitizing' concepts that help to understand social relationships in time and space, such as the time-space constitution of institutional embeddedness.

Giddens employs the concepts of duality of structure and structuration to explain the dynamic relationship between human agency and the structure of social systems. In structuration theory, structure is not seen as detached from action. 'Structure is not "external" to individuals: as memory traces, and as instantiated in social practices, it is in a certain sense more "internal" than exterior to their activities' (GIDDENS, 1984, p. 25). *Duality of structure* means that social structures are constituted by human action and, at the same time, are the medium of this constitution. From this perspective, project networks *are* not structures but, like all other social systems, they *have* structures or structural properties which actors draw upon in their social interaction.

The concept of *structuration* refers to the processes by which actors reproduce and transform social practices across time and space. These processes are related to structures in that practices are embedded in the system which, depending on how the project and the project network are structured and depending on external conditions, either enables or constrains action. Structures thus never determine action. Actors are seen as embedded in a social context, including the history of their previous interactions. They are engaged in structures which they reproduce or transform in the process of acting upon and through them. Consequently, their interactions are not considered isolated events or dyadic exchanges, but are conceptualized as flows of interactions which are contextually bound. Structuration theory thus offers a conceptual scheme for understanding how actors create project network structures as both the medium and the outcome of their social practices.

Giddens' perspective on the recursive interplay of structure and process deals simultaneously with domination, cognition and legitimacy as interrelated aspects of the processes through which structures are constituted. Unlike theories which emphasize action and focus on the symbolic or cognitive aspects of behaviour, structuration theory also takes power into account. And unlike theories which analyse structures primarily in terms of power or efficiency, structuration theory also pays attention to normative interpretations of action which give meaning to power and efficiency. Because the relationships inherent in project networks reflect these structures, their design and management require attention to all aspects of social practice through which they are constituted.

The agents are seen as knowledgeable and purposive in their actions. They are capable of providing a rationale for their actions, referring to explicitly stated rules at the discursive level of consciousness and to implicit understandings at the practical level of consciousness. In their reflexive monitoring of interaction, agents actualize these rationales as they mobilize the modalities (interpretive schemes, facilities and norms) inherent in the network. Because of incomplete information and the possibility of contradictory expectations, preferences and interests, behaviours do not always have intended consequences, and the outcomes of action are never entirely predictable and controllable.

The structuration perspective offers a processual view of the constitution, reproduction and transformation of project networks. Networks are produced and reproduced by actors who, depending on the complexity and fluidity of external conditions, influence the structures of the network without fully controlling it. For that purpose, agents, in their interactions, draw upon the structural properties of the network (e.g. the density and diversity of relations) and thereby reproduce or change them (STABER and SYDOW, 2002). Hence, the organizational and institutional properties of a project network are considered as neither given nor fixed, but as more or less contested and thus vulnerable to change. This processual view is in sharp contrast to the conventional static approach to project organizations and project management.

Institutional embeddedness means, from the structuration perspective, more than the simple presence of particular institutions thought necessary for survival, innovation and change, but addresses the forms and processes by which meaning is constructed, trust is built (or destroyed), knowledge is exchanged, and so forth. Institutions, according to GIDDENS, 1984, p. 17, are those 'practices which have the greatest time-space extensions' and thus represent 'the more enduring features of social life' (ibid., p. 24). As such, they do not have a life of their own but depend upon the reproductive actions of agents. Institutions outside of, but relevant to, project networks include formal organizations (training institutes, associations, state agencies, sponsors, banks, etc.), formal standards and regulations, as well as less visible rules, shared norms and takenfor-granted beliefs.

Thus, the structuration perspective on action, structure and institutions goes beyond the neoinstitutionalist perspective on (inter-) organizational relations, which has gained much prominence in the analysis of networks and institutions (e.g. DACIN and OLIVER, 1999), in at least two respects. First, the 'dialectic of control' (GIDDENS, 1984) means that agents not only reproduce but also transform network structures, especially when structures involve contradictions and conflicts (SYDOW and WINDELER, 1998). Action takes place within structures, but structures also exist in action. Second, structuration theory goes beyond the neo-institutional assumption that action is motivated primarily by legitimacy requirements (SCOTT, 1995). Social legitimacy is an important element in project

networks, reflecting differences in power and domination. But network relations are also driven by considerations of technical and resource efficiency. If legitimacy and efficiency concerns are viewed by actors as contradictory, they may become a source of conflict and change.

PROJECT NETWORKS IN TV-CONTENT PRODUCTION

Television programmes (movies, series, documentaries, etc.) are normally produced on a project basis, with a duration of between several days and several months and with highly customized and project-specific results. The projects are based on more or less stable relational networks which often involve the same group of firms and individuals. Firms co-operate for the duration of a film project, but their (evolving) business relations typically extend beyond a single project. Thus, a new project is often based on the collaboration of firms and individuals who have worked together in the past and consider the possibility of joint work in the future when developing a viable form of project governance. Past experiences of collaboration and expectations emerging in the 'shadow of the future' (AXELROD, 1984) can facilitate project co-ordination, even in projects where firms and individuals meet only for a very limited period of time.

Fig. 1 shows a typical project network in TV-content production. It includes suppliers such as authors, directors and a variety of providers of artistic and technical services (e.g. script consultants, casting agencies, cutters, lighting specialists and location scouts). Some project participants may perform several functions, while others specialize in unique activities. A variety of member constellations and task interdependencies are possible, depending on the content of the programme and the particular context in which it is produced. The participants of a project are normally selected by the producers or production firms which also tend to co-ordinate the activities. Production is usually commissioned by television stations, and increasingly also by internet providers which, depending upon the type of programme and the concern of the producer for integrating customers, are more or less strongly involved in the co-ordination of production.

Although producers normally produce for a variety of broadcasters, and broadcasters obtain programme content from different producers, relations between producers and broadcasters can be fairly tight for the duration of the project and beyond. But this does not mean that there is no competition in the execution of the production process and in attempts to appropriate profits, licenses, property rights, and so forth. There remains an important element of competition in cooperative relations, as is normally the case in service industries, where the customer (here, the broadcaster)

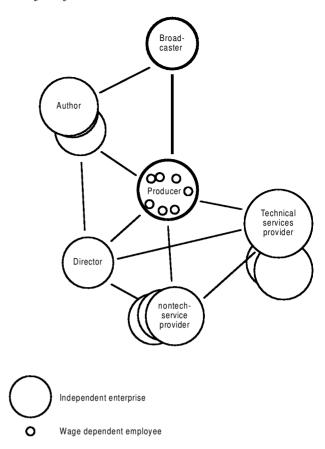


Fig. 1. An example of a TV project network

is 'integrated' in the production process with respect to issues of content, persons and rights. This 'integration' rarely proceeds harmoniously, but reflects differences in power, interests and preferences (WINDELER *et al.*, 2000).

In the context of project networks, agents tend to orient themselves, reflexively, to their experiences with past collaboration, as well as their expectations of future relationships. Producers, for example, normally rely on a core of authors with whom they have worked in the past:

There are authors with whom we work over an extended period, I would say not more than five authors. But we do that only if we already have a programme series and we want to produce another episode ... In this case, we offer the author favourable terms, because he was good in the past. We guarantee him a certain budget for a certain time period. And we then also pay even if the broadcaster demands less, because that's not the author's responsibility. In other cases, we use authors again and again, or only once. (producer 2)

Despite differences in power, interests and preferences, network members over time develop routines and practices, with sets of rules and resources that can be used to co-ordinate current project activities and to formulate common strategies for future projects. Recurrent relations may lead to the development of

reciprocity norms which, for example, enable producers to obtain assistance from authors, even if such assistance cannot always be paid for fully or if compensation is delayed. From the structuration perspective, the latency of the organization provides an opportunity for project members to assess their own and others' future involvement in the project. In this way, relations can persist over an extended period of time, even in an industry as volatile as the media industry. Chains of reputation help to institutionalize reciprocal rights and obligations which, in turn, enable co-operation. According to one producer, 'if cooperation is successful, we can stay in business for a long time, sometimes as long as 20 to 25 years'. By learning from past relations, actors develop competencies and rules of behaviour which can be transferred to new projects and project networks and which facilitate operational flexibility and short term collaboration, without the use of extensive and constraining formal contracts. In structuration terms, it is in the context of common rules and practices, mediated through norms and moral codes, that interpretations about 'what does a good television programme look like?' and 'what is effective project management?' can become institutionalized and reproduced over time.

There are considerable variations among project networks in terms of duration and territorial scope, depending on the content that is produced. For example, soap operas, comedies and talkshows tend to be long lasting and locally bound, whereas TV-movies, science programmes and documentaries are normally limited to a small number of episodes. These episodes are often recorded in different locations, while post-production activities, such as film cutting and editing, generally take place in one location.

Because projects are of short duration and relationships among most project participants are fluid, project networks can, by themselves, develop institutions with only limited capacity to support co-ordination: formal or informal rules of collaboration; the acceptance of the producer as the organizer of the network; and so forth. As a consequence, they must rely heavily on broader field-based institutions which set professional standards, rules concerning working hours and product quality, and formal regulations concerning intellectual property rights, and which provide new information, expertise and other critical resources. For instance, project networks require a human resource pool from which new and diverse competencies can be drawn, but without a minimum degree of institutional stability for training, standard setting and career building, such pools are difficult to sustain. Only TV stations and large production firms are able to develop and retain human resources in a more formal, professional way (MICHEL MEDIENFORSCHUNG UND BERATUNG (MMB), 1998), but these firms are increasingly opting for lean structures.

Many artistic and technical media service providers

are brought into the project network as volunteers or dependent self-employed workers. Although their project-oriented activities offer diverse opportunities to develop artistic, technical and/or administrative competencies, these are often very specific to the needs of a particular project network. It is only through participation in several networks and career paths, which are not bound to a specific firm but operate within the institutional context of project networks, that self-employed workers can learn the appropriate practices to build their personal careers (JONES, 1996). Occupational standards cannot develop in the context of a specific project. This is especially problematic in television content production, where trainee activities are predominant and formal education is more the exception than the rule. In this kind of industry, project networks serve as connectors between singular projects and broader field-based institutions (WINDELER and SYDOW, 2001).

Institutional embeddedness in TV-content production, especially when seen from a structuration perspective, means more than the mere presence of institutions that set reliable rules and provide material and informational resources. Institutional embeddedness also implies intensive interaction and a common orientation among interdependent actors. A project network may be said to be institutionally embedded if organizations as institutions are 'actively engaged with and conscious of each other, displaying high levels of contact, cooperation, and information exchange which may lead, in time, to a degree of mutual isomorphism' (AMIN and THRIFT, 1994, p. 14). The collective structures and mutual awareness which emerge as a result of this interaction facilitate the organization of diverse interests, help to reduce opportunistic tendencies and enable unified action which, in turn, is the basis for further strengthening institutional embeddedness. The outcome of such collective structures and orientations is a certain degree of 'institutional thickness' (AMIN and THRIFT, 1994), with likely ambiguous implications for change and innovation.

THE INSTITUTIONAL CONTEXT OF PROJECT NETWORKS IN TWO MEDIA REGIONS

On the basis of available statistical data (as estimated by different research institutes) of the sales and production volume, the media region of Cologne/Düsseldorf ranks larger than the Berlin/Babelsberg region (see LUTZ and SYDOW, 2002, for details). Despite differences in scope, a sizeable production apparatus has developed in both regions during the last decade. The Cologne/Düsseldorf media region includes two large television stations and about 590 production firms (Colonia Media, Columbia TriStar, Endemol, among others), as well as writer schools, professional associations, and a growing number of training institutes. Current plans

include the construction of Europe's largest studio complex, with the potential of creating 6,000 new jobs (KURP, 1999). The Berlin/Babelsberg media region today includes two smaller television stations and about 770 production enterprises (including a few large firms such as UFA and a branch of Studio Hamburg), a large number of artistic and technical service providers (e.g. Studio Babelsberg), and three well-known colleges specializing in film, television, theatre and new media. Berlin/Babelsberg also benefits from the attractiveness of Berlin as a cultural capital as well as from its history as an important film production centre before World War Two. Despite similarities in terms of the number of institutional organizations, there are differences in institutional structures and processes that may explain not only the differences in institutional support for the respective project networks but also the different potential of these two media regions to prosper and become a significant backbone of the regional economy.

Cologne/Düsseldorf: an example of the successful development of a media region

The economic significance of the Cologne/Düsseldorf media region seems surprising because, until the mid-1980s, there existed neither a media-specialized infrastructure of studios and service organizations nor, at that time, an urban metropolis that would appear particularly attractive to artists, journalists, actors and others in the cultural arts sector. In the mid-1980s, the small television economy started to become a focal point of political support. The state government of North-Rhine Westphalia felt the need, because of a rapidly shrinking iron, coal and steel industry, to initiate economic structural change by concentrating its efforts on potential growth industries, including the film and television industry. The close co-operation between polity and economy, typical for the 'old economy' in North-Rhine Westphalia (GRABHER, 1993), characterized also the rules and practices of government support for the media sector, as politicians, regional media enterprises and interest associations attempted to assemble joint resources for the development of a regional media sector (GESCHWANDTNER-ANDREB, 1999). This included support by the state ministry of economics for building the technical infrastructure, the initiation of educational programmes for new media professions by the city of Cologne in collaboration with a local trade association, and the provision of real estate and low-interest risk capital by local financial

The growth of this media region was slow initially, but took off in the early 1990s, when the private television stations switched from their strategy of purchasing programmes (mainly from the US) to a strategy of having programmes produced locally and externally by firms in project networks, as defined above (see

STARKEY *et al.*, 2000, for a similar development in the UK). Another factor conducive to the development of the region as a media centre was the public ownership of television stations. It enabled the exertion of significant political pressure to, for example, ensure that important economic relationships were conducted mostly with enterprises based in the region. This has motivated several production firms to settle in the Cologne region.

In 1991, a leading television station and the state of North-Rhine Westphalia established jointly the Filmstiftung NRW in nearby Düsseldorf, a foundation that eventually became an important source of funding for television production and educational programmes. The professed goal of this foundation was to support job creation within the region by requiring that one and a half times of the funds provided be spent in North-Rhine Westphalia. In time, this region-centred funding programme led to the establishment of an increasing number of production firms and service organizations, which helped to develop the necessary technical infrastructure and human resource pool in areas like casting, directing and performing, as well as production-related services such as car rental and catering. Because of its historical origins and its close institutional as well as informal ties to actors in polity and economy, Filmstiftung NRW was more than a source of funding. It also helped to mobilize 'soft' resources, such as political legitimacy and contact opportunities. Together with other regional institutions it contributed to the development of collective strategies in the following areas:

- the establishment of educational institutions which focus on the specific requirements of television production; these institutions conceptualized, in collaboration with regional producers, service organizations and interest associations, the forms that education and training should take and helped to implement these programmes with the financial and political support of the state ministry of science
- the development of a culture of co-operation and knowledge transfer; by brokering ties between producers, scriptwriters and other media service providers, Filmstiftung NRW created an ideal focal point for newcomers to the industry and the region
- the creation of discussion groups, such as the Cologne Mediaforum, for debating problems in the industry as well as formulating action strategies.

The importance of these 'soft resources' is illustrated by the comments of a leading television film producer in Cologne/Düsseldorf:

Most of the new producers, directors and script writers are discovered today by broadcasters and production firms at the colleges. That is also the reason why I spend so much time there, namely to get my hands on those people as early as possible. That's how you meet people, for example, when they produce a film project that is shown

at a college film festival.... The industry also has numerous contact possibilities... I attend many film premieres, discussion panels, festivals, conferences, film awards and gatherings. On these occasions one meets everybody.... That was a successful premiere for me, but don't ask me which film I saw. There we hear everything we need to know, and we see how these people emerge. (producer 2)

This comment does not suggest that producers, or other members of project networks involved in the production of content for television, are unable to develop and sustain an internal labour market for qualified personnel. But it makes clear that there is no need to build such an internal market because of the existence of field institutions fulfilling this function.

In sum, Cologne/Düsseldorf has grown into a rather successful media region, with project networks that are embedded in a supportive institutional framework. This framework is a recursive result of close interactions of (members of) project networks and other organizations in the region. These regional institutions also help to co-ordinate project activities in ways which project networks cannot accomplish on their own. Over time, the institutional framework has co-evolved with the economic activities in TV-content production in the region. The situation is somewhat different in Berlin/Babelsberg, despite the presence of similar institutional organizations.

Berlin/Babelsberg: political laissez-faire or inhibited cooperation?

In contrast to the more or less continuous development of the Cologne/Düsseldorf media region, the evolution of film and television production in Berlin/Babelsberg was interrupted twice. World War Two led to the virtual destruction of the film industry in that location, while the restructuring of the East German economy after 1990 upset the industry's (re-) development. Furthermore, the failed merger attempt of the states of Berlin and Brandenburg complicated government support for initiatives to revive the historical cinema film production centre in Babelsberg.

The different strategies of key political actors in these media regions (summarized in Table 1), as well as differences in the economic strength of the regions, are reflected in the politically available resources (for sponsoring, location marketing, etc.) and the degree to which political support instruments and organizations are differentiated. The jurisdictional division between two states (Berlin and Brandenburg) has, so far, had negative consequences for the development of a strong media region. While Berlin/Babelsberg is presented publically as a single media region, the actual support initiatives are bound by legal-administrative jurisdictions rather than oriented to the economic region (RÖBER and VÖLKEL, 1999), with the effect of creating competition between support programmes. Currently the only state-spanning support institution is the Filmboard Berlin-Brandenburg, founded in 1995. But because of funding limitations (compared to the far more resource-munificent support organizations in North-Rhine Westphalia), this organization has so far not been able to encourage joint efforts of the two states in building a regional film and television industry.

The level of institutional thickness tends to be greater in the Cologne/Düsseldorf than the Berlin/Babelsberg media region, reflected in differences in political strategies, levels of co-operation, and institutional differentiation and interlocking as, for example, in the media oriented education and training sector. Table 2 shows the number of (and names of key) organizations active as supporters or members of the most important training schools/institutes in the two regions. These are more numerous, represent a larger variety of sectors and are more likely to meet in more than one school/institute in Cologne/Düsseldorf than is the case in Berlin/Babelsberg.

To what extent Berlin/Babelsberg will evolve into a film, television and/or multimedia region depends largely on the attractiveness of Berlin as a political and cultural capital. But it also depends on the ability and willingness of actors in polity, economy and education to exploit this potential for economic growth. The conviction, as expressed by the former Minister of Economics of Berlin, that a bustling metropolis like Berlin will attract automatically, and without the intervention of politicians, creative forces and enterprises (BRANONER, 1999) indicates the preference for a laissez faire approach which, so far, has not been able to compensate for the disadvantageous economic start-

Table 1. Differences in the strategies of political actors in the two regions

Strong orientation to Cologne/Düsseldorf region; location in a
single state (North-Rhine Westphalia)
Co-operation and only partial competition among the political
actors at the municipal and state level in the region
Strong incentives for the founding of new media-related industries
and institutions; co-operation with industry representatives
(enterprises and associations)
Support for a strong regional institutional infrastructure

Berlin/Babelsberg 'diffuse support'

Partial orientation to the region and strong orientation to two states (Berlin and Brandenburg)

Partial co-operation and strong competition among political actors at the state level

Limited marketing of location advantages; weak to absent positioning of regional actors (e.g. public enterprises and associations) as supporters of the regional institutional framework Relative neglect of the regional institutional infrastructure

Source: LUTZ and SYDOW, 2002.

Cologne/Düsseldorf 'focus on core industries'

Table 2. Institutional differentiation and interlocking in the television education and training sector in Cologne/Düsseldorf and Berlin/Babelsberg

Schools/training institutes (founding year)	Number of supporters and members					
	State	City	Production, rental, legal	Station	Association/ foundation	Support institutions
Cologne/Düsseldorf Filmschule NR W e.V. (1996) casting, costume, theatre	NRW				3 VFFV NR W e.V., Spielfilm NR W e.V.,	6 Filmstiftung NRW, Filmbüro NRW e.V.,
Schreibschule Köln e.V. (1994) film/TV genre, series, sitcom		Cologne	8 Colonia Media, GFF, Senator,	4 RTL, WDR, SAT.1, Kanal	4 VFFV NR W e.V., Spielfilm NR W.e.V.,	3 Filmstiftung NRW, Filmbüro NW e.V.,
Medienschule Erftkreis e.V. (1992) production organization, law, film/ TV technology			7 NOB, MMC,	1 RTL	1 VFFV NRW e.V.	
AIM e.V. (1995) media occupations, information centre	NRW	Cologne	1 MMC	3 RTL, WDR, VIVA	5 VFFV NR W e.V., Spielfilm NR W e.V.,	6 Filmstiftung NR W,
Medienakademie Köln (2000) multimedia	NRW				1 Bertelsmann Stiftung	5
Köln Comedy Schule (1999)	NRW		1 Endemol	1 RTL		
Gag Akademie (1999)			1 Brainpool	2		1 Adolf Grimme Akademie
	State		Production, law	Station	Association	Support institutions
Berlin/Babelsberg Erich-Pommer-Institut (1999) media management, law	Brandenburg		2 Ufa, AGICOA			
Scripthaus GmbH (1997) script writing						
DFFB (1965) directing, camera, production	Berl	in				
Drehbuchakademie (1997) (DFFB)			Private producers	SFB, RTL		2 Filmboard, EU- Media II Programme
TV-Producer-Programm (1999) (DFFB)				1 Pro 7	1 Bundesverband Dt. Fernsehproduzenten	1 EU-Sozialfond (for Berlin Senate)
HFF (1954) directing, camera, production, theatre, animation, drama	Brander	ıburg				

Source: LUTZ und SYDOW, 2002.

up conditions, the division of the region into two federal states and the absence of economically potent television stations. Recent efforts by some firms to locate more of production in the Berlin/Babelsberg region may improve the prospects, but it is too early to predict the effect of this on the creation of a viable media region.

THE DYNAMICS AND SPATIAL IMPLICATIONS OF INSTITUTIONAL THICKNESS

The comparatively higher level of institutional thickness in the Cologne/Düsseldorf region is reflected in the close interaction and collaboration among the key

actors. For example, the state agency responsible for monitoring and licensing television stations in NRW financially supports a Cologne school specializing in training and retraining television journalists, which is run by a private broadcaster (RTL). Another example of close collaboration is the Filmstiftung NRW, which can act as an important network broker because it is supported by regional politicians and private investors with critical resources and political legitimacy. Many of our interviewees consider the Cologne/Düsseldorf media region a thriving network of exchange and cooperation, as, for example, the chief executive of a Cologne production firm who views the region as 'livelier than what happens in other federal states in Germany.... I don't see that kind of pep in Berlin. All I see in Berlin is that all these creative people settle there: actors, directors, and authors.... That's only because of the urban attractions, but then they all go to Cologne to do their actual work' (producer 9). An economic developer commented that:

I think that the institutional web in North-Rhine Westphalia is more polished and accomplished than that in Berlin. The bureaucracy in Berlin is bloated and therefore less able to really take care of an active structural policy. They are not yet as professional about this as in North-Rhine Westphalia.... What is missing is the constant contact with the industry. It's not that business should simply follow the lead of politicians, but that one keeps in touch. (economic developer 2)

A film sponsor in North-Rhine Westphalia described co-operation and information exchange between producers, distributors, sponsors, and state institutions as follows:

I give ourselves most credit for our political engagements. We go to the state parliament and provide all the important committees there with information. We also make sure that they get a feeling for the kind of work we do and that we do good work. In this respect, we operate on more fertile ground than in Berlin. We do that kind of work. I know that this work is done differently in Berlin, but I am also certain that we have it easier here.

In reply to the question about what she considers desirable for the further development of Berlin/Babelsberg as a media region, a leading television producer in Berlin suggested:

I would like to see more flexibility and willingness, as well as more concrete support coming from the city government. I think it's desirable that the film economy is acknowledged as a significant and growing economic factor, which is then supported accordingly. Or, if one does not want to offer support, one should at least not hinder its development. (producer 4)

Institutional thickness, in a process sense and seen from the structuration perspective, is evolutionary and dynamic, as reflected, for example, in the creation of new institutions which are both a medium and a result of co-operation among knowledgeable agents. As the

three comments above indicate, the institutional framework in the Cologne/Düsseldorf region seems to meet the requirements of content production through project networks more effectively than in Berlin/Babelsberg. The institutional thickness in the Cologne/Düsseldorf area, as interpreted from a structuration perspective at least, is as much an outcome of close interaction between different economic and political actors as it is a medium for future institution-building processes. But despite its contribution to the efficiency and effectiveness of organizational forms in general and project networks in particular, institutional thickness, like any form of social capital, may also lead to various kinds of lock-ins (GRABHER, 1993), such as resource-based, normative or cognitive lock-ins. For instance, the present institutional framework in the Cologne/Düsseldorf region may be more suitable for the kind of programmes that are currently produced there (quiz shows and comedies, in particular) than other kinds of content. The resource base of this framework is illustrated by, for example, the Gag Academy and the Writers' School which were both founded to professionalize the work force for this kind of programming. The cognitive and normative dimensions of the institutional framework are illustrated by the present orientation of many economic and political actors towards this kind of content. While quiz shows and comedy programmes attract smaller audiences, the institutional framework is less conducive to the production of different content and, hence, would need some restructuring.

The structuration perspective draws attention to the architecture of resource exchange relationships, as well as to the prevailing rules of signification and legitimation, to explain governance practices. Network actors draw on these rules and resources to intervene in and transform exchange relations. In the present study, politically strategic behaviour and asymmetries in the distribution of resources are evident in the successful intervention of the two major TV stations in Cologne (RTL, WDR) in co-organizing project networks and in attempts to produce an institutional framework in the region that suits their interests. RTL and WDR are not only larger and more resource munificent but also politically more influential than the two stations in Berlin/Babelsberg (SFB, ORB). They have been able to powerfully exploit their strategic position in the region's institutional connections. The cognitive and normative aspects of institutional thickness are thus not the only relevant factors explaining the development of project networks.

Existing power differentials mean that the coordination of strategies and activities in a project network and/or a region is not accomplished automatically. Governance depends on a minimum degree of consensus, but consensus is always contested. Agreement has to be reached on the distribution of rights and obligations, the regulation of conflicts, the distribution of network outcomes, and so forth, even if there is fundamental agreement on the advantages of network production relative to other organizational forms. The institutional framework can be important if it influences the development of consensus and the regulation of conflicts by supporting common definitions and requirements. But the institutions themselves may be infused with political processes, if the critical resources are distributed asymmetrically. Our data indicate that the institutional framework in Cologne/Düsseldorf is more conducive to the development of governable project networks than that in Berlin/Babelsberg. An example is the Filmstiftung NRW which plays the role of a broker and innovator in Cologne/Düsseldorf. This foundation has over the years initiated the formation of new training institutes, co-sponsored funding arrangements and organized discussion groups and social gatherings. Because of its contribution to the development of a viable media industry, it is supported not only by players in the industry but also in polity. As a member of Filmstiftung NRW suggested, 'it is expected that we reinvent the wheel continuously, that we create like magic new things and develop new ideas, to get things rolling all the time'.

The fact that local institutions are important does not mean that project networks are spatially fixed. As noted above, the production of TV movies, documentaries and films for science programmes is only partially bound to a locality. The episodes are often recorded in different locations. Only post-production and more standardized activities, such as film cutting and editing, tend to take place in one location. While collaboration with authors, directors and other agents 'above the line' is not restricted to the region, locality is of major importance in the case of artistic and technical media services and their 'below the line' personnel. But this location could, in principle, be wherever these facilities are available. Asked if it would matter if the series is produced in Berlin, Cologne, Hamburg, or Munich, a producer of a well-known soap opera responded: 'In principle, it would be possible. But I would exclude Munich because the region is focused on the production of feature films, and I would exclude Hamburg because is has too few productions. So there is even a lack of actors. They would have to be brought in from Berlin' (producer 21).

If stations did not normally commission a local producer, an entire production network with all the necessary facilities would have to be built in a different location. For that, however, choices are limited even in a country like Germany, as the above comment indicates. And the personal involvement of many project members in institution-building processes 'on site' provides an additional barrier to the unlimited spatial mobility of this organizational form.

CONCLUSION

This study indicates the importance of the institutional context in which project organizations evolve and are

maintained. This context involves interorganizational and social networks, locality and institutional processes. Project enterprises are embedded in co-operative networks which support the speedy flow of resources, information and knowledge. Although projects are limited in time, the networks in which they are embedded are more enduring, reflecting the fact that the social practices of project participants are interpreted with reference to past experiences and future expectations. The recursive interplay between network structures, project activities and the institutional framework becomes particularly evident when seen from a structuration perspective.

Our analysis suggests that the media region of Cologne/Düsseldorf is institutionally thicker, in a structuration sense, than the one in Berlin/Babelsberg, as reflected by higher degrees of mutual awareness, levels of contact and intensity of information exchange. Dense network relationships enable the initiation of new rules and practices, including more effective coordination mechanisms. Cognitively and normatively dense interaction across all levels in the media sector (firm, network and region) contributes to the spread of rules and practices, although they also increase the risk of inertia.

The relationships between project networks and the institutional environment are recursive in character. This means that network practices not only respond to the existing institutions but also shape these institutions, intentionally and strategically, but often with unintended and unknown consequences. Institutional thickness cannot be created entirely at will. Furthermore, although the degree of institutional thickness is an important factor, it is not the only factor explaining the different developmental paths and economic potentials of the two media regions. The organizational and financial endowments of the key actors matter as well.

We conclude with two general observations. First, local embeddedness does not preclude the possibility of spatial mobility. While project networks depend on the general provision of institutional resources, in particular the collective structures of signification and legitimation that support the co-ordination of project activities, they are not tied spatially to a particular institutional context. The present study illustrates less the spectrum of possible levels of local embeddedness of project networks than the inherently fragile character of this embeddedness. The structuration perspective suggests that the relationships of network actors with local institutions are always in a state of becoming, reflecting processes of interpretation and re-interpretation, as well as attempts to change the power constellation of the network. The outcomes of relational dynamics are to some extent open-ended, not only because of difficult-topredict institutional processes, but also because the actors may at some point wish to relocate activities outside the region. A regional project network is thus always at risk of dissolution, because of the dynamics of network relations and the (potential) competition from other regions attempting to develop a thriving media sector.

Second, project network relationships are characterized by a fundamental tension between flexibility and stability. Flexibility is necessary for achieving the operational objectives of projects, given temporal and resource constraints. But networks also require a certain degree of stability and durability, to facilitate coordination and develop a community of practice. Flexibility supports the creation of novel combinations of knowledge from the distinct competencies of different project participants, and this requires a certain degree of openness. But too much openness can be a source of error, and eventually stagnation, if it increases the cognitive distance between the actors (NOOTEBOOM, 2000). How this tension is resolved is, to some extent at least, a function of the specific institutional environment in which the project network operates. Different institutional settings are likely to give rise to distinctive forms of the collective social order in different locations (COOKE et al., 1997), as our data indicate. We argued from the structuration perspective that the institutional embeddedness of project networks, as reflected in distinctive conventions, associational rules, social practices and collective organizations, can have enabling or constraining consequences, depending on how rules, resources and facilities are played out by the agents. Accordingly, institutional thickness can take on different forms in different circumstances, with outcomes for development and change that are difficult to emulate and predict.

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