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Edited by Barbara Townley and Nic Beech

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Introduction

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BARBARA TOWNLEY AND NIC BEECH

The study of creative industries is important for theoretical and practical reasons. Theoretically, they offer a site of study that can help push forward the understanding of organization and management. The creative industries pose challenges because of the relative indeterminacy or unknowability of the process of creative production and the factors affecting its consumption (Caves 2002). This is in contrast to more traditional businesses where production and consumption are potentially much more knowable and controllable (Thompson *et al.* 2001). Creative industries and creative-based organizations are rife with dilemmas such as whether and how control of the creative process should be exercised; the extent to which knowledge of creative production may be made explicit; and how the ‘connection’ between producer and consumer should be mediated (Lampel *et al.* 2000). Developing an understanding of these dilemmas is theoretically productive, not only because it throws a new light onto the understanding of creative-based organizations, but also because it can be revelatory about organizations more generally. Organizational practice exemplified by the creative industries emphasizes coping with dilemmas and paradoxes, managing in states of uncertainty and unknowability, and thus challenges traditional thinking on managing people, production and marketing channels to the consumer. It highlights the practical reasons why we can learn much from a closer examination of creative industries and creative-based organizations. And as these organizations are recognized as making up an increasing, and increasingly important, section of Western economies (Bilton 2007, Work Foundation 2007), current organizational practice may benefit from an increased awareness of the traits of creative organizations (Glynn and Lounsbury 2005; Lash and Urry 1994). Hence an in-depth exploration of creative industries can help deliver a theoretical understanding that engages complexity, change and creativity along with a practical orientation that seeks to stimulate innovative practice in various aspects of organizing.

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The creative industries?

An analysis of the ‘creative industries’ poses a number of challenges, however, not least the extent to which this group constitutes a discrete and distinct economic entity. The UK’s Department for Culture, Media and Sport’s (DCMS) definition covers a range for areas which includes advertising, architecture, art and antiques, crafts, design, designer fashion, film and video, interactive leisure software, music, performing arts, publishing, software and computer services, TV and radio (DCMS 2001).¹ For some, such a grouping neglects the diverse nature of the production processes and consumption patterns, with each having different production processes and markets, content distribution and experiences of growth and commercial value (Miège 1989). For this reason, some see the term ‘creative industries’ as the outcome of political manoeuvring, as government departments vie for ballast in arguments against the Treasury (Garnham 2005). The DCMS definition, however, identifies their commonality as lying in the generation and exploitation of intellectual property with the potential for wealth creation.

Just as their grouping is contested, so is their significance. The discourses that surround the creative industries are varied (Flew 2004; Hartley 2005; Hesmondhalgh 2007; Garnham 2005; Jeffcutt *et al.* 2000; Pratt 2005). For some, they typify the economic activity of post-Fordist, knowledge-based production (Florida 2002; Howkins 2001). They are seen as integral to the knowledge economy of high-value, knowledge-based industries, whose development relies on human not physical capital, and where value added comes from ideas and intangible assets (Leadbeater and Oakley 1999). It is a position that was given added emphasis with the UK’s New Labour government identification of creative industries as part of its emphasis on the new knowledge economy (DCMS 1998, 2008). The ‘culturalization’ of economic life, typified by increasingly fragmented, volatile and competitive niche consumer markets and the growing importance of ‘immaterial’ needs and ‘lifestyle’, emphasizes ‘aesthetic’ design-intensive production for an increasingly differentiated customer base (du Gay and Pryke 2002). Within the contemporary business context, economic pressures of increased globalization and the heightened emphasis on consumption have emphasized the importance of creativity and of design and branding in competitive advantage (Cox

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2005; Flew 2004). The ‘experience’ economy, characterized by the growing needs for cultural identity and social empowerment, and aided by technologies of knowledge generation, information processing and communication of symbols, further reinforce this. Although the differentiation of consumer groups, by virtue of the style of their consumption from music to fashion and art to living spaces, has long been acknowledged, the move to knowledge and cultural economies emphasizes the minutiae of distinctions (Bourdieu 1984), and the price and speed of the availability of products further stimulate the flux of creative consumptions and creative output.

Others identify a more limited economic role for the creative industries (Caust 2003; Garnham 2005). Seen as a panacea for regenerating old industrial areas, they are perceived as an extension of ‘cultural industries’, where art and culture are incorporated into broader social aims of regional regeneration and social inclusion. The focus is on a number of policy intents: creative regeneration, wealth creation, employment and social inclusion. Certainly there is a relationship between the upgrading of cityscapes and spaces and the rebranding of cities through public art, museums, architecture and an association with creative enterprises. Flagship cultural projects, such as the Guggenheim Bilbao, the Albert Dock, Liverpool, and Tate Modern, London, are allied to strategies of urban regeneration (bringing investment and consumers to raise the quality of life), and urban renewal (involving changes in structure and physical appearance). Increased leisure time and disposable income have also seen the burgeoning of cultural festivals and the growth of cultural tourism. However, the claims for cultural activity to enhance economic and social regeneration and improved prosperity are often guilty of exaggeration. Although land values may increase, creative clusters heavily dependent on life-style entrepreneurs and independents tend not to create ancillary employment or viable communities. Artists often have to rely on other jobs. Design consultancies, art and fashion outlets tend to have short lifespans. Flagship buildings do not necessarily regenerate a surrounding area. There remain problems of employment and social inclusion. Criticisms are voiced that creative industries reflect and rely on cultural ecologies, rather than being something to be created by policy engineering (Flew 2004; de Berranger and Meldrum 2000; Pratt 2004; Scott 1996, 1999; Tay 2005).

For yet others, the term ‘creative industries’ reflects the logical progression, identified in earlier writings, of symbolic creativity being

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organized around, and for, the market: the industrialization of culture and its commodification for the mass audience (Hesmondhalgh 2007). It is the consequence of the development of manufactured need, amusement and escape: ‘mass deception’ that ‘... no longer pretends to be art ... No object has an inherent value; it is valuable only to the extent that it can be exchanged’ (Horkheimer and Adorno 1995: 158). Once culture had metamorphosed into the ‘culture industry’, from thence it easily transmutes into ‘the creative industries’ (Cunningham 2002; Garnham 2005). From this perspective, its emphasis parallels a growing disengagement of public support and patronage of cultural and artistic activity and the latter’s gradual disciplining by the market through private gain.

Discourses such as these focus on the significance of the creative industries within broader socio-economic trends, rather than whether this group shares commonalities of experience that sets it apart from other organizations and industries. Work by Caves (2002) has perhaps been the most detailed on the ways in which the creative industries differ and the challenges they pose. For Caves the creative industries are different because they deal in ‘experience goods’. The latter is where buyers lack information about a product prior to its consumption (a response to a book or film, for example, is not known until it is read or seen), and as a consequence, where satisfaction is subjective and largely intangible. What is being sold is that which cannot be captured. In this, Caves (2002) is similar to Hirsch (1972: 642) who describes the creative industries as dealing in ‘non-material goods directed at a public of consumers for whom they generally serve an aesthetic or expressive rather than a clearly utilitarian purpose’. For Hirsch (1972: 642) the creative industries deal in ‘the production, reproduction, distribution and consumption of symbolic forms’. As ‘symbolic goods’ (ideas, experiences, images), their ‘value’ is primarily dependent upon the play of symbolic meanings, in that they are ‘dependent upon the end user (viewer, audience, reader, consumer) decoding and finding value within these meanings; the value of “symbolic goods” is therefore dependent upon the user’s perception as much as on the creation of the original content, and that value may not translate into a financial return’ (Hirsch 2000). Because the creative industries deal in experiential goods and commercial value only becomes known after the product is released to the market, there is considerable uncertainty about its likely demand.

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Demand uncertainty, concerns about the unpredictable audiences and consumer responses, and the nature of the creative productive process itself, highlight the ‘inherent unknowability’ that characterizes the creative industries.

As an economist, Caves (2002) reminds us that the creative product is managed and organized to reach an audience. The creative industries involve the concretization of an image, or an insight, through whatever mode or medium for some form of economic return. Hence, we need to be aware of the materialization and commercialization of creativity and the importance of the institutional framework that underpins any artistic and cultural endeavour (Becker 1982). However, the nature of experience goods makes demand patterns highly unpredictable and production processes difficult to control, factors exacerbated by contestable notions of quality and ‘originality’ in their evaluation. The uncertainty of demand for the creative product, and the necessity of investing time, resources and the costs in production prior to its being evaluated, pose distinct managerial and organizational challenges. The structure and staffing of creative projects are often temporary, as are capital investments (DeFillippi and Arthur 1998). Success is highly dependent on the composition of project teams with individuals and groups working in a highly interactive and adaptive fashioning of the product. Why some products sell and others don’t leads to considerable challenges for decision making, not only before, but after, production. Consumer data is susceptible to contradictory interpretations. Uncertainty pervades the creation of the product; the recognition of new talent; managing creative inputs; facilitation of the production process; the identification of the potential market and potential audiences; the prediction of the response of consumers; and predicting the potential longevity of the creative enterprise. Is it just a passing fashion or will it last? In all these areas there is an inherent tension between the freedom to be creative and keeping this creativity within manageable and productive bounds; the necessity of creating a ‘creative space’ for ‘creative labour’ to experiment, and maintaining the tension and balance between creativity and cost, autonomy and management control.

While forces of globalization, the centrality of knowledge as a force of production and post-Fordist production methods have implications for all types of production processes, including pressures to accelerate product development, rapid change and a greater degree

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of unpredictability and risk in the fluctuation of audience tastes and fashions, the creative industries deal with a higher degree of uncertainty in relation to all elements of the productive endeavour. High fixed costs of production influence production to reproduction ratios. Low to zero marginal costs of reproduction and distribution emphasize economies of scale and audience maximization. But the inherent public good or semi-public good nature of creative output (i.e. consumption by one person does not diminish its consumption by another) means there are difficulties of securing exclusivity or scarcity. There are also difficulties of capturing realizable demand through the price structure. Intricate value chains, where profit is extracted at key nodes in the chain, make control of production, investment and distribution complex. The difficulties of decision making that these areas present is further exacerbated by underlying tensions between creative/artistic and commercial logics.

A supposed antithesis

Whatever the political interpretation of the significance of the creative industries, Adorno's (2001) thesis of the importance of preserving the autonomy of the field of cultural production continues to inform approaches to understanding the 'creative industries', establishing an apparent antitheses between art and commerce, a cultural versus a commercial logic.

There are perhaps three claims for the role of 'creative art' and the 'creative artist'.² First, art is held to reflect 'true', authentic self-expression, and thus to be transcendent of mundane economics. The artist produces the 'auratic' work of art which loses its 'aura' in mechanical or electronic production (Benjamin 1973). The second is an argument about the distinctiveness of cultural goods. They are held to have a transformative rather than just a demand value, that is, they allow for the exploration of aspects of human experience and well-being. 'Art' reflects on human nature. Appreciation of 'art' is taken as an indicator of civilized activity. Art and culture are thus 'special' and distinct from other market goods and it is this that forms the opposition to the commodification of culture and the marketization of this important aspect of social life. Thirdly, and again relatedly, is the argument that art has a role to play in social endeavour. The artist's primary virtue is disloyalty, being on 'the dangerous edge of things',

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offering the challenging, ‘political’ role of critique. Although such positions may mistake or underestimate the relative, and the historical, interpenetration of the ‘world of art’ and the ‘world of money’, their presence underlies many disputes in the creative industries.

Given the apparent inherent tensions that arise between an artistic (A) and commercial (not A) logic, a number of strategies suggest themselves and feature in the organization of creative endeavour: either ‘A’ or ‘not A’ dominate; ‘A’ and ‘not A’ are separate over time through sequential phasing; or ‘A’ and ‘not A’ are spatially separate. But a number of questions suggest themselves. Is it possible to have a synthesis of the two? Or would this obliterate or silence the strengths of each? Is it possible to secure a form of ‘rule bending’ betwixt and between? Is it possible for them to co-exist contiguously? Are they in fact antithetical? It certainly indicates the need for more direct research as to whether there is in fact a problem: how pervasive and how frequently these tensions arise; how significant they are; and whether they are necessarily negative or might be seen as having a positive role to play.

This fundamental antithesis between art and commerce has been transposed into the antipathy between creativity and management.³ Understood through a Romantic legacy, artistic creativity often appears antithetical to management. Traditionally, creativity has been associated with cultural and creative production: the opera, the work of art, drama, etc.; while management has been associated with control, planning and organizing, the antithesis of anything associated with creativity. The latter stifles or inhibits creativity; creativity needs to ‘escape’ the strictures of discipline. The association of creativity with play further reinforces this characterization. We should remind ourselves, however, that etymologically, ‘creativity’ comes from the Latin, *creare*, at once to generate or to give birth or to make or to produce (Gotz 1981). The animal and mechanical, the natural and the social, are integral to its meaning; the tensions are immanent. So let us look at the creativity and management that the creative industries encapsulate, the generation and giving birth of the artistic or creative image and the making and production of creative goods. Are creativity and management an etymological division of labour incarnate?

An entrenched antithesis between management and business and creative/artistic activity is in danger of blinkering us to some of their potential similarities. Both creativity and industry have at

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their root the process of transformation, although under different guises. Creativity takes that which is familiar and presents it in a different light. Industry takes the input of labour and raw materials and equally transforms them. (The problem arises with the image of 'industry' and its associations with industrial processes and mechanization.) The creative act is an act of managing self, managing others and managing objects. It is the activity of organizing, co-ordinating and directing. Success in both areas often involves collaborative practice, especially as the basis for innovation. Although emanating from different sources, there are perhaps in both management and art forceful pressures to innovate. The artist is obliged to innovate from that which went before in order to claim an individual voice. Within business, innovation of product or process is equally a form of 'market' imperative. Because there is the enactment of roles, both may be seen as delivering a type of performance. A performance is delivered upon some form of stage.

Both may also be seen as a form of practice. While this is largely recognized for the artist, the manager does not often see him- or herself as so engaged. A process of reflection on 'what it is that they do' and 'how they do what they do' is not traditionally part of a recognized discourse of management activity. The introspective nature of the artistic process as the individual 'struggles' in order to express a creative intent might on first glance place it well outside the norms of management activity. (Perhaps the only equivalent figure in management is that of the entrepreneur, often portrayed as the individual with a 'vision' that he or she struggles to materialize.) Because there is a greater awareness of practice in the artistic sphere and a greater degree of reflexivity, there is perhaps the greater possibility for critique, again something which is perhaps more absent from management activity. A greater awareness of management as practice, however, opens up discussion as to the importance of skill and craft in the exercise and execution of practice, a vocabulary that has been, unfortunately, sadly missing from discussion of management until recently (Gabriel 2002). Breaking from the traditional view of management as a role, or the disciplinary arm of industry, management as practice and the need for reflexivity and self-critique in achieving good performance have recently been emphasized (Gabriel 2002; Cunliffe 2002).

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Given some of these apparent similarities, it is important to focus discussion on the nature of the relationship between creativity and management. However, it is also important to frame this discussion in a language that does not privilege one particular discipline over another, i.e., does not take as its starting point an ‘artistic’ or ‘managerial’ perspective. The disciplinary divide between creative programmes and management and the tension that arises between creative or artistic endeavour and commercial constraint (the stereotyped tension between ‘art for art’s sake’ and ‘grubby commercialism’), points to the need to bridge the disciplinary areas of management and creativity. There is also the recognition that while creative areas have much to learn from management in being able to realize creative endeavour, there is a lot that management can learn from the creative arts in terms of the way they manage their activities and the lessons that this might have for business (Morley and Silver 1977; Lampel *et al.* 2000; De Fillippi and Arthur 1998; Sutton 2001). It is thus important to frame an approach that does not favour one discipline over the other, but develops a common vocabulary privileging neither management nor creative endeavour. How to proceed?

Marks on paper

Let us start with the seeming contradiction between ‘management’ and ‘creativity’, this antithetical conjunction. What do we see in Figure 1.1? A musical composition, a written text, a published page, budgets, diagrams and balance sheets. What is the relationship between a compositional score for a music concerto, the trace outlines of an etching or design, the manuscript of a novel, a code for a software programme, an organization chart, a balance sheet or budget, a futures strategy diagram? What marks these out as fundamentally oppositional and opposed? What, if anything, do the images in Figure 1.1 have in common?

Let us take Caves’ (2002) identification of the unknowability of the creative process as the intrinsic element or quality of the creative industries as our starting point and pose the question: how are management and artistic/creative endeavours known? One means is through their representations. The first step in making something manageable or able to be acted upon is to make it known, i.e. it is