

## **SOME CHALLENGES OF MODERN MANAGEMENT IN CREATIVE INDUSTRIES**

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*Organizations in the field of architectural creation, on the one hand, face management problems common to organizations in the cultural and creative industries, arising from factors such as globalization and the digital shift, as well as specific problems in the field. Some authors point out that the basic guideline of organizational approaches to creative industries is simultaneous performance, both at the artistic and economic levels, and that the performance of the organization depends on how the management challenges this duality which is at the forefront of the organization's daily struggles, with a view to achieving greater employee performance.*

**Key words:** *creative industry, management challenges, innovation, creativity, digitization, organization.*

## **НЕКОТОРЫЕ ПРОБЛЕМЫ СОВРЕМЕННОГО МЕНЕДЖМЕНТА В КРЕАТИВНЫХ ИНДУСТРИЯХ**

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*Организации в сфере архитектурного творчества, с одной стороны, сталкиваются с проблемами управления, общими для организаций в сфере культуры и креативных индустрий, обусловленными такими факторами, как глобализация и цифровой сдвиг, а также специфическими проблемами в этой области. Некоторые авторы отмечают, что основным ориентиром организационных подходов к креативным отраслям является одновременная производительность, как на художественном, так и на экономическом уровнях. Производительность организации зависит от того, как руководство бросает вызов этой двойственности, которая является насущной проблемой, с целью достижения большей производительности сотрудников.*

**Ключевые слова:** *креативная индустрия, проблемы управления, инновации, креативность, оцифровка, организация.*

### **1. Introduction**

Architectural activity is, by some definitions, a cultural and creative industry. While cultural and creative industries play an important role in European programs (for example, Creative Europe, 2014-2020), the definition of cultural and creative industries is quite heterogeneous (Howkins, 2001; Hesmondhalgh, 2002; DCMS, 2015). Some definitions mention nine cultural and creative industries (DCMS, 2015),

including architectural creation. Firms from the architectural and spatial planning are the main focus of this paper.

Organizations in the field of architectural creation, on the one hand, face management problems common to organizations in the cultural and creative industries and arising from factors such as globalization and the digital shift (European Commission, 2011), as well as digitalization and other problems, which are specific in the field of architectural creation.

In organizations dealing with architecture and spatial planning, the digitization of work tasks is extremely present. Digitization refers in particular to large quantities of data that are increasingly digitally accessible and are the basis for architects and urban planners in the creation of architectural and spatial planning projects, which are accompanied by frequent and extensive updating of legislation covering architecture and spatial planning.

Because of this, employees of architecture and spatial planning organizations are faced with the need to use different software, digital databases and information technology in their work tasks.

Thus, organizations working in the field of architecture and spatial planning are challenged to encourage architects and urban planners (employees) to adopt a higher level of use of technologies and software—in order to achieve greater efficiency.

## ***2. Management challenges in organizations in the field of architecture and urbanism***

Management approaches in organizations in the cultural and creative industries often require specific treatment, and organizations in the field of architecture and spatial planning differ in many aspects. In past research, many authors have emphasized (for example Manzoni and Caporarello, 2017) that the basic guideline of organizational management approaches in architecture firms is performance at both the artistic and economic levels. Performance of the organization depends on how the management challenges this duality, which is at the forefront of the organization's daily struggles. The main challenges that the authors cite are:

- create a project that symbolizes the architectural bureau and is profitable at the same time;
- designing on the basis of the vision of the leading architect of the organization, which must at the same time be in line with the ideas of the client and other architects;
- creating "musical", structured and "emotional" architecture at the same time;
- balancing innovation and tradition, etc.

All these challenges are understood by the authors as paradoxes, which are at the same time contradictory and interconnected, and also adapt the analyzed managerial approaches.

Innovation is generally identified in many studies as an important feature of companies in the creative industries, which is both a driver of success and a

management challenge. Human resource management is highlighted in such organizations as an extremely important dimension of management (Hotho and Champion, 2011; Gotsi et al., 2010). Innovation, which is one of the key elements of creativity in organizations of this kind (including architecture organizations), is also a challenge. Namely, creative employees often experience what we call identity-related stress. On the one hand, "creators" want to be "unique" in their art, passion and self-expression, which contributes to strengthening their identity and encouraging their innovative endeavors. On the other hand, the daily pressure to meet the financial constraints, deadlines, and demands of the market promotes a more business and organizational-oriented identity that is geared to enhancing the strength of the company as a whole (Gotsi et al., 2010; Gaim, 2018). Management challenges in this area are again a paradox, or the contrast between the "management" of stress associated with creative identity, when management approaches have to coordinate personal and collective and organizational processes on the one hand.

Researchers also point out that architecture is the design of a building, a strategic phase to meet the sustainability requirements, as many decisions are made during the design phase that affect the sustainable concept of the building. Therefore, research on enterprise management, in the field of architecture and their processes, is essential for meeting design requirements from different perspectives, including from a sustainability perspective (De Paula and Melhado, 2018). The article explores the relationship between sustainability and the management processes of architectural design firms, and the research is based on three case studies of architectural design organizations. The results show that sustainability automatically requires process management in investment, technical know-how, activities and contractors, as well as in the day-to-day work of the company. The survey finds that when confronted with day-to-day work, design firms rarely fully respect the principle of sustainability, especially in strategic management processes. As architectural design has become more and more complex due to the diversity of design requirements and new possibilities, new activities in application and new tools in the creative processes, authors of research believe, that these questions should be approached at a strategic level of architecture firms. This could help understand this context in companies and could prepare to adequate activities of the company in terms of management (De Paula and Melhado, 2018).

However, these are not the only management challenges facing architecture organizations. Research results show (Raisbeck and Tang, 2009) that architecture organizations (the study compares architecture and construction organizations) are very intensive professional companies, where expertise is one of the key elements of success. At the same time, the study emphasizes that this expertise is largely related to the use of information and communication technology. Integrating knowledge into the processes and activities of an architectural firm is a major challenge in the knowledge management of such an enterprise. Appropriate knowledge management in such design-intensive organizations can improve an organization's productivity, especially in terms of re-using the organization's personal and codified knowledge.

All of these challenges are therefore also largely linked to the digitization of all activities, since digitization of work tasks is particularly prevalent in organizations

engaged in the field of architecture and spatial planning. Digitization refers in particular to large and increasing amounts of data that are digitally accessible and are the basis for architects and urban planners in the creation of architectural and spatial planning projects, which is accompanied by frequent and extensive updates and changes in the legislation covering architecture and spatial planning.

Because of this, employees of architecture and spatial planning organizations are faced with the need to use more and more different software, digital databases and information technology in their work tasks.

Thus, organizations working in the field of architecture and spatial planning are challenged to encourage the employed architects and urban planners to adopt a higher level of adoption of these technologies and software, as well as their actual use, in order to achieve greater employee efficiency.

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