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**Management Research Priorities in the Creative Industries:  
A Consultative Review**

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## Abstract

This paper is intended to articulate the management research agenda on the creative industries addressing the interests of both the practitioner community, as well as academic researchers. This recognises the increasing imperative that the problems and priorities that scholars work on are tightly coupled to those of industry. Drawing on consultations with managers and creative professionals within industry and over 130 journal articles, books, reports and working papers from the fields of cultural studies, design, economics, economic geography, innovation management, organisational behaviour, strategy, policy studies, and project management, the paper identifies six research themes. Uniquely, the paper shows where research attention is needed, where it has focused so far, and where future investigation would best serve the concerns of practice, as well as theory. The paper shows that Intellectual Property is a high priority set of issues for managers and scholars, yet it is embedded within a broader tableau of forces and shifts.

The themes identified are the following:

- Integration and Disintegration: namely, the impact of digital tools and distribution, and collaboration and outsourcing relationships;
- Understanding how Innovation Changes Business Models and Markets;
- The Creative Process and Organisation;
- Management Capabilities and Skills;
- Small Firms and Growth.

*Integration and Disintegration:* Value chains within the creative industries are changing radically, not least because of new digital tools and technologies, online distribution and the opportunities for outsourcing creative services. Design and modelling tools, for example in architecture and product design, have the potential power to bring together actors in the chain and to promote levels of experimentation that were previously impermissible (Thomke, 2001; Dodgson, Gann and Salter, 2005). Yet there is still much to learn about how to use these tools productively alongside proven creative practices, as they also have the power to reduce the scope of creative thinking and working (Eisner et al., 2006; Stones and Cassidy, 2007; Ewenstein and Whyte, 2007). The Internet offers the capability to distribute content direct to the market, which in principle should have the effect of removing intermediaries. The advantage is clear with digital products and services, yet the impact of the Internet is being extended to physical cultural goods such as books and apparel, through the filtering properties of engines and networks. Demand for specialised niches can be met as never before (Anderson, 2004; Brynjolfsson et al., 2006). However there are questions over the fragmentation of markets and audiences and how these changes affect businesses that are more used to mass consumption (Kawashima, 2006).

Strategies and tactics are increasingly turning to collaboration and outsourcing of activities to manage the costs of complex creative projects. Yet the management of risks and co-ordination of these relationships are far from straightforward. Research has found that strong personal networks have tended to predominate in project-based creative industries, such as television and film (Starkey et al., 2000; Grabher, 2002; Sydow and Staber, 2002). But the management of recurring teams of familiar individuals presents different challenges to those of collaboration with new and distant international partners. A research need is expressed to inform decisions on 'create or buy' (or ally) in the new era of creative services.

*Understanding how Innovation Changes Business Models and Markets:* Digital technologies and associated products and services, along with growing trends such as customer 'experience' and the phenomenon of user innovation are all changing the way that value is created and realised in the creative industries. For individual businesses this means the 'rules of the game' are changing, and the new rules are not yet clear (Jacobides et al., 2006; Hearn et al., 2007). New business models are disrupting the routines of established organisations, but in a stage of experimentation, not all the new schemes and game plans are proving effective. Research is needed to map and make sense of those experiments that will pass, as against deeper structural changes in how business is done. These dynamics are no more pressing than in the area of downloadable digital content, where traditional Intellectual Property rents can no longer be guaranteed. New thinking, such as the iTunes/iPod case, is required as the existing protection is considered technically unenforceable and in some respects inequitable to key parties.

*The Creative Process and Organisation:* While there is a degree of mystery to the creative process, few creative professionals would argue that there is no structure or use of technique. Research has begun to demystify the practices, tools and artefacts that are used to stimulate and sustain the creative process. The environment within which creative activities are to be performed is another important topic that has attracted attention from practitioners and researchers. A common view is that creativity stems from the collision and combination of previously separate ideas, people and their associated networks (Sutton and Hargadon, 1996; Sapsed, Grantham and DeFillippi, 2007). This means that organisational structures as well as the flow of work within systems have great impact on the potential for creativity (Castañer and Campos, 2002; Elsbach, and Hargadon, 2006). Organisations need increasingly to look outside and develop effective 'open' channels for the import and export of creative ideas, while retaining their own vital creative identity and authenticity. Without an understanding of these subtleties, the process may do damage to the creativity it is intended to stimulate.

*Management Capabilities and Skills:* The perception that there is room for improvement in the UK's management capability persists (Delbridge, Gratton, and Johnson, 2006; Wilson and Thomson, 2006). Several creative industries lack a formal management career path and the associated training and structures to support this (TerKeurst, 2003; Spectrum-Strategy-Consultants, 2002; Eikhof and Haunschild, 2007). Practising managers are not necessarily prepared, or motivated for the role. Since the creative industries can be highly complex to manage within, this may result in poor planning, monitoring and adjusting of projects and work. Apart from under-performance and delivery, there may also be effects on financial stability or unhealthy working conditions for individuals, such as long hours and low pay. Anecdotal evidence from industry and systematic research raises urgent concerns over the level of management capabilities and skills, compared to other countries.

*Small Firms and Growth:* The vast majority of creative businesses in the UK are small, and are frequently self-employed sole traders (Bilton, 2007). There is a common perception that too many entrepreneurs are satisfied with a 'lifestyle' business, and are unwilling to 'scale-up' the size of the business (NESTA, 2007). This view may underestimate the difficulties of growth, and research is needed on evaluating the value of policies and institutions intended to support the expansion of small businesses (Clayton and Mason, 2006). Another area of difficulty for entrepreneurs is the barriers and terms presented by gatekeepers to the creative entrepreneurs (Hesmondalgh, 2007). The traditional bargaining power of intermediaries by comparison to entrants is likely to change because of wider trends, and research is needed on tracking these changes.

All the research themes above have attracted attention and they remain core concerns of both industry and academe. Particular areas for further investigation that the paper identifies are creative and managerial practices, user-centric innovation, engagement with the new international markets, and potential spillovers between creative industries: that is spotting and exploiting opportunities for the application of ideas, tools and movement of people between adjacent creative sectors.

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