Introduction to paradoxes of creativity: managerial and organizational challenges in the cultural economy

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Summary
This special issue explores the paradoxes caused by the challenge of managing and organizing creativity in the cultural economy. Conventional views of the individual creative artist are replaced by a view of creativity as a social process embedded within organizational and institutional contexts. The cultural economy is broadly defined in terms of breadth of industries included and depth elements of the cultural production chain. The paper next examines paradoxical practices of the special issue papers in terms of managing creative personnel and managing creative processes. Paradoxes grounded in difference, distance, globalization and identity provide a framework for reviewing each special issue paper’s findings on how cultural industry participants, whether individuals, organizations or communities of participants, balance, and as often integrate, competing demands of creative and routine work. The paper concludes with recommendations for more comparative cultural industry research into the personnel, work and management practices employed for managing and organizing creative work and creative workers. Copyright © 2007 John Wiley & Sons, Ltd.

Introduction
The current shift towards knowledge-based societies has turned creativity into a source of strategic advantage in the contemporary managerial and political lexicon. Perhaps in the most pronounced fashion, Florida (2002: 4) even boldly claims that creativity ‘...is now the decisive source of competitive advantage’ (for critiques of this position, see Kotkin, 2005; Peck, 2005). Since creativity is also popularly regarded as something genuinely spontaneous and irrational and hence, by its very definition, impossible to control, the current managerial infatuation with creativity as a strategic asset for gaining competitive advantage must be squared with empirical research and extant theory.

Creativity in the ‘Western’ tradition from Plato to Freud and Popper has mostly been regarded as something divergent, impulsive and ‘messy’ (De Bono, 1992: 2). This particular perception of creativity precipitated the assumption that creativity is embodied in a particular type of personality: the individual creative genius (Bilton & Leary, 2002: 54; Boden, 1994b). Emblematic accounts of

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irrational genius and spontaneous invention in science and art, such as Kekulé’s discovery of the benzene molecule while dozing in front of the fire, Coleridge’s poem Kublai Khan or Picasso’s painting of Guernica have served to illustrate this construal of creativity (Weisberg, 1993). In this romantic perception of the enigmatic eureka!-moment, a scientific approach to creativity is not just philosophically uninteresting, but impossible (Boden, 1994b: 3).

The celebration of the arcane individual genius, however, is increasingly in retreat in light of scholarly work showing how aesthetic and scientific practices connect even in their most intimate moments of genesis with concrete social and institutional conditions (Hargadon & Douglas, 2001). In particular, writers on the sociology of art and culture, such as Becker (1974, 1976, 1982), Bourdieu (1983), Collins (1998) and White and White (1965) and writers on the sociology of knowledge, such as Barnes, Bloor, and Henry (1996), Knorr Cetina (1981, 1999) and Latour and Woolgar (1979) have dealt a heavy blow to the tradition of consigning creativity to that mysterious primal moment of genesis in the mind of the lonely prodigy (Scott, 1999: 807–8; Scott, 2006: 7–8). None of these accounts necessarily deny the role of talent, imagination or dispositions (à la Bourdieu). The point is not that any of these qualities do not exist or are submerged in an anonymous social context. On the contrary, as ‘systems’ theories of creativity (Csikszentmihalyi & Csikszentmihalyi, 1988; Simonton, 1988; see also Boden, 1994a) reiterate, they are mobilized and channeled by that very context of intersecting and interacting relationships.

This systemic and social understanding of creativity has opened the notion of creativity increasingly to organizational and managerial inquiry. Factors in the work environment, such as influences from group interaction, incentive structures and failure-tolerant cultures, have been proposed as crucial antecedents of creativity (see, for example, Amabile, 1983, 1996, 1998; Bilton & Leary, 2002; Ford, 1996; Woodman, Sawyer, & Griffin, 1993). Investigations into the specific role of network configurations in fostering creativity have reiterated the crucial importance of ‘weak ties’ and more peripheral network positions in facilitating creativity (Hargadon & Sutton, 1997; Perry-Smith, 2006; Simonton, 1999). Specifically, actors close to ‘structural holes’ that bridge diverse networks ‘are at higher risk of having good ideas’ (Burt, 2004: 349) since they enjoy more opportunities to select and synthesize alternative ways of thinking. Or alternatively, that embedded cultural industries with small worlds—where players in the industry can reach one another through only a few contacts and thus minimal effort—have profound effects on both economic and aesthetic products such as Broadway musicals (Uzzi & Spiro, 2005). Although this scholarly work has advanced our understanding of the role of individual and organizational characteristics and relational positions in nurturing or frustrating creativity, the management of creativity nevertheless is rife with paradoxes and tensions. This special issue explores these paradoxes caused by the challenge of managing creativity.

But What is a Cultural Economy?

We employ a rather pragmatic understanding of the cultural economy that comprises those economic activities in which symbolic and aesthetic attributes are at the very core of value creation. Competition in these activities, broadly speaking, shifts from the ‘use-value’ of products to the ‘sign-value’ embodied in design and branding (Du Gay, 1997; Lash & Urry, 1994: 122). We see the boundaries between such symbolic and cultural production and other less symbolically loaded production as porous and provisional (Hesmondhalgh, 2002: 11–12; Hesmondhalgh & Pratt, 2005: 6; Hirsch, 1972). Arguably many industries are involved in the production of goods and services with considerable
symbolic dimensions, whether the use of indigenous artwork on a Quantas-jet or the transposition of fashion logics into the production of watches (Swatch) or mobile phones (Jones & Thornton, 2005).

Nevertheless, there is still widespread consensus that for a subset of sectors in the economy, the symbolic dimension clearly outweighs other dimensions. This cultural economy involves artistic core sectors such as art, theatre, publishing, music, photography, film, video-games, but also craft and design industries such as clothing, fine furniture or jewelry and services like architecture, advertising, software and new media (see, for example, Hirsch, 2000; Scott, 1999; Scott & Power, 2004). Our selection of manuscripts covers core sectors like theatre, film, popular music and the rapidly evolving field of video games. The special issue, however, also stretches this more established catalogue by including the field of haute cuisine that involves basically crafts but also elements of fashion.

Although our special issue focuses on the ‘breadth’ in terms of range of industries, we acknowledge Pratt’s (2005: 34) argument to also appreciate the ‘depth’ of the cultural economy that covers the entire ‘cultural production chain’ necessary for a particular cultural output (see also Jayne, 2005: 541). More specifically, the ‘depth’ dimension covers (1) content origination — usually authors, designers or composers; (2) exchange—that takes place through physical or virtual retail, via wholesalers and distributors, as well as in theatres, museums, libraries, galleries, sports facilities and other venues; (3) reproduction—like printing, broadcasting, production of designed materials; (4) manufacturing inputs —this might cover the production of products as diverse as musical instruments, film or audio equipment or paint; (5) education and critique—to cover both training and the discourse in critical ideas; and (6) archiving—to include libraries and the ‘memory’ of cultural forms (Pratt, 2005: 34). Svejenova, Mazza and Planellas’ account of haute cuisine and the acclaimed Spanish celebrity chef Ferran Adrià, illuminates this depth perspective: what, at first glance, appears as the success of a single ‘content originator’ cannot simply be attributed to some arcane moments of inspiration of an individual creative genius alone. This account rather elucidates the crucial role of network building and systematic dissemination of ideas, critique (5) and archiving (6) in terms of the cultural production chain. We believe that this depth phenomenon is of wider significance for cultural industries.

The Cultural Economy: Learning From Paradoxes?

We regard the cultural economy as a particularly fecund empirical field for investigating paradoxes of creativity. Since the cultural economy is now one of the fastest growing sectors in many economies (European Commission, 2001; OECD, 2006; United States Census Reports, 2000), its study is important in itself. In addition, the conflicts and tensions between the imperative of a relentless creation of new genres, formats, and products on the one hand, economic viability on the other, presumably take shape in the cultural economy in a most striking fashion. Some observers regard the cultural economy even as a major forerunner and experimental site for managerial practices of the permanently innovating organization (e.g., Castells, 1996; Lash & Urry, 1994; Teece, 2003). Hollywood is not only a major hub of movie production; it is also a production model (DeFillippi & Arthur, 1998).

The study of the cultural economy in fact affords insights for how we understand the current economic transformation towards knowledge-based economies more broadly. The transformation toward knowledge-based economies foreshadowed by the cultural economy include the use of project-based businesses, organizational architecture enacted through networks, identity conflicts in professional labor markets, and the role of third parties (e.g., critics, mediators and consumers) in sparking and identifying new products and services.
Creative business quintessentially is project business (Castañer & Campos, 2002: 42). Indeed, the production of theatre plays (Eikhof & Haunschild, in this special issue; Goodman & Goodman, 1976; Uzzi & Spiro, 2005), movies (Cohendet & Simon, this special issue; DeFillippi & Arthur, 1998; Jones, 1996; Sydow & Staber, 2002), video-games (Ayoama & Izushi, 2003; Cadin, Guérin, & DeFillippi, 2006), music (Lorenzen & Frederiksen, 2005), advertising campaigns or software (Grabher, 2004) epitomizes the prototypical features of temporary systems (Lundin & Söderholm, 1995). Creative industries demonstrate the flexibility and ability of projects to generate new knowledge; however, they also reveal paradoxes and tensions of project organization (Sydow, Lindkvist, & DeFillippi, 2004). Whereas creativity calls for diverse teams and the introduction of newcomers (Perretti & Negro, this special issue), managerial practice favors homogenous and proven teams. In this sense, insights from the creative economy are of relevance for project-based industries more generally.

The cultural economy also demonstrates how the ‘hard architecture’ of projects and organizations (Cohendet & Simon, this special issue) is inseparably entwined with the ‘soft architecture’ of communities and networks. These professional networks and communities of practice (Brown & Duguid, 1991; Wenger, 1998) afford the indispensable social infrastructure for professional enculturation; they are the locus for an open exchange of ideas, for collective problem solving and critical debate among professional colleagues. The soft architecture, put briefly, generates new ideas; the hard architecture is more geared towards making money out of these ideas. The cultural economy represents a field par excellence to study the inherent antagonism and tensions between these communities and networks governed by professional ethos on the one hand, organizational and corporate logics on the other. This antagonism, so graphically clear in the cultural economy, however, also seems to become a symptomatic tension in the rapidly expanding field of professional services (Alvesson, 2000; Alvesson & Willmott, 2002; Tempest & Starkey, 2004; Grabher & Ibert, 2006).

Certain sectors of the cultural economy also evolved into experimenting sites for involving users and consumers in the development of new products, services and indeed new markets in novel ways. In the software industry, the open source-movement has shifted the locus of creativity and innovation from the closed organization to practicing professional communities, from the hard to the soft architecture, in a most radical fashion (e.g., O’Mahony, 2003). The video-game industry has become an emblematic case of the further perforation of the boundary between producer and user (Jeppesen & Molin, 2003). Users, in fact, have become co-developers of products that remain ‘permanently beta’ (Neff & Stark, 2003): the innovation cycle is never fully completed, each new release is the basis for new improvements and collective tinkering. Taking off from pioneering cultural industries, these novel ways of leveraging collective creativity are diffusing under labels such as ‘open innovation’ (Christensen, Olesen, & Kjaer, 2005) into a wide range of industrial sectors (Von Hippel, 2005).

Paradoxes of Creativity: Assumptions, Findings, and Open Questions

This special issue explores the paradoxes caused by the challenge of managing and organizing creativity in the cultural economy. A paradox is a group of conditions that lead to contradiction or defy intuition. Paradoxes prompt exploration of whether the conditions that are inferred are actually true. A paradox sparks further inquiry and the recognition of assumptions and ambiguities. The exploration prompted by paradox leads to rethinking and considering the phenomena at hand. In our original call for papers, we highlighted some paradoxes we thought might be prevalent in managing creativity such as the difference paradox of whether to craft or standardize organizational practices, the distance
paradox of whether to couple or de-couple creative and routine work, and the identity paradox of
whether careers, reputations and identities were individual or collective.

Our special issue is grounded in the assumption that managers and other participants in cultural
industries face paradoxical challenges or dilemmas, whose resolutions require a balancing act between
seemingly contradictory practices (Lampel, Lant, & Shamsie, 2000). Our manuscripts address how
creativity is managed in a variety of contexts and industries including German theater, haute cuisine,
film, videogames, and popular music. By focusing on the practices in these diverse arenas, our authors
enrich our understanding of creative industries and also challenge us to think about paradoxes of
managing creativity in new ways. These practices revolve around two key foci: (1) managing creative
personnel and (2) managing creative processes.

Managing creative personnel poses challenges because of tensions that arise based on the dual goals
of commerce and art, often associated with exploitation for efficiency and profitability contrasted with
exploration in which returns are both uncertain and not limited to economic ends. Eikhof and
Haunschild’s ‘For Art’s Sake! Artistic and economic logics in creative production’ examines how
German theater enacts competing logics of art for art’s sake while existing in a system of labor market
pressures based on commerce. This intersection of art and commerce produces paradoxes that German
theater managers must address: how to create practices and policies that enhance actors’ motivation for
art in order to generate high quality performances while counterbalancing the demands of a competitive
labor market that push toward restricted access and differential compensation, both of which reduce
intrinsic motivation. German theater managers address this paradox by crafting idiosyncratic practices
adapted to each actor in the theater. By doing so, they affirm the actor, enhancing his or her motivation,
but also develop relations that facilitate the manager and dramaturge to identify who will perform roles
needed for the theater’s repertoire.

Svejenova, Mazza and Planellas’ ‘Cooking up change in Haute Cuisine: Ferran Adrià as an
institutional entrepreneur’ provide an in-depth case study of Haute Cuisine chef Ferran Adrià’s career
to explore how creativity is managed and organized. They find that Adrià’s culinary creativity is
managed through R&D practices of a ‘skunk works’ type whereby he spends six months away from his
restaurant and experimenting in a laboratory-like atmosphere. He uses revenues from his culinary
consulting business to support his investment in R&D practices that generate high levels of creativity in
foods, attracting more attention to the chef and consulting opportunities for his entrepreneurial
organization. Svejenova, Mazza and Planellas’ paper suggests that the Spanish haute cuisine chef
Ferran Adrià has chosen to loosely couple, if not entirely separate, the logic of his art from the logic of
his commerce. Hence it is Adrià’s practice (supported by his prolific writing about his practice and its
underlying philosophy) that strongly suggests the artist’s self-awareness of the paradoxical demands on
becoming and being a world famous and commercially successful haute cuisine artist.

Perretti and Negro’s ‘Mixing genres and matching people: A study in innovation and team
composition in Hollywood’ addresses the paradoxical challenge of integrating experienced versus new
creative personnel and the tradeoff between exploration and exploitation in composing film teams and
how team composition influences genre innovation. Perretti and Negro refer to past research on cultural
industries to justify their contention of a paradox within the Hollywood film industry and more
generally within the cultural industries,’ according to which ‘producers are more likely to find market
success when they blend familiar and novel elements’ (Lampel, Lant, & Shamsie, 2006: 292). Perretti
and Negro empirically demonstrate that innovation is most likely with new members joining
established film production teams, as March (1991) advocated, but also, though to a lesser degree, by
mixing together experienced members who have and have not worked together. Their empirical results
further show that the combination of experienced members with new relations also sparks innovation.
Their research extends our knowledge of how organizational and team demography influences
innovation.
Cohendet and Simon’s in-depth ethnography of a large video game producer in Montreal, Canada exposes us to the practices and processes for managing diverse communities of specialists—the ways in which the organization used project management to manage exploration and exploitation. By creating space for informal interactions, team members sparked new ideas through shared dialog. Management also imposed strict time line and deadlines to not only integrate these diverse efforts but to do so efficiently, generating creative slack and allowing for expansion of creative efforts.

The special issue’s concluding two papers, both of which focus on the music industry, highlight the contradictory claims being made on how recording industry organizations cooperate in creative work. Gander, Harberberg and Rieple’s ‘A paradox of alliance management: Resource contamination in the recorded music industry’ explores how independent labels manage their relations with a large Major music company so neither alliance partner ends up ‘contaminating’ the other’s resource base through overlap or tight coupling. Independent labels employ their creative resources and routines, which includes their reputation, music knowledge and music artist community connections, to identify new products and artists whereas Major companies employ their promotional, distributional and managerial resources and routines to provide business and market development activities and support. For the alliance to work effectively, each party must maintain separate and distinctive identities and keep separate its activities so that one does not interfere and diminish the resource contribution of the other. Thus, alliance partners must manage their relational distance and space in order to gain the positive effects of resource complementarities while avoiding the negative effects of resource contamination.

By contrast, our final paper by Thompson, Jones and Warhurst ‘From conception to consumption: Creativity and the missing managerial link’ challenges this claim of non-interference in their wide-ranging critique of creativity and cultural industries. They claim that recording companies exercise the ultimate authority in determining the commercial potential of musical artists and their creative products. Moreover, the authors illustrate how major music companies intervene in the creative process of the artist (whether established or newcomer) to ‘change the sound’ in order to achieve success in the marketplace. Their basic premise follows the extensive research by Richard A. Peterson (1997) on country music in his book and the paradox inherent in creating music: musical authenticity is the result of a manufactured process. The contradictory claims between how relations are managed by Gander, Harberberg and Rieple versus Thompson, Jones and Warhurst can only be resolved with further research in this industry.

Thompson, Jones and Warhurst also question whether management scholars’ current focus on creativity as consumption is appropriately placed and calls scholars to attend more to the process—personnel, work and management practices—that are needed to reap the benefits of creativity as a source of competitive advantage. Ironically, our authors focused precisely on such practices, as if intuitively heeding Thompson et al. call. Indeed, our contributors’ empirical studies suggest important nuances that extend the initial paradox formulations of this special issue.

### Beyond Either/Or Thinking on Creativity Paradoxes

Our initial formulation of our paradoxes were premised on either/or thinking, even though recent scholars have pointed out the blurring of boundaries between aesthetic and utilitarian logics that underlie paradoxes of managing creativity, such as Nokia’s cell phone or buildings that are both aesthetically appealing and highly functional (Jones & Thornton, 2005). The manuscripts in this volume reveal this duality and the dilemmas of managing creativity, but they also show empirically through case studies and qualitative analysis how organizations and individuals manage to integrate or
step around tensions underlying paradoxes or reveal premises as false about how to manage creativity. In doing so, they prompt new insights on managerial practices in the cultural economy.

A recurring theme in our empirical papers for this issue centered on how to balance competing demands of creative and routine work. We speculated in our Call that individuals and organization might due so through the difference paradox of crafting or standardizing policies, the distance paradox of whether to couple or decouple routine work, the globalization paradox of whether to reconcile or separate local and global arenas of activity, and the identity paradox of creating individual or collective identities, reputations and careers. The papers in this special issue provide insights into how each of these paradoxes is managed in practice.

Eikhof and Haunschild’s found that theater managers managed the difference paradox by crafting idiosyncratic rather than standardized solutions to recurring problems. Perretti and Negro explored the difference paradox by showing that film production both standardizes and crafts new practices rather than choosing either one strategy or the other. Film teams innovate both through crafting new practices with new members and by combining standardized or established practices with more experienced members. Svejenova, Mazza and Planellas elucidate how Adria` integrates the difference paradox using standardized, systematic practices to create new dishes while using the distance paradox—the separation of creative from day-to-day restaurant activities—to create an identity as an innovative chef. He cultivates his personal reputation, highlighting his solo role, but doing so thoroughly supported by a network of close advisors, family and organizational practices. Thus, Adria’s identity is paradoxically both individual and collective.

The globalization and distance paradoxes were enlightened by Gander, Haberberg and Reiple’s findings on how a major music company and its independents demarcated and maintained distinct spheres of influence. They embrace distance through boundary spanners and institutional structures that promote non-interference by each partner in the other’s practices and distinctive competencies. Thus, record companies address their interdependence through a distance paradox—demarcating and maintaining distinct competencies. In this way, they enacted unique practices to their specific needs, while engaging in alliances. In contrast, Thompson, Jones and Warhurst offer a different insight—that musicians self manage their creativity within a framework of production and business managers who set the terms for resources and influence. In essence, the music industry addresses the distance and difference paradoxes by combining competencies, managing the process at multiple points and crafting unique product decisions. Cohendet and Simon describe how video game companies bridge the distance paradox by using a hybrid form of project governance that integrates decentralization production while imposing tight deadlines on time and space, providing an integrative rather than either/or solution to the distance and globalization paradoxes.

We also agree with Thompson, Jones and Warhurst’s recommendation of more empirical studies of the management practices, work processes and employment relations that arise in specific cultural industries, each with their own distinctive skill sets, organizational hierarchies, reward systems and employment structures. We believe that the manuscripts in our special issue help to address this gap in the literature. By doing so, our authors provide new insights into creative industries. We also would recommend more comparative research into cultural industries. Generalizations from single industry studies, while a promising start, must be ultimately followed by more comparative studies that examine the similarities and differences between cultural industries and their organization and management of creative work. Such comparative research initiated the examination of cultural industries. For example, Hirsch’s (1972) seminal research comparing book publishing, phonograph records, and motion pictures was an early exemplar of a comparative approach to cultural industry studies. Later Hirsch (1975) extended this work by comparing phonograph records and pharmaceuticals on their pricing and distribution, patent and copyright laws and external opinion leaders. A few scholars recently have used this comparative method, such as Djelic and Ainamo (1999) whose comparative research on the
coevolution of fashion in France, Italy and the United States identify the creation and diffusion of a fashion-logic developed by entrepreneur Charles-Frederick Worth. Djelic and Ainamo (2005) show how Nokia has shifted its logic from technology to fashion, using ideas similar to Worth’s. Thornton, Jones, and Kury (2005) compare architecture, publishing and accounting to flesh out triggers for institutional and organizational transformation. We advocate that more scholars pick up on and follow Hirsch’s creative and groundbreaking leadership in doing comparative research in cultural industries.

The study of cultural industries is undergoing a resurgence of intellectual interest amongst scholars from a wide range of organizational studies’ disciplinary backgrounds. The intellectual resurgence of this field can be observed by the growing number of highly regarded academic journals that have provided special issues devoted to cultural industries and their creative practices (See Grabher, 2002; Jones, Anand, & Alvarez, 2005; Jones & Thornton, 2005; Lampel et al., 2000, 2006). We humbly offer you this special issue as an invitation to join your intellectual practice to the theorizing and research offered within these pages.

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