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Additional Information:

- This article was published in the Redige: Review on Design, Innovation and Strategic Management, electronic journal of SENAI / CETIQT and the definitive version is available at: http://www2.cetiqt.senai.br/ead/redige/index.php/redige/article/viewArticle/103

Metadata Record: https://dspace.lboro.ac.uk/2134/22468

Version: Published

Publisher: © Redige: Review on Design, Innovation and Strategic Management, electronic journal of SENAI / CETIQT

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Managing the Creative Mess: Handling Wicked Projects in the Creative Economy

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Abstract
Creative industries are seen as the wealth creating engines in the post-industrial economies. There is a tendency to organize work in these industries into temporary organizations, projects; these initiatives cut across industries and network small and large actors and appear to be well suited to rapidly moving, fluid industries and business environments, both in developed and developing economies. That being said, projects seem to fail all too often and not achieve prescribed goals. Project scopes and budgets drift and timeframes are not met; in other cases projects fail due to rapidly changing circumstances making original aims redundant. In this paper we explore the management practices and theory of projects, arguing that the current practices are often ill suited to the needs of the creative economy, as they originate from industrial and technological paradigms no longer compatible with the reality of today. We note four strategic approaches to manage projects in creative business, proposing that experimental learning and selectionist processes can help to manage the ambiguity and the unknown unknowns built into the creative economy.

Keywords: Strategic management. Creative economy. Creative industries. Project management.

1 Introduction

In this conceptual paper, we examine the management of projects in the creative industries, within the creative economy; these projects are seen to be the delivery vans of innovation. It has been argued that creative industries possess attributes that make them distinct from others in the economic sphere; it follows that projects should also have a distinctive nature, in line with the operational environment in which they are embedded. We thus ask in this paper: should projects be managed in a distinctive fashion in the creative economy? If so, what specific approaches would the best practice involve?

We recognize the fact that current project management practices originate from linear military origins in the industrial production paradigm, and focus on executive control of
pre-determined tasks (MORRIS, 1994). This appears to be ill suited to a fast moving, target shifting and ambiguous innovation environment, where success is not built up in a linear fashion and where organizational arrangements are fluid (BRADY; HOBDAY 2011).

Furthermore, projects in the creative industries are typically filled with ambiguity, things that are not known, and even unknown unknowns or factors that we are not able to even foresee and plan for (LOCH; KAVADIAS, 2011). The management problems within the projects tend to furthermore have a "wicked" nature (RITTEL; WEBER, 1984) as they do not have a single, unique solution, but co-exist on multiple layers and contexts.

In the recent years the idea that there are sectors of the economy that are particularly creative (somewhat more than others) has gained momentum. These creative industries use creativity and intellectual capital as their key assets and primary inputs, aiming to create revenue and wealth from the trade of intellectual property rights through inventive products, services and customer interfaces (UNCTAD, 2010). Howkins (2001) originally defined the creative economy to include advertising, arts & crafts, design & architecture, fashion, film & tv, radio, toys & games, software and publishing. The list can be easily expanded to any industry that uses knowledge in a significant, creative way. Actors in these areas use good (new and revised) ideas to create new business opportunities. And thus they are highly dependent on the quality of the transmission and translation of these ideas both within and between the stakeholders and organizations in each particular moment, i.e. in the management practices and processes involved.

It appears that creative industries have certain specific attributes that set them apart and make them distinct within the economic activity in society. They seem to exist in the fluid crossroads of artisanal and industrial production, and are based on knowledge intensive creation of mass-produced products and services. Their economic viability is based on diffusing their new ideas and innovations widely (in other words, transforming inventions into innovations), and they need to innovate continuously as their product/service outputs often have very limited life-spans (as in music or movie offerings). They also very often mix small and very large organizational setups within single initiatives. And finally, they are mostly based on temporary project-based structures, where new organizational set-ups are created for each new initiative or undertaking. Sometimes these organizations in the creative industry are set up to undertake a series of projects with third parties on a continuous base, sometimes a single organization is set up, and sometimes many organizations contribute to a single initiative (UNCTAD, 2010; HOWKINS 2001).

2 Projects in the creative economy

As Shenhar and Dvir (2007) note that the launch of new products, processes, ventures and organizational change (and evidently innovation within these) is often done through projects. In other words, projects are the delivery vehicles of innovation, the way in
which activities are organized and also the way in which an organization is set up in many cases. We note that, in line with Drucker (1985), innovation is mostly the result of premeditation and purposeful action (i.e. hard work), and flashes of genius tend to be minor sidelines in the production of innovation. In a similar way projects are also set up on purpose, to fulfill a need and a desire to achieve something (SHENHAR; DVIR, 2007).

In the creative industries we need to think about a purposeful business context, where creativity is used to develop new business opportunities. This clearly distinguishes the creative industries (and economy) from perhaps a wider societal view of creativity, where activities are not necessarily done with a business enterprise purpose. That being said, artistic productions (and thus creativity) are often delivered through projects with no business motives.

2.1 Projects and their management

But what are projects anyway? And what is project management? We here initially adopt the definition of projects as “a temporary organization and a process set up to achieve a specified goal under the constraints of time, budget, and other resources” (SHENHAR; DVIR, 2007, p. 94). Project Management (PM), in turn, is understood “as the managerial activities needed to lead a project to a successful end” (SHENHAR; DVIR, 2007, p. 94).

We observe that a significant amount of prescription is built into this definition, almost assuming that the specified goal can be established with full maturity at the start. This is evidently not the case in highly ambiguous developmental projects, where it is possible to foresee a structure and a framework for the initiative, but not necessarily the final output or outcome. It is also important to note that the definition adopts an organizational perspective instead of a process/task perspective.

While one could say that projects have been around since the pharaohs built the pyramids, the discipline as we know it today emerged in the period of 1930-50, being rooted in the defense and process industries (MORRIS, 1994). Initially project management had a clear focus on planning and control issues, on quality, deviance and the management of standardized outputs on one hand and on the organization of work in complex military undertakings, where scheduling and work allocations were critical (BRADY; HOBDAY, 2011).

The evolution of project management has followed several streams of thought since the 1960’s. In the first place, the mainstream project management theory and practice has been seen to be managerial discipline based on rationality and technological inputs, with standard, formal and predictable models of action. These have largely ignored the volatility in the operational environment and the impact of sociopolitical factors (BRADY; HOBDAY, 2011; SHENHAR; DVIR, 2007), and the management practice is focused on task control (Smythe; Morris 2007). The rigid rule and rationality based approach to project management has clearly contributed to project failures in a massive scale over the years, when business environments change at short notice, or when the full

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complexity and ambiguity has not been met with flexible strategies in management (BRADY; HODBAY, 2011).

In the early nineties, the thinking on projects adopted a view of projects as temporary organizations, which enabled a wider view of how projects are linked to their contextual and operational environments (e.g. PACKENDORF, 1995, LUNDIN; SÖDERHOLM, 1995, ENGWALL, 2003). The perspective involves the idea of an interplay between long-term organizational structures that set up, sponsor and close projects as part of their strategic activities (ANDERSEN, 2008).

As Brady and Hobday (2011) note, a third stream of development and enquiry into project management emerged in the area of research and development, new product development and multidisciplinarity (e.g. CLARK; FUJIMOTO, 1991; MORRIS, 1994; CHESBROUGH, 2003, FLYVBJERG; BRUZELIUS; ROTHENGATTER, 2003). These studies have a common denominator: they distinguish projects in their contexts, and propose an empirical and incremental approach to understanding projects. Research into project failures has been prominent in this area. From the perspective of critical management studies, projects have also been examined as political constructs, with failures being identified with a lack of contextual relevance (HODGSON; CICMIL, 2006).

Since the mid 90’s the research into project enterprise or project business has taken off, joining elements of the previous streams into a strategic framework that enable the identification and development of new markets, emphasizing the context in which projects are done (e.g. ARTTO; WICKSTRÖM, 2005; DAVIES; HOBDAY, 2005, SHENHAR; DVIR, 2007). There is an interest in understanding the best practices of project management in varied contexts.

3 Project management areas

In the specific context of the creative industries and the economy as a whole, it is useful to dwell a bit on the thinking about projects in business and the business of projects. In figure 1, Arto et al. (2011) demonstrate the four fields of relationships between projects and business.

The four fields of project business are relevant to the creative economy industry as they describe the elements that clusters are made of. The four areas of project management are concurrent and in some cases embedded in each other. Typically business networks have also actors that engage in single, serial and extensive projects.

The management of a single project is a well-researched area, and mostly represents the way projects have been to date: as rational exercises, with predetermined aims, resources and timeframes that fulfill exogenous needs (MORRIS, 1994). As noted previously, this view is problematic, as it does not really account for projects to shape the environment they operate in (ENGWALL, 2003; ARTTO et al., 2011). This is the key challenge in the creative industries for the management of projects; the project should

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be interested in defining the business outcome, i.e. the benefits they bring; thus the managers need to make sense of the sometimes divergent and conflicting needs of the stakeholders, align the objectives of the projects to those outcomes and create an activity that’s searches for an outcome that creates value in an efficient manner.

<table>
<thead>
<tr>
<th>Many projects</th>
<th>One firm</th>
<th>Many firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management of a project-based firm:</td>
<td>Management of a business network:</td>
<td>-very high complexity with large and small players</td>
</tr>
<tr>
<td>-project nature &amp; size define complexity</td>
<td>-organize through large player driving ecosystem</td>
<td></td>
</tr>
<tr>
<td>-organize through processes and protocols</td>
<td>-manage wide collaboration</td>
<td></td>
</tr>
<tr>
<td>-manage through repetition</td>
<td>-learn from system players</td>
<td></td>
</tr>
<tr>
<td>-learn from previous projects</td>
<td>-create environment</td>
<td></td>
</tr>
<tr>
<td>-adapt to projects</td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>One project</th>
<th>Management of a single project:</th>
<th>Management of a project network:</th>
</tr>
</thead>
<tbody>
<tr>
<td>-low complexity, single player</td>
<td>-high complexity if many actors</td>
<td></td>
</tr>
<tr>
<td>-organize for efficiency</td>
<td>-organize through stakeholder alignment</td>
<td></td>
</tr>
<tr>
<td>-manage stakeholders</td>
<td>-manage system integration</td>
<td></td>
</tr>
<tr>
<td>-learn from project</td>
<td>-learn from stakeholders</td>
<td></td>
</tr>
<tr>
<td>-adapt to environment</td>
<td>-adapt to stakeholders</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 1 - Key issues**  
Adapted from Artto et al., 2011

This means assuming a dynamic role in project management; the objectives, resources and timeframes need to be re-evaluated constantly and revised on need. Project management acquires a political nature of managing stakeholders, and projects become social constructions in a specific time and place; thus projects become business entities into themselves (ARTTO et al., 2011). In many ways, the core competence challenge for management rests in the ability to play the internal political game associated in projects, while being able to deliver a positive business account: and almost jesuitic “ends justify means” game. Projects should also not be started unless they can be clearly organized for efficiency. High levels of environmental clutter and noise result in reduced efficiency and benefits accrual. Typical examples of these projects would include a designer preparing a one-off visual image for a client, a photographer shooting the visuals for a magazine, or a city office doing an art show to promote local artists for visitors. Maybe both clients and service providers are doing these projects occasionally and by doing so there is always the danger that the learning from the previous project is lost before the next project starts.

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Many firms in the creative industries are based on specialized technologies and/or the provision of services (or both), organizing their operational activities around serial projects made for internal or external customers. The ability to create, sell and deliver value to clients through projects is the key to the management of project-based firms (HOBDAY, 2000; ARTTO et al., 2011). The key challenge is to manage the value chain; making sure that subcontractors are available and able to fulfill their tasks, while keeping client relationships warm. The key competences required (and thus the challenges of achieving them) deal with the processes and project organization together with the modularity and flexibility of the offering. A key task for the firms involved is to create efficiencies in single projects through robust processes and protocols developed through a series of projects. Examples of these projects would include a design consultancy doing a visual image development for a client, a project management firm managing a series of expositions in trade fair grounds, or an advertising agency doing serial retail commercials. Within these initiatives projects are routine, and learning happens in a cumulative manner over several projects. A challenge exists to note when the operational environment changes; this needs to be responded to by changes in internal processes.

Single projects (often large extensive ones) are also managed within and through project networks that involve various businesses and organizations from institutional environments. In these projects a key challenge is to perform as a systems integrator, bringing the pieces together in a coherent way to produce value (COX; IRELAND, 2006; ARTTO et al., 2011). Bringing together these networks of actors implies a phased approach with ever-changing roles (MORRIS, 1983; DUBOIS; GADDE, 2002), which is a clear challenge in achieving an alignment among the projects stakeholder groups; in many cases the stakeholders are also external to the project. The key challenge in terms of system integration is linked to the project network governance. This category is typified through a new film, or when cities undertake extensive image-shaping projects. In the industry, developing complex products and systems such as a new DVD platform would fall into this category.

When multiple projects are joined with multiple firms, as often is the case in the creative industry clusters, the challenge is to manage the business network. These players are either linked (or have been linked) to each through multiple projects, or have the ability and desire to do so. They may be collaborators, competitors, contractors and subcontractors, suppliers, service providers or even individuals that are engaged in specific roles. These actors effectively create an ecosystem that able multiple connections between actors in different ways, all aiming to create value, a win-win situation. The actors are highly interdependent, with long-term relationships that survive individual projects. As Graeber (2004) notes these relationships help to lower the transaction costs and increase the reliability of partnering activities. Business networks exist in creative eco-systems such as in IT outsourcing in India, or the Hollywood, Bollywood and Nollywood film industries.
4 Complexity and ambiguity in projects

In line with Artto et al. (2011), the management of projects has to take into account the degree of complexity that exists, the way in which work is organized, how it is managed, and how learning takes place, and finally what adaptation opportunities exist. We note that several central cross-cutting dimensions emerge in organizing work in projects. These consist of managing the challenging institutional environments, the risks in complex organizational environments, the learning and capability development, and lastly the business logic in project-based enterprise. We note that in each one of the management areas the nature of the management activities changes somewhat (figure 2).

![Figure 2 Complexity and control](image)

The level of complexity is a key driver that in turn cuts across these dimensions. While it is evident that complexity can vary a great deal within each one of the quadrants, generally speaking the management of a single project is not complex when compared to creating an eco-system of business networks. The project nature and the number of stakeholders are indicative of complexity in project-based firms and project networks. Complexity is also inversely related to direct control: the control over a single project is feasible and it can thus be planned, but creating a business network involves very little direct control. Increasing complexity and decreasing direct control increases ambiguity in projects; this has evident implications on the strategic approaches one can adopt in managing projects.

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There are two main responses available to counter this inbuilt ambiguity. The first one to trial-and-error learning and the second one is selectionism (LOCH et al., 2006; LOCH; KAVADIAS, 2011). Through small, experimental, agile, fast and nimble projects, businesses can test approaches in real life settings. Prototyping and test-beds can also serve this function. The idea is simple: through a series of small projects, one can come to grips with the ambiguity, the unknown things, and create conditions to tease out the unknown unknowns, which we cannot even think about or prepare for in any comprehensive way. Selectionism goes hand in hand with experimentation. It essentially involves doing various parallel experiments and then choosing the one that works the best.

5 Strategic approaches in the management of projects

In business project management, it is important to understand the strategic options that managers have. Projects, being based on need, have the aim to create a benefit that should be linked to corporate strategy (LOCH; KAVADIAS, 2011).

In single projects this linkage is straightforward; the project can be planned, implemented and monitored using conventional project management techniques and tools. Learning is linked to the single project, and happens within the project itself. The strategic approach is based on planning, with subsequent monitoring and revising of the project on need using known tools and methods. The key challenge to the host organization is linked to the transfer of knowledge from one project to another; this is very challenging if there is a gap in time between the two. As the strategic approach is based on current best practice, and the unknown factors can usually be teased out using existing risk management practices, there is enough knowledge to plan the projects well. This does not mean that there will not be changes; but a fairly good idea exists of what is wanted and how it should be achieved.

In some ways the learning in project networks is akin to a single project, except that the learning happens between the various actors that take part. Failing to create a common strategy and adapt to each other usually leads to failure; adaptation is the key challenge, and in some ways the strategy is often changed incrementally as the project develops, especially if one talks about large megaprojects that last a long time and involve stakeholders that come and go. Thus the proposed strategy for the management of networks is one of adaptation.

When one moves to the area of managing a project-based firm, the key issue is to develop processes and protocols from the series of projects, learning from the constantly, and upgrading the operational ways incrementally. A learning strategy is possible as seriality exists, which allows for incremental development of knowledge and skills. Thus the strategy of the company is embedded in the way things are done; there is an evident danger of strategic drift, if the learning mechanisms do not feedback to the strategy formulation process.

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It is the business networks that pose the wicked problems for management. In this context we propose a strategy based on *selectionism* (LOCH et al., 2006). In ecosystems it is impossible to predict and foresee the actions of all of the actors; as they are more or less permanent networks there is the constant threat of creative destruction through new technologies replacing old ones. There is always the threat of entry of new key competitors or new legislations eroding a business model. The ambiguity in the creative industries is especially high, as in many cases short term fashion drives business enterprise. There is also a constant high possibility that unknown unknowns exist, and that unforeseen, random happening take place. To manage this Loch et al. (2006) originally proposed a strategic approach that builds upon iteration and parallel trials, selectionism, where small scale parallel experiments through projects make sense of the ambiguity, and allow for decision making through acquired knowledge and not a best guess. This is evidently very similar to scientific experimentation that is done in the physical sciences; an adaptation made for the creative industries.

![Figure 3 Strategies](Adapted from Artto et al., 2011 and Loch & Kavadas, 2011)
6 Conclusion

In this paper we examined the management of projects in the creative industries. We noted the inadequacy of the present practices when ambiguity in complex business environments is high, but pointed out that current project practice suit simple circumstances. Through classifying the management of projects into four distinct (albeit related, intertwined and embedded in practice) management areas (ARTTO et al., 2011) we were able to identify some of the key challenges and issues. There are various strategic options available for managers, but the approaches used to manage complexity are different in the various areas. Planning is a key tool for managing single projects, while learning is a key strategy that is suitable for project-based firms that undertake serial projects. In single projects with many firms, organizations need to adapt to each other, while iterative and parallel experimentation, selectionism, is the key strategy available in the business network context, where complexity is high and direct control is low.

This existence of these strategies has direct implications for the teaching and learning of project management. We note that only the first management area, planning is adequately addressed in current project management teaching practice. We do observe that adaptation is usually addressed in the current teaching paradigm, but only as a reactive means to accommodate, and not as a strategy to proactively shape the operational environment. Teaching the practices of comprehensive learning and iterative and parallel experimentation are usually completely missing in the current project management curricula. This is clearly an issue to address, if creative industries are to be successful in the global (and also local) competition. It is not a worthwhile initiative to try to turn a triangular piece with a square tool; one has to get the right tools for the trade.

References


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After design & architecture studies at the Universidade de São Paulo, Brazil, Mikko Koria obtained the degrees of M.Sc. (Arch.) from the Helsinki University of Technology, Finland, a MBA (Design Mgmt.) from the University of Westminster, and D.Sc. (Econ.) from the Helsinki School of Economics (now Aalto University School of Economics), Finland. Current activities involve research and lecturing in design, culture and business studies. He is a Professor and Master’s Program Director of the International Design Business Management (IDBM) Program, a multidisciplinary teaching and research initiative of the Schools of Economics, Art and Design, and Science and Technology of the Aalto University, Helsinki, Finland.
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