Introduction

During the rapid economic changes in the period between 1990 and 2010 a major part of organizations came to the conclusion that the previously successful operational models did not any longer provide for the organization development. As a result, an objective necessity arose for changing the operational principles of the organizations. There are several causes behind the need for a new management system that suits a specific organization and its environment: the intensity of changes is increasing, new industry groups are appearing, the proportion of the intellectual and creative staff is growing and customer...
expectations for innovative, unique products are growing.

In the modern economy not only have the competition conditions changed, but new industry groups have developed as well. The development of the latter is connected with intellectual work and creativity. One of the new industry groups is information technologies, which involve programming, computer hardware and communications; another group is the creative industries. Both industry groups have existed before as individual industries, however, they have been identified and defined as a serious and united economic force only at the end of the 20th century. The author has chosen to analyze the creative industries. There are differences in the contents of work and education level of the involved staff between the creative and information technology and traditional sectors, however, the methods applied in management are the same which are used in the organizations where physical labour prevails. One of the most important management aspects is the decision-making process in the organizations which has to take into account the specifics of the creative industries. However, in practice the traditional decision-making methods are used. In the research hereby the author will examine the possibilities for improving the strategic management decision-making process based on both theoretical as well as practical research.

The goal of the paper is to improve strategic decision process in creative industry organizations by applying new models of decision-making process that takes in account specific features of the creative industries. In order to test author’s conclusions based on related content analyses an exploratory survey was carried for 50 traditional industry organizations in Latvia during 2009. The findings where used as test group on which the quantitative resource of 50 creative industry organizations was carried out during 2010. The quantitative results of the research and part of conclusion are part of doctoral theses and where published in 2011 (Berziņš, Niedrīte, 2011; Berziņš, 2011). The research led further possibility to identify problems in the strategic decision-making process used by creative industry organizations. The main findings of the research showed creative organizations uses the same methods for strategic management, as traditional organizations accept the strategic planning period is much shorter from 1 to 3 years and strategic flexibility is correlated to compliance of management decision to external environment of organization and specifics of creative industry (Berziņš, 2011). The findings of the research lead to conclusion that improvements in decision making will improve strategic performance of creative industry organizations.

Creative industry specifics

In the 21st century the transition is taking place from the information society to the creative society. Countries can no longer develop based just on the extensive use of resources in their economy. “In the modern world a new development paradigm is appearing which links economy and culture by integrating the economic, culture, technology and social development aspects both on the macro and micro level. The new paradigm is built around the fact that creativity, knowledge and information availability are considered a strong driving force of economic growth which promotes development in
the modern globalized world (UNCTAD – United Nations Trade and Development Conference, Creative Economy Report, 2008) (Hagoort, Kooyman, 2009). Development can be intensive which requires human resources and development of various ideas and creativity. The approaches which were appropriate for enterprises in the previous century, do not work in the 21st century as in 1900s the emphasis was laid on the creation of material values. It is not to state that manufacturing is not going to develop at all; however, the proportion tends to be in favour of services and enterprises with the appropriate intellectual property (Volkova, 2007). In 2006 60.8 % of the economically active population in the European Union were employed in the service sector. The sector which created the biggest added value in the EU in 2006 is “other business services” (Eurostat, 2010). In the global economic system as a result of labour division and specialization the creative industries are developing and having an increasingly bigger role in the 21st century.

The creative industries can be identified as an individual industry group. Problems arise in the management of these industries due to the peculiarities of the work contents; besides there is a very unclear and diverse terminology. Thus there is no single opinion namely what kind of organizations can be named and described under the term “creative industries”. It is clear that no uniform definition of these industries is available. Generally, the term and notion can be referred only to “culture industries”, “creative industries”, “copyright industries” in economic terms or to “contents industries” in terms of technology (Marcus, 2005). The creative industries can be defined as follows: “The creative industries is a general description of all the activities rooted in individual creativity, skills and talent that possess value potential and use intellectual property for creating jobs – mainly: advertising, architecture, art, antiques, handicraft, design, fashion design, film industry, interactive entertainment software, music, fine arts, publishing, computer software design, TV and radio” (Townley, Beech, McKinla, 2009). Creative industries create, develop, produce, use, display, spread and store products which have economic, cultural and/or entertainment value. For the purposes of this research the industries that correspond to this definition and are included in NACE (national classification of industries) have been divided into nine sectors: literature, press and printing industry; visual art; audio art; audio-visual art; TV, radio and interactive media; advertising; performing art; culture preservation, distribution and education; recreation, entertainment and other culture-related activities (Miķelsone, 2008).

The organizations representing creative industries face the same management problems as the organizations of other industries; however, they also have their own specific problems which are characteristic only to this industry group. Several authors have discussed subject on whether the creative industries are different from traditional industries and concluded, because of the nature of their product, the creative industries raise a different order of managerial and organizational challenges (Caves, 2000; Hirsch, 2000). Besides, management aspect of organizations creative industries raises the contentious issue of culture’s relationship to value, and culture as a public good, the transcendent role of art and its civilizing effect (Pratt, 2005).

The peculiarities of the creative industries and their main problems are
connected with the products / services produced in the sector. The work and result here can turn out to be insignificant – more related to aesthetic feelings and satisfaction rather than acquisition of material benefits; the importance of the result more depends on the recognition from its consumers – how important the product and benefits provided by it seem to its consumers. All of this increase the degree of uncertainty in the industry, which, in its turn, makes managers’ work more complicated – it is more complicated to adopt decisions, to choose the right direction and the right marketing strategy as well as the organization strategy (Berziņš, Niedrīte, 2011).

Individual staff members in the creative industries also find themselves in a high uncertainty situation and strive to prevent that; consequently, they are not looking for lasting employment, but rather try to invest their potential in several places simultaneously. This is another aspect that burdens managers’ work as, firstly, it is difficult to find qualified people for the specific work, secondly, the time is often not established which the employees will devote to the particular task. Besides, it is harder to influence the employees compared to regular employment situation. It can be stated that employment relations in the organizations representing creative industries are more like a partnership rather than the classic hierarchical superior-subordinate employment relations.

To sum up the peculiarities of the creative industries the author has defined the specific features which distinguish this sector from others. The author has divided the sector specific features into 5 groups: continuous innovations; unique products and processes; hard-to-forecast demand; artistic contents of the product; self-management and self-managing staff.

Continuous innovation is one of the features that are particularly well expressed with the creative industries. From the representatives of the creative industries customers require and expect innovations; this is to a large extent perceived as an indispensable attribute of the product, the absence of which makes a creative product meaningless. Consequently, the innovative character of the product is one of the essential differentiating features. Product uniqueness is connected with the fact that the product itself is in many cases created as one copy only and therefore is unique. This condition is also connected with the product customer expectations for a unique and innovative product that suits the specific situation in terms of time and space. The product innovation and uniqueness in this case are perceived as different features where uniqueness means the difference of the product in time and space, however, innovation describes the level of novelty. As an additional factor to the product uniqueness we could point out the uniqueness of the processes. Creative organizations create unique products by using a unified process, thus in organizing concerts one and the same logistics scheme, equipment and stage are used. However, the customer demand for the product innovation creates the need for changing the product creation process itself to make it suit the specific time, audience etc. The artistic contents of the product is the most essential feature that distinguishes a simply innovative and unique product that may be created, for example, by the hi-tech sector from the products of creative industries. The emotional, aesthetic and artistic enjoyment created by the product is the added value the customer pays for. The demand for the output
cannot be forecast (Caves, 2000), thus also the income cannot be forecast before the establishing of the production costs. For example, in the film, book and music production the real costs can be calculated only some weeks after launching the product and to a very high extent depend on the degree of publicity. Self-managing staff are the employees who implement management functions in an organization without having a formal manager status, however, self-management must be implemented or they acquire the manager’s status for a certain time period within a formal or informal project the implementation of which is the responsibility of the specific employee who will further involve other employees for the fulfillment of the task. The peculiarity of decision-making in creative organizations is evident in the work contents of the creative staff – the work content is associated with a high educational level of the employees and is intellectual. The self-managing staff will mostly adopt decisions themselves and will implement their occupational duties similar to an individual enterprise or a structural unit which clearly understands the motivation for its actions and its connection with the organization as a whole. Consequently, the organizations where regular employees have to adopt responsible decisions independently thus reacting to changes in the corporate environment as well as themselves organize their work can be named intellectual organizations. The traditional and profoundly studied organization type where the majority of working tasks are regulated and decisions are adopted in the corresponding management level can be called traditional organizations.

A creative organization is an intellectual organization; however, not all intellectual organizations can be called creative. An intellectual organization is the organization the existence of which fully depends on the mental capacity of its staff. This definition distinguishes this particular kind of organizations from the organizations the existence of which more depends on the technique it uses rather than on the people working there. V. Niedrīte (2003) states that intellectual organizations are characterized by “non-standard production”, as often they are a specific kind of services which are simultaneously designed, produced and sold. According to this definition the organizations of creative industries correspond to the key elements of the service organization and intellectual organization, however, the author has added a significant element to the definition which characterizes the work of modern organizations – this is a continuous process of testing and improvement, which, together with the uniqueness and innovations, creates the specific elements characterizing organizations in the creative industry sector. Accordingly, a creative organization can be characterized by a particular form of organization operation, where the results of operation are achieved by purposeful mental work for the creation of unique and innovative products. The key distinguishing feature between a creative and intellectual organization lies in the innovation intensity and uniqueness of products/services/processes as well as their artistic value. Intellectual work prevails in both organizations, consequently in managing creative organizations it is possible to use the methods which are used for managing intellectual organizations. The definition of a creative organization provided by the author underlines and distinguishes two kinds of intellectual organizations specific to the modern times. The intellectual organizations where mental work prevails, however, their progress is
more aimed at the personal and material development which according to the intellectual organization definition provided by Peter Drucker is one of the distinguishing features of intellectual organizations: “the responsibility for the labour productivity lies with the performer himself. This means that the performer of the mental work manages himself and thus requires independence” (Niedrīte, 2003) as well as and organizations with purposeful and continuously improving performance, learning and knowledge-sharing, uniqueness and innovations. The intellectual employee's need for independence is understandable; the employee actually perceives himself as an entrepreneur who does not work as an employee, but rather as a supplier of his intellectual labour to several organizations which are ready to buy the intellectual labour provided by the specific employee. The payment for the labour is established per unit of time at a corresponding level of labour quality and productivity. This kind of employee activity can often be seen in universities where the employee manages his working hour resource by dividing it among academic work, scientific activities in various projects, consulting work in organizations or his own enterprise. In state administration and enterprise management various council and board institutions have developed which represent a typical example of intellectual labour management. Consequently, we cannot consider the intellectual employee an employee in the generally acknowledged sense, but rather to a certain degree a co-operation partner and one of the key tasks of the organization is to achieve target-oriented work of the particular co-operation partner.

When attributing the organization operation conditions to the strategic management of organization it can be said that intellectual organizations need two specifically defined strategies: the external and internal one. The external strategy is aimed at creating value for the external customers of the organization; however, the internal strategy is aimed at the value creation for the internal subjects of the organization – the self-managing staff. Compared to the traditional organizations, in the management process the managers have to take into account a bigger number of simultaneously manageable processes, business models and innovations in managing knowledge and artistic value, at the same time considering the lack of clarity and uniqueness of the products and processes. Such a complexity of tasks is the key problem faced by managers in creative industries. The complexity leads to changes in the managers’ work contents and the need to read just priorities and the time allocated for various management functions by including tasks that have to be dealt with additionally, still sticking to the formal working hour limit. The peculiarity of the operation of creative organizations is the work contents of the self-managing staff, where the previously mentioned complexity of decision-making is delegated to the self-managing staff.

The identification of the specific distinguishing features of the creative industries enabled the author to study the features of strategic decision-making in creative organizations.

**Strategic decision-making in creative industry organizations**

As it was described above, the strategic management process of organizations in creative industries is more complicated due to the additional factors and parallel
functions which must be considered by the organization managers in the implementation of management functions: planning, organizing, coordinating, motivating and control. By parallel functions the author understands the management functions which besides their implementation in a traditional organization take the form of parallel management of the peculiarities characteristic to creative industries. These generally known organization management functions have been comparatively little mentioned in the research and theory devoted to strategic management. In the author’s opinion namely this is the reason why organizations have difficulties with the strategy implementation. We can assume that the strategy development process can essentially be considered a management measure which has to be implemented by using namely these functions, respectively, by considering strategy development a project because the process itself corresponds to all pre-conditions of a project – uniqueness, time and funding limits, measurable output and the application of continuous interaction of all management functions for the successful advancement of a project. Similarly, we can approach the implementation of the organization strategy: the strategy implementation is a management process which involves the use of all management functions and in the case of creative industries – also the parallel functions. The author believes that manager difficulties in implementing this concept lie in the circumstance that a manager, when adopting decisions in accordance with the management functions, mostly has to consider all management functions. Respectively, when assigning a task to subordinates, the manager must design the action plan or must have a clear understanding about it; he must be able to organize and co-ordinate the task among various organization system elements, moreover, he must include motivation aspects in the task and control the working process as well as its output. Thus a continuous interaction of all management functions occurring parallelly is taking place. Such tasks involving a big number of variables of different categories are particularly complicated from the point of view of adequacy and logic.

In terms of the organization management process the fundamentals for managing these complicated processes are the managers’ decisions about the present and future of the organization which are logical and understandable to the employees. We can consider logical neither the decisions which do not contradict the external and internal environment conditions of the organization, nor the previously adopted decisions and approved plans. Employees and functions can be considered individual categories of variables. The complexity of the decisions is proved by the figure we obtain if we multiply the number of functions by the number of employees affecting the manager’s decision (1):

\[ x_j = \sum_{i=1}^{m} (a_{ij} \times b_j), \]

where

- \( x_j \) – number of \( j \)-th decision variables,
- \( a_{ij} \) – management function for the \( i \)-th employee \((j=1; n)\),
- \( b_j \) – employees influenced by the \( j \)-th decision \((j=1; m)\).

Although different managers have different capabilities, it is still very hard for a person to work with such a big number of variables. Consequently, it is natural that the manager cannot work individually...
with each employee which leads to impersonal and “average” decisions aimed at a large organization staff. As a solution of the dilemma (the same dilemma exists between the organization and its customer, although there the organization has more possibilities to use price differentiation as a pay for increased service), where, on the one hand, there are management costs, on the other kind – the need for an individual approach, the author sees in the employee self-management process, which is particularly characteristic to the creative industry organizations. A similar approach is suggested by Peter Senge who introduced the ‘learning organization’ concept where he has described the organization learning processes. To enable employees to implement self-learning it must be made one of the organization culture cornerstones, where the employee is learning and implementing his best potential because the person wants to prove that his necessity for the organization and his applicability to himself. This can be used as a method for the organization to adapt to the changing environment not with the help of strict management, but rather by using the synthesis of flexible learning, adaptation and organization direction which the employee implements in his daily work based on the managers’ and his own decisions and understanding about the essence of the particular problem, the development direction and the best possible solution in the given situation.

The operation of organization managers to a large extent takes the form of adopting decisions in the major issues of the organization. Decision-making is the role the author considers decisive in providing for successful strategic management in any organization. This is also confirmed by other scholars’ opinions.

Decision-making is one of the most important daily tasks and main functions in all management levels. J. K. Lafta (2006) states, that the decision-making mechanism is actually the mechanism of the organization management. K. G. Hof (2002), however, asserts that the main task of the managers of all levels is making decisions. This is expected from the manager by both the subordinated staff as well as superior level management. Not only has the manager to adopt the decisions, but also to assume responsibility for them. Decision-making is of particular importance under the current economic situation, when along with the changes in the external environment, which basically means a rise in the number of various events affecting the organization, the time span between the event and the necessary reaction to the event is steadily decreasing. In fact, the reaction to the event on the part of the organization takes the form of a decision. Decision-making, however, involves a lot of uncertainty, misunderstandings and inconsistencies which can lead the organization to major failures. P. Drucker (2007) states that decisions mostly are unsuccessful not because they have been wrong from the very beginning, but rather because the change of aims (or conditions) has taken place due to which an initially correct decision all of a sudden became inadequate to the situation. In the organizations belonging to creative industries the adequacy of the decisions made by managers of all levels and employees involved in self-management is decisive for a successful strategic management process and, consequently, to the organization success. Taken the specific character of a creative organization in respect to the self-managing staff, the adequacy of decisions is becoming one of
the main conditions for qualitative management in creative organizations. The adequacy of decisions can be described by two conditions: mutual consistency of the decisions of all levels as well as their compliance with the specific organizational environment. The complexity of strategic decisions is created by the fact that the decision-making process has to take into account the dynamically changing time factor which provides for the decision adequacy to the specific external and internal environment situation of the organization all through the strategic planning period. Due to the specific features of the creative industries it can be asserted that the process is essentially more complicated in these organizations considering the big number of changing conditions. Accordingly, an indispensable part of the strategic management process is the future vision and notion of time. The significance of the notion of time in the organization management can be described by two quotations by classics: “There is no value that could compare to time” (Johann Wolfgang von Goethe) and “All of us are equally awarded huge wealth – it is time” (Napoleon Hill). These two quotes imply two key efficiency conditions of the modern organization: the first, classic one is the return per time unit, the second condition which can be more attributed to the modern information age is competition – to manage implementing an idea before information about it reaches others and somebody implements the idea ahead of us. Thus it can be said that an idea without a plan for its implementation and action can make a specific organization lose its value very fast. The implementation of an idea ahead of competitors is particularly important for the creative organizations. This leads us to the set of notions of time and space. Time and space are the notions which describe our reality. People perceive reality by distinguishing one event from another rather than perceiving all of them together. Time is closely connected with the events in the organization environment; it can be defined as a function which sets events apart. It can be concluded that the dynamic understanding of time and space is particularly important in terms of the organization strategy and cannot be disregarded all through the strategy implementation, thus the first issue arising is when to start designing the strategy.

The adoption of the decision about the need for a strategy is the first step in assuming the strategic process in an organization. To assume strategic planning the organization must have the conviction that the strategy is necessary. Moreover, there must also be the conviction and understanding of what a strategy and strategic action is and how strategy differs from regular planning. The range of strategic issues is usually associated with the long-term operation direction; acquisition of an advantage over the competitors; analysis of the changing business environment; development of resources and competences; values and expectations of stakeholders. Consequently, the decisions will be complex by nature and made in the conditions of uncertainty, they will influence operational decisions and require an integral approach (from the internal and external environment) by involving considerable change (Johnsen, Scholes, Whittington, 2005).

For the organization managers it is important to understand what an effective strategic decision is. As it is stated by K. M. Eisenhardt (2003), the ability to make fast, widely supported, and high-quality strategic decisions on a frequent
basis is the cornerstone of effective strategy (cited in Minzberg, Quinn, Ghoshal, Lampel, 2003). Namely, the speed is one of the most essential factors in the conditions of the rapidly changing environment. By fast making of decisions we usually understand the adoption of daily operational decisions, however, the rapidly changing environment of today with increasing certainty demands speed also in the adoption of the strategic decisions not only at their formulation stage, but also during the whole implementation of the strategy by constantly adjusting and making sure about the advancement of the strategy implementation and position of the organization on the chosen pathway for achieving the organization aims for the purposes of adequacy. Scientific literature provides for several schemes for the strategic decision-making process all of which are relatively similar. The traditional strategic decision-making process, which is shown in figure 1, consists of several consecutive actions and using of the methods of data analysis (Channon, 1999):

1. Determining the mission of organization by including a statement, philosophy and main aims for the existence of the organization.

2. Assessment of the internal environment of the organization by including the assessment of its culture and history, as well as assessment of its formal and informal organization.

3. Assessment of the external environment by applying PEST analysis.

4. Coordinating external opportunities and threats of the organization with the internal strengths and weaknesses by applying a SWOT analysis.

5. By applying previous analysis, to identify the desired options within the mission of the organization.

6. Selection of long-term strategies and policies among the respective range of strategies and policies with a view to reaching the possibilities chosen by the organization.

7. Elaboration of short and medium-term strategies and action programmes that are coordinated with long-term strategies and policies.

8. Implementation programmes that are based on budgets and action plans that are based on the particular allocated budget resources and are monitored by means of the respective management information, planning and control system, bonus system and sanction system.

9. Tests and assessment system for monitoring of the strategic process aimed at providing information for the system for further strategic decisions.

Such a strategic decision-making process in an enterprise does not yet mean that an enterprise can adjust to the rapidly changing external environment and it can be considered strategic management. Moreover, the process might or might not be expressed formally through the strategic planning system (Channon, 1999).

The specific character of strategic management in creative organizations is evident in several levels. Namely the mutual interaction of various levels creates difficulties in the introduction of strategic management. In the traditional organizations prevailed by physical production of goods the processes and their quality indicators are clearly defined and the cause and effect relations between actions and results are visible more directly. The key result organizations strive for is the achievement of their aims, however, the pay to the specific performers of the job is namely for hours rather than aims. Consequently, the organization is responsible
for formulating the working tasks in the way which is compliant with the overall aims of the organization; however, the specific feature of an intellectual organization is the provision for the intellectual employee's independence. For this reason the organizations find it difficult to formulate specific working tasks by preserving the employee's sense of freedom.

The specific feature of the strategic management of creative industry organizations is that the main strategy-influencing elements have the polarity which is opposite to the traditional understanding. The task of the strategic management of creative industries organizations is to preserve the compliance and unity of these oppositely polarized elements as well as their compliance with the requirements of the external environment.

One of the ways how to commence the introduction of the unity and compliance principles in an organization is to establish the existing attitude of the organization toward the strategy by using the organization classifier offered by the author.

Each organization has an individual understanding about the organization strategy in relation to the organization vision of the future. The organization vision is characterized by its aims and the decisions it adopts. After surveying employees and managers the author concluded that there are essential differences between opinions of the managers and employees of organizations on the strategic development of their organization. The key reason that arises from the implemented survey is that the managers’ deeds do not coincide with their words. Such a situation is best noticed namely by the organization employees. Thus, before assuming the strategic management of an organization it is useful to find out the actual stage of strategic development in the organization. The author suggests classifying the organizations into 4 categories by their attitude to the strategic decisions: strategic organizations, strategy oriented organizations, strategic planning organizations and adaptive organizations.

*Strategic organizations* are the organizations in which the designing and implementation of the strategy and operational decision-making at all levels is related to the organization strategy.

*Strategy-oriented organizations* are organizations that have elaborated their strategies, plans and programmes for the implementation there of and allocated budget resources for the implementation of the strategy; however, the implementation of the strategy is the priority only of the senior and middle management. Operational decisions are not always coordinated with the strategy. The personnel of the organization are informed about the strategy in the form of campaigns and in accordance with the deadlines of the strategy adoption.

*Strategic planning organizations* are organizations that are developing a strategy; however implementation there of is the priority only of the senior management. Other levels of the organization are informed in the form of campaigns. Strategic decisions are adopted only at the senior higher level. At other management levels, plans are implemented. If there is no plan related to the decision to be taken, then the decision is adopted without any coordination there of with the strategy.

*Adaptive organizations* are organizations that do not elaborate any strategy, decisions are made in accordance with the requirements of the internal and external environment and understanding of managers of each organizational level.
regarding the best possible solution in a particular situation.

Each of the above-mentioned organization types can be characterized by two key criteria: periodicity and the number of the organization levels taking part in the development of strategic decisions and adoption of the strategy-based decisions (1 table).

The approaches to strategic management as well as the level of understanding it varies from organization to organization, consequently, it is difficult to envisage changes in the organization competition in the future as well as assess the prospects of the future development of organizations. The criteria and organization classification provided in table 1 allow for the assessment of the organization development prospects as well as using it for assessing development risks. Self-assessment will provide for commencing a discussion in the organization about the strategy level the particular organization wants to achieve, which in its turn can prevent unnecessary disagreements among managers both in the period of the strategy development and implementation.

To sum up the various strategic development stages presented in table 1, the processes can be established which are missing, however, necessary for full-fledged strategic management. This will reconfirm the importance of an integrated approach for the adoption of strategic decisions. H. Mintzenberg (2003) described the process as follows: “Strategy development involves the design of values, creation of an intuitive

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vision, continuous learning; it is connected with transformation as well as sustainability; it must include individual cognition and social interaction, both co-operative and conflicting; and it must include prior analysis and established programmes as well as continuous discussions; moreover, all of that must be consistent with the increasing requirements of the organization environment. Try omitting even one of the previously mentioned and see what happens! (Mintzberg, Lampel, Quinn, Ghoshal, 2003).

To create a systematic approach serious understanding of strategic management is necessary as well as of the specific organization, its operational environment and peculiarities of the industry. However, each system or complex as well as each strategic management system is a system and as such should be developed based on some ideology. For example, theory X or Y serves as ideological basis for organization culture and building of management processes. For creative organizations, the author offers his own ideology for managing the strategic management system named “the necessity approach”. The need for a special approach is connected with the specific features of creative industries which take the form of the opposite polarity of various aspects of creative industries shown in figure 1.

For the decision as a key element of any management system we can establish its adoption (creation) process. The author offers enlarging the decision-making process with the examination of the decision consequences and considers it the “decision-result” process which can be expressed in 6 levels:

1. Problem / opportunity.
2. Causes in the internal and external environment.
3. Examination of alternatives.
5. Examination of consequences.

The implementation of the 6-step decision-result examination model offered by the author as a standard procedure might improve the process of decision making in the organization and allow for saving time resources. It is common for the organization in Latvia to use only the first level of the problem description “there is a problem” in the horizontal and vertical communication. This kind of unprepared information communication in an organization suggests the lack of competence in various levels of the organization as well as their unwillingness to learn. This results in the involvement of the management in dealing with the operational issues, although such activities distance the senior level management from solving strategic issues. The author believes that the practice of using the communication level “there is a problem” in the organization management process is one of the key reasons for inefficiency in Latvia and causes additional costs for organizations. There are two kinds of costs associated with decision-making in an organization:

1. Decision-making costs.
2. Decision implementation costs.

In the modern practice the decision-making costs mostly are not calculated and only the costs of the decision implementation are accounted for. This approach leads to wasting colleagues’ time in the case of horizontal communication and manager and employee’s time in the case of vertical communication, or, if the issue is discussed in a working group without previous preparation and with limited amount of available information which can lead to:
1. adoption of subjective decisions in a group in the case of limited information,
2. subordinates’ habit to avoid responsibility by delegating it to the working group, colleague or superior,
3. deterioration of the financial performance of the organization due to inefficient use of working hours,
4. losses from subjected decisions which disregard the organization environment,
5. losses that have arisen from missing the opportunities that have emerged as opportunities tend to appear in the conditions when the environment is changing – the opportunities appear and disappear if they are not used.

The author by no means denies the advantages provided by team work and vertical and horizontal communication in organizations. However, each of such communications must be respectively prepared on the part of the communication initiator. Taking into account the quality of the internal communication in the organization and the need imposed by the changing environment for fast reaction to a problem, the author offers organizations to use a 3-procedure option for vertical and horizontal communication. The author suggests using the available information as a basis for the differentiation of the internal communication:

1) information communication procedure,
2) incomplete information / experience communication procedure,
3) problem identification procedure.

*Complete information procedure* for vertical and horizontal communication represents the problem / opportunity description scheme offered by the author: problem, environment, alternatives, decisions, actions and expected consequences (fig. 2).

*Incomplete information procedure* comprises the problem and at least three
alternative solutions. As a result of the communication the solution is adopted which represents one of the suggested alternatives or as a result of the communication an improved alternative is acquired.

Problem identification procedure comprises just the identification of the problem and reporting it. This kind of communication is to be permitted when an employee has noticed a problem or potential problem in the organization, however is not responsible for the respective operational area, the problem is not his responsibility and he cannot participate in solving it.

The criteria which would provide for selecting the right form of communication in each specific case depend on the operational profile of each specific organization and the number of its management layers and should be developed individually for each organization. The document by which the organization should establish the using of these communication forms is the general policy guidelines of the organization approved by the key decision-making institution in its organizational structure. Nevertheless, the author, based on the decision classification, would like to recommend the following criteria groups:

1. Scope or significance criteria. If the problem solution affects a certain amount of money in line with the scale of the organization, the full information procedure should be used. In other situations incomplete information or problem identification procedure may be used. This approach provides for more detailed description of the criteria related to the implementation of the specific procedure depending on the amount or its interval.

2. Level criteria. Strategic decisions must undergo a mandatory full information procedure, however, the tactical and operational decisions – the incomplete information procedure. To some extent the criteria copy each other, however, depending on the organization profile, it might be necessary to apply both of the provided criteria separately. The problem / opportunity advancement procedure recommended by the author would provide for saving of resources, increased effectiveness, emergence or development of the learning culture in organizations. As an additional decision-making tool the author recommends using the cost estimation of decision-making.
Conclusions

Changes in the global economy have resulted in the formation of a new industry group known as creative industries. The key features of creative industries are as follows: continuous innovations, unique products and processes, difficult-to-forecast demand, artistic contents of the product, self-management and self-managing staff.

The strategic management process is more complicated in creative industries than in the traditional ones as it must take into consideration additional factors and parallel functions when implementing the classic management functions: planning, organizing, motivating and control.

For adjusting the complicated process of managing creative industries an essential role belongs to a scientifically substantiated, logical, timely and understandable for employees decision-making system. Creative organizations feature an insufficiently elaborated strategic decision implementation system which is mainly based on the postulates of the traditional organization management theories.

Considering the aims of creative organizations and their influence in the communities the author believes that an essential drawback of the decision-making system is the failure to forecast the decision consequences and the failure to assess the consequences after the implementation of the decision.

Proposals

The specifics of the strategic creative industry management determine that the key elements which affect strategy are with opposite polarity in their traditional sense. This is the reason why in adopting strategic decisions the compliance and unity of these oppositely directed elements must be ensured. This can be achieved by using the integrated approach method in the adoption of strategic decisions.

To prevent the short comings in the existing strategic decision-making system the decision-making process should be supplemented by the assessment of the decision consequences and corresponding change of the title of the process to the “decision-result process”.

In order to raise the effectiveness of the strategic decision-result adoption process the author suggests using the 6-step decision-result assessment model to be introduced in organizations as a standard procedure.

As the creative organizations only randomly calculate decision-making costs and the aspect research suggests additional use of time due to unproductive communication the author offers 3-procedure options for vertical and horizontal communication.

References

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