



# Coordination and control influence on new knowledge creation in creative company

Lina Girdauskiene  
Asta Savaneviciene  
Kaunas University of Technology  
Lithuania



## *Problem*

- Creative organizations have to coordinate and control its actors for enhancing new knowledge creation what is defined as the main activity. The wrong selected coordination and control strategy and mechanism can decrease new knowledge creation and creativity.

## *Purpose*

- To identify proper coordination and control strategy and mechanism, which enhance new knowledge creation and creativity.



# Creative organization

- Creative industries are those activities which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property (UK Government, Department of Culture, Media and Sports).
- Sub sectors: architecture, advertising, craft, designer furniture, fashion clothing, **film and video production**, graphic design, leisure software, live and recorded music, performing arts and entertainment, **television**, **radio and internet broadcasting**, visual arts and antiques, writing and publishing.
- It is the new approach to business: service, the selling of knowledge, new employment patterns, design and presentation, new management skills (goods – intellectual property, continuous innovation; a motivated and trusted workforce; sales and marketing –global niche markets).



# Creative company

- Creative organization is project- based with permanent talent pool of freelancers and micro-organizations and which the entrepreneurs are artists and the same time managers.
- Core skills:
  - Content origination (communication, innovation, imagination, creativity)
  - Special technologies (recording studios, cameras, edit suites etc; software tools);
  - Management (people influencing through a network, not controlling through a hierarchy; it is a relationship not a contract; reward by money, life style and reputation; teaching and learning)



## Knowledge management and new knowledge creation

- The second generation knowledge management emphasize new knowledge production, innovation and learning (Mark W. McElroy).
- Knowledge creation is the process of making available and amplifying knowledge created by individuals as well as crystallizing and connecting it with an organization's knowledge systems (Nonaka, 2000).
- Organizational creativity is the creation of a valuable, useful new product, service, idea, procedure; or process that is implemented through innovation (Amabile, 1988).
- So, new knowledge creation is especially important in creative company, because it's the vital resource.



# Creative Knowledge Environments

Unsworth and Parker (2002) suggest that the following are the main contextual factors influencing creativity and innovation:

- **task and work design** (e.g. degree of autonomy, complexity, stresses such as time pressure, work load, job ambiguity, concentration demands, organisational problems);
- **social characteristics** (e.g. collegial communication, team-working, leadership); and
- **organisational characteristics** (e.g. climate or culture, human resource practices, organisational design).



# Coordination and control

- **Coordination and control are closely intertwined concepts in the classic organization theory (Parker, 1984)**
- Coordination is essentially a process of interaction between the actors (Gittell, 2002), where in project based organizations call for horizontal organizing (Kerzner, 1998) and control is the process of ensuring that „all operations at all times are carried out in accordance with the plan adopted – with the orders given and with the principles down (Fayol, 1937).
- Coordination mechanisms could be analyzed along: **formalization and standardization**, plans and schedules, **output and behavioral control**, reward systems, information technology, co-location, integrating instances and lateral relations, workplace rotation and interdisciplinary training, and socialization (Perttu Dietrich, 2007).
- Coordination strategies can be analyzed along three distinct dimensions in organizations (McCann and Galbraith, 1981): formality, cooperativeness and **centralization**.



# Case study

## ■ Case study:

- Tv broadcast production company, working more than 10 years, 5 of them in 2 countries. It's project based company made up of freelancers and micro-organizations. Creative workers amount change from 50 till 150. Every season it is creating new TV broadcasts (from 3 till 10).

## ■ Research questions:

- What type of control enhance creativity?
- What level of formalization enhance creativity?
- What type of coordination is common for your organization?
- Do routines influence creativity? How?

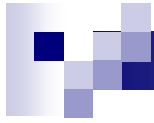
## ■ Research method:

- Semi - structured interview of 30 minutes were taken in 1 company working in 2 countries (Lithuania and Latvia);
- Sample of 12 actors (creative workers – project managers, producers and broadcast managers)
- Activity observation (2 different countries)



# Preliminary findings

- Coordination influence creativity:
  - Mutual adjustment, skill standardization are common for creative company.
  - The higher autonomy, lower formalization, the higher creativity.
- Control influence creativity:
  - Behavioral control irritates creative workers and decreases creativity
  - Decentralized and output control enhance creativity;



- Thank you for a attention!