

Horvat, Đuro; Kovačić, Marinko; Krajnović, Ana

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# Broadcasting Organization in the Context of Creative Economics and Management Innovation

Đuro Horvat

*EFFECTUS University College for Law and Finance, Croatia*

Marinko Kovačić

*Croatian Chamber of Economy, Croatia*

Ana Krajnović

*EFFECTUS University College for Law and Finance, Croatia*

## Abstract

The transformation of the modern economic system is more than obvious and our main objective is to point out the need for the articulation of new organizational forms. In this paper, we use the results of empirical studies published in the literature and theoretical elaboration by using inductive/deductive methods. We believe that a new organization must correspond to human nature, which is based on self-affirmation in the world of labor in which the creativity, imagination, play and cooperation are among the key factors.

**Keywords:** broadcasting organization, innovation, structure, cooperation, knowledge

**JEL classification:** L1

## Introduction

We have tried to point out the necessity of designing new organizational forms that in addition to the openness and flexibility foster the creativity, collaboration, allowing the affirmation of individuals. Technology has always been a platform for social changes which have redesigned existing social relations articulating new system of power. For example, the health care reform in the United States depends on technological instrumentation stated by Clay Shirky in the article: The Key to Successful Tech Management (Shirky, 2014, p. 51 - p. 59). Today the social impact of, for example, Internet and telecommunications technology is unquestionable because it allows new communication patterns while transforming social dynamics. Innovations are generated from all levels of the organization and overall organizational environment as a major challenge for their effective management (Cash, Earl, Morison; 2008, p.93). Media moguls, IT experts and creative artists of different profiles are becoming more dominant social classes. They are becoming a key resource because each company is unique, and, for example, require making their own software, culture and identity (Gomes, Forbes; 2009, p.44).

A radical redesign of the industrial sector, technological lines of force are also influencing the creative economy. Advances in modern technology have become an effective tool of creative expression with the apparent structural transformation of market players in the creative economy as well as the reinterpretation of management models. With the help of the display and analysis of specific business practices of leading companies in developed countries, we pointed out the new trends and qualitative modification of the classic economic model. We explore the

essence of the human nature and the possibility of its realization within the modern economic system. We concluded that people prefer freedom, cooperation, openness and creativity within the working environment.

### *Encouraging Creativity*

In some market segments a brand new business ecosystem was created, within which companies build networks where they cooperate although they may be fierce competitors. The future has become so much unpredictable that some major corporations decided to implement a strategy of creating the future (Wood; 2000, p. 80). In other words, leading corporations decided to impose a radical innovation of future market processes, products and services marginalizing the practice of their predictions. For such, a concept of innovation and creativity organizational processes that need to be planned, systematically and carefully encouraged are fundamental.

### *Strategic Orientation*

Continuous innovation and the pursuit of placement the radical innovations include a partnership between the companies regardless the size or market value. When so, a new strategic models such as Blue Ocean Strategy articulates. W. Chan Kim and Renee Mauborgne define the blue oceans as those industries that do not exist today (Kim, Mauborgne; p. 18). Blue Ocean Strategy concentrates on launching new products and services but also entire industries that normally generate new consumer habits and new patterns of behavior. W. Chan Kim and Renee Mauborgne cite the example of Canada's Cirque du Soleil, as one of the largest exporters of cultural values in Canada. Unlike other circuses, Cirque du Soleil offered different entertainment content, offering the atmosphere of the circus merged with the intellectual sophistication and artistic richness of the theatre (Kim, Mauborgne; p. 27)

The creation of new products and services as well as the entire manufacturing and service branch is not a novelty in the economic world. Market evolution results, inter alia, in continuous extinction of particular professions but at the same time creating new ones. Pharmacogenomics, nanotechnology and digital technology did not even exist a few decades ago while today are some of the key areas necessary for developing the new economic system and the society as a whole. Schumpeters term creative destruction describes this recent phenomenon, which points out the process of innovation undertaken because of the planned elimination of existing products and services. One of the categories that describe the planned networking of different social and economic actors is social capital that is important for creativity. It is a concept that synthesizes networking and cooperation as an instruments of social cohesion on a planetary scale (Fiels; 2008, p.14). It is a model that develops relations between men in the social and economic integration and it is very useful for effective connecting people. The concept of social capital is not limited to corporate or state borders it also emphasizes the universal principles of the community. Don Tapscott and Anthony D. Williams concluded that the closed hierarchical organization or monolithic structure is dead and that the organizational architecture which is characterized by openness, cooperation, understanding and global orientation has a leading position nowadays (Tapscott, Williams, 2006, p. 214-215). The new operating principles enable effective knowledge generation using external research institutes and academia along with the open communication channels. For example, the US Intel, which was one of the leading corporations in their industry in 2001, in collaboration with the University of California and the

University of Washington has established a research laboratory. Later, the project joined the Carnegie Mellon University and the University of Cambridge. (Tapscott et al., 2006, p.175). Although Intel used to represent the standard for performance in microprocessors this market position did not guarantee permanent leadership. Intel Inside was the slogan that they wrote on many computer manufacturers to highlight the performance of its devices. However, at the beginning of the 21st century, Intel has strongly associated with scientific institutions in order to be able to create the necessary knowledge required for profitable operations. They invented a model of the national innovation system that integrates educational, research institutions and development (state) policy concentrated on the creation, development, commercialization and absorption of new technologies within the national economy (Laredo et al., 2001. p. 17). This model was developed in the US and primarily stimulates the private sector while the public research institutions and academia are the background. For a long time, significant innovation and research capacities were engaged in the field of national security and technology related to that area. These processes are some of the key specifics of a new economic system that effectively works only in addition to the other well-established confidence, creativity, freedom, fun, cooperation, speed and openness. These are the features of an intangible nature that are fully developed and imbued in the creative industry.

### *Basic Features of a Creative Economy*

Industrial relations are being sophisticated in developed countries and the exploitation of manual labor has become a marginal economic phenomenon while, at the same time, difference in development between developed and undeveloped countries has dramatically increased. 200 years ago, the ratio of the development was five to one in favor of developed countries. Today, the ratio is 400 to one in favor of the developed countries (Leadbeater, 1999, p. 14). Industrial and labor relations have become more humane in developed countries where the exploitation of creative and intellectual work has shown as extremely effective in creating value. At the same time many dirty and labor intensive industries have been transferred to undeveloped countries. It is obvious that these processes caused the accelerated development of many developing countries where the developed economies using mental work, or better said, knowledge economy gained absolute market and the political dominant position in the global scale. We pointed out the processes that radically redesign classical economic paradigm, gradually and continuously evolving creative economy that includes, for example, the film industry, theatre productions, the music industry, the production of books and magazines, fashion and entertainment. It is estimated that in developed countries, the creative industries generates over 30 percent of gross domestic product. In the UK the amount of earnings from rock and pop music value exceeds the amount of the steel industry. At the time, the Swedish pop group ABBA was the largest single exporter of that developed Scandinavian countries.

On a worldwide basis, in all countries of the world, the value of the creative economy in 1999 was amounted to 2.240 billion US dollars with the growth rate of five percent per year. Since, according to the World Bank, the world's gross national product in 1999 was amounted to 30.200 billion US dollars creative economy already then stood at 7.3 percent of the global economy (Howkins, 2003, p. 126). For the creative industries of great importance is the protection of intellectual property and in particular the respect of copyrights, brands and patents because their violation divert profits into the gray/black zone economy.

## Characteristics Of Broadcasting Organizations

Creative activity is characterized by working on projects that are generally long-term nature. Gathering a large number of creative profiles requires the use of specific management methods and articulation of appropriate organization structure. Broadcasting organization can be used for the realization of an extremely complex project tasks. Within the broadcasting organization the power is dispersed with confederal form of government decision-making which requires a high degree of autonomy and competence of all employees. Broadcasting form of organization is suitable not only for large organizations that carry out complex projects but also for small businesses. Small businesses nowadays, especially in segments such as biotechnology, genetic engineering and software, are generating radical innovations. In doing so, managers of small companies have to be globally oriented and make decisions in accordance with the processes and relationships in the international environment (Drucker, 1993, p. 117). Today is evident that the market is extremely turbulent and that is why the broadcasting organization structure, which is amorphous and flexible with a high degree of flexibility, is suitable to operate successfully in such circumstances. Modern information and communication technologies enable global business in real time. Location, labor discipline and fixed working hour, external control and acting in accordance to the frequent instructions is of marginal importance for broadcasting company. Each employee is provided entrepreneurial engagement in informal labor relations along with the cooperation within virtual teams. Risk-taking is stimulated but errors are not to be punished.

Broadcasting organization is characterized by a lean structure within which closely independent teams are focused on project tasks such as the development of new products and services. Privacy, lean structure, implies articulation of networked communication channels that allow you to connect all the creative people involved in the project (Christiansen, 2000, p. 76). Nevertheless, this horizontal communication does not limit the exchange of information and knowledge only within the broadcasting organizations. Horizontal communication facilitates the holistic thinking and allows collaboration of talented and creative individuals from a various activities during the realization of a specific project. This communication and collaboration proved to be an extremely effective mean of generating innovations and has been entitled with a special term - *a mash up* (Singer et al., 2014., p. 268). With the help of mash ups Israeli start-up companies have expressed themselves as highly innovative and this method of working harmoniously integrates into broadcasting organization. At the same time, horizontal communicating enables broadcasting organization obtaining ideas and cognition (ones not able to independently articulate) by cooperating with scientific institutions and creative people located in an organizational environment. Market leader and innovative corporation Procter & Gamble are applying the concept "Connect and Develop". In that way, P&G has developed more than 50 percent of its new products with the help of creative people and institutions outside the corporation (Tapscott, et a., 2010, p. 73). Not even around nine thousand researchers and creative employees in the corporation P & G is sufficient to generate innovation and placement of new products required for the realization of a sustainable competitive advantage in the global market. Self-creative work in the context of virtual teams, for which there are no territorial restrictions, and commitment in the implementation of project tasks can freely operate within broadcasting organizations. In doing so, each employee and creative individual must formulate a personal mission, vision and set of values that are complementary to the organizational mission, vision and values. Distributive network in broadcasting organization allows self-actualization creative individuals as

well as other employees. The structural model and the working mode achieves maximum results in a dynamic, turbulent and creative environments such as the film industry, the music industry, theatre production or a segment of high technologies.

The result of our work is reduced to the necessity of articulation within the working environment within which the fore human creativity and the need for self through play and teamwork will be expressed. We emphasize that this is primarily related to the creative industries and high technology because technology of the mass industry do not stimulated above mentioned human needs and interests

## Conclusion

We are witnessing a dramatic shift away from the current ruling economic paradigm which is a substantial share the result of the affirmation of new broadcasting organizations as well as the other forms of organization and creative, holistic, way of thinking, especially in the creative industry. These processes are supported by the latest technological achievements. In doing so, innovation constantly undermines organizational balance and with the help of self-regulating mechanisms seeks to re-establish a balance which can also be observed at the macroeconomic level. It is necessary to rationalize these processes but also make a plan how to lead, manage and direct. The analysis is limited primarily to the technological advances and the degree of economic development of a certain country. We believe that our research does not apply to undeveloped and developing countries because of their technological backwardness. In the coming period, special attention will be given to the impact of robotics, automatization and the Internet and their impact on business methods and forms of organizational structure.

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## About authors

Đuro Horvat, Ph.D graduated at the Faculty of Economics and Business in Osijek. Currently he is a CEO of Gastro Group Ltd. from Zagreb. During his career he was enrolled, independently or as a team manager, in a number of business projects, and still continuously works on training of managers. He was and is a consultant in several projects for establishing cluster. He has participated in numerous conferences and published several scientific papers, studies and research papers. Author can be contacted at [dhorvat@vsfp.eu](mailto:dhorvat@vsfp.eu)

Marinko Kovačić, M.Sc. is a co-author of several books in the field of management, marketing and entrepreneurship. He published over 50 professional and scientific papers in domestic journals. He is enrolled in the popularization of science and has published over 1500 articles in daily newspapers and weekly magazines. He has participated in various the research projects of the University of Zagreb. Currently, he is employed in the Croatian Chamber of Economy. Author can be contacted at [mkovacic3@xnet.hr](mailto:mkovacic3@xnet.hr)

Ana Krajnović, M.A. is an external associate at the EFFECTUS College for Law and finance and an intern in Privredna Banka Zagreb. She graduated at the Faculty of Economics and Business in Zagreb and acquired the academic title Master of economics with special praise (summa cum laude). She won the Dean's Award in 2012 and the Chancellor's Award in 2014. During the study she participated in several programs, training and workshops in the field of methodology of scientific and professional work. She enrolled the PhD program at the Faculty of Economics and Business at the University of Zagreb in 2014. Author can be contacted at [ana\\_krajnovich@hotmail.com](mailto:ana_krajnovich@hotmail.com)