Human Resource Management in a Creative Organization

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Abstract. Creative organization is able to combine effectively two confronting poles - artistic individual nature and the manufacturing activity (Girdauskienė, Savanevičienė, 2010). Although it employees - artistic talents - have to join to the organizational system and to obey to the established procedures and rules, but their nature still wants to remain free and independent. Thus, human resource management (HRM) remains one of the main organizational functions. The research purpose is to analyze scientific literature and to identify the main HRM functions in a creative organization that ensure competitive advantage. As research methodology scientific literature analysis and synthesis was employed. The results show that search and attraction, recruitment, individual learning, remuneration and workers relations with communication are the main HRM functions in a creative organization.

Keywords: Human resource management, creative organization, creativity

1. Introduction

Creative activities of the organization are based on creativity and the integration of a broad approach. So, to create high-quality and creative products, organizations are forced to search and to hire more new workers with various their experiences, attitudes and degrees of creativity, and temporarily use their expertise and knowledge to reach organizational goals (Andersen&Miles, 1999). HRM differs from HRM in traditional organizations because of all specific context – project based work and artistic creativity of employees. On a strategic level, HRM focuses on the implementation of organization's strategy - sustainable individual and organizational creativity. On an operational level, the goals of HRM are to attract and retain the right talents, as well as motivate.

So the aim of this paper is to analyze scientific literature and identify the main HRM functions, ensuring competitiveness and its features in a creative organization. The concept of a creative organization, creativity, employees' characteristics and human resource management are analyzed and based of scientific literature synthesis human resource management scheme is constructed.

2. HRM in a Creative organization

2.1. Concept of a Creative Organization

Creative organizations - is a modern culture enterprise, that seek economic benefits employing its workers' creativity, knowledge, and implementing innovations (Ensor, Pirro, Band, 2006). The essential features of a creative organization may be distinguished (Florida, 2002, WAW DMCS 1998):

- The organizational intangible resources - individual artistic creativity; manufactured product - creative, artistic, not only beautiful but also useful;
- Arts and Business symbiosis: the idea of artists and technologists are implemented by sales managers;

- The resulting economic benefits through creative activities, implementing performance in which creative products are sold and makes money.

Creative point of the original creative organization to identify the organization's strategy, that outlines the organization and give creative direction and long-term goals, making the innate ability - the artistic talent, that is the creation of innovation, is converted into products and services. Creative organization is creative in process, products and personnel, as well as the work environment and work culture, even the first word of the name is directly associated with the creativity. Creativity in this case is dual - creative organization has both a artistic creativity, that often is identified in talent or artistic flair, as well as lateral thinking, knowledge and skills achieved through both generated and competence. Creative organizations' primary goal is to ensure the continuous creativity. This process must be managed in such a way that its components should be proportionate to the aim pursued. The views of scientists, creative organizations dealing with broad issues in characteristics, presented in Table 1:

Table 1. Typology of a creative organization characteristic

Approach	Category	Characteristics
Structural	Technology	Size of work group, task, structure
		Management style, culture
		Technology
Process	Social structure	Cooperation, communication, control
		Autonomy, empowerment
Social	Culture	Trust
		Motivation
Cognitive	Human resource	Knowledge
		Skills
		Talent

(concluded by authors, based on Andrews ,1979; Bland& Ruffin, 1992; Hollingsworth & Hollingsworth, 2000; Martin & Skea, 1992; Pelz & Andrews, 1966; Stankiewicz,1980; Unsworth &Parker, 2002; Amabile,1999)

Each of these perspectives focuses on a certain direction, but do not offer the specific material characteristics. Thus, analysis of the optimal solution may be the managerial umbrella, the principle that brings together all of their perspectives on specific indicators. Summing up these four perspectives, and based on Andrews (1979), Long (1997), Bland&Ruffin (1992), Hollingsworth& Hollingsworth (2000), Martin&Skea (1992), Pelz&Andrews (1966), Stankiewicz (1980), Unsworth& Parker (2002), Amabile (1999) works, the components of a creative organization may be grouped into four categories, that are intended to support and manage creativity and generate economic benefits: *human resources, social structure, technology and culture*. The main organization's component remains human resources, who applying technologies can implement the organization's strategic goals - the creative product development and marketing in a properly constructed social structure and cultural environment.

2.2. The Role of a Creative Staff in a Creative Organization

Naturally, human resources are the key component in a creative organization ensuring the company's activities, generating ideas and adapting knowledge and generating output. Scientists name these resources as the creative class (Howkins, 2005, Florida, 2002), others - the creative workforce. „Without tie "- a name proposed by Florida, that is characterized by less tight labor force, modifying the traditional hierarchical organization's management control (Florida, 2002). This kind of employee does not have day time limit, their work becomes a way of life, even when very often denied benefit financially, but creatively uninteresting projects or activities (Chaston, 2008). The high uncertainty of the creative industry leads to the specific characteristics of workers: workers' creative career usually lasts for a relatively short period (up to 40 years), only a few become super stars and their activity is fragmented, part-time employment or work done by many organizations in parallel (McCarthy et al., 2001, Throsby, 2001).

Creators work in organization is based on the knowledge work, which consists of abilities, skills, expertise and talent. Analyzing the characteristics of creative workers, highlighting features might be defined

as internal motivation, broad approach, including diversity and uncertainty tolerance (Stoycheva &Lubart, 2001), flexible mindset, lack of prior reviews (Tracy, 2008) and talent. Talent as characterizes property is treated differently: it is both the capacity and experience, and knowledge, Cole and Cole (1973) even mentions „a sacred spark". The one, the superior or sacred 'feature gives rise to even the appearance of features of psychopathology (Simonton, 2003). This kind of artistic professionals designated romantic and are presented as heroes or geniuses (Alper, Wassall and Galligan, nd).

Meanwhile, most of the creative employees often work in creative organization treat as a part-time employment, and often even free activities, the more adaptable talent and experience, not knowledge and learning. Thus, artistic ambitions lead, that it is difficult to identify themselves as the part of the organization. On the contrary, freelance artist, working in inspiration came as a marketplace for their favorite individual tasks, and incompatible with the way the organization.

2.3. Human Resource Management

HRM encompasses specific human resource practices (recruitment, selection, and appraisal), formal human resource policies, that direct and partially constrain the development of specific practices, and overarching human resource philosophies, that specify the values that inform an organization's policies and practices (Jackson, 1995). The specific context (creative industry, virtual or network organizations, project based performance (Keller,2001; Lytras, Poloudi, 2001), contract work, creative employees) causes such a context that creative organizations form the narrower HRM portfolio including HR formation (search, selection, recruitment), HR remuneration (compensation and motivation) and HR cooperation (leadership, workers relations, communication) (Eikhof, Haunschild, 2007). Such conditions reduces the need of application of another basic HRM functions – HR planning, development and evaluation of performance.

Almost complicated challenge for HRM is the search of proper employees. Talents are tacit, projects are short, all different content and form, thus, recognition of suitable candidate turns to hard task. The smaller market of talents at macro level reduces search time limit and costs but at the same creative organizations have a lower possibility to get „ fresh blood" - the most appropriate, competitive, huge talent.

Contract negotiations may turn out to unpredictable procedure during recruitment. Creators' wages may be premature to reach the highest possible value of numerical expression, the same salary scale is extremely broad - from the highest to the lowest.

Creators naturally gain entrepreneurial skills and become their own agents, in other words, the freelancers (Ismail, 2005, Matheson, 2006, Carey, 2006), thus, the career planning in one organization turrns to be an inapporiate. The same context is identified with training and organizational learning functions. Although these workers are especially interested in their skills and capacity-building (Batt et al., 2001), it is economically useless to invest in short contract based relations for creative organizations. Edvardsson (2003) states that jobs itself allow to develop skills of creators. As organizations do not institutionalize organizational learning so creators learn individually or in communities of practices.

The bohemian lifestyle therefore helps to maintain artistic work motivation, that is the key input in a creative industry and organization (Haunschild, Eikhof, 2006). More important is internal motivation (Hislop, 2009), that involves employees in activities for fun and fulfillment of its potential, rather than to get some kind of a reward. On the contrary, even it is thought (Spangenberg et al., 1990), that external factors such as monetary reasons may lead to negative consequences or opposite reaction.

Eikhof&Haunschild (2007) state that HRM practices are personalized and implemented as face to face communication, that requires lots of time and reduces the possibility to institutionalize standardised organizational routines, procedures and rules. Creative jobs require close interaction and coordination among groups of individuals, thus active and open communication is highly important.

Politis (2001) notes that leadership style, characterized by trust, respect for subordinates' ideas, cooperating behaviour, stimulates more creativity, knowledge creation and dissemination, than leadership style, characterized by the orientation of the task and the autocratic behaviour. Fig.1 presents the final HRM scheme in a creative organization where development issue is almost not implemented as well as formation and remuneration and motivation.
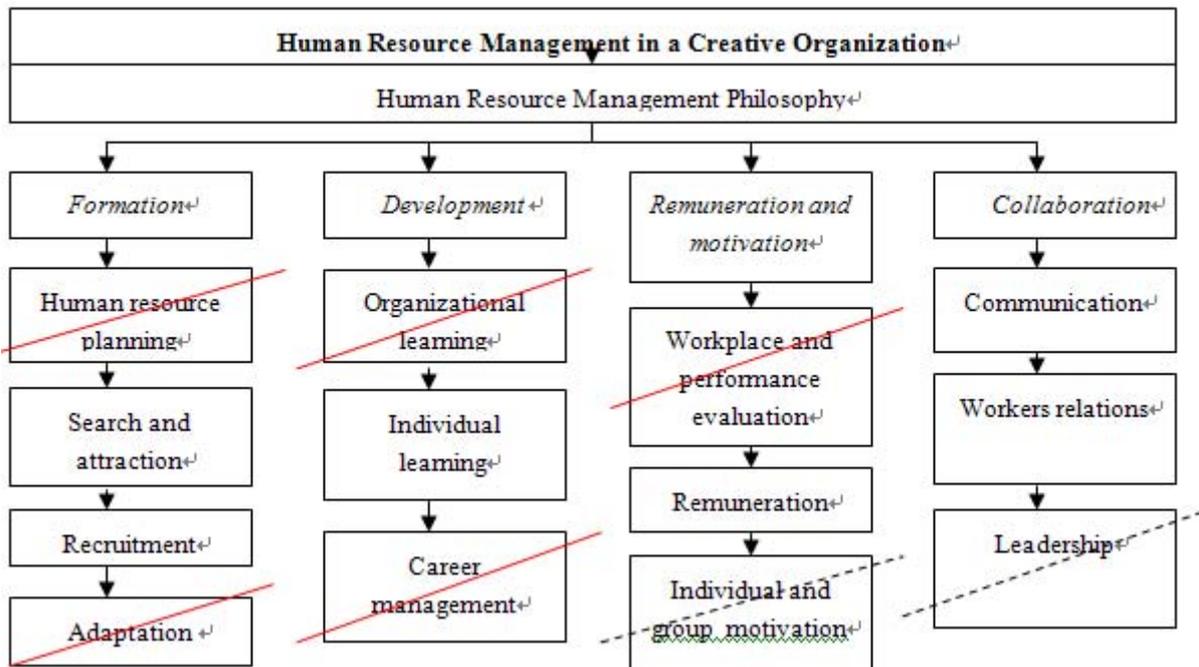
Fig. 1: HRM in a creative organization

Search and attraction, communication, motivation and employees relations are the most important processes for a creative organization to keep competitive advantage. Key talents attraction allows to staff appropriate work teams and achieve organizational goals. Favorable culture – respect, trust, openness, induce collaboration and improve relations. Although leadership is significant in every organization, creators ignore leadership authority in a creative organization. As mentioned above, every of them treat themselves as a leader. The same context may be identified with individual and group motivation. Usually employees are motivated for good results or to achieve psychological contract. But project based performance eliminate the need of loyalty of creators.

Concluding it could be stated that HRM allows to act agile searching for employees and attracting them. Independent and self employed creators communicate, create creative products and helps to achieve strategic goals. The elimination of important processes such as HR planning, adaptation, workplace and performance evaluation and career management are the disturbances which brake organizational development.

3. Conclusions

It could be stated that HRM is formed fragmentary in a creative organization. The systemic HRM, when HR formation, development, remuneration, motivation and collaboration are institutionalized, disappears and only individual processes are implemented. The workplace and performance evaluation are the biggest losses. This developed process would form learning environment, improve performance and stimulate organizational learning. Another disadvantage is the lack adaptation. Managed adaptation reduces misunderstandings, enforces teamwork and helps to achieve better results.

Some of the HRM processes such as career planning are unuseful for a creative organization. Short-term projects and project work needs for a broad choice of new talents all over the time. Thus creators do individual career planning instead of career planning in a organization and creative organizations do not have a possibility to plan the need of personnel because of market uncertainty. The weak role of leadership, project based performance and artistic creativity may be named as the main reasons of unsystematic HRM in a creative organization. Formal role of leadership would install standardized HRM procedures and result systemic HRM. On the other hand, HRM in a creative organization is highly adapted to external and internal environment. Organic and project based performance supported by perfect HR attraction and recruitment induces capacity of a creative organization to create new creative product. Individual learning does not require expenditure and employee are internally motivated to improve their skills.

There is no necessity to install all HRM practices in a creative organization, because an organic performance allows to act flexible but essential HRM procedures as adaptation, development and performance evaluation should be implemented.

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