

# Creativity and constraint: leadership and management in the UK creative industries

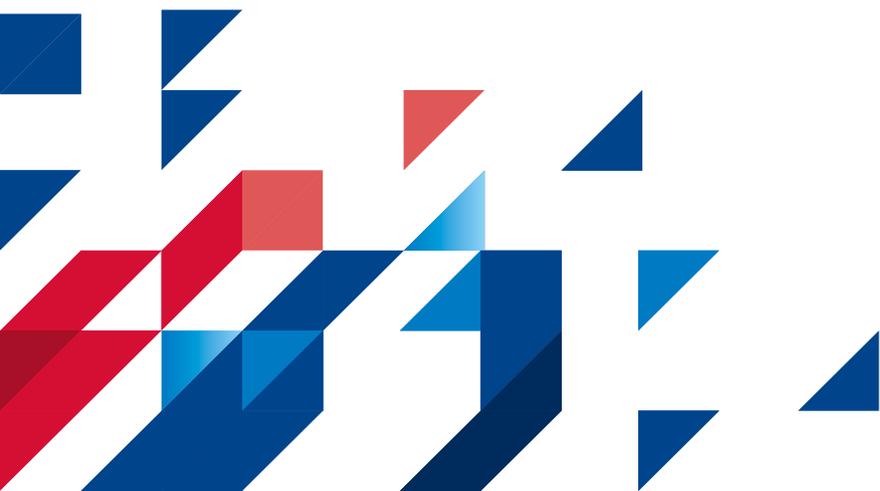
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# Foreword

“Leadership is not magnetic personality, that can just as well be a glib tongue. It is not “making friends and influencing people”, that is flattery. Leadership is lifting a person’s vision to higher sights, the raising of a person’s performance to a higher standard, the building of a personality beyond its normal limitations.”

Peter F. Drucker

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The ongoing and rapid development and diffusion of novel digital technologies, coupled with globalisation and the emergence of new competitors such as China and India, mean that the UK’s creative sector must work hard to stay ahead. This will require innovation and agility, as well as consistent investment in the skills and talent that will drive creative business success.

The Creative Industries Council’s overarching mission statement for its strategy is: **“Using British creativity to inspire the world.”** The focus of the strategy is on the continued growth of the sector, with the mission: **“To cement the UK’s place as world leader for the creative industries”** (CIC, 2014). Employment across the Creative Economy has grown four times the rate of the wider UK economy since 1997, while GVA (2008-13) grew over twice the rate of the rest of the economy (DCMS, 2015)<sup>1</sup>. Despite these exceptional growth rates the creative industries collectively spend 33% less than the average for the UK economy on training per employee; and only 27% of companies across the creative industries provide management training for their employees. This compares to 35% of companies across the whole economy (UKCES, 2013).

From existing research we know there is no question that good leadership and management can have a truly significant impact on organisational performance, both in the immediate and longer term. For example,

- Best practice management development can result in a 23% increase in organisational performance;
- Effective management can significantly improve levels of employee engagement;
- A single point improvement in management practices (rated on a five-point scale) is associated with the same increase in output as a 25% increase in the labour force or a 65% increase in invested capital (BIS, 2012).

The research presented here succinctly outlines the key skills needs of leaders and managers across the creative industries, explains how creative professionals prefer to learn, and highlights the role context and culture play in creating tensions for leading and managing effectively. One thing is clear, leading and exploiting creative ideas is just as important as leading people in these fast moving industries. Training needs to be informal and practical to help bridge the gap from ‘successful creative’ to ‘successful entrepreneur’. The recommendations made will feed into a leadership and management strategy Creative Skillset will be developing for the industries later this year. We look forward to working with leaders, managers and business owners across the creative industries on this strategy so we can collectively ensure the UK maintains its competitive edge.

Dr. Kion Ahadi  
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<sup>1</sup>Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or sector in the UK, including both UK and export revenues.

# 1 | Executive summary

## The research suggests:

- The industry is highly fragmented with 97% of organisations employing less than 50 people.
- Power is perceived to be in the hands of a few large organisations, which can make career development more challenging for those working freelance or engaged in micro-organisations.
- Professionals from across the sector are experiencing rapid change, increased commercial demands and advances in technology, that are putting downward pressures on budgets and project time frames.
- Fostering innovation can be challenging against this industry backdrop. Creativity requires experimentation, but this must be balanced against commercial risk.
- Transitioning from ‘successful creative’ to ‘successful entrepreneur’ can present challenges for leaders when seeking to drive commercial growth.
- Leaders and managers in organisations of all sizes can struggle to create an environment that fosters creativity and innovation whilst working within the constraints of a commercial enterprise.
- Given the industry structure, leaders in this sector find themselves simultaneously shifting between leading teams and leading organisations, which demands a range of leadership skills and attributes.
- Creative professionals display characteristics which make them ideal candidates for continuing professional development and favour a ‘hands-on’ pragmatic style of learning.
- The top five development needs in this sector are leadership, strategy, financial management, innovation and people management.
- Development interventions would need to be differentiated for leadership and first-line management, would be best delivered by professionals with industry experience and include immersive and experiential elements.
- Development interventions should consider helping individuals to recognise their own learning style and to assess their learning preferences through self-awareness and reflection.
- Informal learning (i.e. on-the-job) is more highly rated than formal learning (i.e. classroom based).
- Formal learning is valued when it can be directly applied and tailored to individual needs, but criticised when courses are too broad, or leave no opportunity for application.
- ‘Mentors’ and ‘role models’ are widely regarded as helpful.
- The most significant barriers to professional development are lack of time, job pressures and financial constraints.
- Some companies provide training for their employees, but those working freelance are often responsible for their own development and can face skills development challenges.
- Delivery formats for development interventions would need to be flexible enough to satisfy a range of individual needs and overcome potential barriers.
- Concerns over intellectual property rights and creative control can create barriers to collaboration between professionals in the sector, although there is evidence that when collaboration occurs it produces wide ranging benefits.
- The development needs of freelancers across the sector are similar, regardless of the industry whereas those employed by larger organisations identify different development needs.

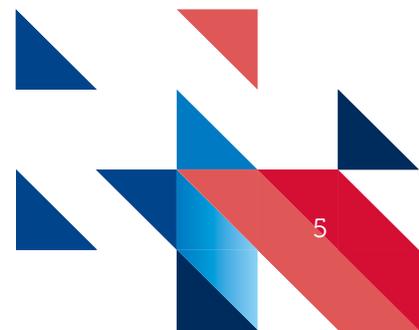
## 2 | Introduction

This research sought to explore the leadership, management and business skills gaps within the UK creative industries and to identify development interventions that may meet these gaps. The research comprised two stages; an in-depth literature review and an online survey in stage one, which was completed by over 100 Creative Skillset and Ashridge contacts; and depth interviews and focus groups with industry professionals in stage two. The purpose of the first stage was to understand the UK landscape in the creative industries and to identify leadership and management skills gaps and development needs. Stage two built on stage one by exploring the issues raised in more depth and tested development interventions among professionals in the sector. The results of this research will be used to inform Creative Skillset's strategy, which seeks to raise the standards of leadership and management in

the UK creative sector. The industries represented in this research included advertising, animation, publishing, fashion and textiles, film, games, marketing communications, online content production, radio, television and visual effects.

### Three research questions guided this work:

1. What are the skills gaps and development needs of managers and leaders in the creative industries?
2. What does 'good' look like when it comes to management and leadership in this sector?
3. How do managers and leaders in creative industries learn, and therefore what kind of development interventions would best suit professionals from this sector?



## 3 | Literature review

In this section of the report, we begin with a discussion of the UK creative industries and their contribution to the British economy. We then consider the leadership, management and business challenges identified within the academic and practitioner literature. Finally, we report on the secondary evidence pertaining to the way in which creative professionals learn.

The creative industries deliver considerable benefits to the UK economy. The Confederation of Business and Industry (CBI) suggest that culture and creativity are at the forefront of the UK's international appeal and a key driver for foreign direct investment. According to Nesta (2014), this sector accounts for 10% of UK GDP, which includes 10.6% of the country's exports (CBI, 2014). The number of people working in the creative industries is estimated to be between one and half and two million people (CBI, 2014; Nesta, 2014).

Furthermore, the CBI identifies the creative industries as a high-potential sector (CBI, 2014), a view supported by Nesta who suggest that this sector is a key driver for economic growth (Nesta, 2014). For the past decade, successive UK governments have been keen to promote the creative industries as a "major success story and a key element in the knowledge economy" (Jones, Comfort, Eastwood and Hiller, 2004:134). The Department for Culture, Media and Sport (DCMS) reports that the creative industries have grown by almost 16% since 2008, compared to 5% across the UK economy as a whole within the same period (DCMS,

2014). The creative industries are also one of the fastest growing sectors of the global economy (Bilton, 2007).

The sector is diverse and fragmented. It is characterised by a small number of large organisations, particularly within the television and film industry, that possess significant power and a large number of small organisations in which individuals are mainly self-employed or freelance (Jones, Comfort, Eastwood and Hiller, 2004). These two modes of working are categorised as 'independent workers', that is to say freelance and micro businesses, and 'organisational workers', that is to say individuals who are employed in a business structure (Dodd, 2012). 85.4% of companies in the sector are defined as 'micro' (i.e. less than 10 employees) and 12% are defined as 'small' (i.e. between 10 and 50 employees) (CBI, 2014).

The economic significance of the creative industries, coupled with its diversity, means that effective leadership, management and business skills are critical to its ongoing success. Poor management has been estimated to cost UK businesses £19bn per year in lost working hours (Department for Business, Innovation and Skills (BIS), 2012) and as the Department states:

*"There is no question that good leadership and management can have a truly significant impact on organisational performance" (BIS, 2012:8).*



## Leadership, management and business skills challenges in the sector

The UK creative industries face leadership, management and business skills challenges. For example, increased competition as a consequence of digitisation and globalisation means creative industry leaders need to be able to develop strategies to respond to changing global market forces (Televisual, 2009), and funding can be hard to secure for ventures whose assets are largely intangible, and where markets are fragile and unpredictable (Bilton, 2007). On a managerial level, there are specific challenges around successfully managing creative people. Whilst the creative industries share many of the same leadership and management challenges as other sectors, there are some particularities where managing creative people are concerned, whereby artistic philosophy on the one hand can be perceived to compete with corporate demands on the other (Jones, Comfort, Eastwood and Hiller, 2004). As Defillippi et al state: *“The management of creativity... is rife with paradoxes and tensions”* (2007:512). In creative organisations people need to be managed within an environment that fosters creativity and innovation (Mumford, 2000), but creative people still need processes and constraints (Bilton, 2007), which requires careful management. As Townley et al (2000) warns:

*“Creativity may be destroyed by close monitoring and require a degree of autonomy and experimentation; or there may be too much creativity and insufficient discipline”* (2000:945).

Many micro companies in the creative sector may be headed by an owner/founder where the move from ‘successful creative’ to ‘successful entrepreneur’ presents challenges, particularly around managing commercial growth. A common approach in larger creative organisations is to have ‘dual leadership’, where an artistic leader seeks to foster creativity and a managerial leader focuses on commercial demands (Townley, Beech and McKinlay, 2009). These roles are described by Kirton as *“complimentary opposites”* consisting of innovators who devise the ideas and adaptors who exploit the products in the market (Kirton, 1984). Some managers, however, particularly in micro businesses, have to adopt both ‘managerial’ and ‘creative’ roles given the size of the organisation.

Bilton and Leary (2002) suggest that it is the connections between people, not just the talents of creative individuals that enable creative organisations to flourish. This requires the ‘brokering’ of relationships between people, which may be one of the principle functions of managers in the creative industries. However, given creative professionals have been found to be independent thinkers who desire autonomy and the freedom to develop their ideas without being concerned with adhering to social norms or the expectations of others (Dudeck & Hall, 1991; Gruber, 1996; Mumford, 2000), any ‘brokering’ role played by managers to create connections between people in this sector would not be straightforward.

## Problems with classification

Measuring and reporting numbers of people in leadership and management positions in the creative industries is complex. The use of data sources such as Standard Industrial Classification (SIC), Standard Occupational Classification (SOC) and the Annual Population Survey (APS) are not well-suited to analysis of this kind as they rely on individuals self-referencing their occupational role (Dodd, 2012). Many professionals in this sector hold multiple concurrent roles, for example, that of lead designer and managing director, but only one would be recorded using these methods. Neither do these data sources reflect the responsibilities of those for whom people or project management is not their primary function, or capture owners/founders of micro organisations, who may identify themselves as designers or producers for example, rather than as leaders and managers.

10.2% of the wider UK workforce are classified as “managers, directors and senior officials” by the Office of National Statistics (ONS, 2015), compared to 24% in the creative sector (Creative Skillset, 2012). Figure 1 provides an estimate of those in management and leadership positions within the creative sector, but given the industry structure, the nature of creative leadership, and the challenges associated with classification, the true figures are likely to be higher.

**Figure 1:** Management and leadership figures in the creative industries

Industry	Total Employed	Estimate of those in management and leadership positions (%)	Estimate of those in management and leadership positions (n)
Advertising	154,500	19	29,350
Animation	4,600	27	1,250
Facilities	36,950	27	10,000
Fashion & Textiles	215,000	15	32,250
Film	30,200	28	8,450
Games	5,500	27	1,500
Interactive Media	43,050	27	11,600
Other content production	7,900	27	2,150
Photo Imaging	43,400	4	1,750
Publishing	188,500	13	24,500
Radio	17,200	27	4,600
Television	50,600	27	13,650
Visual Effects	5,300	27	1,450
<b>TOTAL</b>	<b>802,700</b>	<b>24</b>	<b>142,500</b>
<b>Whole economy</b>	<b>30,190,800*</b>	<b>10.2**</b>	<b>3,079,500</b>

Source: Creative Skillset 2012 Employment Census, except where indicated otherwise.  
 \* Source: Office for National Statistics Labour Force Survey Dec - Feb 2015  
 \*\* Source: Office for National Statistics Labour Market Profile Jan - Dec 2015  
 NB: Where industry specific data is not available, the average across the remainder of the industry, as indicated in the Creative Skillset 2012 Employment Census is used (27%). Creative Skillset 2012 Employment Census excludes some freelancers, therefore total figures given here are lower than the total numbers working in the sector. Figures rounded up or down to the nearest 50.  
 \* Source: Office for National Statistics Labour Force Survey Dec - Feb 2015  
 \*\* Source: Office for National Statistics Labour Market Profile Jan - Dec 2015

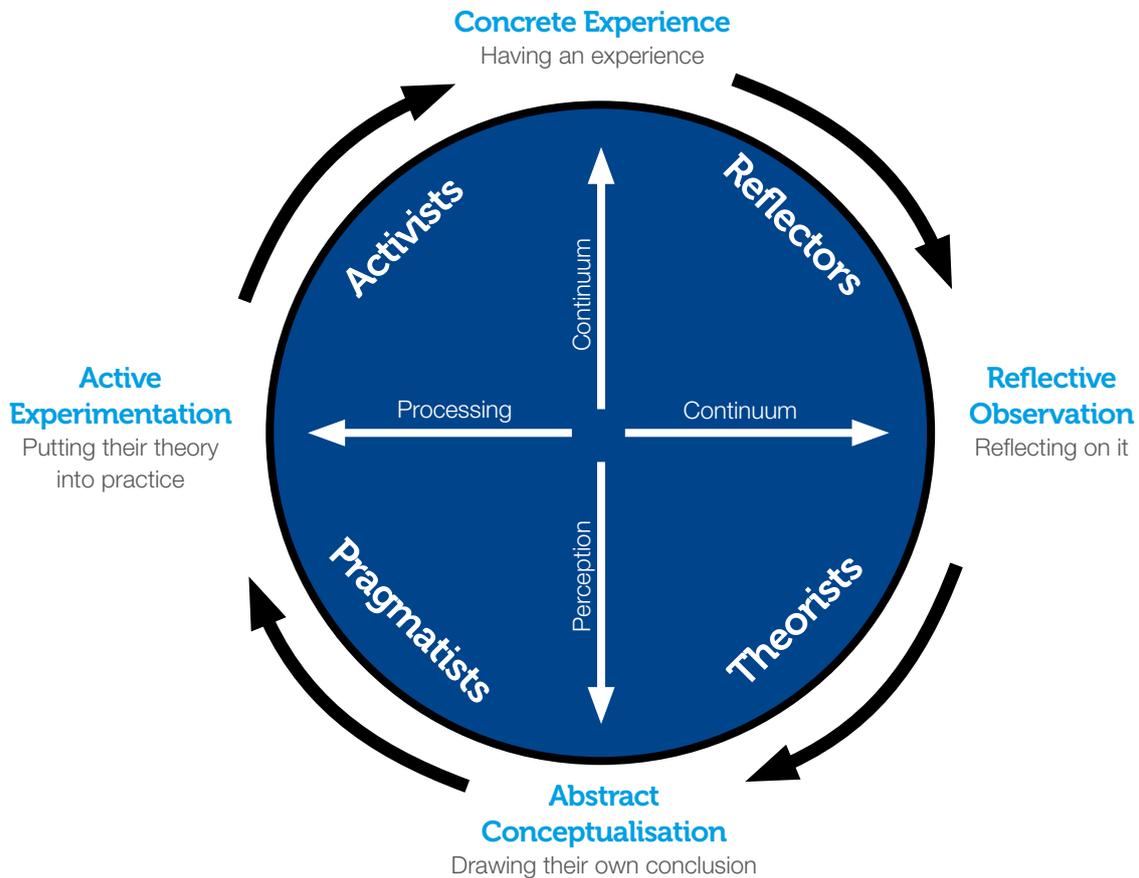
## How creative professionals learn

People working in creative roles have been found to display strong achievement motives; high levels of self-confidence; a tolerance for ambiguity; a strong interest in learning; and openness and flexibility (Barron & Harrington, 1981; Brophy, 1998; Mumford, 2000). Curiosity has been identified as a frequent characteristic of creative individuals (Mills and Cameron, 1993) as well as self-discipline (Dudeck and Hall, 1991). This suggests that creative professionals are open to learning, provided that it can be delivered in ways that suit their learning style.

Honey and Mumford (1992) suggest there are four types of learning style: Activist, Pragmatist, Reflector and Theorist (Figure 1) and recent Nesta (2014) research found that the most favoured of these styles amongst creative sector professionals was 'Pragmatist' (with 41% of respondents expressing it as a preference). This is a style in which individuals seek to practically apply the theoretical concepts learned to their job, and when there is a clear link between what they are learning and their professional role. In the same research, 'Theorist' was the least favoured option, with only 2% of creative sector professionals expressing this preference (Nesta, 2014).



**Figure 2:** Honey and Mumford learning styles. (Honey and Mumford, 1992)



Given that networks play a significant role for creative professionals (Bilton, 2007; Townley, Beech and McKinlay, 2009), peer-to-peer learning is also an important source of knowledge exchange, however Nesta's (2014) research concluded that leaders may face more acute time pressures when it comes to peer-to-peer learning, so mentoring may be more appropriate for people in leadership positions. 'Mainstream' methods of learning (e.g. higher education degrees) have not been found to be particularly effective for honing artistic and business skills in combination, as students may not realise that they have a need for business skills until after they have left formal education and attempted to establish themselves as entrepreneurs (Leadbeater and Oakley, 1999). Entrepreneurial development should therefore be demand-led, modular and flexible and available at a later stage in people's careers if necessary (Leadbeater and Oakley, 1999). Entrepreneurial learning is recognised as an important aspect of development for individuals in the creative industries, but it is an area that is not well understood (Rae, 2004).

In summary, the creative industries are vitally important for our culture and our economy. However, the apparent paradox of fostering creativity and innovation whilst remaining commercially successful presents challenges for leaders in organisations of all sizes in this sector. The successful management of creative people requires the ability to create conditions that foster innovation and meet commercial demands. Moving from 'successful creative' to 'successful entrepreneur' can present challenges around managing growth, particularly in such a volatile and uncertain global market. Creative professionals are ideal candidates for continuing professional development as they have been found to possess the characteristics that are associated with successful learning. However, any interventions aimed at reducing leadership, management or business skills gaps would need to be tailored to their learning preferences and take account of their professional circumstances.

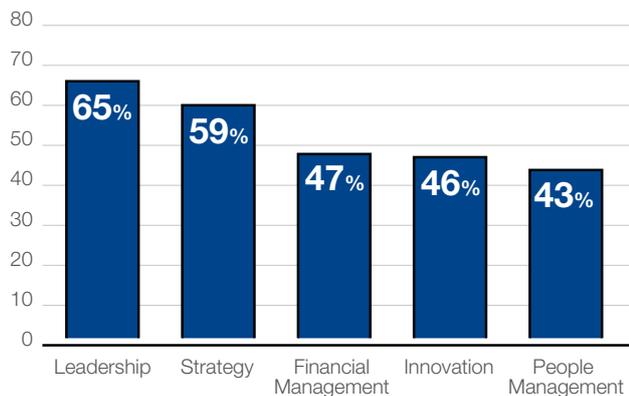
## 4 | Results from the online survey

The online survey was distributed by Creative Skillset and Ashridge to a broad range of industry professionals. The survey included closed and open questions and generated 110 responses from individuals in leadership roles across a broad range of organisations. (Further demographic details are included in the appendix).

### Development needs

Respondents were asked to rank their most important leadership development needs. The top five development needs were identified as leadership, strategy, financial management, innovation and people management (see Figure 3).

**Figure 3:** Top five development needs of respondents

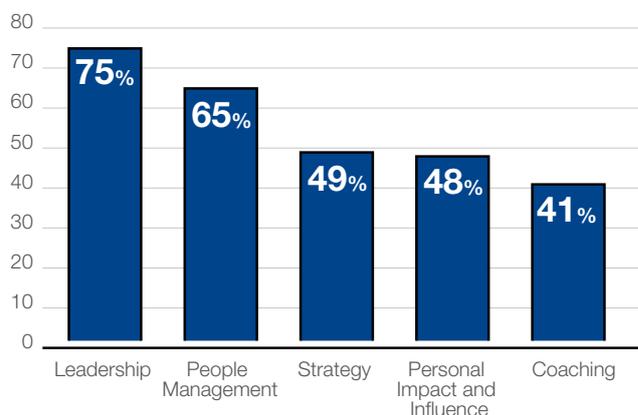


Leadership was identified as the most important development need by 65% of respondents with nearly half (47%) ranking it either first or second. 59% of respondents identified strategy as an important area for development, which is understandable given the complex and rapidly changing market conditions within the creative industries. Financial management was identified by nearly half the respondents (47%) which is interesting given that 45% of the survey sample are either CEOs or founders. Innovation was ranked fourth which, again, is understandable in a sector where the market demands a constant stream of new products and services.

People management was ranked fifth, which reflects the complexities of managing creative individuals.

Respondents were also asked to identify the most important areas of development for their direct reports and the top five were leadership, people management, strategy, personal impact and coaching (see Figure 4).

**Figure 4:** Top five development needs of respondents' direct reports



Leadership was identified by 75% of respondents followed by people management (65%) which, again, supports the evidence that emerged from the literature about the challenges of leading creative people. This result may also indicate that direct reports are more involved in the day-to-day management of people and are less involved in strategy creation, unlike their leaders, who ranked strategy as the second most important development need for themselves. Leaders also identified personal impact and influence as a development need of their direct reports (ranked fourth), which could indicate a difference between leadership and management, that is to say, leaders feel their impact and influence is well honed, yet do not see this among their direct reports.

## Previous learning experiences

76% of survey respondents had experienced formal (i.e. classroom-based) learning. They were asked to score how effective it had been on a scale of 1 to 10, with 1 being not at all effective and 10 being highly effective. The average score was 6.4.

84% of respondents had experienced informal (i.e. on-the-job) learning, which they also ranked in terms of its effectiveness on their development. The average score was 8.3. Informal learning thus scored almost two points higher than formal learning, reflecting the favoured learning styles identified in the literature review.

The online survey also included an open question, which asked respondents to explain the reason for their scoring. Formal learning was valued when it could be directly applied to their jobs, or where it was specifically tailored to their needs, but criticised when courses were too broad, or left no opportunity for application. One of the reasons informal learning was more highly rated, was that many respondents described a 'hands-on' approach as the best way for them to learn, again reflecting their 'pragmatic' style of learning.

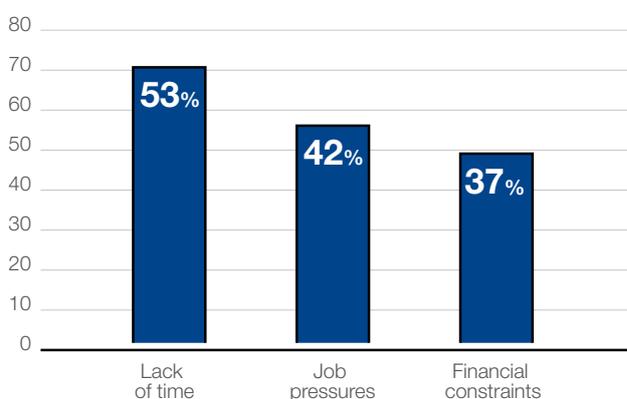
The survey also asked respondents to describe their most powerful learning experience. The most prevalent theme was experience of 'stepping up' into more challenging roles or having to work under considerable pressure. Here, respondents described being *"thrown in at the deep end"* and having no choice but to learn very quickly, sometimes with little support. Whilst these experiences were described as challenging, respondents saw them as leading to increased confidence in their leadership capabilities. Here a theme of establishing a leadership identity emerges.

Respondents also described learning from 'role models' within the creative industries through experiences that engaged them on an emotional level. Several respondents described reflection as a learning tool and valued situations where they gained insight which led to personal growth. Coaching and mentoring were also quoted as effective ways to solve practical problems and build leadership confidence. Some respondents had experience of formal coaching whereas others described leaders who took on an informal mentoring role, as helpful. Networks, peers and team support were also cited as important elements in learning.

## Barriers to professional development

Respondents were asked if there was anything stopping them from engaging in more professional development and were asked to identify any barriers to learning. The most significant were lack of time, job pressures and financial constraints, which will need to be taken into account when designing development interventions.

Figure 5: Barriers to professional development



# 5 | Results from the interviews and focus groups

Stage two comprised ten telephone interviews and three focus groups (40 participants took part over the three focus groups). The purpose of this stage was to explore some of the stage one themes in-depth among a range of industry professionals. (The demographic data pertaining to stage two participants is contained in the appendix).

In the in-depth interviews, participants were asked about their experiences of:

- Leadership and strategy (the two most important skills gaps identified in the stage one survey).
- The development needs of managers working under their charge.
- Their transition into leadership roles.
- Experiences of leading creative professionals.
- Their learning and skills development needs.

In the focus groups, participants were asked to discuss the challenges of leadership and management within the creative sector.

When analysed, three themes united both the interview and focus group data. These are: 'Context', 'Culture' and 'Creative leadership'. Context relates to the environment in which professionals in this sector lead, with people distinguishing between the skills required to lead an organisation versus the capabilities required to lead a team. 'Culture' refers to the kind of organisational culture that individuals in this sector believe needs to be present in order to succeed. 'Creative leadership' refers to the specific challenges faced by leaders in this sector.

## Context

*"The whole industry is changing so fast it's really difficult to know where it's going to go and what you can do." (Interviewee)*

*"How do you ensure consistent productivity, and meet deadlines, to ever decreasing and competitive budgets and, at the same time, get the passion and the enthusiasm that you want from the people doing the work? That's a real tightrope to walk." (Focus group participant)*

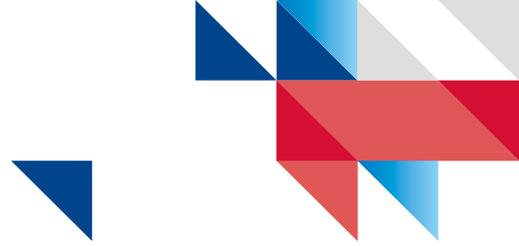
These quotes illustrate how some of the professionals we talked to described the context in which the UK creative sector operates as rapidly changing. According to them, this is an environment in which budgets are smaller, time frames are tighter and technology is altering the way in which things are done. Research participants saw the demands

on leaders as having increased as they attempt to secure commercial success whilst fostering creative freedom. The interviews and focus groups revealed that this changing landscape is affecting the way in which the industry is structured and consequently the way in which the market operates, which, for some people creates a perceived tension between business and art. Many professionals spoke of these increased commercial pressures. As one focus group participant said:

*"Time pressure now on production, creative people in production particularly, is incredible. Our gigs are way down, timescales have shrunk, there is no time to get anybody out of that for training, or to actually have time to think creatively. Because you know you've got to do it, you've got to hit the deadline full stop. I think that's a big issue. We've squeezed things in the industry far too tight, to allow both of those types of freedom."*

One of the pressures has come from changes in technology. Some of the leaders we spoke to reported how clients are searching for cheaper post-production alternatives which forces downward pressure on suppliers to reduce costs. For many of the research participants, the impact of these increased commercial demands is that *"there's not enough allowance for all the creative processes to actually flourish within these time frames."*

As the literature review outlined, the creative sector is fragmented with 97% of companies employing less than 50 people. In the focus groups and interviews, leaders in the television sector for example, observed how power is concentrated in the hands of a few broadcasters and larger production houses, which they described as being because of long-standing relationships with commissioners and the lower perceived risk of working together given their established reputations. It is a market in which *"many people supply and very few buy"* resulting in *"no easy route to market"* particularly for smaller independent production houses. Some research participants said success in the industry was forged through relationships between people, which, for some, may include a shared history going back to university days. Others said they tended to hire people they already know as they are 'tried and tested', but that this reduced the opportunity to hire outside their own networks. Leaders talked of scenarios in which they have to *"roll people from one project to another, almost immediately"* leaving little time for



reflection, training or skills development amongst their staff. The impact on training and development for freelancers in the sector is even greater.

Creativity was described as an *“ephemeral tenuous thing”* and leaders in the sector talk of how tensions can arise between commercial needs and the creation of art. A TV executive described, for example, the courage required of leaders to draw a line under artistic projects that do not meet business objectives, but recognised the complexity involved in these kinds of judgment calls, using the success of projects such as ‘The Full Monty’ that took ten years to make as an example. She described the leadership process in this situation as:

*“Managing passion in a productive way while still being focused on the way ahead, but not so blinkered that you don’t see that you are focused on going over the edge of a cliff.”*

This view was shared by an interviewee who described the need for leaders in the sector to be able to recognise whether *“you’re onto a good thing or whether you’re up a blind alley.”* Some focus group participants suggested that these increased commercial demands have created conditions in which a fear of failure has reduced the appetite for risk. As one participant said:

*“The commissioners haven’t got the bravery to fail. Everybody should be able to fail. That’s probably where the issue comes from, knowing that actually you probably have only got the one shot.”*

In this context, participants talked of individual protectionism and a reticence to share ideas or to collaborate. As one focus group participant said:

*“Everybody wants to stake their territory. No one exchanges their knowledge because they feel like otherwise other people take over and then run away with it.”*

Other professionals talked of resistance to new entrants and conservative attitudes towards experimentation. Some professionals suggested that this resistance was a reaction to the expectations possessed by new entrants which are out of sync with reality, making them difficult to manage or unsuitable for employment. Some participants felt that there are too many graduates in the sector with “useless” media and music technology degrees, which means that although there is a pipeline of potential talent, the market conditions are not ideal to nurture them.

Both interviewees and focus group participants talked about the strong leadership that is required to create organisational cultures in which both commerce and creativity flourishes, but this was seen as being far from straightforward.

## Culture

Professionals working freelance and on short-term projects (a major element of the workforce in some sectors) talked of their experiences of working with companies whose strategic visions were not well communicated. Some professionals reported working with organisations in which their strategic direction is in flux. As one participant said:

*“You get about two years in and suddenly there is a change of management and there is a new five-year strategy.” (Focus group participant)*

Some of the interviewees spoke of leaders in the sector being more focused on operational tactics as opposed to true strategic thinking. As one person said:

*“I wonder how focused people who run companies are on the bigger picture of management. I think there’s an element where it seems they’re so focused on productions; get commissions, get them made, get them out the door. They aren’t aware that there’s another level of management and leadership that they’re not engaging in.” (Interviewee)*

Some freelancers said they felt excluded from the strategic vision of the organisations they work with, and described finding it difficult to develop the strategic skills which would enable them to contribute to this vision. Others described a short-termism within certain organisational cultures that resulted in fewer opportunities to step-up and get experience at the next level. As one participant said:

*“We give them no help and no support at all under those circumstances and quite often they fail. There’s a huge amount of stress and pressure on that person as a result of that.” (Focus group participant)*

Some companies do provide training for their employees but training for freelance workers was not found to be common. Organisations rely on the skills that freelancers bring, but are reticent to directly invest in them. Although it was recognised that the *“best companies invest in training their staff.”*



Some people talked of the permeating effect of industry context on organisations, particularly attitudes towards risk. They described organisations being characterised by risk aversion and reputation management and described pervasive beliefs in the industry that *“you are only as successful as your last project”*. Some suggested that this limits innovation and creativity:

*“I think what’s quite interesting – you’re saying nobody wants to fail because their job is on the line or the company share price is on the line or whatever. The greatest entrepreneurs in this country are saying they got there by failing two or three times.” (Focus group participant)*

When discussing the importance of creating organisational cultures that encourage experimentation and risk, a leader called for the UK to become more like other countries in which there is more ‘free money’ to experiment. Another person recalled the early days of digital television channels which had yet to establish large audiences. They said: *“nobody was watching it, but there had to be commissions”* and in her organisation, although budgets were small, it gave a platform *“to be experimental”*. Some suggested that one way to reduce exposure to risk is through collaboration:

*“There’s a lot of caginess about ideas and ownership of ideas. It’s really hard to break down years worth of resistance to sharing. But that’s where we need to go.” (Interviewee)*

Many described having experienced the benefits of collaboration but there were concerns around creative control and intellectual property rights. One participant from an art house cinema described how collaboration across regions had produced a strong network of exhibitors who shared workload, costs and risk, better serving their audiences and providing cultural leadership for one another. Where people found opportunities to work together with those who may otherwise be competitors, they described turning collaborations into mutually beneficial commercial success. Those working in the same sector, but with different products, could pool resources for example to generate revenue for them all, as was the case for a group of lingerie designers:

*“We’ve recently done a special promotion for Valentine’s Day. It’s the fourth year that we’ve done it, where we mix and match each others products and then promoted one another on Facebook and Twitter and Instagram and tried to drive sales to one another site. We’re all very respectful of one another and supportive, it’s nice to have someone you can lean on when you’re stuck.” (Interviewee)*

## Creative Leadership

Leaders in the sector were described as being responsible for creating a shared vision, communicating it across the organisation and then executing it within a complex market environment. Many participants described the move into leadership positions as challenging and explained the range of skills required to successfully manage creative organisations, professionals, projects and teams, often without formal training. As one focus group participant described:

*“You wouldn’t say to a finance person or to a legal person, ‘actually, now, you’ve just got to go off and write a script and be creative,’ because it would be an absolute nightmare. They would all sit there for about a day, write two lines, and then throw it in the bin. But you do it the other way around. People make assumptions that because people have got this title, that somewhere along the lines someone has sat down and shown them a P&L account and explained it to them.” (Focus group participant)*

Creating a shared vision was widely regarded as a cornerstone of leadership, but in many cases the experiences of leaders in setting the vision was different from having to execute it. In an industry that is *“dependent on the passion of the people to give it a spark and an individuality and a flair”*, ensuring that an organisational vision is widely understood was linked to the successful management of creative people. Managing creative people was seen as a challenge for leaders because *“creatives don’t really like rules and structures.”* When managing creative professionals, people described the leadership challenge of striking a balance between *“setting boundaries, but not preventing them from fully expressing their creativity.”*

A range of leadership approaches were described which varied according to the context, people involved, time frames, budgets and other variables. In some situations, a clear hierarchy was required, whereas on other occasions a more collaborative approach was found to be more productive. For others, the leadership challenge was to create an environment in which people could feel safe to experiment:

*“I think mostly it’s just about trying to keep encouraging the experimentation against the pressures that have been talked about. I think that’s my job, in a way, is to try and create and environment in which they feel safe in and still take risks.” (Focus group participant)*

In the interviews and focus groups, participants distinguished between the challenges of leading an organisation versus the challenges of leading a team, given the sector is often characterised by project work. As one focus group participant explained:

*“Each time you have a project you have a whole new group of people. You’re adjusting that vision to adapt to the different teams that you’re working with. And I think the challenge is how to keep the vision for the company going simultaneously as the vision for the individual projects.”*

Those who had participated in short-term transitory projects described feeling excluded from the organisational structure, again highlighting the different demands of running an organisation as opposed to running a team. Whilst for others, the experience of working in temporary and diverse teams brought benefits:

*“Because there are so many freelancers involved, there are always new people coming in, it is really nice. They bring in new skills, new ideas, and so by not being in the company, by being freelance, they bring in quite a lot of new experiences, new gossip sometimes.” (Focus group participant)*

In teams where roles and contributions were seen as diverse and specialist, leadership was described as fluid

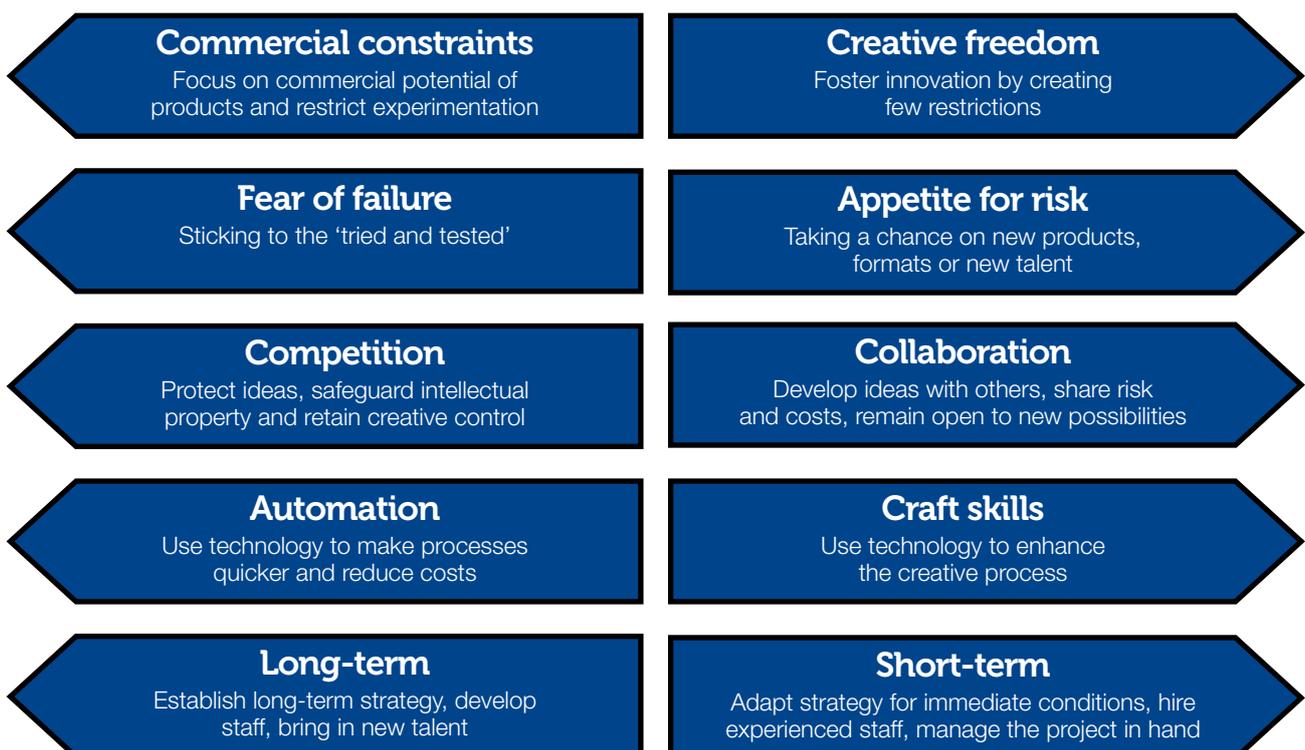
and open to interpretation. One participant described this as *“the confusion of the definition of who is leading”*. Sometimes this resulted in successful collaboration, but in other circumstances, particularly when teams were put together for specific projects, leadership responsibilities needed to be clearly defined.

Leaders highlight the importance of delegation, but this was highly dependent on the companies’ circumstance. Others described a point in an organisations’ growth where they had brought in external leadership, or developed talent internally, to lead non-creative roles, creating ‘dual leadership’. These issues demand a certain set of leadership skills, particularly around exercising judgement, flexibility, and awareness of others. As one person described:

*“I’m not from a commercial background, I’m from a creative background. I’m a former BBC radio producer. I think the challenge for me with business is learning how to run an organisation, learning how to develop structure and leadership skills. To run an organisation was something of a challenge.” (Interviewee)*

A number of themes emerged which were seen as ‘tensions of creative leadership’, where research participants described struggling to balance seemingly contradictory demands, illustrated in Figure 6.

**Figure 6:** The five tensions of creative leadership





Many of the research participants described the journey to leadership as challenging. Some leaders reported being given the opportunity to lead on smaller projects which had built their skills incrementally, whilst others developed their skills under pressure by being ‘thrown in at the deep end’ or just *“winging it”*. There was no fixed way seen to develop skills and a wide range of formal and informal learning methods had been drawn upon. Participants described assumptions being made about the way in which the leadership skills of those in senior roles had been acquired. They had not been formally taught, nor had they necessarily been learned from others who were themselves well informed, which was described as the *“blind leading the blind”*.

The most prevalent way in which individuals had developed was through mentors. Those without formal mentors described using informal arrangements and role models to develop skills in a variety of areas. Mentor relationships are not always described as successful and those that were, had evolved organically between like-minded individuals. They were seen as difficult and time consuming to source and there were concerns around commercial sensitivity. One of the key benefits of mentors was seen as their vast experience. Reverse mentoring was suggested as a useful option where the new and the experienced could learn from one another.

It was widely reported that the transition from a creative role to a leadership position involved the development of new

skills and the management of creative professionals presents different challenges to managing in other sectors. Whether leaders had come from creative roles, or from leadership roles outside the creative sector, participants recognised the need for leadership development. However, learning needs and attitudes are complex, there was no one size fits all, therefore learning interventions would need to consider career stage, individual learning styles and individual needs and aspirations.

## Impact of context and culture on creative leadership

It appears that leaders in this sector are shaped more by their employment type than the industry in which they operate. Since leadership roles in the creative sector can be broadly divided into ‘independent workers’ and ‘organisational workers’ (Dodd, 2012), we found that the nature of their employment had more impact on their leadership gaps and development needs, than the industry they were from. For example, within television the leadership and management gaps presented by those working freelance differed from those working in permanent roles for broadcasters. Interestingly, differences were not found across industries, the uniting factor was the nature of employment. Those working independently had more in common with each other in terms of their leadership and management skills gaps and development needs, than others from the same industry but who were working from a position of employment (see Figure 7).

**Figure 7:** The impact of context and culture on creative leadership

<b>Employment type and role</b>	Organisational workers (‘the buyers’). Commissioning, aggregation and distribution of products.	Independent workers (‘the suppliers’). Creation of products and supply of services.
<b>Organisational characteristics</b>	Large companies operating within formal business structures. Headed by an employed CEO and owned by shareholders.	Small and micro-organisations utilising freelance workers. Headed by owner/founder and characterised by informal business structure.
<b>Strategic challenges</b>	Creating, communicating and executing corporate strategy against a backdrop of changing market conditions.	Challenges around establishing a consistent strategic vision and identity, whilst satisfying fluctuating buyer demand.
<b>Leadership development needs</b>	Employer provides training but is often specific to the organisation which limits opportunities to transfer learning and skills across the sector.	Limited access to training due to cost, time and availability. Contractual nature of work makes it difficult to get developmental feedback and to find opportunities to step-up into more senior role.

# 6 | Conclusions

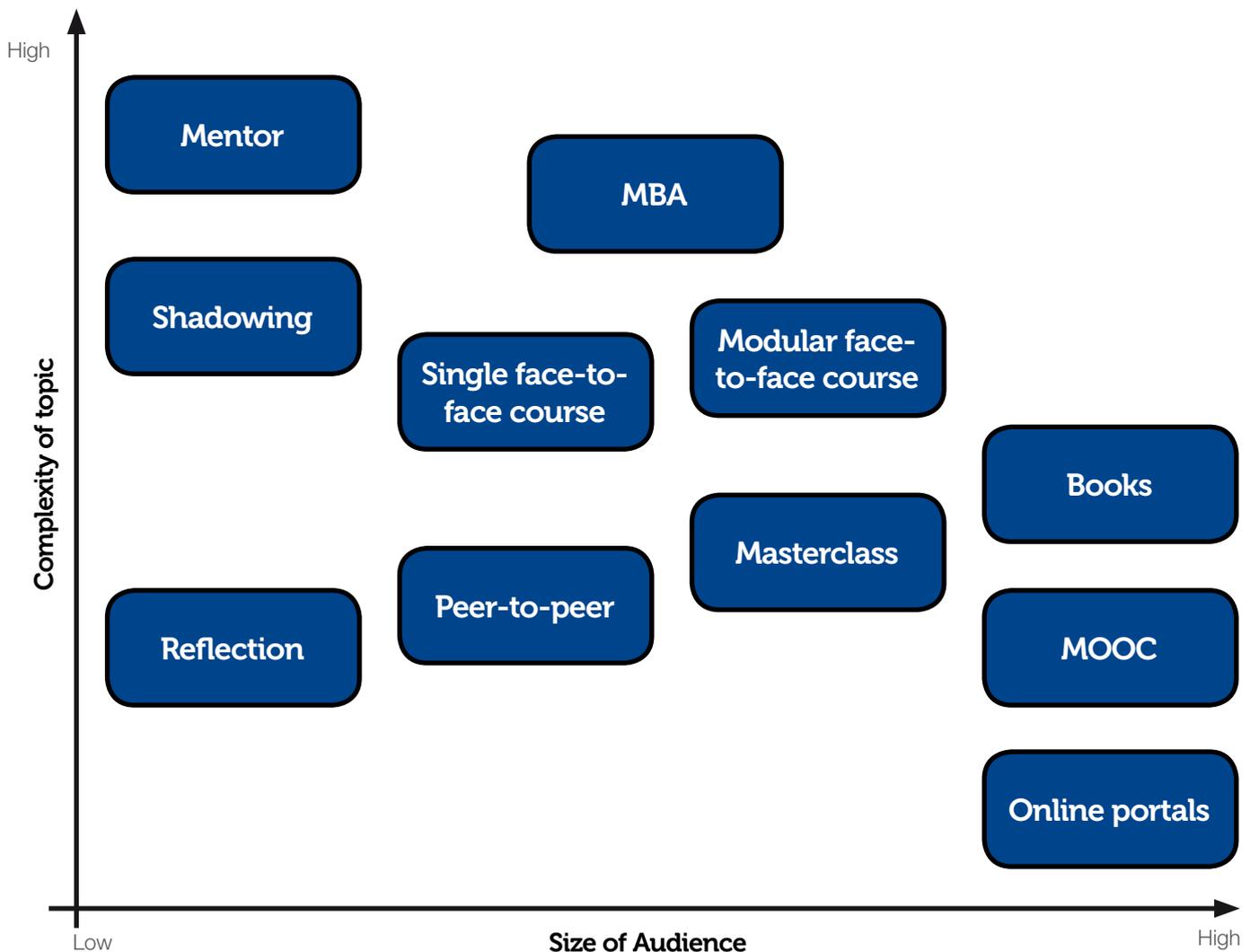
Leadership in this sector is complex. Both secondary and primary data suggests that leadership development interventions need to contain a strong bias for practical application and be differentiated between those working freelance and those employed by corporations. Any development interventions should also take into account the barriers to learning that have been identified. Management and leadership development would be best facilitated by industry professionals and should contain immersive and experiential elements. Individuals should also be given an opportunity to recognise the most appropriate learning style for them by assessing their own preferences through self-awareness and reflection.

Different modes of learning were explored in this research with participants indicating a preference for learning that can be

delivered to smaller audiences (see Figure 8), with mentors being most highly favoured. The next most popular modes of learning included masterclasses, peer-to-peer support and face-to-face courses. Less popular were books, online portals and MOOCs, which were described as 'passive' styles of learning. These modes of learning, it was found, would be most suited for information transfer, when topics are low in complexity or subject to little change (e.g. IP/legal).

The challenge, therefore, is to devise a range of development interventions that satisfy individual needs, whilst being offered in a format that is inclusive enough to suit professionals, irrespective of their sector, level and geographic location.

**Figure 8:** Potential modes of learning by topic complexity and audience size



# 7 | Recommendations

## Brokering mentors

Given the overwhelming popularity of mentors to emerge from this research, there is the potential for Creative Skillset to further develop its online networking community for creatives (Hiive) to facilitate connections between professionals in this sector. Furthermore, by engaging in a specific drive for reverse mentoring, Creative Skillset has an opportunity to begin to break down some of the resistance to new entrants in the sector, whilst delivering benefits to both mentor and mentee. The benefits of reverse mentoring are that younger entrants share their new ideas and skills with experienced mentors, and experienced mentors share their knowledge with younger professionals.

## Case studies

Experimentation was described as critical for creativity, but the industry appears to be counter risk. We would recommend that Creative Skillset considers developing a portfolio of written and live case studies so that a 'safe' environment is created within which experimentation and risk taking can happen. This may also bring much needed opportunities for collaboration. Case studies could also be shared on Hiive so that others can learn from these experiences.

## Online Q&A sessions with industry professionals

Creative professionals value learning from those with direct experience of the issues they face and talked of being inspired by stories of success as well as failure. Creative Skillset might consider offering online Q&A sessions delivered by industry experts. Sessions could be recorded and made available on Hiive for those who were unable to attend the live event.

## Leadership development

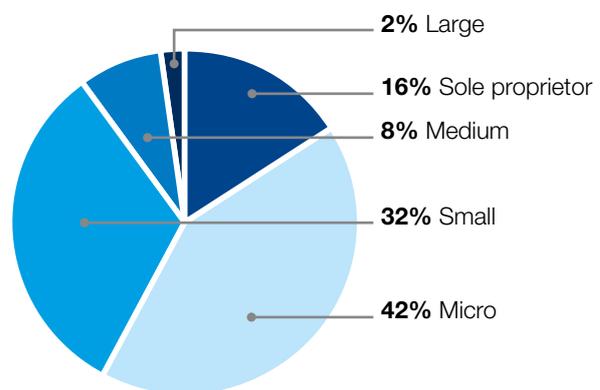
Leaders in this sector surfaced a wide range of development needs and have a variety of learning styles. Skill levels vary, with some individuals looking to acquire skills for the first time, whereas others are looking to hone existing capabilities. Skills gaps can suddenly become apparent, therefore scheduled development interventions as well as "just-in-time" learning should be considered. Practical and experiential learning experiences are valued most highly, but these typically have time, cost and geographic implications. Virtual collaboration opportunities between peers may mitigate these barriers and allow for flexibility. Furthermore, a modular leadership development programme that draws on a combination of online and face-to-face delivery, uses mentors and peer-to-peer support, and explores subjects through written and live case study formats would be beneficial.

## I. Online survey data

### 1.1. Size of organisation led

45% of respondents are the CEO or founders of their organisations. Of these, 16% are sole traders; 42% run micro companies (i.e. 2-9 employees); 32% run small companies (i.e. 10-49 employees); 8% run medium companies (i.e. 50-250 employees); 2% run large companies (i.e. 250+ employees)

Figure 9: CEO/Founder size of organisation

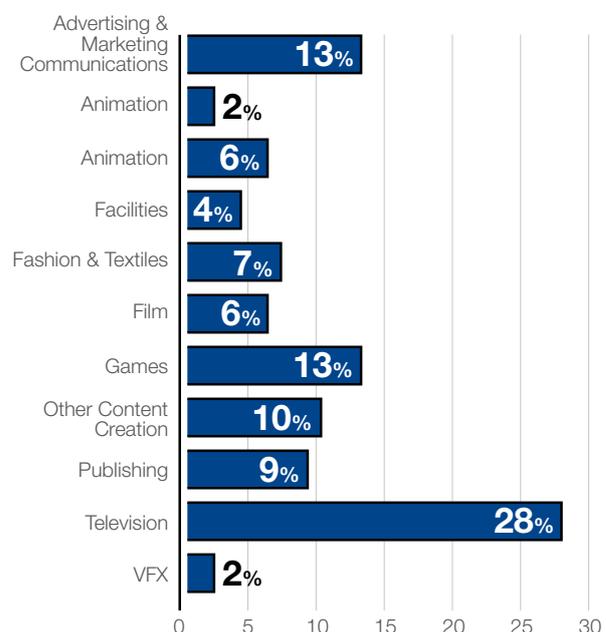


### 1.2. Number of reports

Of the non CEO/Founders, 50% have between one and five direct reports; 28% have between six and ten direct reports; 14% have between 11 and 20 direct reports and 9% have more than 20 direct reports.

### 1.3. Sectors represented

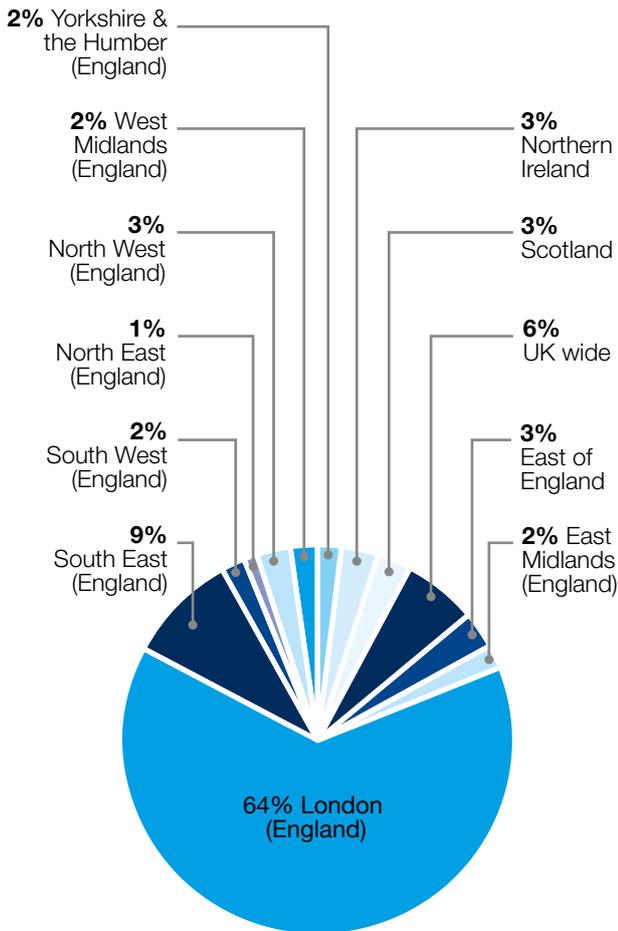
Figure 10: Organisational Sector



### 1.4. Location

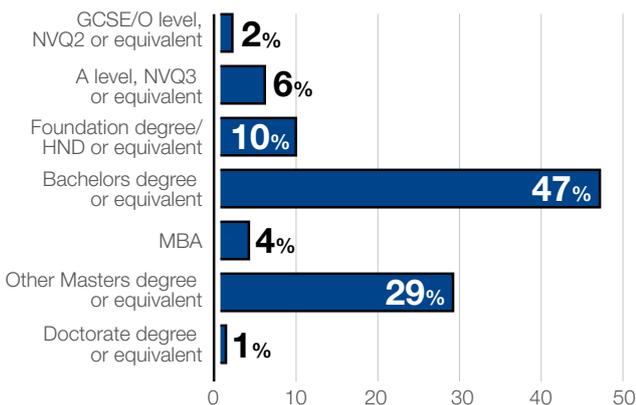
Survey participants worked in organisations from across the UK, with the exception of the North East of England which was unrepresented.

**Figure 11:** Company location



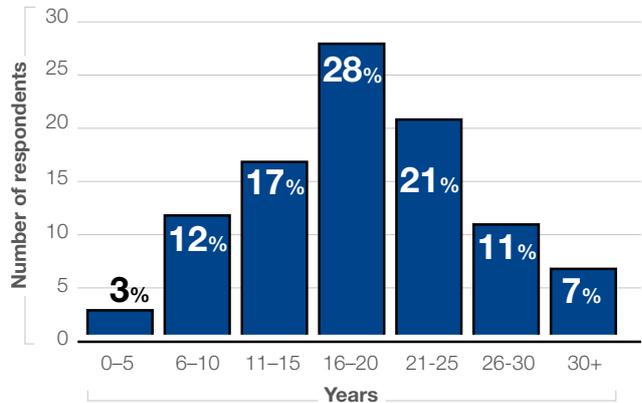
### 1.5. Education level of survey participants

**Figure 12:** Highest level of education completed



### 1.6. Work experience of survey participants

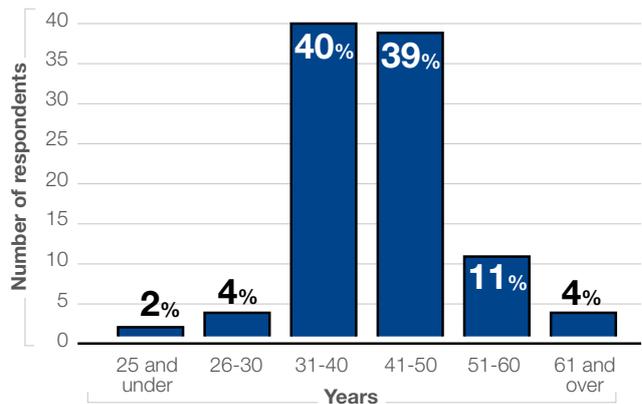
**Figure 13:** Years of work experience



### 1.7. Age, gender and ethnic background of survey participants

The majority of online survey respondents were aged between 31 and 50 years old (see Figure 14). 45% of respondents identified themselves as male, 53% as female and 2% preferring not to say. 11% of respondents identified themselves as Black, Asian or as Minority Ethnic group.

**Figure 14:** Age of online survey participants



## II. Interview data

### 1.8. Company size, sector and employment status

The ten interviewees included freelancers, company owners/CEOs and employees in the private and not-for-profit sectors. Organisations included sole proprietorships, micro, small, medium and large companies in cinema, events, fashion and textiles, film, games, music, radio and television.

## III. Focus group data

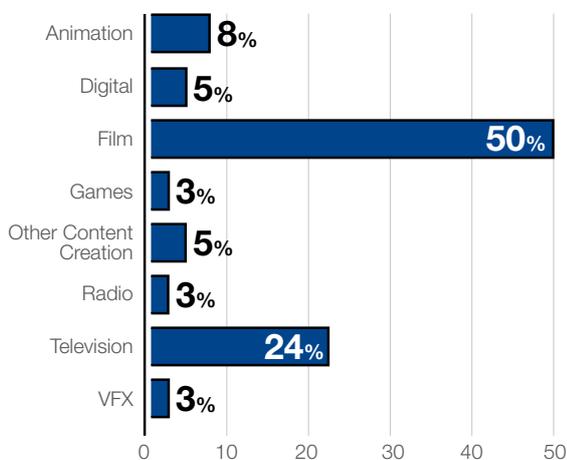
### 1.9. Size of organisation

Within the focus groups, 58% of the participants were from micro-organisations (i.e. 2-9 employees); 23% were from small organisations (i.e. 10-49 employees); 3% were from medium-sized companies (i.e. 50-250 employees) and 16% were from large organisations (i.e. 250+ employees).

### 1.10. Sectors

The majority of focus group participants came from either the film or TV industry.

**Figure 15:** Organisational sectors represented in the focus groups



## IV. Sources of funding and support

Funding and support for development of leadership, management and business skills is available from government and non-government organisations.

### England

#### The Growth Accelerator Programme

An initiative from The Department for Business Innovation & Skills it is targeted at SMEs in England with the potential for fast growth. It provides coaches to work face-to-face with senior management teams to develop and implement strategy and support sales, finance and innovation.

The amount payable is dependent on the number of employees in a business. It is a one-off fee:

- For 1-4 employee businesses of £600 (+£700 VAT\*)
- For 5-49 employee businesses of £1,500 (+£700 VAT\*)
- For 50-249 employee businesses of £3,000 (+£700 VAT\*)

\*VAT is based on 20% of the nominal value of the service at £3,500, so all businesses pay the same amount of VAT.

#### Leadership and Management Training

This scheme is aimed at building the skills and capabilities of managers with bespoke training aimed at filling skills gaps in different sized management teams. It provides match funding of up to £2000 for every eligible senior manager. Participants can also become part of the “Growth Community”, which is a network for England’s high growth leaders.

[www.ga.businessgrowthservice.greatbusiness.gov.uk/what-we-offer/leadership-and-management/](http://www.ga.businessgrowthservice.greatbusiness.gov.uk/what-we-offer/leadership-and-management/)

### Wales

#### Enhancing Leadership and Management Skills

This scheme offers a number of training opportunities contributing towards strategic improvement and support for development skills and capacity in the Welsh economy and within Welsh businesses and organisations.

[www.wales.gov.uk/topics/educationandskills/skillsandtraining/leadershipmanagement/?lang=en](http://www.wales.gov.uk/topics/educationandskills/skillsandtraining/leadershipmanagement/?lang=en)

#### Leadership & Management Wales

Offers information and signposting services to help organisations analyse and understand their leadership and management training needs.

[www.lmw.org.uk/](http://www.lmw.org.uk/)

#### Workforce Development Programme

Allows organisations with more than ten employees to work with a Workforce Development Advisor (WDA) free of charge to assess their leadership and management skills needs. Funding is granted dependent on organisations size and the skills needed. Organisations with less than ten employees are able to apply directly to the Welsh Government for funding towards accredited leadership and management skills development. Both attract a funding contribution rate of 50%

[www.lmw.org.uk/news/workforce-development-programme-discretionary-funding/](http://www.lmw.org.uk/news/workforce-development-programme-discretionary-funding/)

### Northern Ireland

#### Leadership and Management Skills Assessment

An online self-assessment diagnostic tool to identify management and leadership development needs for individual managers which allows the user to assess his or her leadership and management skills and identify priority learning needs.

### **Direct Support Programmes**

Offers a range of direct support programmes designed to meet the leadership and management needs of different organisations.

### **Management and Leadership Development Programme**

Offers a portfolio of accredited training options to help employers meet the specific development needs of their managers and leaders at varying levels.

Financial assistance is available from the Department for Employment and Learning to eligible NI-based SMEs and Social Economy Enterprises at a rate of 50% (maximum £1,500 per participant). Eligible companies may access up to £7,000 in funding in each financial year.

[www.nibusinessinfo.co.uk/content/leadership-and-management-training](http://www.nibusinessinfo.co.uk/content/leadership-and-management-training)

## Scotland

### **Leadership Essentials from Scottish Enterprise**

A programme which provides managers and directors of SMEs with the knowledge and insight essential to leading and growing a successful enterprise.

The programme consists of three elements: diagnostics, workshops and mentoring.

### **Business Mentoring Programme**

A mentoring introduction service is also offered separately.

When and where these programmes run depends on demand, interested parties must register online:

[www.ourskillsforce.co.uk/spotlight-on-industry/food-and-drink/leadership-and-management-skills/](http://www.ourskillsforce.co.uk/spotlight-on-industry/food-and-drink/leadership-and-management-skills/)

### **Exporting**

Government initiative to assist with business exporting opportunities:

[www.gov.uk/government/news/online-exporting-package-launched-to-help-british-businesses-sell-while-they-sleep](http://www.gov.uk/government/news/online-exporting-package-launched-to-help-british-businesses-sell-while-they-sleep)

Free advice to companies wishing to learn more about exporting:

[www.greatbusiness.gov.uk/ukti/](http://www.greatbusiness.gov.uk/ukti/)

## Non-government sources of funding and support

### **MeWe360**

Their mission is to provide support to creative business potential that might otherwise go untapped.

[www.mewe360.com/about/](http://www.mewe360.com/about/)

### **Networking facilitators**

There are organisations that seek to facilitate networking and connecting amongst creative sector professionals, their aim is to support the creative industries through connecting individuals.

### **Chainy**

[www.chainy.com/about\\_us](http://www.chainy.com/about_us)

### **The Knowledge Network**

[www.connect.innovateuk.org/web/creativektn](http://www.connect.innovateuk.org/web/creativektn)

They publish a monthly “Creative Business Development Briefing”, a digest of information for UK creative industries businesses seeking funding, financing and business development support. It is updated every month and published on SlideShare (search “Creative Business Development Briefing” on slideShare for the latest version).

[www.slideshare.net/](http://www.slideshare.net/)

### **Creative Industry Finance**

This is an Arts Council England initiative offering business development support and access to finance to a wide range of creative and cultural enterprises, from micro businesses through to major institutions.

[www.creativeindustryfinance.org.uk](http://www.creativeindustryfinance.org.uk)

### **NESTA Creative Business Mentor Network**

This network supports the founders of emergent and/or established creative companies with ambitions for growth.

Organisations must fulfil the following criteria:

- Registered company in the UK, minimum of three years trading, with year on year growth
- In the advertising, film, TV, digital media or games sectors
- Minimum turnover of £1m

[www.nesta.org.uk/project/creative-business-mentor-network#sthash.KihL3gXG.dpuf](http://www.nesta.org.uk/project/creative-business-mentor-network#sthash.KihL3gXG.dpuf)

### **School for Creative Start-ups**

Delivers programmes that teach people how to start and run better businesses.

[www.schoolforcreativestartups.com/](http://www.schoolforcreativestartups.com/)

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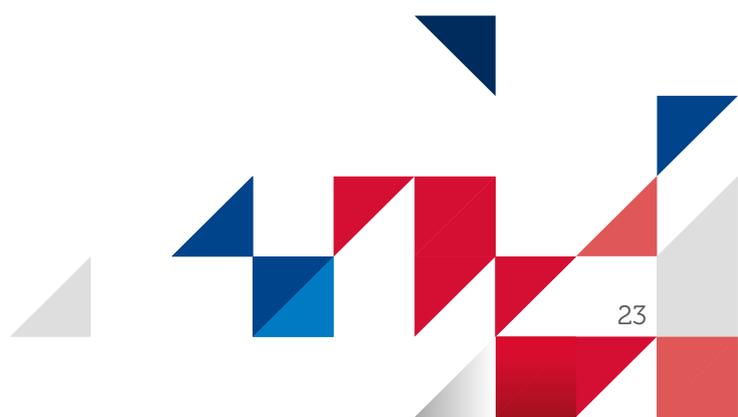
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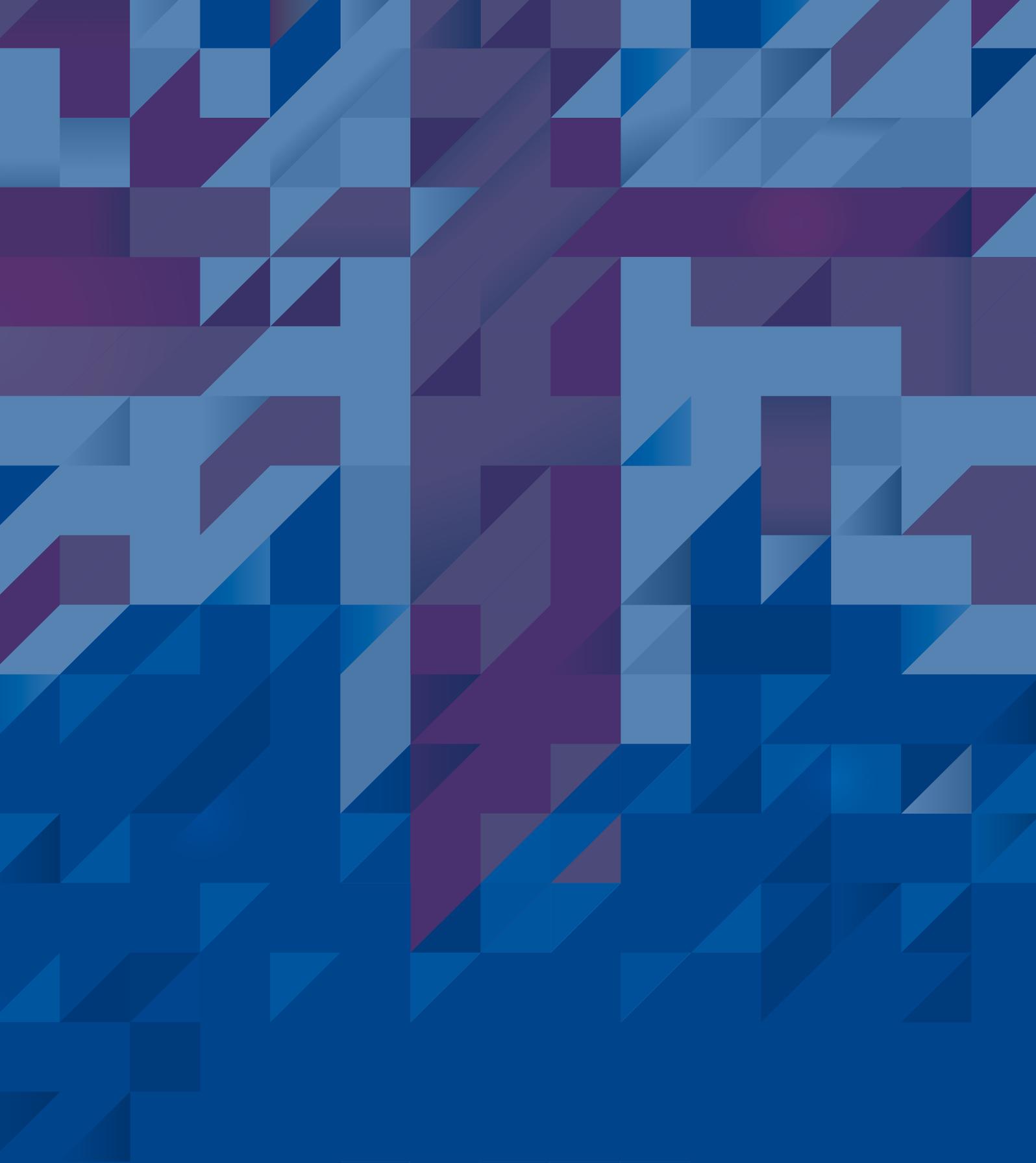
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