



Co-funded by the  
Erasmus+ Programme  
of the European Union



# Entrepreneurship, Management and Leadership in the CCI

## Theme 1.2



The European Commission's support for the production of this publication does not constitute an endorsement of the contents, which reflect the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.



Co-funded by the  
Erasmus+ Programme  
of the European Union



# Contents

- I. Concept of Entrepreneurship
- II. Management in the Cultural and Creative Industries
- III. Leadership as a Managerial Ability



# Concept of entrepreneurship (1)

- 💡 Entrepreneurial activity dates back to ancient times;
- 💡 It has been absorbed in many sub-fields of human activity and thus, has become part of several different disciplines which research it through different perspectives;
- 💡 Yet, there is no universal definition of what exactly entrepreneurship is;
- 💡 There is a considerable confusion regarding the way that people use the term entrepreneurship;





## Concept of entrepreneurship (2)

*‘Entreprendre’ (from French) => ‘to undertake’, ‘to pursue opportunities’, or ‘to fulfil needs and wants through innovation and starring businesses’*

Richard Cantillon (1730) => Entrepreneurship is self-employment of any sort, and entrepreneurs as risk-takers, in the sense that they purchased goods at certain prices in the present to sell at uncertain prices in the future





## Concept of entrepreneurship (3)

Essence of definition	Publication
Entrepreneurs buy at certain prices in the present and sell at uncertain prices in the future. The entrepreneur is a bearer of uncertainty.	(Cantillon, 1755/1931)
Entrepreneurs attempt to predict and act upon change within markets. The entrepreneur bears the uncertainty of market dynamics.	(Knight, 1921, 1942)
The entrepreneur is the innovator who implements change within markets through the carrying out of new combinations. These can take several forms: · the introduction of a new good or quality thereof, · the introduction of a new method of production, the opening of a new market, · the conquest of a new source of supply of new materials or parts, and · the carrying out of the new organisation of any industry.	(Schumpeter, 1934)
Entrepreneurship is the act of innovation involving endowing existing resources with new wealth-producing capacity.	(Drucker, 1985)
The essential act of entrepreneurship is new entry. New entry can be accomplished by entering new or established markets with new or existing goods or services. New entry is the act of launching a new venture, either by a start-up firm, through an existing firm, or via `internal corporate venturing`.	(Lumpkin & Dess, 1996)
Entrepreneurship is the mindset and process to create and develop economic activity by blending risk-taking, creativity and/or innovation with sound management, within a new or an existing organisation.	(Commission of the European Communities, 2003)



# Elements of entrepreneurship

Entrepreneurship is shaped by many elements but the most important include:

## 1. Innovation

Entrepreneurship is a key source of innovation and product differentiation in any economy.

## 2. Risk-Taking

Entrepreneurship is associated with risk.

## 3. Vision

Vision or foresight is one of the main driving forces behind any entrepreneur.

## 4. Organization

An entrepreneur must be able to manage and organize his finances, his employees, his resources, etc. So his organizational abilities are one of the most important elements of entrepreneurship.



# Cultural and creative entrepreneurship

## Cultural entrepreneurs are:

- 💡 someone who create or bring to market a cultural or creative product or service and who uses entrepreneurial principles to organize and manage this creative activity in a commercial manner. (*European Commission*)
- 💡 people who are breaking the rules and crossing boundaries (Spilling, 1991), overcoming obstacles (Amolo & Beharry-Ramraj, 2015), blurring the boundaries between work and personal life (Bridgstock, 2013; Werthes et al., 2018), showing passion and commitment to artistic content, persuasive, prudent and exhibiting courage, hope and faith in what they are doing (Klamer, 2011), risk-taking (Wardani et al., 2017), showing high tolerance of ambiguity, perseverance, self-reliance, autonomy, and creativity (Bhansing et al., 2018; Werthes et al., 2018). (*Dobrova & Ivanov, 2020*)
- 💡 cultural change agents and resourceful visionaries who organize cultural, financial, social and human capital, to generate revenue from a cultural activity. Their innovative solutions result in economically sustainable cultural enterprises that enhance livelihoods and create cultural value and wealth for both creative producers and consumers of cultural services and products. (*Temblay, n.d.*) (*Anheier & Isar, 2008*)



# The specific nature of management in creative industries

*“Management is the art of getting things done through people.” Mary Parker Follet*

- **Managerial roles** - *integrating the three key roles – decisional, informational, and interpersonal*
- **What do managers do?**
  - *Decide on a schedule of activities for completing particular performance tasks*
  - *Prioritise and coordinate efficiently the organisation activities according to an existing plan*
  - *Identify and select the right people for the right job positions*
  - *Control information flow*
  - *Provide feedback and measure performance*





# Managing creative teams

- The important impact of global innovations, the need for new and unique products, unpredictable demand, the artistic nature of the products, and self-managing staff (Berzins, 2012)
- Preference for a specific form of self-management in which team members see themselves as entrepreneurs and providers of intellectual work, holding the main responsibility for achieving organisational goals.
- Implementing parallel functions related to the creation of a clear action plan before delegating tasks and balancing among the broad range of system elements, considering the importance of motivation and control at the same time.



# Leadership as a managerial ability

## Manager

- Can act as a leader
- Expected to do the things in the right way
- Acts as a controller and supervisor
- Responsible for planning a change
- Has a supervising role
- Deals with organising and staffing
- Sets the work schedule



## Leader

- Cannot perform a managerial role
- Should do what is right
- Innovates and creates
- Manages change
- Has an encouraging role
- Deals with communication and empowerment
- Sets the direction



## Creative leadership

- Leadership and management approaches should be adjusted according to the specific personality traits and learning preferences of creative people, taking into account their professional background and circumstances.
- Applying “Dual leadership”, in which creative leader is promoting creativity and a managerial leader is dealing with marketing and commercial demands (Townley, Beech and McKinlay, 2009).

*“The best leaders don’t know just one style of leadership – they are skilled at several, and have the flexibility to switch between styles as the circumstances dictate” Daniel Goleman.*





## Effective leadership styles for creative leaders



- **Coercive** – a more autocratic style appropriate in emergencies when quick decision-making is needed
- **Authoritative** – demonstrating vision of the future and ability to motivate others, may be appropriate in change management
- **Affiliative** – focuses on people, able to shape effective teams, can be useful when interpersonal problems arise
- **Democratic** – promoting independent decision making, personal initiative and self-expression, can facilitate consensus in creative industries
- **Pacesetter** – leading by example to meet higher standards
- **Coaching** – encouraging, can be used to help people develop own strengths



## Suggested readings

Alvaro, C., Domingo, R., and Roig, S. (2000) *'Entrepreneurship: Concepts, Theory and Perspective. Introduction'*

Cerneviciute, J., & Strazdas, R. (2018). Teamwork management in creative industries: Factors influencing productivity. *Entrepreneurship and Sustainability Issues*, 6(2), 503–516.

[https://doi.org/10.9770/jesi.2018.6.2\(3\)](https://doi.org/10.9770/jesi.2018.6.2(3))

Drucker, P. (2012). *The practice of management*. Routledge.

Mishra, C. S. and Zachary, R. K. (2015) *'The Theory of Entrepreneurship'*, *Entrepreneurship Research Journal*, Vol. 5

Mason, C., & Brown, R. (2014). *Entrepreneurial Ecosystems and Growth Oriented entrepreneurship*.

Sanches, J. C., Ahmed, I., Ramzan, M., Singer, A. E. et al., *Entrepreneurship - Born, Made and Educated*

Varbanova, L. (2013). *Strategic Management in the Arts*.





Co-funded by the  
Erasmus+ Programme  
of the European Union



## **FENICE: Fostering Entrepreneurship and Innovation in Cultural and Creative Industries through Interdisciplinary Education** is co-funded by the Erasmus+ Programme of the European Union.

**The project is an initiative of 5 academic and research institutions:**



**[www.fenice-project.eu](http://www.fenice-project.eu)**

The European Commission's support for the production of this publication does not constitute an endorsement of the contents, which reflect the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.