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MANAGING CREATIVE INDUSTRIES DURING THE TRANSITION TO A DIGITAL ECONOMY IN THE MINDS OF THE WIN AND THE HOUR OF WAR

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Abstract. This is a modern product that is developing dynamically and poses new challenges to companies. The development of technology and the vastly accelerated processes that take place in the modern world create the need to change traditional approaches to doing business. The use of standard methods no longer allows for leadership and success in the market. The article reveals the essence of creative industries, their specificity and highlights the current aspects of the development of the creative industries sector in Ukraine as a type of economic activity. The essence of the concept of "digital platforms" is explained and their role in the economic growth of the region is determined.

The work examines the problems and key aspects of managing creative industries during the transition to a digital economy in the minds of war and war. Voted about the importance of digital talent, the new generation and change the way management looks. Characteristics of key changes in management systems for creative industries in the digital economy are given.

Key words: digitalization, economic processes, human capital, digital platform, digital projects, business processes, innovative technologies.

Introduction. Many scholars focus on the controversial issues of managing creative industries enterprises in the context of the national economy's digitalization. Scholars such as T. Galakhova, N. Karasyova, S. Shchegluk, V. Mazurenko, and A. Kholodnytska have studied creative industries as a new economic sector rapidly developing since the 2000s in developed countries. The problems of the digital economy and its impact are intensively discussed in the domestic and foreign scientific literature, particularly in the works of D. Bell, D. Tapscott, N. Negroponte, and M. Voynarenko. The views of researchers on the complexity of the process of implementation, dissemination, and assessment of the consequences of transforming the management functional activities of an organization in the context of digitalization are contained in many publications by both foreign and domestic authors: T. Bozhydarnik, O. Vartanova, L. Dovgan, O. Kuzmin, I. Lytvyn, I. Pidkaminnyi, O. Prodius, I. Svydruk, etc. Despite certain scientific developments in the theory and practice of management, some issues still need to be solved, and there is a need to improve methodological tools to identify critical benchmarks and directions for further activities, taking into account international experience.

The purpose of the study is to identify the peculiarities of managing creative industries enterprises in the transition to the digital economy and to form an algorithm for implementing the process of enterprise digitalization in the conditions of war and post-war.

Main part. At the present stage, a new economic system – the digital one – is being actively formed in the global information society. There is a digitalization of financial processes and pene-

tration of information technologies in all spheres of activity. New requirements arise for the sources of competitive advantages of enterprises and practical concepts of their operation and management.

Today, developed countries, driven by the scarcity of material and natural resources, seek new ways to build their economies. They generate income mainly from intangible products and services, and creativity, i.e., the ability to think outside the box and find unique, original ways to solve problems, is becoming an essential factor for the successful development of territories. Creative industries are a driving force for innovation and a catalyst for economic transformation in Ukraine's monetary policy.

The relevance of issues related to the peculiarities of managing creative industries enterprises in informatization and digitalization is significant in war and post-war. It is necessary to organize the enterprise's activities, taking into account the peculiarities of the transition to new principles of the digital economy, forecasting possible related problems, and developing solutions and proposals to minimize the negative consequences and enhance the main result of the enterprise's activities. Effective management of available resources and business processes in creative industries based on innovative technologies, becoming the most important management tools, can also provide a significant competitive advantage.

Creative industries have been developing rapidly, forming the basis of the broader concept of the creative economy. Creative industries are types of economic activity that aim to create added value and jobs through cultural (artistic) and/or creative expression, and their products and services result from individual creativity (Creative economy: a new economic era of the XXI century, 2021). Creative industries create a new (unique, innovative) product or service, and representatives of these activities aim to make a profit.

Small enterprises or individual entrepreneurs represent the most creative industries. These are primarily young companies just at the business formation stage. With their practical support, they can grow into large enterprises and holdings.

The success of these enterprises is a vivid example of the compelling attraction and use of creative human capital. Creative human capital can be defined as a set of original knowledge, creative abilities, skills, innate talents, and the costs of mastering or developing, which can generate future income from creating innovative products (Poznova, 2021: 40).

It is the creative class that determines the order of development of enterprises, as it is this class that, through employment in the creative industries, promotes the implementation of new ideas, technologies, and innovative content and determines the nature of modern production and consumption in the war and postwar period. In addition, representatives of the creative industries are responsible for the interaction of the creative sector with traditional, raw material-based industries for their innovative development. On the one hand, within the socio-cultural space, creative sectors act as a new vector of cultural development, where the unifying principle is the creative component, with the active use of innovative technologies and scientific discoveries. On the other hand, creative industries are becoming a significant driver of economic growth, as their capitalization is growing worldwide.

As emphasized in the United Nations General Assembly Resolution 74/198 (UN General Assembly Resolution, p. 3/5), the creative economy makes a multifaceted contribution to the achievement of the Sustainable Development Goals: poverty eradication, gender equality, decent work and economic growth, industry and innovation, sustainable production and consumption patterns, means of implementation and global partnerships, etc. The creative economy promotes social inclusion, cultural diversity, and human development. For these reasons, creative industries are crucial for implementing the 2030 Agenda.

During the war, the creative industries experienced an outflow of talent, reduced funding, decreased demand for cultural products and services, and the adverse effects of broken supply chains. State funds allocated for culture in peacetime were directed to support the Armed Forces of Ukraine under

martial law. At the same time, creative industries have a chance to become the engine of Ukraine's recovery after the war. Some entrepreneurs continue to work, exporting creative products and supporting the country's economy.

The peculiarity of the creative industries is that they can be independent of a specific location, which is not essential in digitalization, and that they have quick access to creative production tools, additive technologies, and artificial intelligence.

One of the fastest-growing sectors of the creative industry is marketing and advertising, which has a unique potential because it uses many areas of other sub-sectors, having in its arsenal the main creative tools: design, video, audio, photography, IT technologies, computer services, and printing. Analog marketing has remained, but its time has come to an end.

Digital advertising is a considerable number of tools, platforms, and formats updated monthly or even more often. At the same time, the main thing distinguishing digital from analog advertising tools is the ability to communicate with users in a personalized way using targeting, a mechanism for targeting advertising to a specific target audience, which is advertising that technical tools can measure. Digital offers enormous opportunities to measure the effectiveness of advertising campaigns – to connect not only with the audience at the level of age or social group but also with individuals, offering services and products that are suitable for them. Examples of digital growth include giants such as Rozetka, OLX, Prom, and other e-commerce projects primarily prioritizing digital promotion channels.

The modern activity of creative industries is characterized by the formation of particular economic behavior in the digital space. This results in the digitalization of the financial sector itself and the growing role of innovative technologies in all areas of creative activity, where the most important technology is the digital platform.

A digital platform is a critical digital transformation tool that enables information exchange and transactions between many users. It is a set of technological solutions (technologies) that create the basis for the functioning of a specialized system of digital interaction, reducing the cost of transaction costs and eliminating the role of an intermediary. At the same time, participants are independent of each other (Sichkarenko, 2018: 28).

Digital platforms, in the broadest sense, include social networks, marketplaces, video hosting, smartphone, tablet, and computer applications, as well as ecosystems that combine all or part of these elements. The peculiarity of digital platforms is that they provide direct access to consumers, which can be both B2B and B2C segments. Business-to-business (B2B) includes all levels of information interaction between businesses. Business-to-consumer (B2C) is one of the most promising areas for businesses to operate in the retail market, and it is based on e-retail (Kovalchuk, 2021: 8).

The role of digital platforms is to be the basis for economic growth, as they increase labor productivity, reduce business costs, increase the availability of information, and reduce barriers to entry into new markets. At the same time, new business models based on the introduction of digital platforms are customer-oriented. Thanks to the current level of digitalization, creative companies are growing 3–5 times faster than the economy as a whole.

Changes in economic policy directions under the influence of economic digitalization are an era of constant transformation. These changes require detailed consideration and immediate response to managing a creative enterprise in wartime and post-war conditions.

The management of creative industries enterprises in the new digital economic order should be based on the transparency and structure of all business processes, applying an effective knowledge management system and staff motivation, and considering the peculiarities of enterprise management in digitalization. Figure 1 shows the main features of managing creative industries enterprises in digitalization.

According to the authors, the main directions for improving the management system of creative industries enterprises in the context of digitalization are it is increasing the importance of knowl-

edge and training. It is not enough to find the right staff; it is also necessary to create conditions that will allow the development of understanding of each person and the entire enterprise. Frequent job changes in search of variety characterize the millennial generation. Millennials are the first generation who cannot imagine life without digital technologies (Millennials. How Generation Y is changing the world, 2020).

It is necessary to create an atmosphere, comfort, and opportunities within the company that will allow you to retain highly qualified personnel for as long as possible. Educational programs, training, the use of online resources, the involvement of all employees in the development of the enterprise, and many other practices are used by digital economy companies. In a rapidly changing environment, knowledge becomes outdated instantly, and information becomes open and accessible. In such conditions, every company should strive for maximum and continuous development.

They are changing the nature of organizations' activities. The development of technologies leads to their introduction into the activities of creative industry enterprises. The amount of computer work is increasing significantly. Information is transmitted remotely without any delays. Technologies such as big data, neural networks, blockchain, cloud computing, and virtual reality are being introduced. Such changes are driving the active development of creative industries, both under the influence of implicit factors related to the peculiarities of the industry's functioning and the emergence of new opportunities, access to new resources, and explicit factors – the growing demand for creative industries services against the background of new consumer needs in the B2B, B2C segments and their modifications in the context of the formation of the sixth technological mode: biotechnology; aerospace industry; nanotechnology; new materials with predetermined properties; quantum electronics.

Changes in labor resources. First, the requirements for company employees are changing. Nowadays, it is necessary to be confident in computer skills, master new technologies, and constantly develop. Highly skilled personnel capable of interacting with modern technologies on a first-name basis are necessary for businesses in the digital economy. According to a BCG study (How to Gain and Develop Digital Talent and Skills, 2017), tech-savvy personnel have the most significant effect in the following areas: digital business, internet marketing, digital development, analytics, and Industry 4.0. However, these areas are not only independent areas but also components of many companies. For example, first, data analysis is being implemented everywhere. Secondly, people are changing: a new generation has emerged that plays a vital role in the success of creative enterprises in the digital economy because of their technological savvy. The millennial generation is characterized by a rejection of useless work, titles, and bureaucracy, and they are eager to work in multidisciplinary

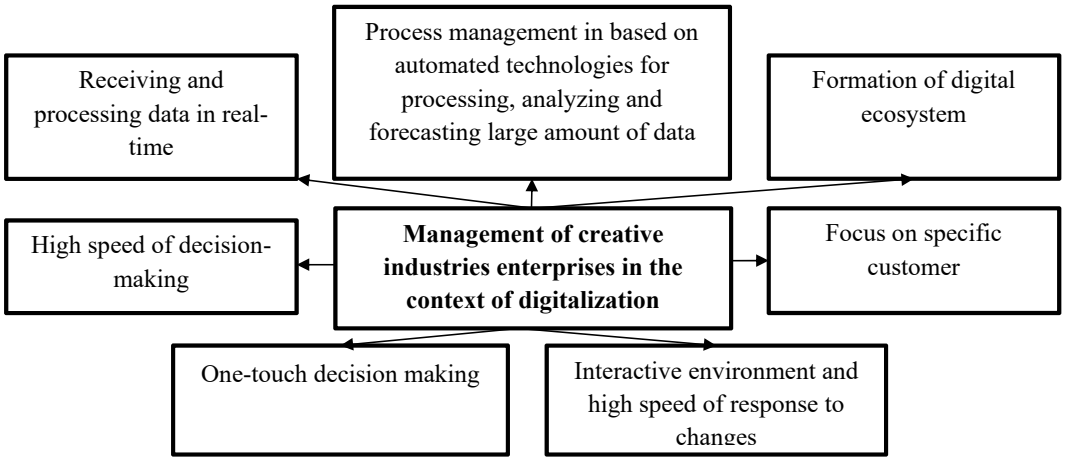

Fig. 1. Features of enterprise management in the context of digitalization

teams to develop and express themselves constantly. They need a high goal and work in the name of a goal. Such people also seek independent choice of schedule, maximum flexibility at work, ease of interaction with managers and colleagues, use of flexible work methods, and mobile devices. Thirdly, employers are more interested in the competencies and skills required for employment in the creative industries: a combination of fundamental skills in a specific professional and related field; digital competencies, including proficiency in specialized social media programs and digital interfaces; a universal set of creative, technological, educational, and entrepreneurial competencies; erudition, reading, supervision, and orientation to cultural heritage; meta-subject skills – communication, teamwork, emotional intelligence, public speaking, self-presentation, and self-promotion.

Digital projects should be directly carried out by qualified personnel, called digital talent. Typically, a transformation team consists of a small but super-skilled "core" of digital talent and a group of staff who do not have unique knowledge and competencies. At the same time, both categories of personnel are equally crucial for the ultimate success.

In 2023, the talent shortage reached a historic 77%. In this regard, companies are focusing on investing in their employees. For example, 71% of employers train and retrain their current staff. In addition, 51% are creating new temporary positions, and 43% are focusing on the introduction of technology and process automation.

The BCG study (Strack, 2017) notes that the biggest problem is not even cybersecurity or the required amount of investment but the need for qualified employees. Adopting and adapting technologies is possible, but the bottleneck is those who can adapt, implement, train, and optimize processes based on new technologies. Digital talent is already in high demand, and large companies are forced to use less traditional ways to attract it. There must be more than a conventional human resource management strategy to attract digital specialists. It is necessary to consider the peculiarities of digital specialists to understand how these young people with very different experiences and education think. These can be employees with a classical IT education, freelancers, entrepreneurs, and even students.

These people have a digital mindset. They are entrepreneurial, data-driven decision-makers, have experience working in multidisciplinary, international teams, and want flexible employment. Overall, digital talent is a new type of employee. They are flexible, modern, and well aware of their value to employers. Companies named the digital platforms work.ua, robota.ua, jooble.org, olx.ua, and Telegram as a place for recruiting and finding new employees, freelancers, or outsourcers.

It can be said that a new list of professions is being formed that will carry out digital transformation as a supportive business process. The existing experience of implementing IT projects shows that the main problems arise not at the level of solution development but at the stage of adaptation and implementation of this solution. Automation of many processes using new generation artificial intelligence and robotics technologies will require a large number of people who are experts in technological innovations, on the one hand, and those who understand the specifics and business processes of a particular business, on the other hand.

The impact of technology on business management has been studied for quite some time. Numerous technological innovations will require modification of the management system. It should be assumed that the automation of technological and management processes will be carried out gradually but with a tendency to accelerate. Shortly, many companies will have to implement several waves of projects on new business process reengineering. This creates a demand for business analysts capable of designing and administering complex management systems that change in wartime and post-war conditions.

As a result of the transformations, the control system is finally turning from a black box into a "chip." The Internet of Things and wireless sensors, widely implemented as part of the Industry 4.0 concept, provide increased transparency of business processes. Even now, the use of ERP systems expands management capabilities and simplifies the creation and accounting of the results of teams

of employees from the company's divisions and external sources, which allows for planning organizational changes. An ERP system provides automation of business process management, which speeds up the execution of tasks and reduces the likelihood of errors. This helps the company to increase efficiency and reduce the cost of production, warehousing, human resources, finance, and other operations (What is an ERP system? Why does a business need it?, 2024).

The use of big data and the development of information systems make it possible to track the sequence, speed, and quality of operations and calculate and budget the costs of low-level operations. This implies a qualitatively different level of available information, which allows us to obtain the exact cost of fulfilling a specific order for a particular client. Constant changes affecting many aspects of business determine the importance of developing an entrepreneurial spirit in a business's culture and management system. Bringing new products and services to the market, starting, launching, and setting up new processes and information systems requires entrepreneurial rather than just executive competence. The role of the entrepreneur is to take responsibility for the most challenging and risky period of transition, combining the available authorities in the internal and external environments of the enterprise. Another change in the context of constant instability during a full-scale war is the desire of creative industries to be flexible. The twelve principles of Agile (software development) (Agile manifesto and principles, 2022), which emerged in the early 2000s in the US IT sector, are already being actively applied in many other areas. Many methods or practices correspond to these principles, such as Scrum, Kanban, lean development, XP ("extreme programming"), FDD (function-oriented development), etc. The values or core ideas of Agile include: people and interaction are more important than processes and tools; a working product is more important than comprehensive documentation; cooperation with the customer is more important than agreeing to the terms of the contract; readiness for change is more important than adherence to the original plan.

Thus, the critical focus of Agile is to eliminate bureaucracy, develop speed and quality of work, and focus on stakeholder engagement and performance. Examples of companies that use adaptive technologies include the five largest enterprises of the creative industry in Ukraine – IT industry; Advertising, Marketing and PR; Audiovisual Art; Architecture; and Literature and Publishing: EPAM SYSTEMS LLC, GLOBALOGIC Ukraine LLC, INFOPULSE Ukraine LLC, INTELLIAS Institute of Information Technologies LLC, NETCREKER LLC (Nikolaeva, Onoprienko, Taran, Sholomytsky, &Yavorsky, 2021).

Other examples include:

Dynatrace – a platform for application and infrastructure performance management, artificial intelligence for operations, cloud infrastructure monitoring, and digital experience management, works in conjunction with AI technology across the stack to simplify cloud operations, automate DevSecOps, and help organizations do more with less in the cloud. Kyivstar has improved customer experience with Dynatrace, and OTP Bank Ukraine ensures the stability of online services with Dynatrace solutions.

Zillya is the only Ukrainian developer of innovative cybersecurity technologies. The laboratory has been successfully operating in Ukraine since 2009. It has been on the international market since 2011. To date, more than 3 million users have used their technologies. Partners include Panda, OPSWAT, Sunbelt, AhnLab, and others.

Smart City consists of a holistic concept of intelligent integration of information and communication technologies for monitoring and managing urban infrastructure.

In the digital age, the role of governance is also changing significantly. As environmental variability accelerates, traditional hierarchical bureaucratic structures gradually lose their effectiveness. An attempt to study existing non-hierarchical organizations was made by F. Laloux (2014: 73).

The description of turquoise companies is a new stage in management development when an enterprise is run by self-governing teams not subject to hierarchy and centralized management. Other

aspects of such organizations include: general participation, comfortable working conditions, a high level of freedom, an evolutionary goal that implies a view of the organization as an organism.

These features align with the values of Generations Y and Z, and younger employees are likely shaping such organizations. The digitalization of business processes significantly accelerates the decentralization of management. Increasing employee skills and reducing the volume of routine operations determine the nature of management at the new stage. The traditional organizational hierarchy is complemented by a system of horizontal management communications (supervisor-subordinate communications), which allows for a sharp reduction in the number of middle managers. Another area of change is the emphasis on knowledge.

As early as the 1990s, many works appeared that addressed various aspects of self-learning organizations. Such organizations are characterized by a unique environment that supports learning. It encourages disagreement with the majority, proclaims openness to new ideas, and values mistakes as an opportunity for development. Knowledge is recognized as a core value, and there is a seamless process of knowledge transfer and information flow within the company from top to bottom and bottom to top, as well as with the external environment. One of the forms of such organizations was the N-form corporation (Hedlund, 1994: 74), which had the following characteristics: temporary constellations of employees, priority of lower-level personnel, close horizontal ties, reduction of the role of management to creating working conditions and developing a general strategy.

During the 2000s, the organizational forms of innovative firms were generally divided into two groups: Japanese-style organizations (J-form) and broad-based democratic organizations. Both types of organizations aim at continuous innovation, but they differ in the characteristics of organizational structures, learning methods, and innovation competencies. A J-form organization relies on knowledge embedded in operational routines, group interaction, and a solid corporate culture. Learning and knowledge accumulation occur at the lowest levels and are spread throughout the organization through deep cross-functional interaction. Career stability is ensured by predominantly hiring from internal sources. New knowledge is generated by synthesizing, generalizing, and combining existing knowledge.

Edhocratic (from the Latin ad hoc – "by chance," English adhocracy – arranged for a given purpose) – used for non-standard and complex work; a characteristic type of power based on knowledge and competence, not on a position in the hierarchy (Popovichenko, & Shapa, 2020).

Control in management is maintained by setting rather intense goals. The performers choose the means of achieving the objectives (results-based management). Everyone is directly responsible for their actions and is rewarded depending on their contribution to the ultimate goal. Team support and interaction are critical. Democratic organizations are more suitable for breakthrough areas, but their relatively low knowledge accumulation is their weakness. This is due to the high turnover of employees and experts.

Conclusions. Today, we are witnessing a transition to a digital economy, manifested in accelerating scientific and technological progress, the need for continuous innovation, and other fundamental changes. The digital transformation of creative industries enterprises is occurring in many organizations' projections. It is not only the introduction of specific technologies and process redesign but also a change in the organization's culture and the mentality of employees. The digital economy development strategy is the primary trend that sets the vector of change. However, digitalization is only possible with large-scale staff training programs. Human resources are naturally conservative and usually lag in their ability to change and adapt to new working conditions. The main problem of projects transitioning to the digital economy in wartime and post-war is the need for more qualified personnel. Digital talents, young people of generations Y and Z, could be more evenly distributed worldwide. Their job requirements, motives, methods of work, and worldview are significantly different from those of older employees. The need to attract them is forcing companies to rethink their

attitude to staff, their recruitment, and management methods. The management systems of creative industries are undergoing significant changes. Adaptive principles (agile), the concept of self-learning organizations, and the concept of turquoise organizations are becoming more widespread. Employees of generations Y and Z are less and less separating work from their lifestyle and want to receive additional social services. The role of management is also changing: the need for management is decreasing, and the growth of horizontal communications is transforming the nature of management. Trends toward decentralization of management, abandoning rigid hierarchical relationships, and empowering employees are determining the nature of creative industries.

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