



**Economic Theory**

Bogdan LITOVCHENKO

**ORIGIN OF THE CREATIVE SCHOOL  
OF MANAGEMENT:  
RETROSPECTIVE ANALYSIS**

**Abstract**

The emergence and development of creative economy in the contemporary global society poses challenges to the theory and practice of classical views on management. The aim of the study is to identify the main principles for creative management for modern organizations. The tasks of analysis of characteristics of the creative organization in historical retrospective are based on the views of classical theory and practice of management are solving and establishment of creative management in global environment as a tool of effectiveness of building a new socio-economic system with purpose of achieving this goal. Creative management is considered in the context of synergy of creativity, innovation and ethical business.

**Key words:**

Creative economy, creative management, the principles of effective (productive) management, creative school of management, the principles of creative management, the moral responsibility of management.

---

© Bogdan Litovchenko, 2016.

Litovchenko Bogdan, Cand. of Economic Sciences, Assist. Prof., University of Customs and Finance, Dnipro, Ukraine.

**JEL:** A12.

A new concept of socio-economic development is increasingly developing in the world that promotes cultural resources and creativity to the forefront of modern, post-industrial economy. This innovative sector gained a big importance in the early twenty-first century in connection with development of globalization, new economy and supernova and it's called a creative economy.

In the context of the development of the creative economy the review of its implementation is seemed very urgent, including management tools, in contrast to the classical approaches that would be adequate to the requirements of modern society.

In developed countries the opportunities for the development of the creative economy as the global economy as a whole and individual cities, areas and countries were a long time ago appreciated. For these countries it has gained relevance since 2000 when for the first time the magazine «Business Week» introduced this concept to the scientific world and it has become that tool that allows bringing the country out of a prolonged financial crisis, creating a positive image of the country and consolidating the leading position in the world. Among the foreign and domestic scientists who have devoted their researches to the development of the creative economy were: G. Hawkins, C. Landry, R. Florida, T. Fleming, J. Potts, P. Lindner, M. Matthews, J. O'Connor, E. Melvil, E. Zelentsova, L. Vystryakov, J. Kloudova, V. Kozyuk, V. Kurylyak, Ye. Saveliev, O. Sokhatska and others.

Modern scholars consider creativity as a creation of new practical forms based on knowledge and the basis of the creative economy as a principle of «3T» of economic development: «technology, talent and tolerance». Today, creativity is considered as a determining factor of the modern post-industrial civilization and necessary attribute of successful development of new and supernova economies pushing traditional factors of economic development of economic systems such as well-established infrastructure, location, natural resources; human abilities, talent, motivation and attitude to culture are on the foreground (Florida, p. 23; Lindner, p. 90).

According to modern researches, the interaction of culture, art, economy and innovative technologies to create an intellectual property is a promising

source of revenue and jobs and it promotes social interaction, intercultural dialogue, professional and personal development of people (Kuryliak, p. 94).

Thus, it can be affirmed that modern scientific and practical global environment formed two general approaches to creative economy and adequate approaches to creative management:

1) Creative economy as a creative sector in the context of globalization where on the foreground is unlimited resource of intellectual development and creative management plays a role in the realization of its ideas.

2) Creative economy as a further development of the «knowledge economy» and «tectonic economy» where people are a decisive factor of development which are enriched with knowledge and desire for change and creative management plays a role of an instrument for innovation and environmental changes in the direction of expanding knowledge.

It can be assumed that the synergistic effect of both approaches in the context of economic globalization is to succeed in the competition at the micro and macro levels through the use of not only existing knowledge, skills and competencies in economic management but also the production of new, innovative, intellectual and creative resources of development, received in the continuous process of development. Formation of philosophy of creative management aimed at systematic management of human resources to generate and implement innovative solutions plays a leading role in these conditions<sup>1</sup>.

In particular, the current domestic researchers in the field of creative economy and creative management believe that the source of competitive development in the global environment is a combination of intellectual potential of society and the world's innovative achievements with effective implementation in the strategy of national development of creative approach. So, scientists and governments of different countries in the world have a task of research, development and evaluation of innovative and creative models of development (Prodius; Doroshenko; Galakhova).

Of course, these approaches to creative economy and creative management are considered as generally accepted and even «fashionable», particularly for modern researches of a new generation of young scientists but they do not fully disclose the wide range of creativity of management and features of the

---

<sup>1</sup> It is worth to mention that such approaches have emerged, particularly from different interpretations of the term «creativity», which is considered by some authors as a creating of something new (the basis is English noun «creativity» which derives from the Latin word «creatio» (creation) and by other authors as a specific cognitive function of mind which although not identical but inextricably linked with the intellectual potential of the individual and creativity is not only the human capacity for creative and economically significant activity but a kind of spiritual foundation of contemporary public culture [4, p. 83].

creative organizations which were formed throughout the whole development of the global community.

The frames of this study don't allow having a detailed analysis of conflicting views on creativity in economy and management, however, based on years of researches of theory and practice of management, it can be assumed that the synergistic factor that caused the modern phenomenon of creativity in the global environment have become not only «3T» (and sometimes opposed them), morality and moral responsibility of management (Litovchenko, pp. 126–127). In fact, an important factor that contributes to the promotion of share of the creative sector is the availability of creative space, its openness which allows creative individuals to generate new ideas. However, it is necessary that the creative environment would be tolerant, able to accept everyone regardless of their beliefs, cultural values, religious beliefs, approaches to solving problems.

The development of the creative economy is based on a new phenomenon, namely on the unlimited resources of economic growth, the human capacity for creativity. Mastering these resources can lead to large-scale changes, not only in economic theory based on the law of limited resources and factors of production.

Such circumstances require a strategic and operative reaction of management of organizations on changes which take place in today's turbulent and even shock environment. The work is more creative and the dynamics of organizational environment reduce the possibility to intervene in the actions of each employee. Therefore, the theory and practice of modern management were faced with problems that are not always researched by classical schools of management and it can be said about the need to launch a new stage in development of science management, namely creative school of management which (probably) will be based on the following principles, partly outlined by national and European researchers:

- *holism* that integrates management into comprehensive organizational function when every employee who is facing in its work with people is the manager;
- *synergy* as the ability to combine industrial, technological, economic and administrative efficiency;
- *proactivity* which is not only a reaction to the problems and situations created by environment but also design and implementation of appropriate changes for organization in the environment;
- *glocality* (global + local) is to «think globally but act locally» and focus own efforts on achieving overall organizational efforts;
- *unisoculity* (universal + social + cultural) is a multidisciplinary approach to the analysis of the culture of environment and implementation of

management decisions based on diversified knowledge of human ecology;

- *humant* (human being + management) is a comprehensive organizational impact (including multinational corporations and international organizations) on the formation of desired environment and human behavior from determination of dreams to the delineation of the creation, dissemination and distribution of knowledge;
- *manting* (management by teaching) is output of the organizational culture beyond the internal environment and inclusion of the contact audience to the internal environment of organization;
- *morebilty* (moral + responsibility + ability) is the ability and willingness to accept the moral responsibility for decisions to internal and external environment;
- *donation* in contrast to the classical view on people in organization is a change vector from reaching own goals through organization to subordination own goals to the goals of organization;
- *intuitiveness* where decisions are not based on socio-technical analysis but based on knowledge, logic and experience;
- *creativity* namely output beyond a highly specialized approach to the realization of institutional functions;
- *facilitation* namely is the creation and management of independent teams of professionals who are able to solve any task without interference into their operations (Litovchenko, p. 8–9).

In general, we can conclude about the general principle of the creative school of management, namely *semirealization* (this concept has its origin from physics – semiconductor) is a substance that under different conditions can be a conductor and an insulator and this feature causes a synergistic effect. From our point of view, the main principle of creative management is to use the capabilities of the environment (at internal-, micro-, macro- and megalevels) and protect it from threats by creating a desirable environment for itself<sup>2</sup>.

According to the classical views of Frank and Lillian Gilbreth on stages of development of management, the origins of creative management can be found even during the traditional period of management in conversations of Socrates,

---

<sup>2</sup> Principle of semirealization can be illustrated by the brilliant work about the creative manager O. Bender from Soviet satirists I. Ilf and E. Petrov «The Golden calf» which cited one example of absurdities of that times: «Carefully chewing food, you help the community». However, in terms of creative management that means on the one hand, the effective use of limited resources, internal environment and the other hand a moral responsibility to the environment.

who believed that only that person can successfully manage public affairs who have excelled in individual life and in metaphors of Aristotle who linked the success with such elements of management and organization as labor specialization, centralization, decentralization and separation of powers, harmonious interaction, leadership. Mysticism can not be the method of learning and decision-making by Aristotle. He believed that reality is known through the senses and analysis of the causes of phenomena. Later this spirit of scientific knowledge formed the basis for scientific management. Socrates ideas formed the basis of the philosophy of creative evolution and the views of Aristotle formed the basis of knowledge of morality in the context of physics and metaphysics management (Kredisov, pp. 37–38; Enciclopedia of Wisdom, pp. 73–74, 81–84; Litovchenko, pp. 382–384).

Further development of creative ideas of management in the context of morality can be found in the transitional (systematic) period of management in the researches of relations within the triad «management – knowledge – a man» where the man has a central place who is at once both subject and object of management and the owner and bearer of knowledge and this, again, is related both to physics and metaphysics of development of management.

For example, commonly known euphemism of Francis Bacon «Knowledge is a force» (original: *Am et ipsa scientia potestas est*) was translated by his secretary from Latin into English and according to the original can be interpreted as the ability of knowledge (science) be a force (power) by itself and the one who can get it, can also receive the power and this can be considered as example of «idols» of inductive method of cognition by Francis Bacon that became the tenets of communication barriers in management (although Bacon's original idea was to develop the ideas of Socrates about creative evolution as divine). On the other hand, the principle of «knowledge is a power» with time became a basis for a practical economic activity («Who owns the information that owns the world» – Rothschild), for the theories of class struggle («Without knowledge the workers are defenseless, with knowledge they are a power» – Lenin), for the concepts of «knowledge economy», «creative economy», «knowledge management» and so on.

As another example of formation the creative ideas of management can be considered the views on managing of changes in the context of metaphysics as attempt of mind to rise above the mind of T. Carlyle. His study of the French Revolution as historical attempt to reform the society is important today in terms of moral responsibility of management («Any reform, in addition to moral, is useless»). Having reforms is primarily a change of the established order and transition to new mechanisms of action, that's why it requires management of changes<sup>3</sup>.

---

<sup>3</sup> In a view of the foregoing, it is appropriate to consider the etymology of the term «reform». According to the definition of New Webster's Dictionary, reform is «a change from

It is believed that the foundation of creative management took place during the formation of scientific management in the early twentieth century. A common vector of a school of scientific management was to develop recommendations to eliminate unproductive expenditures of human energy and increase efficiency of work and the school of scientific management conclusively proved that good management makes it possible to achieve a maximum output with minimum costs by using a method of effective teamwork based on rational functional organizational structure of management of employees<sup>4</sup>.

However, the school of scientific management basically had provisions that subsequently led to the development of «metaphysics» of management, namely the simplified approach to motivation (recognition only of material incentives to work); the view on employees as an annex to the machine; authoritarian leadership; underestimation of the role of senior management; ignoring the interaction between the organization and the environment. To some extent, the contrast to this was «physics» of administrative (classical) school of management which is associated with justification of organizational or functional look at management as improving of management of the whole organization.

The aim of administrative (classical) school of management was to determine the common characteristics and patterns of organizations and creation on their basis the universal principles of management, compliance with that, according to supporters of this trend would undoubtedly ensure the success of organization. These principles are dealt with two main aspects: the first is the definition of the main functions of business and formation on their basis the rational functional circuit of management of organization (look at management as a profession, which you can learn and where you can improve yourself; the method of synthesis of concepts (principles) of management into a single theory; the formulation of organizational goals by guidance staff, ways of protection of workers and maintain communications; responsibility of management for development), the

---

bad to better ... to the right from wrong.» The Ukrainian and Russian sense of the word means a change (reorganization). This approach to reforms reminds the famous dictum of one of the heroes of the novel by Alexander Dumas' *The Three Musketeers* «Porthos: «I just beat to beat» (If to remember the main reasons of duels of main characters in the novel, Atos wanted to change the views of D'Artagnan to his own dignity, Aramis wanted to change the views on the virtues of women and Porthos on its ostentatious prosperity).

<sup>4</sup> Sometimes there is an impression that reforms for reforms are a key refrain of almost all governments in national economic management. It is interesting to note that from the beginning of formation of scientific management a specialization of research of management as a scientific organization of work and as one of the organizational functions (the idea of «linear (active) management» of F. Taylor, «HR» of F. Gilbreth, «general (administrative) management» of A. Fayol) took place almost simultaneously and appeared in publications at the beginning of the second decade of the twentieth century. This partition of vectors of researches was somehow connected with the environment of formation of American and European management and with the figures of their founding waht we conducted in our previous studies [12].

second principle is building the organizational structure of management of staff (definition of functions and principles of management; emphasis on the broad functions of senior management related to the policy of the organization; universal orders of management; a clear system of hierarchy).

The classical school tried to turn metaphysics of management as consideration of disparate of facts and phenomena into his physics (the applicability to use it in any field of human activity: production, business, politics, government, religion, family). For example, the fact that management was not taught in schools and universities (both as technical sciences), founder of administrative management Henri Fayol explained by the lack of management theory which he defined as a combination of principles, policies and practices in management developed and tested by the overall experience (Manage Science, pp. 139–152).

There is a discrepancy between practice and theory because practice is much richer from theory. This was the cause of the difficulties that have emerged in the analysis and theoretical generalizations of management and its teaching. Even within the same school of scientific management there were contradictions in the views on the nature and objectives of management.

In this context, it is appropriate to consider the ideas of Harrington Emerson who intuitively tried to unite the views of the scientific and administrative management schools on science and management and (in our opinion) who launched the creative principles of school of management<sup>5</sup>.

In general, the authors of modern textbooks and manuals on management clearly include the views on management of H. Emerson in scientific school of Management of F. Taylor. Indeed, it can be drawn the parallels between the views on management as «scientific organization of labor» (by F. Gilbreth and F. Taylor) and between the principles of performance by H. Emerson but the philosophy of management of H. Emerson goes far beyond the studies of classic scientific school of management. Even within the scientific school of management (as is customary in general) the question about requirements for quality of educational potential of employees was not resolved (they have to do (by F. Gilbreth) the right things and then to provide the quality or (by H. Emerson) be armed with all knowledge and skills that are in the world and do the right things.

---

<sup>5</sup> It is interesting to consider the figure of H. Emerson compared to other classics of management. For example, unlike F. Taylor and H. Fayol who didn't leave the borders of their countries H. Emerson received wide-ranging humanitarian and technical European education, he studied in France, England, Germany, Italy and Greece what allowed him to be in 23 years the dean of the faculty of linguistics of the University of Nebraska. Perhaps, due to the US-European experience H. Emerson launched consulting and original crosscultural management, as back in 1904 he created the first in the world office of professional management consulting and already in 1911, thanks to him, almost all US universities opened courses in scientific management.



In fact, the modern scholars of management, in some measure, analyze so-called «Twelve Principles of productivity by Emerson» in accordance with that any organization can confidently develop<sup>6</sup>. Classically, the performance analysis of principles of H. Emerson is based on partition of interpersonal relations (principles 1–5) and technologies (principles 7–12) of functioning the organization with what it can overcome existing inefficiencies. In general, these views are based on the first two editions of the book of H. Emerson (1911–1912 years). However, in parallel with the second edition in 1913 The third book of H. Emerson was published which, according to its publisher Charles Buxton was the philosophy of management that «reduces the doctrine of efficiency to the level of principles on which the procedural rules are based» (Emerson, 1913, p. 1).

H. Emerson developed the idea of a creative organization as support of humanity that, contrary to the principle of selfish gain, is underlying each principle of efficiency exactly in the third edition (which incidentally has not caused the interest in modern researchers of theory and practice of management) (Emerson, p. 5). No wonder, the words of poem of R. Kipling «Mc Andrew's Hymn»: «... Law, Order, Duty an' Restraint, Obedience, Discipline!...» were the epigraph to his book «twelve principles of efficiency» (Emerson, p. 4).

Generally, it is believed that H. Emerson has developed the universal system of analysis and forecast of the production activities of any organization (that was probably the prototype of strategic management). Part of such principles as «norms and standards», «discipline», «scheduling» came long time ago into the practice of scientific management and management consulting but other principles are not widely recognized because of universal technocratic approach to management. First of all, it concerns the social, philosophical and ethical concepts of H. Emerson which set out in Chapter II «type of organization that provides the highest efficiency» (The Type of Organization Through Which Efficiency Is Attained) (Emerson, 1913, pp. 27–58).

According to H. Emerson, there is a parallel between the organizational laws of nature and biological evolution of flora and fauna which is the way of existing. Animals are «destructive force» since they constantly move from place to place and use for consumption the necessary organisms and plants as «creative phenomenon» need to produce themselves the substance for their own existence as well, due to the effect of photosynthesis and generate a new environment.

---

<sup>6</sup> Again, it should be noted that in the original text of three editions of works of H. Emerson it was not about performance but about efficiency which was meant by the author as the integrated imperative of system that is the most favorable ratio between total costs and economic outcomes. From hence H. Emerson output 12 principles of universal system of organizational analysis and forecasting that can be applied to any area of organizational activity.

These differences in the existence of flora and fauna were for H. Emerson a partition to determine the type of effective and ineffective organization. He is one of the first researchers of management who noted that the production activity of human society should have a «protective and creative» type of organization which is characterized in the world of plants, as opposed to «military-destructive» type which is inherent to the animal world. As H. Emerson thought that incorrect, destructive organization «which is to ensure that the manager gives his subordinates entirely arbitrary tasks and then demands that they cope with them, as they know» should be replaced by «right effective and creative organization which should lie in the fact that the competent experts should formulate the basic principles of business, teach everyone to use them and constantly monitor all violations» (Emerson, 1913, pp. 57–58).

Exactly in this sense H. Emerson considers the role of human in creative organization who as a manufacturer of physical energy is hopelessly disqualified but who as a wise head just starts its work and this is its organizational value because no work, no capital, no land created and continue to create a modern welfare and the ideas that reduce their use per unit of production and exactly that process of their application are a moral responsibility of corporations and the state.

The outlined views of H. Emerson in his opinion should promote the establishment of new ethics management where the subordination of mechanics to human would be replaced by creative organization in the center of which would be highly paid managers (conscious creators and organizers) the main task of which would consist in the fact that each subject at the micro and macro level (human, organization, government) could contribute to the success and appropriateness of any activity (Emerson, 1913, pp. 10–12).

These ideas were further developed in the 80's years of twentieth century. The world-renowned futurologist A. Toffler, considering the changing of role of management and managers in contemporary society, affirmed that exactly managers which he defined as «integrators» became a top of any economic system that control a social production at different levels of the social system and ameliorate the negative effects caused by both scientific progress and human development and as result exactly «integrators», not the owners, not employees, came to power and succeeded (Toffler, 1980, p. 78). The professor at the Institute of international economic researches, the winner of the Nobel Prize in Economics G. Myrdal supported this view. Analyzing the goals of social production in different systems of management, he concluded that «the deepest sense of motivation of changes is the distribution of power in society» (Myrdal, 1981, pp. 41; 49).

Another item of retrospective analysis of creative management was the phenomenon that under influenced attitudes of H. Emerson almost all US universities in 1911 opened a course on scientific management. Further, according to some modern scholars, his approaches to the relation of social phenomena, biol-

ogy and evolutionary theories are reflected to the tectology of Bogdanov, to the general system theory of von Bertalanffy and cybernetics of N. Wiener and later to the relatively new science «socio-nics» («synergy bionics and engineering») although the ideas of H. Emerson are related to efficiency but not the entire spectrum of similarities between systems with different origins (Shchelkanov, Emerson, 1994, p. 539).

In particular, one of the directions of further development of creative management ideas can be considered the analysis of relations «man – the organization» of the theosophy that gave further impetus to the development of management theory. For example, in the early 20's years of twentieth century the famous theosophist Annie Besant (1847–1933) in her book «Esoteric Christianity» predicted the current problems of human interaction (organization) with the environment and the mentoring role (manager) in organization and proposed the principle of «donation» as a rejection of achieving own goals for others in contrast to «need» as the first attempt to achieve own goals (Bezant, 1991). It can be assumed that this approach was the basis of tolerance as one of the three basic principles of creative economy.

Unfortunately, the romantic humanist ideas of creative management about «exclusivity» (service of high ideals) in the theory and practice of management of the twentieth century yielded to the pragmatic technocratic approach «onliness» (belonging to the right decision-making) in the organizational system and the concept of «donation» was not included in the categorical apparatus of social and economic sciences (except law), despite the fact that, in general, all studies of management emphasize the primacy of achieving organizational goals above personal.

However, some parts of creative ideas of management during the twentieth century revealed in the practice of management. A great example of creativity can be the life and scientific organization of activity of famous Soviet physicist, the laureate of Nobel Prize Peter Kapitsa, who can be called «Socrates of creative management of the twentieth century». In general it is believed that Kapitsa was a favorite of fortune who succeeded in his life. For example, in the most difficult years from 1921 to 1934 he worked in England. Kapitsa headed the Institute for Physical Problems, received two Stalin Prizes (1941 and 1943 years), refused to participate in the atomic project of Beria, created a circle of creative ideas (prototype of industrial parks in Silicon Valley) and twice received the title of Hero of Socialist Labor (1945 and 1974 years).

Having a great family education and classical university education, Kapitsa won the affection of famous scientists, known around the world such as Joffe, Rutherford, Vernadskiy and who helped him in protecting his employees and colleagues from external threats by the authorities. He publicly defended his views despite the authorities. Widely known aphorism of Kapitsa which defines the essence of the ideal manager of highly professional organization: «To manage

means not to interfere with good (read reasonable – B. L.) people their work». However, Kapitsa was quite hard fan of discipline and punctuality in management, he was even named as «Centaur of Soviet science» (according to legend when one of the employees of the Institute of Kapitsa was asked: «But exactly who he is, a man or beast?», he replied: «He is a centaur»). Unfortunately, Kapitsa didn't create the organizational theory of management in scientific activity but some of his ideas which have been preserved in the form of notes on sheets of paper or privately can describe creative principles of effective management:

- (Holism): «Science Institute (read: organization – B. L.) is a holistic body and all its parts are important for success. It can be compared to a living organism, for example a small splinter in the finger can sometimes absolutely bring it down and flaws in the smallest area of life of this institute can seriously affect the success of its life and work»;
- (Relationship with environment): «It reminds me a child who with the most well-intentions murdered and tortured his favorite pet. But the child grows, learns how to properly look after his pets and raise them into the useful pets ... Art of living and working with people is to find all good in people in order to develop and use these features»;
- (Discipline): «In the past it was widely believed that discipline is necessary in order to force people to work. This view is wrong. If it's true then this employee should be fired. Discipline is needed to ensure that people agreed to work»;
- (Technology): «A good engineer should consist of four parts: 25% to be a theorist; 25% to be an artist (a machine can not be designed, it must be drawn, so I was taught like this and I also think so); 25% to be an experimenter, that is to explore his machine and 25% to be an inventor»;
- (Creativity): «Any work you can make adorable and interesting if there is an element of creativity in it. Of course, this process of creativity should be understood broadly, it's shown in any activity of a person where a person has no clear instruction but it has to decide how to act ... Collective work is nonsense but team work is the only kind of genuine and fruitful work»;
- (A role of the manager): «In the current conditions the head of scientific work is like a producer, he creates a spectacle, although he does not appear on the stage ... The main weakness is that band-master should not only brandish a stick but also understand the score» (Volodin, 2011; Rubinstein; Goryelov, 2014).

Paradoxically, it can be concluded that the idea of creativity as a new state of management in many ways can appear as a neotaylorism display (in new capacity and a better understanding of this area). Because in modern conditions the causes of inefficiency of management and low productivity remain the same which are determined by F. Taylor at the beginning of the twentieth century (but already concerning intellectual labor in creative economy) and therefore the task of the modern manager is to make a creative team to solve problems through professional learning and intellectual development<sup>7</sup>.

Another impetus for the development of creative ideas of management was the construction of a new organizational morality (ethics) which should contribute to the birth of conscious creators and organizers and they in particular would ensure the success and prosperity of any business (Emerson, p. 12). Again it can be assumed that intuitive views of H. Emerson were based on the principles of moral philosophy<sup>8</sup>. But just he proposed a new «morality of business» (organization) that does not «destroy» but «creates». In future historical development this term materialized into the concept of corporate social responsibility.

In general, in the theory and practice of researches in economics and management the foundations of researches of the principles of corporate social responsibility and business ethics were associated by scholars with the work of Professor G. Bowen «Social responsibility of businessman» published in 1953 (Kompanijets, 2013, pp. 250–251).

In view of our previous studies of issues of moral responsibility of management, it can be assumed that creative school of management grows out of

---

<sup>7</sup> As F. Taylor argued the managing principal goal should be maximizing the prosperity of employer (along with the short-term maximum profit to create development of all aspects of the company to the state of constant flowering) through the continuous learning along with the maximum prosperity of each employee (along with a higher salary to find opportunities of his growth so that he could (as for faster work and his maximum performance) perform the highest quality work to which he is the most capable due to his personal capacity). These three reasons prevent antagonisms and inefficiency:

1. False beliefs of workers that any increase of productivity inevitably lead to unemployment;
2. Weak system of management which forces the workers to limit the productivity in order to protect their interests ( «systematic avoidance of work»);
3. Ineffective methods of work based on «common sense» that require undue costs of effort [22, pp. 109–110].

<sup>8</sup> According to the tenets of the philosophy of morality, the choice of morally right actions based on potential conflicts commitments, ideals and results is the following:

- If two or more conflicting obligations, choose a stronger one;
- If two or more conflicting ideals or ideal comes into conflict with the commitment, honor the important ones;
- If the contradictory actions lead to different results, choose activities which create more good or less evil [23, p. 72–73].

the views on the morality of business and government (Litovchenko; 2015; Litovchenko, 2015)<sup>9</sup>.

In particular, this aspect can be related to the theory of competitive advantage of classic strategic management and international competition of M. Porter who tried to bring to a common denominator the concept of «productivity» and «efficiency» by entering the category of «efficiency of performance» in which he suggested a clear idea of competitiveness at the national level as the cost of output produced by a unit of labor or capital. With growing of the global competition the role of the nation is increasing. Thus, the standard of living of a nation in the modern world depends on its aggregate capacity to achieve a high level of efficiency and performance due to innovations and growth through moral factors such as national values, culture, economic structure, history and institutions and exactly the state should create an environment for efficiency of performance of national companies and their international competitiveness (Porter, Kramer, 2006, p. 40–41).

In the context of social responsibility of business, M. Porter confirmed that: «...the companies take part in the corporate philanthropic activities to avoid scandals and to be loved. This is a dangerous route. Companies need to move away from defensive measures towards the preventive integration of social initiatives in the competitive business strategy. Actually, I think that the business should be proud of itself, business makes the economy work. Money is coming from the business and not from the government. Business shouldn't try to solve all social problems. It should focus on the most notable business operations and that's what I call the corporate competitive context. At the same time business should coordinate a challenge with shareholders and activists «(Social Business Responsibility, p. 7).

Further the ideas of Porter about the social initiatives in a competitive business strategy transformed into his views on the moral purpose of business to contribute to the prosperity of any community. Instead of confrontation of governments which distort the rules and incentives for business and instead of desire of short-term profit of corporations which shy away from social and environmental consequences of their actions, it is necessary to direct their joint efforts to promote the social and business potential of economic development and change the way of thinking of companies and society. «Non-governmental organizations, governments and companies must stop thinking in terms of «corporate social re-

---

<sup>9</sup> It can be assumed that the modern notion of morality (ethics) of Business (die Moral des Geschäft) which differs from the usual human standards has introduced by a classic of world literature Erich Maria Remarque in novel «Arc de Triomphe» (1945). It is interesting to note that in the original version it was mentioned about the «moral conduct of business» (in German language at that time there was no word «ethics»), in English translation it was transformed into the «business ethics», in Ukrainian language into «the morality of traders» and in Russian into « the morality of moneymakers»: «How would the world look like without the morality of moneymakers? The crowd of criminals, idealists and idlers».

sponsibility» and start thinking in terms of «corporate social integration» (Porter, Kramer, 2006, pp. 91–92).

Thus, throughout the history of the theory and practice of management, the creativity somehow was presented as a phenomenon of behavior of transition from response to challenges of the sustainable development to the proactive strategic approach.

Development of the theory and practice of management towards the further analysis of nature of management in the view of the change of vectors of the global economy faces the challenges of global human society. The complexity and difficulty of further researches is in building effective tools for the development of a strategic vision (at the macrolevel) and development of general strategy (at the microlevel) on the basis of a combination of achievements in various fields of the study of the socio-economic phenomena of present and future.

These ideas regarding the establishment of creative school of management have a highly controversial nature because they do not fit into the general tenets of management science as a branch. However, the fact that after the quantitative school in the 50's of XXth century as the final stage of scientific management the emergence of the concepts of situational and system management took over 40 years and we should think about a new phenomenon in the theory and practice of management.

Management of XXIth century is facing the challenges of globalization and the new human quality of professionalism and creativity. The question if the orthodox management is able to survive in modern and natural state of the global environment is still opened to the modern researchers.

The future of idea of the creative organization in the national economy depends on how quickly a new socio-economic environment, the alternative to the existing environment today can be created. In contrast to the modern researches in economics and management, the emergence of creative school of management can give scientists, government officials and businessmen impetus for thinking in the process of development of specific programs for development of productive forces and the efficiency of the national economy.

## References

1. Florida, R. (2007). Creative Class: People, who Change the Future, M.: Publishing House «Classics of XXI», p. 432 (in Russian).
2. Lindner, P. (n. d.). Creative Industries: from Theoretical Models to Real Projects. Retrieved from: <http://www.hse.ru> (in Russian).

3. Kuryliak, V. (2013). Creative economy as a new paradigm of postindustrial civilization. In: Kuryliak V., Zhyvko M., Litovchenko B. (eds.), *Journal of Academy of Customs Service of Ukraine*. Issue «Economy» 2 (50), pp. 92–98 (in Ukrainian).
4. Bilorus, O., Honcharenko, M., Lukjanenko, D., et al. (2001). Globalization and Security of Development: *monograph*. Under edition of Bilorus O. H., NAS of Ukraine, Institute of World Economy and International Relations, Kyiv National Economic University, International Institute of Globalistics, Kyiv: KNEU, p. 733 (in Ukrainian).
5. Prodius, O. I. (2012). Creative Management as a key to efficient modern management. *Economics: time realities*, 3–4 (4–5), pp. 67–72 (in Ukrainian).
6. Doroshenko, O. S. (2010). Creative Economy in the Paradigm of the Global Development. *Bulletin of Ternopil National Economic University: «Economic sciences»*, issue 5–2, pp. 76–82 (in Ukrainian).
7. Halakhova, T. O. (2014). Creative Industries: Theoretical and Methodological Approaches of Studying. Scientific bulletin of Kherson National University. 9, pp. 9–13 (in Ukrainian).
8. Litovchenko, B. (2015, June) Globalization and Moral Management Responsibility. *Journal of European Economy*, 14 (2), pp. 109–127.
9. Litovchenko, B. (2015). Creative School of Management for Creative Economy: Time Challenge or Illusion. *Economic Discourse. International collection of scientific researches*, 4, pp. 5–10 (in Ukrainian).
10. Kredisov, A. I. (2009). Management in the historic development as a theory. K.: *Science of Ukraine*, p. 515 (in Ukrainian).
11. Encyclopedia of Wisdom. (2007). publishing house: «Bukolika», p. 814 (in Russian).
12. Litovchenko, B. (2012, December). Development of the Theory and Practice of Management: metaphysics vs physics. *Journal of European Economy*. 11(4), pp. 381–401.
13. Manage science: from the history of management. (1993). Reader: Tutorial, translated from Russian by Kozij L., Matrokhina M., Pyrozhenko P., Kyiv «Lybid», p. 304 (in Ukrainian).
14. Emerson, H. (1913). *The Twelve Principles of Efficiency* (Third Printing). NY, *The Engineering Magazine Co*.
15. Toffler, A. (1980). *The Third Wave*. NY, p. 531.
16. Myrdal, G. (1981). *Value Judgement and Income Distribution*. NY, p. 581.



17. Shchelkanov, S. V. (1992). Twelve Principles of Productivity (by Kardash V. S.), 2-nd edition. M.: *Economy*, 64 (6), 1994, pp. 539–541 (in Russian).
18. Bezant, A. (1991). Esoterizm of Christianity (or the Little Stories). Trans. from English by Pysarieva S. Retrieved from: <http://Koob.ru.58> (in Russian).
19. Volodin, M. (17.06–23.06. 2011). Soviet «Centaur». Kapitsa S. *First Crimean Informational and Analytical Newspaper*, # 378. Retrieved from: <http://www.lk.com.ua> (in Russian).
20. Rubinstein, L. (n. d.). *Piotr Kapitsa – live honestly*. Retrieved from: <http://www.rus-gall.livejournal.com/6277.html> (in Russian).
21. Goryelov, O., Kapitsa, P. (2014, September). *Chief Time* # 39. Retrieved from: [http://www.chief-time.ru/people/list/petr\\_kapitsa\\_/](http://www.chief-time.ru/people/list/petr_kapitsa/)
22. Pugh, D. S., Hickon, D. J. (1989). *Writers on Organizations*. L.: Penguin Books, p. 234.
23. Shaw, W. H. (n. d.). *Business Ethics*. Wadsworth Publishing Co. Belmont, California, p. 400.
24. Kompanijets, V. V. (2013). The Essence of Corporate Social Responsibility: Basic Approaches of the Western Scientific Thought. *Bulletin of Khmelnytskyi National University*, 1 (4), pp. 250–251 (in Ukrainian).
25. Litovchenko, B. V. (2015). Globalization and Development of Responsibility of the National Management. *Bulletin of the Economic Science of Ukraine*, 2 (29), pp. 47–52 (in Ukrainian.).
26. Porter, M. (1994). Summary of the Theory of Competitive Advantage. Marcic, D., Pufler, Sh. *Management International*, West Publishing, p. 460.
27. *Social Business Responsibility: understanding and implementation* (2005). K.: KIT, p. 30 (in Ukrainian).
28. Porter, M., Kramer, M. (2006). Strategy and Society: the link between Competitive Advantages and Corporate Social Responsibility. *Harvard Business Review*, 84 (12), pp. 78–92.