

Career Guidance Model for Digital Transformation in the Cultural and Creative Industries

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Abstract. Cultural and creative industries are undergoing a digital transformation. To successfully use the opportunities of information technologies, it is necessary to invest in human capital. A successful, digitally based, accessible and inclusive career guidance system is one of the preconditions for the development of countries, organizations and individuals.

Keywords: Cultural and Creative industries, Digital Transformation, Human Capital, Information Technologies.

1 Introduction

The development of information technologies (IT) is transforming all areas of human activity, from daily activities (Grigorescu, Pelinescu, & Forica Ductas, 2021), international policy planning, economy (ILO, 2020), industry and organizational models (ILO, 2021), education (Spurava, Kotilainen, & Holma, 2021) and culture (Schiuma & Carlucci, 2018).

IT are recognised as one of the main forces driving society (Wren, Kumar, White, & Strachan, 2019), they are set to drive future growth across industries (WEF, 2020). Technological change lies at the heart of economic growth (Romer, 1990). Adapting to the changes of the digital transformation, taking advantage of them and mitigating the risks is a priority at the global level (Decision (EU), 2022).

However, investing in technology infrastructure is not enough to achieve the goals set out in digital transformation policies and plans. Studies have shown that development of human capital is a key driver of economic success, individual well-being, and social cohesion (WEF, 2020). IT also transform human capital - it must accumulate technical competences and create a new positioning between itself and machines, virtual space, artificial intelligence (Grigorescu, Pelinescu, & Forica Ductas, 2021).

The aim of the paper is to analyse the impact of digital transformation on the requirements for the workforce of the cultural and creative industries and to develop a career guidance model that meets these requirements.

To achieve the aim, the following objectives were set:

- To analyse academic literature, legislation, policy planning documents, reports, studies and publications on digital transformation in the cultural and creative industry and in career guidance;
- To summarise the theoretical sources and develop a model for: 1) digital transformation in the cultural and creative industries, 2) digital-based career guidance for cultural and creative industries.

The importance of the study lies in the recognition that the career guidance system for employees of cultural and creative industries in the context of digital transformation is a little-studied issue, although it should receive increased attention due to the negative consequences left by the restrictions of Covid-19 on the employment in the sector and the situation on the labour market. There has also been little discussion of the opportunities for human capital development in the context of digital transformation, as researches have mainly focused on identifying the risks and challenges of IT integration, including skills gaps and talent shortages. However, there is a lack of solutions on providing personalised support to workers already on the labour market, combining a human-centred and digitally-oriented perspective. A career guidance system implemented in a digital environment has two major advantages: (1) the digital environment reduces barriers to accessibility, and (2) providing the service in a digital environment indirectly develops the digital competences of represent-actives of the industry.

2 The Role of Information Technologies in the Development of Cultural and Creative Industries

The development of IT has a direct and diverse impact on the cultural and creative industries. Research shows that no country, industry, or organization should ignore digital transformation (Gorenšek & Kohont, 2019). The need for employees with competences in IT has been identified not only by the IT industry. IT are integrated into almost all sectors, industries (Korn Ferry, 2018) and more and more non-tech companies continue to develop technological infrastructure, as a result the demand for upskilling with technology skills or reskilling will continue to grow (Armstrong, 2022). This finding is also relevant in the context of the cultural and creative industries. In the cultural and creative industries, technology solutions are present in the development, production and delivery of new products and services (IDEA-Consult, Goethe-Institut, Amann, & Heinsius, 2021) as well as in the improvement of existing products and in the preservation of cultural heritage.

The digital environment fosters the potential for creativity and for equal access to democratic and inclusive culture (Pasikowska-Schnass, 2020). Technologies help both to monitor cultural objects (Farmer, 2021) and deliver personalized content to visitors of cultural objects (Ivanov & Velkova, 2022), by offering new opportunities for creativity, new consumer experiences (WEF, McKinsey & Company, 2018). Digital technologies make a valuable contribution to the delivery of content of arts and humanities studies, by increasing engagement, promoting motivation, providing new experiences and helping students in acquiring knowledge and new facts (Staneva, Rasheva-Yordanova, & Borissova, 2022).

3 The Role of Human Capital in the Digital Transformation of the Cultural and Creative Industries

Many studies have been developed on the importance of human capital at the economical, societal and organizational level, highlighting the direct and indirect effects of human capital on the economy and digital transformation. Within the framework of this work, human capital is understood as knowledge, skills, experience, and competence, acquired by an individual's learning and training activities (Known, 2009).

Human capital defines value of the national economy (Horban, Dolbenko, Yaroshenko, Sokol, & Miatenko, 2021), plays a major role in the creation of new societies, where it shapes the specific character of both countries and organisations through its knowledge and skills (Bontis, Dragonetti, Jacobse, & Roos, 1999; Diebolt & Hippe, 2019). It is a driving force for a country or organization, ensuring their competitive advantage (Kuznetsova, 2016). Individual human capital has a direct impact on organizational human capital (its 'collective competencies, organizational routines, company culture and relational capital) (Known, 2009). It is recognised that no other form of investment is more productive than investment in human capital (Buchoud, et al., 2021). Researchers argue for a shift from a natural resource-based to a human resource-based and knowledge economy, since knowledge has become the engine of the social, economic, and cultural development in the today's world (United Nations Economic Commission, 2002). Creativity, and therefore the cultural and creative industries, play an increasingly important role in generating economic benefits and societal well-being (Buchoud, et al., 2021; Pasikowska-Schnass, 2019).

Within the scope of this paper, human capital in the creative industries is understood as part of cultural and creative employment - individuals working in the cultural and creative industries (OECD, 2022). Less attention is paid to those with cultural and creative occupations outside the industry.

Human capital plays a dual role in digital transformation. People are both the contributors to technological progress through their knowledge in developing it, and the creators of the demand for new technological solutions since technological change arises because of intentional actions taken by people who respond to market incentives (Romer, 1990).

The ability of global companies to harness the growth potential of new technological adoption is hindered by skills shortages (ILO, 2020). Skills gaps in the local labour market and inability to attract the right talent remain among the leading barriers to the adoption of new technologies (WEF, 2020). The EU Human Capital Indicators analysis shows that digital competence remains insufficient for Europeans, with only 54% at the basic level and 26% above the basic level, despite a relatively well-developed digital connectivity infrastructure. The integration of digital technologies in business is also underperforming. Only half of small and medium-sized enterprises (SMEs) have at least a basic level of digital intensity (The Digital..., 2022). SMEs represent 99% of all businesses in the EU (European Commission, 2023), and they dominate the majority of cultural activities within European Union (IDEA-Consult, Goethe-Institut, Amann, & Heinsius, 2021). To capitalise on future innovations, new opportunities for audience

engagement, interdisciplinary projects, there is a need to address the digital skills shortages and improve digital access (Culture shock..., 2020). Research on the skills of the cultural and creative industries shows a "skills paradox": despite the fact that the creative workforce is generally better educated than average, there are certain skills gaps that hinder the development of the industry. Both entrepreneurial and digital skills need to be developed (The Culture..., 2022; Creative Disruption..., 2018; Digital Culture..., 2019). Studies show that the industry adapts too slowly to technological changes. 33% of employers recognize a skills gap, 30 - talent shortages, and most of them recognize that digital and business skills will be most in demand in the future (Bowes, et al., 2018).

Author of this paper argues that the most effective investment to stimulate economic growth in the digital transformation is investment in education and career guidance. Within the framework of this work, career guidance is understood as “a range of activities that enable citizens of any age, and at any point in their lives, to identify their capacities, competences and interests; to make meaningful educational, training and occupational decisions; and to manage their individual life paths in learning, work and other settings in which these capacities and competences are learned and/or used” (Jackson, 2014).

Author of the paper has developed a two-way digital transformation model for the cultural and creative industries (see Fig. 1.). IT is shaping industry, creating a demand for technologically educated workers. and developing new business models. However, it has been found that the potential of the technology is still not being fully exploited and digital transformation takes hold (Bridging digital ..., 2021). The main obstacle to turn technological capabilities into economic benefits lies in human capital.

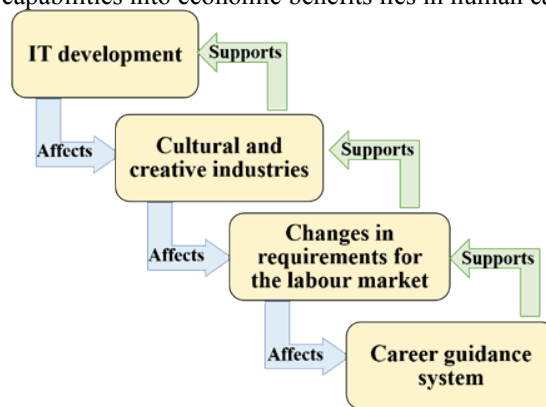


Fig. 1. Digital transformation of the cultural and creative industries.

The digital transformation of the cultural and creative industries can be fully realised by investing in human capital. A career guidance system is a system that helps an individual to be competitive in today's dynamic working environment.

According to Schultz, the investment in human capital can be classified into investment in (1) schooling and higher education, (2) postschool training and learning, (3)

preschool learning activities, (4) migration, (5) health, (6) information, and (7) investment in children (Schultz, 1972). Career guidance for labour market participants involves postschool training and learning as well as information and education, since today's dynamic labour market requires individuals to learn, upskill and reskill lifelong. Research shows that the learning activities increase an individual's potential to succeed in the labour market (Vinokur, Schul, Vuori, & Price, 2000).

4 Career Guidance for the Cultural and Creative Industries

Contemporary theories of career development see the individual as a proactive person (De Vos & Soens, 2008). The jobseeker must be able to understand the situation, see opportunities, learn, find solutions and network (Briscoe & Hall, 2006). A career guidance system should be available to enable individuals to develop career management skills (Sultana, 2008) lifelong, since lifelong guidance is at the heart of career development services (Cedefop, Harrison, Villalba-Garcia, & Alan Brown, 2022). The rapidly changing labor market and society make career guidance activities more important than in the past, since individuals face more challenging career paths and career decisions (Rochat, 2022).

A modern career guidance system in the cultural and creative industries is important because the sector is inherently more precarious than other. More than 30% of the workforce is self-employed, work is project-based, non-standard, career pathways are not traditional. This has a negative impact on social protection, income, job stability of employees. The situation was made even more difficult by the Covid-19 pandemic, where lockdowns and social distancing measures led to a 2.6% fall in cultural and creative employment (compared to a 1.3% fall in total employment) and a more than 30% drop in total turnover in the industry (The Culture..., 2022). Research shows that cultural and creative workers tend to look for jobs in other sectors during crises and not to return to the sector after recessions (Woronkiewicz, 2015) therefore, the negative medium- and long-term effects on the workforce should be mitigated through a career guidance system.

The author of the paper has developed a career guidance model for the cultural and creative industries, adapting the model of digitalization across the employee lifecycle (see Fig. 2.). First, the author proposes to add a self-awareness phase at the beginning of the digitalized employee lifecycle mentioned above, since career decision should start with self-awareness. Secondly, a career guidance function needs to be placed in the background of the whole cycle, as technology can support the individual at all stages of career decision-making. Thirdly, the non-linear nature of the career decision needs to be highlighted. Applying for a job may not end with the selection process, which may return to self-exploration, learning or seeking new opportunities.

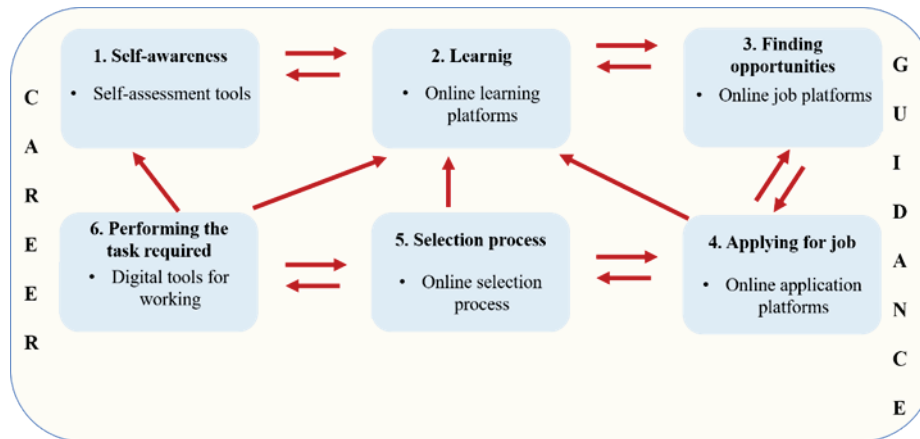


Fig. 2. Career guidance model for the cultural and creative industries.
 (Adapted from (An inclusive..., 2021))

The proposed model aims to achieve two goals. First, it supports cultural and creative professionals in their professional development or career transitions. Secondly, the career guidance model, which makes career guidance services available in a digital environment, also contributes to the digital competences of people working in the cultural and creative industries, thus strengthening human capital for a more successful digital transformation of the industry. Finally, it contributes to an equal and inclusive working environment. Career guidance should be accessible to everyone, but research has found that access barriers still exist (Irwin, Lipsey, & Coronel, 2021). Barriers are conditions, policies, or attitudes that discourage or make it difficult to use a particular service, amenity, practice, product, or information (Overview of..., 2018). IT helps to create an inclusive environment where individuals can access services at a convenient time, place and in an acceptable manner (Career Guidance..., 2004). This approach is in line with the 2030 Agenda for Sustainable Development, which states that no one should be left behind (UN General Assembly, 2015).

5 Conclusions

The cultural and creative industries need to embrace digital transformation to remain globally competitive and to recover more successfully from the Covid-19 pandemic. Integration of IT allows to improve efficiency, optimize resources and create innovation. Digital transformation requires people with digital competences, therefore investment in human capital is recognized as the most effective investment for developing the competitive advantage of countries and companies. A career guidance system can support an individual's career decisions throughout their life. It should therefore be accessible and responsive to the dynamic labor market. A digital transformation model based on the lifelong guidance of labor market participants, as well as an inclusive career guidance system that is accessible to all and that promotes the development of

digital competences of cultural and creative industries workers, are the basis for a successful digital transformation of the industry.

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