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Production Activity Essence and Producer's Role in the Field of Project Management in the Creative Industries

Abstract: *Introduction.* The emergence of the cultural and creative industries market as a full-fledged business sector has given rise to new mechanisms for interaction between business entities in the cultural sector. This led to the emergence of a new type of manager – the producer. Its emergence in the cultural sphere necessitated a theoretical understanding of the production activity essence. However, today there is no single definition of the terms “producer” and “production”, and no coherent system of understanding the essence of production as a special type of management activity. *Purpose and methods.* The purpose of the article is to provide a comprehensive analysis of the essence of production activity and the role of a producer in the field of project management in the creative industries. The theoretical and methodological basis of the study is the principles of the project approach to management and their implementation in the field of cultural economy and creative industries. *Results.* The essence and content of production activity in the context of creative project management are revealed. The article analyses the areas of producers' responsibility and their hierarchy in the organisational structure of a creative project. The list of personal qualities and professional competences of the producer is studied and recorded. *Conclusions.* The scientific novelty of the obtained results lies in the clarification of the production activity essence and the producer's role in the organisation of creative cultural and artistic projects and processes. The significance of the research results lies in the fact that they can be used in the educational process when developing a list of competencies and standards for the speciality “producer of creative projects” and curricula.

Keywords: producer, production, creative industries, film industry, entrepreneurship, competences, production models.

1. Introduction

The problem formulation. The term “producer” came into use in Ukraine in the early 90s, when Ukrainian show business actually began to emerge. Concert organisers, tour directors and other figures of the former Soviet culture became “producers”, thus denoting their new status. The emergence of a new sector of entrepreneurial activity generates a new professional glossary, necessitates updating the list of professions and formulating qualification requirements for them. In Ukraine, this process developed spontaneously until 2015. It was only with the acceptance of creative industries as an independent economic segment that a conscious approach to the entire spectrum of creative professions began to emerge in the country. At the moment, there is no unified methodological framework for the economic activities of cultural and creative industries subjects, so key issues remain open.

While in the 1930s and 1960s, production was most actively developed in the film industry, and since the mid-20th century – in show business, today this type of activity is most in demand at the intersection of different types of arts and creative practices – in cultural and cross-sectoral projects (Finkel et al., 2017). This poses new challenges for professionals in terms of their professional competencies and practical skills, the education sector faces ambitious tasks to develop a modern methodology for training professionals, and researchers and analysts face the challenge of developing a single comprehensive methodology for developing the creative sector as a whole and, in particular, regulating the types of activities and the list of business entities.

At the turn of the nineteenth and twentieth centuries, the need for new forms of connecting artworks with their consumers, for the organisation of an “art market”, first arose and was immediately met. On the one hand, works of art began to be massively replicated, their number was increasing dramatically; on the other hand, they began to be produced with the mass consumption intention. The system of organising cultural consumption and the initiation of demand for works of art have become new phenomena in cultural life. It was a need for an intermediary between art and the public. This led to the social order for the emergence of a producer as a professional in this segment.

The prerequisites for the request for production activities were qualitative and quantitative, revolutionary and at the same time evolutionary changes associated with the processes of industrialisation, urbanisation, demographic explosions, the emergence of new modes of transport, media development, the increase in literate people, etc. The end of the nineteenth century is generally considered to be the starting point for the formation of “mass culture” and the introduction of the law on compulsory general literacy in the UK.

Against the backdrop of the emergence and flourishing of mass consumer goods production, the invention of cinema and other revolutionary events in the world, trends of global change have emerged that have determined the transformation and restructuring of the socio-cultural segment as a whole (Hung, 2020). There was a need to obtain specific art products that a traditional author/artist could not provide. An intermediary between the creator and the market, a producer, was needed. You can also find other names for this speciality: manager (in England), impresario (in Italy), producer (in America).

The development of production institute is due not only to the complexity of the modern complex of economic and creative tasks. A producer is a phenomenon of our time, which has absorbed most of the achievements of mass culture and art. In the post-Soviet information field, the producer is seen as the last link in the triad of “entrepreneur-administrator (manager)-producer”. This tradition originates in the field of theatre management. We believe that such an evolution of concepts and professions is quite reasonable.

An entrepreneur can be the owner of an entertainment attraction – an enterpriser. He or she rents out performances, opens a new theatre, or helps a creative team express themselves. A theatre entrepreneur is not always an owner, but always a manager. The replacement of an entrepreneur with an administrator in the music industry can be explained by the general trend of dividing functional responsibilities between creative project participants. Many performers chose their own repertoire, decided on the general style, arrangements, and even concert image, and the collectives often adopted the primacy of collective creativity (Rae, 2017). The manager of the performer or group controls the finances and manages the personnel serving the performer or group. A producer is projects and creative products maker. This can be a single pop performance, a series of concerts, recording an artist's album, shooting a music video or film, or creating a band. The producer is looking for a team to implement the project, money, manages the work required by the technology, promotes it, etc. At the same time, he assumes all financial, psychological and social risks. By the nature of the work, a producer is similar to an entrepreneur, but with expanded responsibilities. A producer creates a project and hands it over to an entrepreneur for “exploitation” (rental). The functions of an entrepreneur include a manager, and the functions of a producer include the functions of an entrepreneur.

So, as we can see, the understanding of the functional area of a producer's responsibility in the context of implementing a cultural and artistic project is currently quite controversial and ambiguous. That is why it is an important and relevant topic for scientific research to highlight the essence of production activities and define the role of the producer in the field of project management in the creative industries.

State study of the problem. The producer's profession has gained widespread use and relevance in our time and is mostly used in the film industry, television industry, music industry, show business, and computer games industry, and is also actively being introduced into the blogging and SMM spheres. The production issue in the creative industries is being actively studied by scholars from around the world. For example, the French film producer and screenwriter Yves Rousset-Rouard (1975), in his scientific work "Profession: producteur", expresses the idea that the role of the producer in various forms and models of film production is fundamental, as the finished film is the end result of the hard work of the producer and his team. David Bordwell and Kristin Thompson (1985), a film theorists and film historians, explore various aspects of cinema, including the production and filmmaking process. Professor of media, music industry, and culture David Hesmondhalgh (2005) has made a significant contribution to the study of production in the music industry, with his research focusing on media and cultural industries, critical approaches to media in the digital age, and the sociology of music. Tracy Fullerton (2018) – a well-known game designer and academician studies the creative process of developing computer games and the producer's role in it.

Among the domestic scholars who have studied the institution of production, we can single out Halyna Pohrebniak (2020), who researches the issues of auteur cinema in the artistic culture of the second half of the twentieth and early twenty-first centuries, in particular, she studies the production cinema model in Ukraine. Zinaida Alforova (2021), in her article "Production of audiovisual works in Ukraine: evolution of the model and development prospects" and Serhii Lavreniuk (2021b), in his article "Producer in the culture of audiovisual production" study the cultural and artistic activities in the audiovisual sector, including production. Ihor Lihuta (2021) explores the problems of production in market conditions, while Kateryna Afanasieva (2011) and Andrii Smyrnov (2019) study production in the field of law. Therefore, as we can see, based on the above scholars and their works, the issue of highlighting the essence of production activity, its main functions, as well as the professional competencies of the production profession in the context of the creative industries remains important.

Unresolved issues. One of the main unresolved issues is the concept definition and the fixation of the producer's main functions. The lack of a common understanding leads to a lack of a unified list of professional skills and competences, which significantly complicates specialists' training and selection process. There is also no single interpretation of the concept under study, which raises an administrative issue. In particular, regarding the registration of a type of economic activity by economic entities.

2. Purpose and methods

The purpose and research tasks. The purpose of the article is a comprehensive analysis of the production activity essence and the producer's role in the field of project management in the creative industries.

To achieve this purpose, the following research objectives were formed:

- to highlight and analyse the content of the producer's activity;
- to identify the main qualities and professional competences of a producer;
- to analyse the Western European and American models of production to identify the possibilities of their extrapolation to domestic realities;
- to identify the factors of effective production activity as a specific type of entrepreneurship in the creative sector.

Methodology and methods. The theoretical and methodological basis of the study is the principles of project management and economics of cultural and creative industries, a systemic and synergistic approach to the study of economic phenomena and processes associated with the development of dynamic socio-economic systems, scientific developments of domestic and foreign scholars on entrepreneurial activity in the field of creative industries.

The following scientific techniques and methods were used in the research process: abstract and logical (to clarify the essence of the producer and production activity concept, to formulate conclusions and proposals); system analysis (to reveal the essence of production and its types; to determine the relationship between entrepreneurship and the creative process; to describe the system “entrepreneur-manager-producer”; to structure the hierarchical system of producers; to identify the factors of effective production activity); comparativistics (to distinguish between levels and types of producers); comparative analysis (to identify the peculiarities of production activities in different sub-sectors of the creative sector; to study the Western European experience of production; to identify potential opportunities for implementing the experience of other countries in domestic realities); analysis and synthesis (to record the main producer's functions in the cultural and artistic product creation, as well as in the creative industries in general); graphic (to visually display the relationship between producers' functions and hierarchy).

Information base. The information base of the study is based on the current legislative and regulatory acts, in particular the laws of Ukraine “On Cinematography” (Verkhovna Rada of Ukraine, 1998) and “On Copyright and Related Rights” (Verkhovna Rada of Ukraine, 1993), scientific literature on creative industries, production, audiovisual art, and production, specialised websites on the topic of the study, as well as personal observations and practical experience gained through working as a line producer at the visual communications agency “Ardens Group”.

3. Results and discussion

3.1. Content of production activities

Today, the production profession is in demand in many cultural industries, has a multidisciplinary nature, and is widely used in modern society. As a result, today there is a certain dissonant perception of this profession content. Specialised literature contains many definitions of the term “producer”, both in terms of law, creative and administrative. So, let's look at this issue from both sides and determine the more optimal content for the production profession.

In general, the term “producer” is translated from English and Latin “*produco*” as “I produce” (Melnychuk, 1974). A fairly large number of definitions are narrowly focused and concentrated on only one area of activity. For example, a modern dictionary of the Ukrainian language gives the following definition: “A producer in cinema is a trustee of a film company that performs ideological, artistic, organisational and financial control over the creation of a film” (Dubchynskiy, 2009, p. 1008). *Yurii Yutsevych* (2003) in his work “Music. Dictionary-reference” describes a producer as “a person who is responsible for the quality of a concert or recording, the number of musical pieces, their order, design, etc.” (p. 211). From the proposed definitions, we see a focus on either the film industry or the music sector. However, this approach does not offer a universal definition of a specific type of activity that would be implemented in each individual subsector of the cultural industry, taking into account its specifics.

The Ukrainian legal framework provides several other interpretations of this type of activity. Thus, according to Article 1 of the Law of Ukraine “On Copyright and Related Rights”: “a producer of an audiovisual work is a person who organises or arranges and finances the creation of an audiovisual work” (Verkhovna Rada of Ukraine, 1993). And the Law of Ukraine “On Cinematography” of 1998, No. 22, Article 114 states: “A producer is a natural or legal person who organises or arranges and finances a film production and distribution” (Verkhovna Rada of Ukraine, 1998). The first definition focuses on the production of an audiovisual work in general. It is broader than the second definition, which refers to a film as the final product. Audiovisual production includes films, music videos, video clips, and computer and video games. However, these definitions leave out the production of audio products. A more precise fixation of the areas of activity at the theoretical, methodological, and legislative levels is appropriate and is conditioned by the peculiarities of the final product and the technologies of its creation and consumption.

In our opinion, the most accurate, universal, and meaningful definition is the one offered by the Ukrainian state electronic resource “Great Ukrainian Encyclopedia”: “A producer is a specialist who is responsible for organising

and producing a film, television, music or other projects, comprehensively solving managerial, legal, financial, administrative, technological, creative problems – from team formation to sales and promotion of the product” (“Prodiuser”, n.d.). According to this interpretation, the producer is presented as a key person in the cultural industries – a manager who implements a creative project with the help of four classical management functions: planning, organisation, motivation and control and acts as a link in the entire production process.

It is also worth analysing the understanding of the production essence from a commercial point of view. After all, a cultural and artistic production by a producer involves a commercial product creation. That is, the aim is to sell it and make a profit. The producer performs the entrepreneurial function and is responsible for the financial results of the entire project, its security and reporting, and assumes all risks associated with its implementation.

Therefore, as we can see, this term is considered by researchers from different perspectives and based on different methodological and functional bases. We can conclude that a generalised understanding of this profession in the context of the creative industries is as follows: a producer is a person who carries out entrepreneurial activities and implements a cultural and artistic project at his or her own risk on a creative, organisational, managerial, administrative, technological and financial basis to sell the final product and make a profit.

Based on a detailed analysis of the term “producer” content and its multifaceted activities definition, it is obvious that there is a certain classification of producers' types in the audiovisual sector, which distinguishes a specific type based on a particular function. Thus, *Kateryna Afanasieva* (2011) distinguishes the following types of producers:

- general producer – a specialist who ensures the full implementation of the entire project and is the main manager among other producers;
- executive producer – a trustee of the studio who is the head of the film crew and performs administrative functions;
- financial producer – a person responsible for finding sponsors and investors;
- sales producer – a person who is responsible for the sale of an audiovisual work and, as a result, receiving profit for it.

In the literature on the legal framework of the audiovisual sector, the following types of producers are distinguished (Smyrnov, 2019, p. 74): *general producer* – heads a production company or creative project, he is responsible for the implementation of all components of his company's creative projects, namely: financial, organisational, technical, creative. He searches for new partners and clients, forms the team, plans and concludes budgets and contracts, controls the entire process of project implementation, and contribute to the formation of a favourable microclimate within his company; *executive producer* – subordinate to the general producer, he is responsible for the finan-

cial, administrative and creative components; *co-producer* – subordinate to the executive producer, he is his right hand, he is responsible for project financing and is more involved in the daily production; *field producer* – responsible for finding locations for filming, resolving all issues related to signing contracts for filming permits; *associate producer* – a producer who performs some of the executive producer functions and assists him in financial, creative and administrative matters; *line producer* – a producer who controls the project budget and its daily production process. He is a real practitioner, organiser, and the key person responsible for the entire workflow, controls the financial flows of the budget, actual expenses, and the work schedule following the planned production schedule, is also responsible for storyboarding and sequencing of scenes; *post-production producer* – responsible for all types of work that take place at the editing stage: editing, sound, controls the timing of work under the production schedule and lease agreements for premises and equipment.

Nina Ovsianikova (2018), in her research paper “Functional aspects of the activity of a creative producer”, defines another type of production speciality – creative producer. The creative producer is also responsible for building a creative team and selecting the necessary personnel for the project: script-writers, directors, cameramen, production designers, make-up artists, costume designers, etc. The author takes a closer look at his/her functionality and notes that he/she is responsible for the audiovisual project's creative component.

The analysis of scientific papers has shown that each researcher defines his or her own types of producer's profession based on a certain set of functions. Analysing the list of functions and the specifics of each, we can conclude that the classification of producer types also implies a certain hierarchy of subordination (*Figure 1*).

We can identify the key functions of a producer as a creative project manager:

- strategic function (forecasting the relevance and feasibility of a potential cultural product);
- expert function (analysing the market situation, studying its trends);
- organisational and administrative function (recruitment of the necessary staff for the project and team management);
- social and psychological function (establishing a favourable microclimate within the project team);
- distribution function (selection of an effective marketing strategy and channels for promoting the audiovisual product).

The hierarchy of production activities is also determined by the scope and level of responsibility, the right to make decisions and dispose of available resources, the right to profit from the sale of the product, and the terms of remuneration. Thus, we can offer a generalised list of the producer's functions as a business entity and a key figure in the creative industries sector:

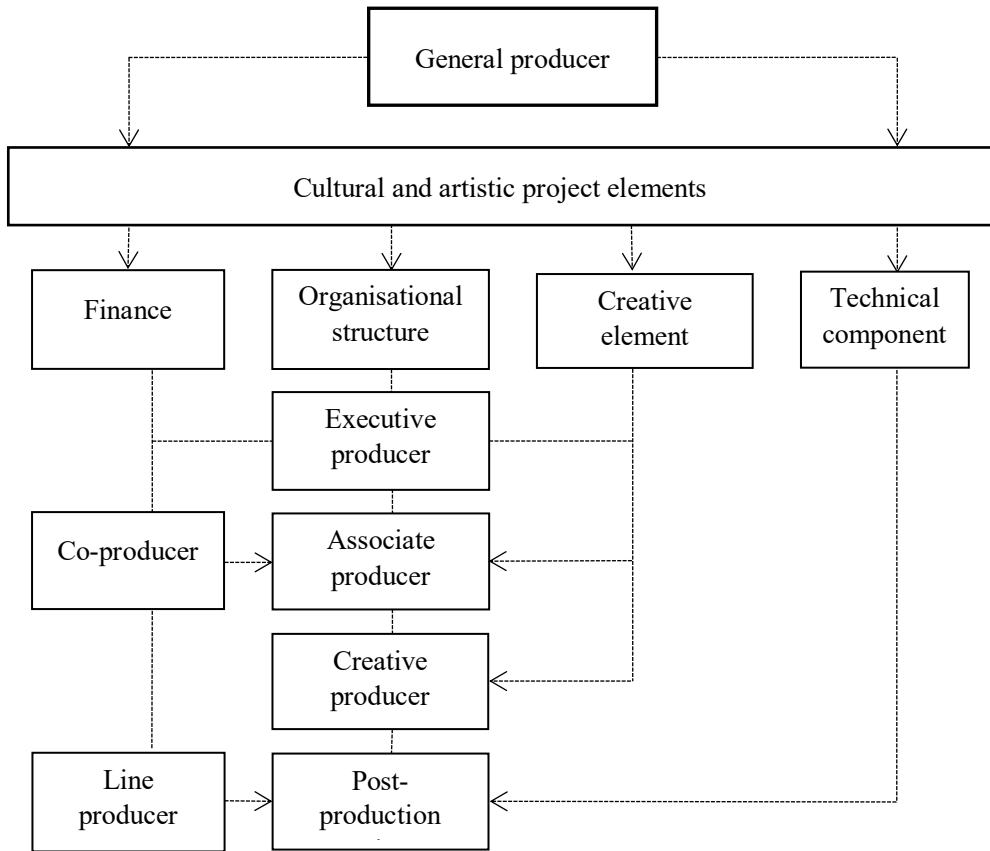


Figure 1. Types of production activities, their subordination hierarchy and functional areas of responsibility

Source: own development

- organising a project team and bringing people together in a creative team;
- creation of new consumer audiences and/or subcultures;
- shaping demand and taste (concerning the products produced). Responsibility for the value judgements of consumers;
- resources accumulation and management (human, managerial, financial);
- attracting investments;
- competitive business environment activation by creating the necessary infrastructure;
- creation of new institutional forms and social technologies of interaction based on copyright and production processes;
- transforming unconscious needs into conscious interests, tastes, and traditions.

All of the above leads to the fact that the activity of a cultural product producer is both natural and socially justified. However, it also gives rise to the producer's responsibility for educating the audience in certain traditions.

Today, production includes the following activities (Kryeziu, 2019):

- organising the development of project implementation plans, determining ways and methods of their implementation;
- participation in the selection of personnel for project implementation and ensuring their rational deployment;
- activities coordination of all parties interested in the project;
- organising a range of activities in the course of project implementation, providing them with the necessary means;
- taking measures to ensure the most efficient use of material and financial resources, strict adherence to the economy regime, and control over their use in the process of project preparation and implementation;
- studying and analysing domestic and foreign literature on the subject of the projects being implemented;
- organisation of advertising campaigns related to the developed projects, selection of forms of artistic value, as well as payback and profitability.

This list emphasises the importance of the producer's role and his or her multifaceted contribution at every stage of cultural and artistic projects creation and implementation.

3.2. Producer personal qualities and professional competences

An important specific factor in successful production is the personal qualities and character traits of the producer. For example, *Tetiana Borysova* (2014) in her work "The main directions of the formation of the producer's personality in the context of cultural identity" identified the following personal qualities of a successful producer: "high moral standards, constant self-improvement, creative thinking, optimism, self-confidence, high demands on oneself and one's team, general erudition" (p. 259). The author also notes the producer's professional qualities, which include: "organisational skills, the ability to control the entire creative team actions, sociability, effective creative contact with subordinates, and the ability to resolve conflicts promptly" (p. 259). In essence, a generalised list of a manager/entrepreneur's professional qualities in the field of cultural and artistic project activity is presented.

Based on the above-mentioned functions, personal and professional qualities, a producer should possess a whole range of professional competences in his/her activity, which include not only the implementation of a cultural and artistic project as a cultural product but also forecasting its level of demand among the target audience in the market. A very important point is the asse-

ssment of the ideological and artistic concept potential of the project itself. The project's general idea and concept should be relevant to society and relate to either the economic, social, or political situation. A producer must be able to analyse thematic and genre trends; see the creative potential of the script-writer in order to get the expected result in the course of work; be able to choose a talented stage director and cooperate in creative tandem with him/her; know the legal framework for producing and comply with all copyright regulations; be able to create and analyse a business plan for a project; ensure the project financial component; be able to choose an effective marketing strategy; organise and manage a film crew of professional staff; form a perfect organisational structure of the project team; conclude legal agreements, sign contracts, conduct business negotiations; maintain public relations; understand the essence of a production project (in the film industry) and correctly determine the ways of its implementation; be able to control the entire production process; ensure a favourable microclimate within the project team; find an approach to creative people; understand editing technology; be able to analyse and give a “healthy” assessment of the finished cultural product, assess its market opportunities (Lavreniuk, 2021b). All these competences make a producer a multidisciplinary specialist who combines managerial skills, business and economic knowledge, and cultural and artistic knowledge.

The purpose of the producer's activity is to produce and successfully sell a valuable and profitable cultural and artistic product that will be in demand on the market (Rodnianskyi, 2016). However, there is no specific well-established model with a set of specific tasks for successful production. Since the producer's field of activity is creative, most issues do not lend themselves to compliance with any rules or laws. Accordingly, there are no established algorithms or specific templates to follow to achieve commercial success.

Ihor Likhuta (2021) in his work “Production activities in market conditions: specifics and ways of optimisation” also notes the factors that determine production activities' effectiveness:

- digitalisation of the consumer audience (the rapid development of technological progress leads to the emergence of new equipment for users to play audiovisual content: tablets, smartphones, game consoles, computer monitors, TVs, etc;)
- tastes of the consumer audience (determines the relevance of a potential cultural and artistic project and the style and genre diversity);
- content criticism (the ability to accept constructive criticism of a potential or already implemented cultural and artistic project. In the author's opinion, this is the most important practical skill of a producer).

Analysing the efficiency factors and the above-mentioned professional competences of a producer, we can conclude that the main key to the success

of a producer is the ability to quickly adapt to innovative changes in the technical field – to involve the latest technologies in the production process, to be able to determine the tastes of the potential target audience and to accept objective criticism of their own cultural and artistic product. Equally important is the producer's previous practical experience, built up over the years, as each creative project is individual and there is no guarantee that the technologies and strategies used in one project will make the second project as successful.

The very word “producer” began to be actively used in Hollywood during the formation of the film industry in the first decade of the twentieth century. Mass consumption of cultural products became a well-established phenomenon and the concept of “mass audience” was formed in culture (Rosenthal, 2002). The producer's talent in this situation is based not so much on artistic taste as on understanding the mass audience. Professional sense combined with erudition and awareness makes a producer a professional capable of carefully thinking through a project, implementing it using the capabilities of the creative team, promoting it to meet the audience, and eventually making a profit. An important skill is working with a creative team and the ability to integrate individual creatives and highly specialised technical specialists into a single team, motivating them to achieve a common goal.

At the current stage of digital and multimedia culture development, the producer has additional tasks:

1) development of new forms of communication with the viewer, who turns into an active consumer and co-creator of a creative product (new technologies allow this to be done with a minimum level of training);

2) finding ways to manage a holistic project that develops on several different platforms. This is due to the media convergence and cross-sectoral projects proliferation. This entails new creative tasks, different algorithms of interaction in creative teams, and specific approaches to monetisation. But we can already say with certainty that in the new cultural model of the 21st century, the producer will play no less important role than in the 20th century.

A producer is a specialist who creates and develops various projects. He or she is responsible for their commercial outcome and deals with administrative, financial, and legal issues. The main task of the producer is to make the project popular and profitable. Thus, we can specify the producer's responsibilities as follows:

- creating a project concept;
- forecasting the project results;
- budgeting and resource search;
- performers selection;
- work control of all project participants;
- relationships with investors and advertising agents;

- compliance with standards and formats;
- project effectiveness analysis.

Thus, it is obvious that a producer's core skill is managing cross-sectoral projects.

Today, there are several officially recognised areas of a producer's production activity:

- television production – activities related to the organisation and promotion of a TV channel as whole or individual TV programmes. The range of tasks includes: generating ideas for new programmes and shows, developing their concept, recruiting staff, attracting viewers, and ensuring the best conditions for the project's profitability (Doyle, 2016);

- music production (show business). The range of tasks includes creating artists' image, band concept, album or show, supervising the work of stylists, photographers, and videographers, marketing, organising audio recording, touring, and promoting artists in the media and on the Internet;

- entertainment programmes production (theatre, pop performances, musicals, circus programmes). Organising and promoting theatre productions. The producer, together with the director and other theatre artists, participates in creating the concept of the performance, takes part in casting, solves financial issues, and organises marketing and advertising events;

- computer games production (web production). Game design and creation of comically attractive exclusive products. The range of tasks includes generating ideas for new products, developing their concept, recruiting staff, attracting the game audience, and ensuring the best conditions for the project's commercialisation;

- film production. It includes organising the filming process, selecting actors, working with post-production, and controlling projects up to the premiere of a series or film distribution. A producer in the film industry may combine his or her duties with those of a director (Li et al., 2019).

The production of digital content is a separate category, which involves working on online projects, such as promoting a YouTube channel, Instagram page, longreads, distance learning courses, or other educational projects. The range of tasks includes responsibility for the content quality and type, advertising type, as well as motivating and encouraging the viewer or reader to buy (Ward et al., 2020).

At the same time, the modern creative space generates more and more new modifications of this speciality based on the decomposition of these areas. In particular: promo producer, event producer, info producer, food producer, art producer, book and text producer, etc. However, all of this is an attempt to increase the position attractiveness and the employee status from manager and administrator to owner and entrepreneur. However, the list of functional responsibilities does not fully reflect key production competencies.

3.3. Western European and American production models

When creating a cultural and artistic product, the producer acts as its initiator: he or she generates an idea and forms the general concept of the entire project, which is subsequently implemented by the entire creative team headed by the director. However, in the practice of cinema, there have been many situations when a producer embodied several creative professions at once: screenwriter, director, and actor. There are quite a number of such examples in domestic and international practice, and this is not a unique phenomenon (Oleksandr Rodnianskyi, Ihor Podolchak, Maksym Nakonechnyi, Barry Levinson, Noah Baumbach, Andy Dick, Mel Gibson, William Wyler, and others). However, it is worth noting that, taking on the functions of not only an entrepreneur but also a director, a producer must fully possess and apply creative skills in the implementation of a project, and feel its ideological and artistic content. Otherwise, the finished cultural and artistic product will not have any value for the viewer, and therefore will not bring the desired profit.

Historically, American cinema has been defined as “producer's cinema”, as the key person controlling the entire production process was the producer, and the director was just a hired employee who worked only with actors and performed his function exclusively on the set. The functionality and rights that a director has today belonged exclusively to the producer. Previously, it was only the producer who was looking for stars, looking for and offering scripts. Even the right to approve the final cut belonged to the producer (studio), unlike in Europe, where it was the director who had such powers. In general, the production process in the early twentieth century in the United States at large film studios was quite standardised and similar to the factory of industry. A classic example of the confrontation between the creative ideas of a director and the entrepreneurship of a producer in the history of cinema is the tandem of director Erich von Stroheim and producer Irving Thalberg, who collaborated at “Universal” film company on the film “A Woman's Fool” in 1922. The conflict was about cutting the film, which was 3.5 hours long. Irving Thalberg was not sure whether the film would be distributed and whether the audience would even like it, as it was not a traditional film length for that time. Therefore, he demanded that the director cut it down. As a result, the director refused to cut the time and was removed from the film. The producer did the final editing himself and cut the film at least three times (Schatz, 1996).

The above is confirmed by a quote from *Halyna Pohrebniak* (2020) in her monograph “Author's cinematography in the cultural sphere of the second half of the 20th - the beginning of the 21st century”, where she notes that the creative and organisational “producer-director tandem” can be rigid, authori-

tarian, with the dominant dictate of the producer (as in the American model), and based on democratic principles of maximum trust and tolerance for the director's creative search and individuality (as in the European model)” (p. 92). It should be noted that there are two well-known models of production in the audiovisual sector (in particular, in the field of cinema): the American (market) and the Western European (budget) models.

The essence of the American or classical model is the system of monetary remuneration for the producer in the process of selling rights, as well as obtaining high ratings at the box office. *Serhii Lavreniuk* (2021a) notes that, focusing on the American model, “it should be borne in mind that in this case, the profit of an individual film project arises when the total costs of production and promotion of the project are less than the total revenues from distribution and all markets” (p. 72). This model is widely used in the USA, Germany, the UK, Italy, France, Japan and India. In these countries, the distribution market is quite developed, and if the product has a high level of technological quality, artistic merit and successful distribution, it pays off in the national box office.

Instead, the Western European model is based on the producer's profit when he receives funding for the production of a film or, at the end of the project, receives a positive difference between two indicators: the total amount of money allocated for the production of the project and its direct costs. It is worth noting that the Western European model is practically not focused on wide distribution (Stohnii, 2018). Typically, the budget model is widely used in countries with a developed system of state support for the film industry, mainly in Western and Eastern Europe (including Ukraine) (Lavreniuk, 2021a).

Therefore, the main difference between the two models is that the producer receives profit from different sources (the American model is focused on making a profit through wide and successful distribution, while the Western European model is aimed at producers receiving funds for the actual production of the film product), which results in a different attitude to the process of promotion and distribution of the film product.

The collapse of the USSR and the departure from the system of the state performing the functions of a “general producer” led to the emergence of a cluster of independent producers in sovereign Ukraine, which laid the foundation for market relations in the film and television industry. As a result, the contemporary Ukrainian audiovisual sector is on the verge of transforming its production model from a director's to a producer's one. The role of the director in the process of selling an audiovisual product is ambiguous in the context of modern production, and the institution of production has not yet been fully formed. A major gap is the insufficiently developed legal and regulatory

framework as the main foundation for legitimising the producer model, as well as the lack of professional training. Despite these shortcomings, today the Ukrainian audiovisual sector actively uses the producer model in practice. Today, independent producers are active in Ukraine, including D. Sukhanov, A. Horlova, O. Bairak and others.

3.4. Effective production activity factors

The main factors that determine production activities efficiency in the current economic environment are:

- scientific and technological progress, which determines new forms of individual viewing devices (smartphones and tablet computers, TVs and game consoles integrated into the Internet, etc.) and broadcasting (streaming and various variations of video on demand);
- viewer preferences, which necessitate a genre diversity of projects, as well as the novelty of the material produced.

Thus, in order to ensure a competitive advantage in the long term, producers need to:

- 1) use innovative means of production, modern technologies and new techniques in their professional activities;
- 2) focus on changes in viewer preferences or actively shape them.

In this regard, the rationalisation of the production mechanism should be carried out in two main areas: management of innovation and creative processes. In addition, since production organisations are business entities, it is necessary to improve production processes to increase their profitability (Bezruchko & Anikina, 2021). The rationalisation of creative processes should be expressed, first of all, in the expansion of sources for the formation of the conceptual basis of a future creative project. Currently, this process is carried out in the following ways:

- intuitive search;
- studying the dynamics of the creative projects rating that have already been tested and, on this basis, making a decision on the continuation of production;
- marketing research to study the public reaction to the planned creative project;
- studying the genre structure of creative projects and determining the most promising topics on this basis;
- acquisition of rights to adapt creative projects that have been released abroad.

Given the project-based nature of most creative products, all decisions regarding the idea, content, format, genre, style, and protagonists must be carefully calculated and justified by quantitative and qualitative indicators developed on the basis of a thorough study of the target audience and its preferences.

4. Conclusions

This scientific article explores the production activity essence and a producer's role in the field of project management in the creative industries. As a result of our research, we have concluded that production is a complex multifunctional process. A producer is a versatile specialist who has the necessary managerial competencies, knowledge of economics, marketing, and business, creative skills, and is educated in the field of culture and art. Summarising all of the above, we can draw the following conclusions:

1. Having highlighted and analysed the content of production activities, it is possible to describe a universal definition of this profession within the creative industries, which will be implemented in the context of each individual subsector of the cultural industry, taking into account its specifics. Given the multifunctionality of the production activity, we have also defined the types of its activities, the hierarchy of subordination of different types of producers, and identified functional areas of responsibility. The results of the research were outlined in a systematic model. Thus, we can note that the basis of this type of activity is the symbiosis of creativity, management, and entrepreneurship, which gives rise to functional areas of responsibility of different levels and, as a result, hierarchical levels in the organisational structure of the creative team of the production staff in the implementation of cultural and artistic projects.

2. Possession of a certain set of basic qualities and professional competences by a producer is the main key to success in his or her work. The producer is the connecting link in the organisational structure of the entire creative team, and the way he or she sets up the communication process in the team creates a single team of many different creative personalities and establishes the microclimate in the team will determine the further work on the project and its overall implementation. The ability to adapt to a dynamic market environment, analyse current trends, implement the latest technologies, predict the success of a future project, and accept challenges – all this is about the professional component of a producer in the creative sector.

3. Having analysed the Western European and American models of production in order to identify the possibilities of their extrapolation to domestic realities, we can conclude that a mechanical transfer of the American system to our soil is impossible since the domestic creative environment has neither an institution of patrons, nor a developed system of private funds, nor a working mechanism for the commercialisation of copyright. The Western European model is more relevant to Ukraine's current media market, as for a long time Ukrainian culture developed under the conditions of the Soviet Union, where the state was the main sponsor and “general producer” of cultural projects.

4. Having identified the factors of effective production activity as a specific type of entrepreneurship in the creative sector, we can note that effective production activity in the current market conditions requires a combination of an innovative strategy, an in-depth understanding of one's target audience, careful project preparation, and innovative logistics. This will allow producers to take a competitive position in the market and attract more of their potential target audience.

The scientific novelty. The scientific novelty of the obtained results lies in the clarification of the essence of production activity and the role of the producer in the organisation of creative cultural and artistic projects and processes.

The significance of the study. The research results significance lies in the fact that they can be used in the educational process when developing a list of competencies and standards for the speciality “creative project producer” and curricula, and can also be applied in practice in the creative sphere organisation, which will allow business managers to create an appropriate job description and recruit staff for the position of “creative project producer”.

Prospects for further research. The prospect for further research in this area may involve detailing the competencies of cultural and artistic projects producer with the possibility of clarifying them in the context of the selected creative sector on the basis of a single methodological approach.

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