An Analysis of Organizational Structure and Strategic Management of Film Companies in Harare, Zimbabwe

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Abstract

Film companies need to manage and strengthen their operations to produce quality films and create a sustainable film industry. In order to achieve higher benefits from filmmaking, it is important to develop a good organizational structure and strategic management, and identify roles of film personnel and processes as well. This article examines the organizational structure of film industry and strategic management of film production. The findings are based on the literature and responses of survey questionnaires distributed to filmmakers of Harare, Zimbabwe. The study offers a better understanding of the connection between organizational structure and strategic management.

Keywords
Organizational structure, Strategic management, Film production company, Harare, Zimbabwe

1. Introduction

The Zimbabwean film industry has been described as fragmented by both film practitioners and researchers. Presently, the industry is going through a lot of challenges and some of them are attributed to unclear government policies. As a result, there is an uncertainty on how the film business shall operate. The industry have been constantly overlooked as it is characterized with marginal profit and it is not capable of sustainable development, which is not the case in some other countries. The film industry in Zimbabwe requires effective and efficient strategies to be competitive with other industries (Soetanto et al., 2007). The industry needs a properly crafted strategy and innovative ideas which will make it unique. It is important to note that Zimbabwe is a developing country and cannot afford big budgets for filmmaking, therefore, film companies must create their own model of strategies that would enable the industry to be competitive. Hao et al. (2012) believe that there is a constant need of changing organizational structures to achieve superior performance which will result in quality products and services. Altinay and Altinay (2004) also view organizational structure as a first step of achieving business strategic goals as this will help in translating business ideas into realities by assigning distinct duties to each personnel.

The aim of the paper is to discuss the organizational structure and strategies of film companies. The paper discusses the organizational structure and strategic management of film companies using the findings of survey conducted among Zimbabwean filmmakers.
2. Literature Review

2.1 Organizational Structure (OS)

Once the objectives and vision has been set, the firm determines the work to be executed i.e. the processes of departmentalization and delegation begins which is organizational structure. Organizational Structure (OS) is the arrangement of workflow that assigns each employee a task for accountability of an objective that have to be completed in an organization (Covin and Slevin, cited in Altinay and Altinay, 2004). OS is important in every company as it clearly states the relationships within an organization and assist employees to accomplish their strategic goals in a more directive and competitive way (Robbin and DeCenzo, 2005). This framework provides a form of communication, gives a distinct line of responsibility among workers, identifies authority and responsibilities attached to each employee. Figure 1 below is an illustration of a line organizational structure commonly used in film companies. A line organizational structure is the simplest form of OS used to describe the authority structure in the film industry.

Figure 1. Basic organizational structure of a film company

Burns and Stalkers (cited in Nandakumar et al., 2010) acknowledge that organizational structure design has to differ to suit the objectives that a company may seek to achieve. There is no one-fit for all structure because different companies have different objectives. The framework is there to act as a guideline that provides a clear responsibility to employees. These structures are made up of elements such as communication, values, task, control and governance (Nandakumar et al., 2010). Mansoor et al., (2012) view organizational structure as a recipe for superior performance.

2.2 Roles and Responsibilities

Each personnel within the OS has specific roles and responsibilities. Table 1 presents some basic film personnel and their responsibilities.

Table 1. Roles and responsibilities of key film personnel (Boadigital, n.d.; Kodak, n.d.)

<table>
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<th>Roles</th>
<th>Responsibilities</th>
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| Producer            | • Responsible for the entire film project including the management team and legalities of the production.  
|                     | • Recruits all the crew and finance the film.  
|                     | • Draw up work plans that the crew have to follow for the success of the film.  
|                     | • Liaise with the public and other film stakeholders on how to maximize the revenue. |
2.3 Strategy

O’Regan et al. (2008) view strategy as an organizational tool to accomplish the corporate objectives. The aim of strategy is to achieve the firm’s goals and create a long-term superior performance for the sustainability of the company. Therefore, it is important to have an organizational structure within an organization to work in alignment with the organizational structure and strategies which can provide a sustained competitive advantage. The advancement of technology in 21st century has resulted in film companies spurring almost everywhere because of affordable digital equipment. There is hyper-competitiveness and many film companies have been strategic to maintain themselves competitive. Porter (1985) indicated that for organizations to achieve a continuous competitive marketing advantage, they should be strategic in everything they do.

It is important to identify the strengths and weaknesses of an organization in order to find solutions to each challenge and maximize on the strength that the company has. Strategies are classified in different categories. First, there is business or competitive strategy which refers to the base that an organization is competing on. It focuses on the resources that the company have to compete in the market with its competitors. Kitching et al. (2009) affirm that competitive strategy helps organization identify their mission and remain competitive in this standardized environment. Managers are tasked to formulate business ideas on how to attain and maintain superior competitive advantage in relation to strategic management (Barney, 2011). This paper will focus on financial strategy (FS), Technology Strategy (TS) and Human Resources Strategy (HS). These are the most significant advantageous strategies that can be adopted by any business company to be competitive (Cheah and Garvin, 2004).
2.3.1 Strategic Management Processes

According to O’Shannassy (2003), strategic management process consists of two main parts: strategic thinking and strategic planning. Strategic thinking is a process that discloses the intention of management’s future activities after considering the pros and cons of all environmental factors, the ability to forecast, and link the present with future objectives. In this process, assumptions and new ideas are formulated, evaluated and analyzed in relation with the company capacity, stakeholders and the available resources such as employees skills, funds available, efficiency of equipment, etc. (O’Shannassy, 2003).

According to O’Shannassy (2003), strategic planning is a continuous process that follows after strategic thinking. Strategic management is derived from strategic thinking and planning, which acts as a guideline to strategic management. All the solutions and new ideas implemented in an organization as a strategy are a result of strategic thinking and strategic planning which directs an employees on how to achieve the mission of a firm (Gates, 2010). Certain aspects are considered when creating a strategy, which include the organization business model, aim, vision, value, SWOT, feedback and other levels of strategies (Hill et al., 2015).

Table 2 presents different types of strategies available to companies. All strategies must complement each other. The next stage in strategy is implementation. This is the most difficult stage as most companies fail to execute their plans. It is important to clearly state - what the company seek to achieve instead of focusing on how to achieve. Discovering what they want helps to determine the future. Salas and Huxley (2014) affirm that once strategies have been generated and developed, communication becomes very essential in every department of the organization as it helps to minimize errors among employees when performing their task.

<table>
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<th>Types</th>
<th>Description</th>
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<tr>
<td>Corporate strategy</td>
<td>It wheels the structure of the company by providing formula which indicates its future and a distinct mission that enable the firm to be competitive advantage. This is the top strategic level.</td>
</tr>
<tr>
<td>Operational or functional strategy</td>
<td>It is the lowest level of strategies which evaluates how different functions of a company (e.g. production, sales, distribution etc.) are contributing in achieving the objectives of the company.</td>
</tr>
<tr>
<td>Business and competition strategy</td>
<td>This focuses with the alignment towards the increase of the competitive advantage for the growth of the company and its sustainability.</td>
</tr>
<tr>
<td>Global strategy</td>
<td>This focuses on providing products and services that are competitive on global market.</td>
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Strategic business model of Hill et al. (2015) consists of strategic thinking and planning and provides a more detailed breakdown of the strategic business process. However, a strategic management process breakdown of Frynas and Mellahi (2011) comprises of three elements, namely (i) strategic analysis, (ii) strategic development, and (iii) implementation of strategy. The authors do not agree that strategy is a recycle process as suggested by O’Shannassy (2003) and Swayne et al. (2008).

According to Morden (2007), scheme of strategic management process indicates that strategy is a continuous and repetitive process. It begins with stakeholders, the company’s mission, vision and an environment analysis to evaluate possible obstacles that might interfere with the achievement of goals established. The achievement of these goals results in implementation of the vision. The company gets a feedback from its other stakeholders to improve its service and constantly train its employees so that they can generate innovative ideas. It is essential to have a more detailed model of strategic management that shows an analysis of the present and the future. This will help managers to assess the employee performance and their feedback, the management performance and their coordination skills with the employees. This will clearly show what the organization have failed and successfully achieved. It is beneficial for a company to have a comparative analysis with other companies. This analysis requires efficient organizations using the best practice. Usually, it is implemented by organizations that are competitive on global markets. This strategy enables organizations to choose the best practices for financial advantage. According to Kelessidis (2000), comparative
analysis identifies and adopts the best practices to have the best outcomes. Therefore, the process of strategic management consists of both the internal and external analysis that makes the company sustainable.

2.4 The Model of Independent Film Industry Value Chain

Film industry is one of the creative industries that finds it very hard to sustain financially. The industry operations are highly unpredictable as it continues to develop rapidly. Hence, filmmakers need to employ different strategies to make their film companies successful. Firstly, the managers have to understand the value chain of film industry (how technology has changed every stage of the value chain) and strategize accordingly. This will help them to plan for every stage of the value chain and identify where they lack most in the link. For instance, exploring different distribution channels such as satellite television, YouTube, Netflix, Amazon Video etc. to maximize profits. This idea can only come after the managers have gone through strategic thinking processes on how to sale their films, discuss the distribution channels they wish to explore, find different ways on how to get access to those channels, and implement what they have decided on. Films require a lot of money to produce and it is essential to understand the trends of modern filmmaking, audience’s preferences, and be innovative in every stage in order to produce a successful film.

During the pre-production, the directors can consider casting well-known actors as a marketing strategy. When viewers see a trailer with familiar actors, they will be motivated to watch the film. Filmmakers should always acknowledge that marketing is the most important role, and consumers determine the success of the production right from the production stage.

2.4.1 The Model of Strategic Process Management in Independent Film Production Companies

Every film project has a different characteristics for instance different budget, shooting period etc., and it is the responsibility of a producer to plan the organizational structure for every project differently (Finney, 2008). It means that the production process is different from one another (Hope, 2016). Scholars like Finney and Triana (2015), Jäckel (2003) and Morawetz (2007) gave emphasis on the ways to secure funding from different sources, which included banks, crowdfunding, private investors, pre-sales, television broadcasters, and striking contracts with major film studios or through co-productions.

Authors like Desai view financing strategy as the most significant mechanism that determine the success of an organization (Goettler and Leslie, 2004). Many film industries have been developing thorough financial strategy, which has not only been monetarily profitable but it also helps the company to improve by producing more films, exploring and expanding its marketing niche. Most successful film productions have been produced by vibrant competitive studios through co-financing as a financial strategy to share film production costs and revenue, for instance the film Titanic was jointly produced by Fox and Paramount studio. The film had a high budget and co-financing contributes as a strategy that manages huge risk.

With the stiff competition on the global market, every film industry has been devising innovative ways of developing their film industry to have competitive advantage. According to Yakowicz (2016), Vertigo Films in UK has been targeting talented unknown directors as a strategy to reduce cost. The company then assists new talents in creating low manageable budgets for their film productions and this has increased the revenue (by nearly 600%) over the past three years. Another strategy that the company employed is to be involved in every stage of the film development to avoid many freelancers, agents and brokers. This also saves a lot of money and helps those employed to work diligently as they will be held accountable for work assigned to them. As a result, this bring out quality to the product (film).

Guild and Joyce (2006) stated that strategies should be formulated in alignment with the organization’s overall strategy and this emerges from its own organizational structure. There are various business models that managers can choose from to keep the company at a competitive advantage. In a film organization, many producers and managers focus on producing quality films that attract the audience. This technique is called product-oriented model. Every decision made from pre-production is focused on producing the best film that will receive a positive turn out on the market. However, when developing strategies, film companies must consider some factors that are out of the control of the company and may inhibit the success of the strategies. These include funding, piracy, competitors, political and legal, environmental, cultural differences, technological advancements, global, etc. (Varbanova, 2013).
When formulating a strategy for a film production, it is important to define the present state of the company, identify its mission, objectives and vision for the future as a team. Filmmaking has never been a ‘one man job’ as it requires a management team (directors, producers, and production managers), designers (costume, make-up, graphic), technicians (photographers, editors), and artist to communicate and plan strategically on how to collectively achieve the objectives of the company. This will increase focus and help them to establish link between present objectives and the future prospects. An in-depth research on marketing will also be required and film companies might consider establishing their own distribution subsidiary company. Although the film will be distributed to different channels (cinema, television companies, etc.), the producers can also sell off some of their rights to legal online broadcasters.

3. Methodology

Data and information for the research were collected from both primary and secondary sources. Primary data was collected using structured questionnaires which were sent to selective filmmakers in Harare, Zimbabwe via emails. Out of 25 questionnaire surveys administered, fifteen valid responses were obtained from the participants. Different journals and publications were used to collect secondary data. The collected data were then organized, coded and analysed using Microsoft Excel spreadsheet.

4. Results and Findings

In order to understand how the film industry operates, it is important to understand the hierarchy of the organization, roles of each personnel in order to understand if all are doing their jobs in alignment with the objectives of the company. Film has been experiencing some major transformation in its value chain and this has greatly affected the film industry such that some film companies are closing down in Zimbabwe. The least survival companies have been struggling but devising ways of continuity. The responses of the participants are analysed and discussed in following sections.

4.1. Significance of Hierarchy

Most respondent admitted that hierarchy is important in company (Figure 1) because it empowers the management to direct and ensure that the company’s objectives have been fulfilled. However, about 20% felt that hierarchy structure is not important in the film industry in Zimbabwe as most of the producers do menial jobs during the productions due to financial constraints.

![Figure 1. Importance of a hierarchy structure in a film company](image)

4.2. Achieving Company Goals

Teamwork plays a key role in achieving company goals. Most filmmakers (about 86.6%) acknowledged the importance of working as a team to produce a film (Figure 2). Most filmmakers emphasised that they work as a team
to brainstorm and make decisions as a company by conducting weekly meetings to discuss their work plans, new film developments and ideas that might help the company to grow.

4.3. Competitive Advantage

In order to sustain in today’s competitive market, it is important for every film company to have some kind of competitive advantage over other competing companies. Figure 3 presents different ways used by film companies to stay competitive in the market. Most respondents stated that they try to be innovative in everything that they do to attract customers and sustain their company. The others stated that they try to hire skilled workforce, focus on customer-oriented model, use latest available equipment and technologies, and some also consider availability of funds as a strong characteristic of their company to stay competitive.

4.4. Overcoming Challenges in Film Companies

Finance has been cited by many respondents as the major challenge in implementing company strategies. Most companies are lacking funds and do not have enough money to run the projects or buy the equipment needed to stay competitive, thus they cannot execute their plans successfully. Others mentioned piracy as a major obstacle. It was
suggested that the government should support the film industry and open new avenues for distributing as online income is so little.

Many film companies have adopted a mechanism of multi-tasking by assigning two or more job description to one person as most are independent filmmakers. Some admitted to depend on donor funding and well-wishers but they all disclosed that the funds are not enough to produce quality films that can be competitive on global market. Many respondents revealed that their company is sustaining through making advertisements, shooting weddings and publishing. Hence, one of the solution is to utilize the available equipment and diversify from filmmaking to other related moneymaking projects.

It is clear that the film industry in Zimbabwe is struggling financially to create a self-sustaining film industry that can compete at a global level. Zimbabwean film industry acknowledge the basic organizational structure but financial constraints have been forcing producers to work with small crew and inhibit the implementation strategies planned for the success of Zimbabwean film companies. Most respondents suggested that filmmakers should have both short-term and long-term plans. The short-term plans have always made the industry stagnant threatening the future of the sector.

5. Conclusion and Recommendation

This paper presents the findings on the organizational structure of film industries in Harare and strategies that are used by filmmakers to operate their organizations. Most Zimbabwean film companies use a basic organizational structure and the strategies that they employ are different from each other. Whilst the filmmakers are aware of the importance of hierarchy structure, teamwork and different ways of staying competitive, the film companies are still struggling to adopt and implement proper strategic management. There are so many external barriers that affect the implementation of most of strategic mechanisms; some of those barriers include lack of funding, piracy and lack of exposure to international exhibitions.

5.1 Recommendations

1. Zimbabwean filmmakers should take advantage of its beautiful scenic locations, which has not been fully exploited, to start co-productions with other well-established film industries. It has also become an international hub for competitive production studios to work with global film producers with excellent locations at favorable costs, especially when producing films with high computer graphics involved.

2. Film companies should not only come up with innovative ideas, but should also strive to implement them, re-invent itself and offer the global market a different mechanism of filmmaking.

3. Filmmakers should change their mindset of waiting for the government and donors to support them but rather seek other ways of fund-raising such as crowdfunding.

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