

The development of organization design of a creative professional company in Japan: An exploratory case study¹

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The purpose of this research is to investigate organization design of a creative company through a case study of Japanese visual contents production company. Today, the realization of continuous innovation is not a responsibility to be shouldered by a handful of technicians or R&D departments; rather, such innovation is achieved through a process of cross-organizational cooperation. We can thus infer that the success of an innovation depends on the organizational design of the company where this cooperation takes shape. This research focuses on organization design for supporting and encouraging organizational creativity as a strategic management issue. Concerning an organization design for innovation and creativity, we have known already a popular organization model, called “organic management system”. We can consider Burns and Stalker’s “organic organization” to still be an effective concept today as an ideal type of organization design for organizational creativity and innovation. However, this ideal type can’t tell us about how real-world organizations are organized. This research addresses the following issues. The first is to investigate how a creativity oriented organization is organized and how it functions to achieve their creative performance, and what problems it is faced with in achieving organizational creativity through a case study of Japanese visual advertising contents production company, “*amana*”. The second is to explore a reason why it is organized as such through an investigation into the development process of the organization design of the company.

Key words : Organization Design, Creativity, Organic Organization, Organization Designing

1. Introduction: Purpose and background of the Research

The purpose of this research is to investigate organization design of a creative company through a case study of Japanese visual contents production company. The interest of this research is based on the following arguments.

Firstly, today’s business environment is characterized as globalized, highly volatile and knowledge based competition. According to Daft and Lewin (1993), organization design itself become a strategic variable in this tur-

bulent environment. As Daft and Lewin stated properly, “the design of organizations that are flexible, that adapt and create change, that more fully use both human and technology resources, and that are global in scope, are perhaps the most significant variables of the new forms”, and “strategies for hypercompetitive environments can only be undertaken within the limits enabled by organization form” (Daft and Lewin, 1993, ii). This means that organization design is matter for implementation of strategies and competitiveness of companies.

Secondly, in these business environment, continuous technological and non-technological

innovations are required to obtain competitive advantages of companies. However, as Mumford et al. noted, “innovation ... is possible only if a creative problem solution has already been generated” (Mumford, Hester and Robledo, 2012, 5). That is, creativity need to be regarded as a significant source of innovations and recently is gaining in importance for innovation management (Amabile, 1988; Khandwalla and Mehta, 2004; Burgelman et al., 2009). Thus this research is interested in organizational creativity as “a basic element” (Amabile, 1988) or a necessary condition for innovation (Mumford et al., 2012).

And thirdly, superior R&D technicians and outstanding technology development departments are of course indispensable to the realization of such sustained, continuous innovation, however innovation in modern enterprises has been identified as an organizational issue, one that is not limited to technical personnel and R&D departments. Burgelman et al. pointed out that “innovation depends on technological as well as other critical capabilities in areas such as manufacturing, marketing and distribution, and human resource management” (Burgelman et al., 2009, 9). Tidd et al. (2001) similarly write that the success or failure of an innovation depends not only on technological resources, but also on the ability of an organization to actually make use of such resources.

These findings tell us that the realization of continuous innovation is not a responsibility to be shouldered by a handful of technicians or R&D departments: rather, such innovation is achieved through a process of cross-organizational cooperation. We can thus infer that the success of an innovation depends on the organizational design of the company where this

cooperation takes shape. Based on these arguments, this research focuses on organization design for supporting and encouraging organizational creativity as a strategic management issue.

By the way, concerning an organization design for innovation and creativity, we have known already a popular organization model, called “organic management system” (Burns and Stalker, 1961) or “organic organization” (Aiken and Hage, 1971). The structural characteristics of these organizational design model have been validated and elaborated upon from the perspective of contingency theory by Hage and Aiken (1967), Aiken and Hage (1971), and Hull and Hage (1982). More recently, Damanpour (1991) and Damanpour and Aravind (2012) conducted a meta-analysis of empirical studies that had analyzed how organizational innovation related to structural and behavioral characteristics and organizational factors, and verified positive influence of those structural and behavioral characteristics and factors of organic organization on innovation and creativity.

It is possible to summarize the research findings above by stating that organic organization model contributes to innovation and creativity. In short, we can consider Burns and Stalker’s “organic organization” to still be an effective concept today as an ideal type of organization design for organizational creativity and innovation. However, this ideal type can’t tell us about how real-world organizations are organized and how they function to achieve creative performance, and what problems they are faced with in encouraging organizational creativity.

Based on the arguments above, this research addresses the following issues. The

first is to investigate how a creativity oriented organization is organized and how it functions to achieve their creative performance, and what problems it is faced with in achieving organizational creativity through a case study of Japanese visual advertising contents production company, “*amana*”. The second is to explore a reason why it is organized as such through an investigation into the development process of the organization design of the company.

2. Theoretical Background: Organic organization as an ideal type

As mentioned above briefly, positive influence of structural and behavioral characteristics of organic organization on innovation has been verified by a number of empirical studies. Original characteristics of Burns and Stalker’s “organic management system” have been operationalized and elaborated as structural and behavioral variables by a number of empirical researches. Based on the findings of these preceding studies, it is possible to describe those positive effects of organizational characteristics of organic organization on innovation and

organizational creativity as follows. First, innovation and organizational creativity is encouraged by flexible organizational and authority structures, participative decision-making based on specialist knowledge, and free and open communication channels. Furthermore, innovation and creativity in organization is promoted by structural characteristics such as low hierarchy, low formality, decentralization of authority, and specialization and functional differentiation, and by process-related properties such as planned and unplanned communication between departments and hierarchical levels within an organization.

Positive relationships between innovation and various structural and behavioral characteristics have been verified in the preceding studies, however, according to the discussion of Damanpour (1991, 558-559), Damanpour and Aravind (2012, 503), those characteristics are summarized as shown in table 1.

“Specialization” indicates a greater variety of expertise and knowledge base, and “complexity” indicates functional differentiation and greater cross-functional coalition of professionals. “Professionalism” represents the situation

Table 1 Structural and behavioral characteristics of organic organization

| Structural and behavioural characteristics | Descriptions |
|--|--|
| Specialisation | greater variety of expertise and knowledge base |
| Complexity | functional differentiation; greater cross-functional coalition of professionals |
| Professionalism | greater boundary-spanning activities, self confidence, a commitment to move beyond the status quo |
| Internal communication | creation of a climate conducive to dispersion of ideas across organization; greater cross-fertilization of ideas |
| External communication | greater environmental scanning and exchange, extraorganisational professional activities, cooperative alliances with other organisations |
| Technical knowledge resources | investment in attracting technically skilled members, training and developing member’s knowledge resources |
| Manager’s attitude toward change | greater manager’s favorable attitude toward change |

that a greater boundary-spanning activities, self-confidence, and a commitment to move beyond the status quo are found in organizational members.

“Internal communication” indicates a creation of a climate conducive to dispersion of ideas across organization and a greater cross-fertilization of ideas, meanwhile “external communication” indicates presence of a greater environmental scanning and exchange, extraorganizational professional activities, cooperative alliances with other organizations.

“Technical knowledge resources” means that an investment in attracting technically skilled members, training and developing member’s knowledge resources. “Manager’s attitude toward change” represents a greater manager’s favorable attitude toward change.

The organic organization whose characteristics are described in the table 1 can be considered as an ideal type for organization design for innovation and creative performance. It also can be thought that organic organization as an ideal type show us an assemblage of essential elements or components of innovative/creative organization.

However, as mentioned before, this ideal type cannot show us how the real-world creative organization is organized as a whole, how it functions, and what problems it faced with in a process of achieving creative performance. Rather, this ideal type should be used to recognize and understand a specific empirical reality of organizations as a theoretical frame of reference.

This research will try to clarify how a

creativity oriented organization is organized and how it functions to achieve their creative performance, and what problems it is faced in organizing their activities with through contrasting *amana*’s organization design and its development with ideal type of organic organization.

3. Research methodology

Before the case study, it should be noted the research methodology of this research. This research adopts case study approach. According to Yin, when “how” or “why” questions are addressed, “case studies are the preferred strategy.” (Yin, 2003, p.1). Questions being addressed in this research are “how” and “why” problems associated with organization design of creative company. Thus, the case study is thought of as a suitable approach for this research.

As Daft and Lewin pointed out, organization design is becoming a strategic variable in adaptation to its environment and a managerial means in response to its internal problems. From this point of view, the development of organization design can be considered as a tentative solution for external strategic adaptation and internal managerial problems at the time (figure 1).

Thus, to understand the development of organization design of *amana* and to investigate its actual functioning, this research will track its strategies, explore major changes in organizational structure and process, and managerial problems recognized by the company management.

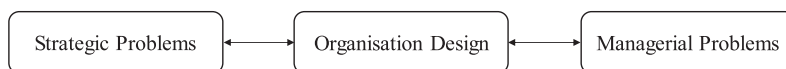


Figure 1 Organization as tentative solution

The data analyzed in this research were collected from the company's annual securities reports, annual reports, in-house documents, interview with full-time corporate auditor. The interview data were collected from three times face to face interviews taken place at the company's office². The interviews were conducted in unstructured way and took from one and half to three hours. In the interviews, the interviewee was asked to tell about the history of the company, its basic business process, its culture and the philosophy of the founder, the developmental process of organization design, and its management process, and problems recognized by the interviewee. In this research, the time period of the analysis is from 2004 when the company was listed on the stock market to 2016.

4. The case study of a visual communication business company

4.1 Company profile

As the beginning of the case study, the company profile of the object is explained briefly. The company *amana* was founded in 1979 by the founder and current CEO who was originally a commercial photographer. Main business of the company is "visual communication business", that is to provide solution service tailored to client's needs focusing on "stock materials" (stock photograph), "visual contents" and "communication planning" (advertising communication planning). *amana* is the biggest company in the visual advertising contents production industry in Japan. The company produces over 15000 works a year with 892 employees (31st of December 2017).

4.2 Environmental recognition and strategic focus, business domain of the company

Burgelman and Grove noted that it is possible to appreciate the reaction of the top management to "strategic dissonance" by reading "the annual report management letter of the companies" that were facing a "strategic inflection point" (Burgelman and Grove, 1996, 20). Along the lines of Burgelman and Grove's discussions, we are able to understand an environmental recognition of company management and its focus of strategic behavior from descriptions in annual reports at the time.

The figure 2 shows change in environmental recognition and strategic focus in the company from 2004. The upper part of the figure indicates transition of environmental recognition by company management, and lower part shows strategic focus and behavior of the company³.]

As shown in figure 2, the company has recognized its business environment as characterized by technological factors such as digitalization, emergence of new communication media and devices, technological innovation as well as market factors such as diversification of ways of communication, change of life-style, diversification of client's needs. It seems that the company has recognized their business environment as highly dynamic, complex environment characterized by technological innovations and rapid change in client needs.

Besides, Figure 2 shows that to adapt their dynamic complex environment, the company's strategic focus has been on expansion of their market and business areas, and on development of new solution services until 2012. It can be understood that the company has focused on market expansion and diversification

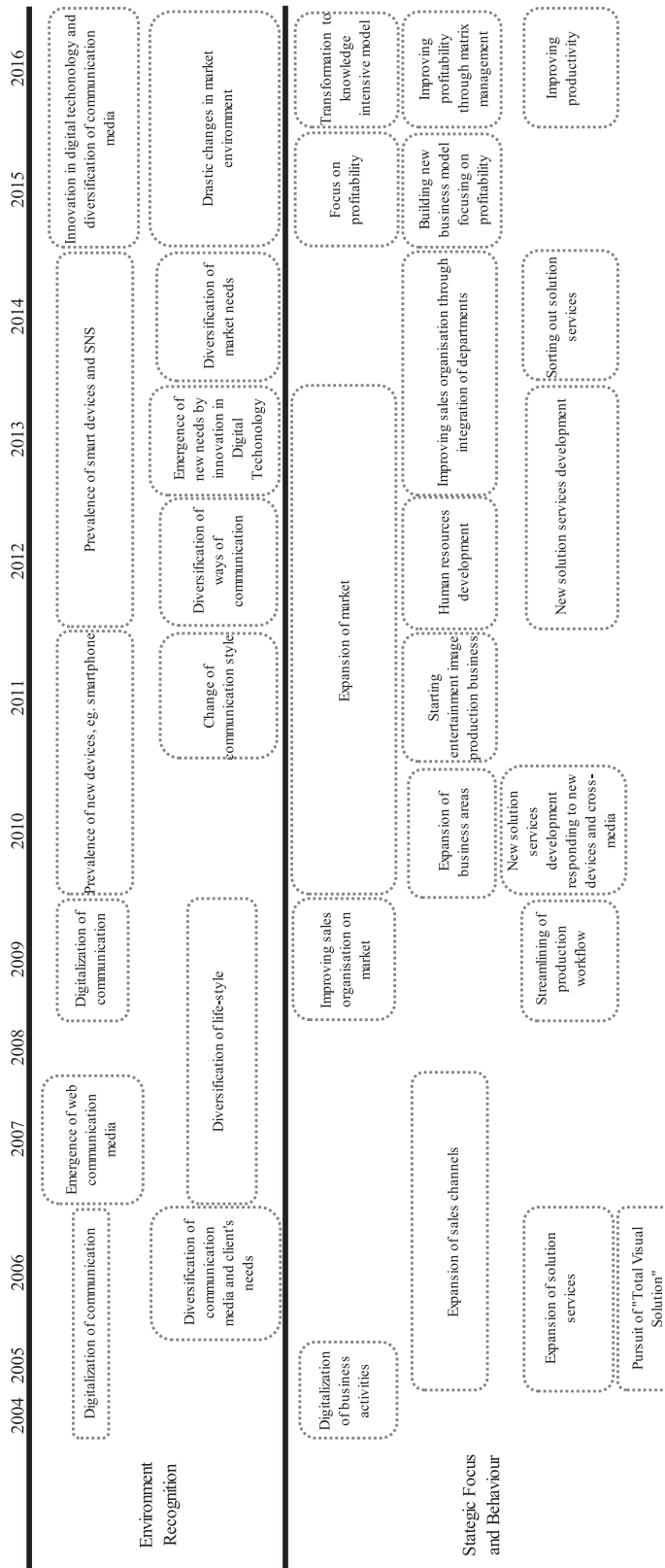


Figure 2 Environmental recognition and strategic focus in amana

until 2012.

However, it appears that the company's strategic focus has shifted from market expansion and diversification to integration and profitability during 2013 and 2014. And after 2014, the company seems to have pursued diversification and integration at the same time.

Figure 3 indicates each business activities the company did at the time and also shows transition of business domain of the company⁴. Likewise, from this figure it seems that the company had implemented diversification strategy proactively until 2012 but they had shifted from diversification to integration through business restructuring process during 2013-2014, and after that their business domain has integrated into "visual communication".

4.3 Transition of performance and its problem

As shown in Table 2, net sales of the company has been in a trend of expansion from 2003. It seems that this would be the result of its proactive diversification and expansion strategy. On the other hand, it appears that the growth of operating income and net profit has been stagnating around the same time. This suggests that the company has been suffering a decline in gross profit margin and operating income margin.

For example, according to Basic Survey of Japanese Business Structure and Activities in 2016, average operating income margin in film and video production industry was 6.8% in 2014 and 6.0% in 2015, and in scientific research, professional and technical service (include advertising) that was 5.2% in 2014, and 3.9% in 2015. However, operating income margin of the company was 0.2% in 2014 and -5.2% in 2015. That is, the company's operating

income margin is significantly lower than similar industrial average. Thus, it can be thought that the company has been suffering a high amount of selling and general administrative expenses especially since 2011. It is also assumed that there has been a managerial problem of internal inefficiency in the organization. It seems that this problem of internal inefficiency would result in the organizational restructuring of the company during 2013 and 2014.

4.4 Business process in the company

Before looking into the development of organization design, it should be explained basic business process in *amana*. Providing "visual solutions" means a series of activities such as planning, design and provision of graphical contents, photographic images, sales of stock photo contents. In the company, providing solution services is performed through "producing" activity by "producers" in sales divisions. In "producing" activity, each producers select and assign creators and photographers in production divisions and subsidiaries to meet each client's needs, and to direct production they also control budget, schedule and quality of the visual contents. And creators and photographers design and produce visual and graphical contents, photographic images.

The company generates revenue as planning and design fee and contents usage fee from clients of advertisement agency, advertisement maker, publishing company and other companies. Revenue from clients have been divided proportionally between sales division and production subsidiary at a certain ratio until 2014.

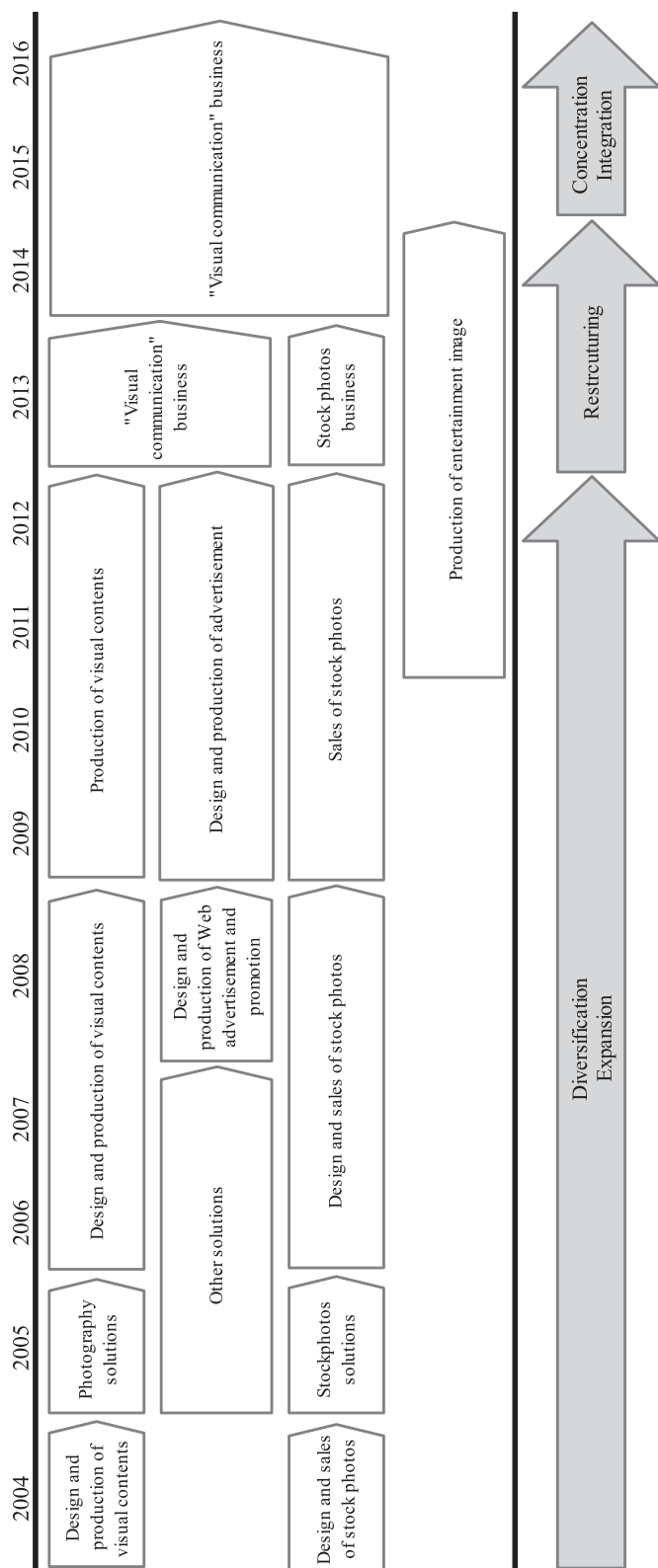


Figure 3 Transition of business domain of amana

Table 2 Transition of performance of amana
Transition of Performance

| Fiscal Period | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 |
|-------------------------|-------|-------|--------|--------|---------|---------|--------|--------|--------|--------|--------|--------|---------|--------|
| Year | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Net Sales | 7,356 | 8,603 | 9,450 | 13,046 | 16,297 | 15,567 | 11,924 | 11,931 | 13,681 | 16,575 | 18,700 | 20,966 | 19,645 | 21,507 |
| Gross Profit | 3,701 | 4,414 | 4,405 | 5,712 | 7,083 | 6,786 | 5,483 | 5,381 | 5,605 | 6,487 | 7,488 | 7,982 | 7,884 | 8,323 |
| Gross Profit Margin | 50.3% | 51.3% | 46.6% | 43.8% | 43.5% | 43.6% | 46.0% | 45.1% | 41.0% | 39.1% | 40.0% | 38.1% | 40.1% | 38.7% |
| Operating Income | 451 | 662 | 596 | 306 | 190 | -101 | 695 | 784 | 407 | 186 | 239 | 34 | -1,029 | 508 |
| Operating Income Margin | 6.1% | 7.7% | 6.3% | 2.3% | 1.2% | -0.6% | 5.8% | 6.6% | 3.0% | 1.1% | 1.3% | 0.2% | -5.2% | 2.4% |
| Ordinary Income | 383 | 575 | 563 | 260 | 60 | -320 | 581 | 702 | 305 | 123 | 125 | -55 | -1,181 | 317 |
| Net Profit | 186 | 399 | 2,955 | 27 | -1,357 | -1,098 | 281 | 537 | -123 | 3 | 38 | 7 | -1,466 | 89 |
| Total Assets | 5,477 | 6,755 | 10,997 | 11,723 | 11,889 | 10,538 | 9,201 | 8,845 | 11,065 | 11,739 | 13,785 | 13,961 | 12,770 | 11,946 |
| ROA | 3.4% | 5.9% | 26.9% | 0.23% | -11.41% | -10.42% | 3.05% | 6.07% | -1.11% | 0.03% | 0.28% | 0.05% | -11.48% | 0.75% |
| Number of Employees | - | - | - | 681 | 841 | 758 | 649 | 619 | 797 | 923 | 1,042 | 854 | 974 | 942 |

(Consolidated, million yen)

4.5 Formation of the basic organization design of the company

Let us look into the development of organization design of the company. After the listing on Market of the High-Growth and Emerging Stocks (Mothers) in 2004, the company spun their production departments off into production subsidiaries in 2005. The intention of this spin-off was, to make photographers and creators aware of marketability, and to develop management skill in creators and photographers, and to encourage nurturing of creators by creators themselves. And also, this design was based on management philosophy of company founder as current CEO, that is, large scale organization inhibits creativity and development of creators, therefore organization of creators should be small-scale one.

Based on these intention and management philosophy, the basic organization design was formed through this spin off. In this design, production subsidiaries concentrate on production, and other function such as sales, administration, accounting are centralized in head quarter. This basic design can be defined as functionalized division organization composed of combination of subsidiaries.

It is possible to expect several structural effects from this design as follows: concentration of creative activities in production, relative weakness of authority of head quarter and strength of autonomy in production, ensuring control through managerial functions. It seems that through this design, the company tried to encourage creativity and marketability in production subsidiaries and to ensure control by company head quarter at the same time.

4.6 The holding company organization design

From 2005 to 2007, the company had proceeded a positive diversification strategy through M & A and creation of new companies. As a result of this diversification, in 2008, the company established the holding company, *amana holdings*.

The intention of the creation of the holding company was, to have more flexibility in adaptation to market change, to clarify strategy by business domains and accountability of subsidiaries, and to maintain uniqueness of subsidiaries as well as maximize synergy as a whole.

However, consequences of this change of organization design might have been different from its intention slightly. It seems that this organization design change would result in greater decentralization of the structure, enhanced subsidiaries' autonomy on the one hand, and difficulty in utilizing synergy as a whole on the other. The fact that the company had suffered its low operating income margin suggests the company had troubled with such kind of internal difficulty.

In 2009, *amana* spun off "web advertising and promotion" business from "production of visual contents" business, and established anew core subsidiary conducting web advertisement and promotion. It can be considered that this spin-off of web promotion was a part of proactive diversification strategy of the company. Meanwhile, in addition to this the company established cost control center in *amana holdings* in this year. Based on descriptions in annual reports at that time, the role of this cost control center was that implementing appropriate distribution of personnel and establishing a steady revenue base and its management system.

2007-12

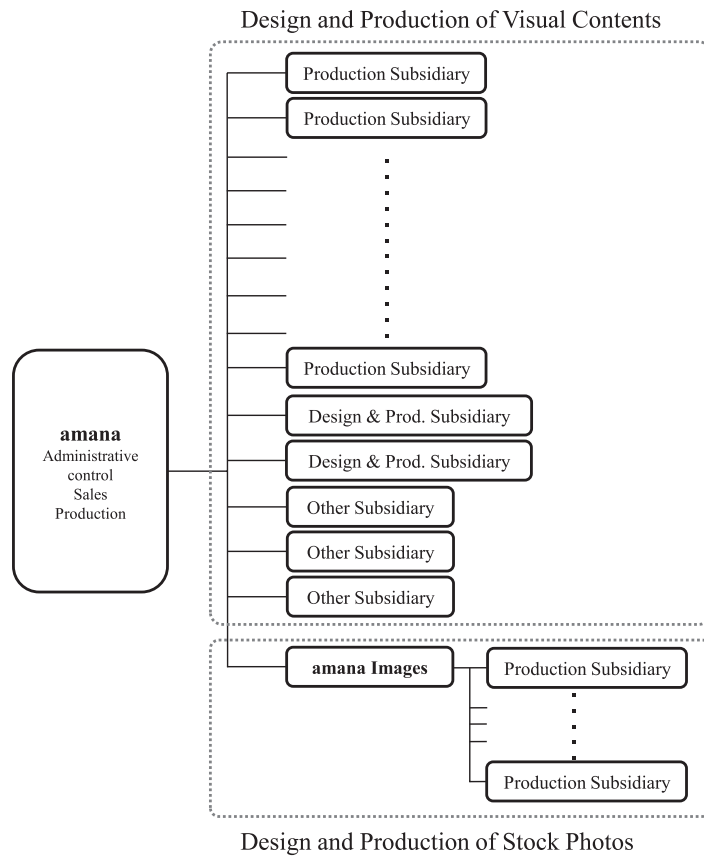


Figure 4 The basic organization design of the company, 2005-2007

These organization changes are considered as an adaptation to diversification of solution services of the company, and more importantly, those are considered as strengthening of centralized control by the holding company, the head quarter. It is possible to infer that there were opposing forces affecting these organizational changes.

Since then, the company had pursued further diversification and market expansion. In 2011, the company acquired 70.2% of shares of *Polygon Pictures* and made it into its subsidiary. Hereby, *amana* started entertainment image production business to proceed further diversification. At this time, the company was

most diversified, and its business domains expanded into four business areas. The company had four core subsidiaries, and they conducted each business separately.

As shown in Table 2, however, it seems that this aggressive diversification resulted in difficulty in integration of the organization, severe internal inefficiency in utilizing organizational resources, and lasting decline in operating income as a consequence.

4.7 Concentration and integration of business domain, restructuring of organization design

Because of these internal inefficiency, it

2008-7

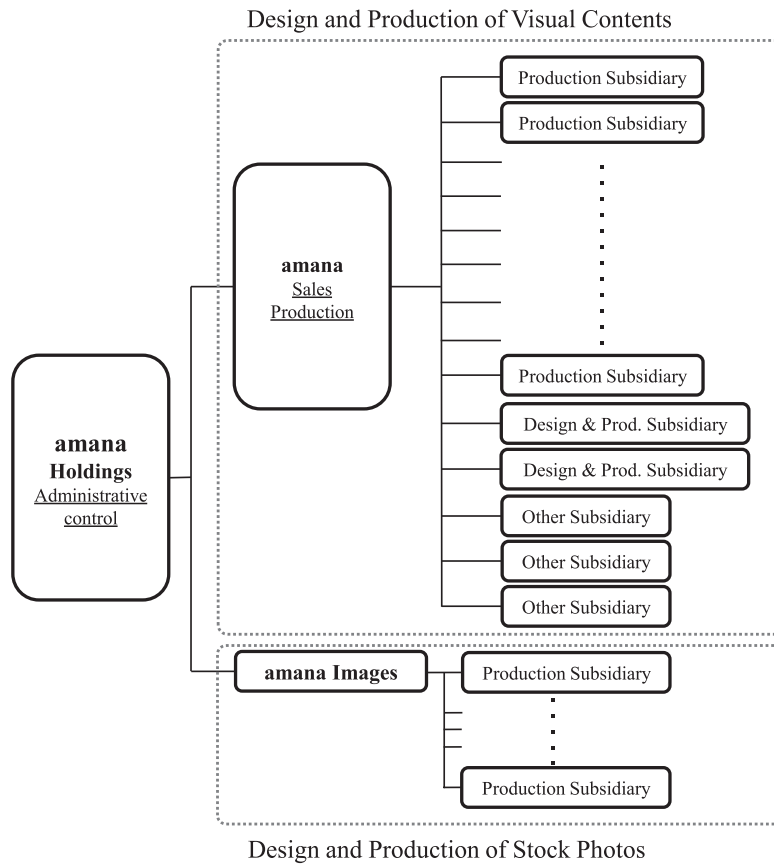


Figure 5 Holding company organization in 2008

seems that the company had to restructure its holding company structure and had to re-define its business domain which spread from original visual contents to entertainment image production as a consequence of aggressive diversification. From 2013 to 2014, the company had restructured its holding company structure and redefined its business domain and concentrated on single domain as “visual communication”.

In 2013, sales department of *amana interactive* was integrated into *amana*, and its name was changed into *amana creative* concentrating on production. Also in the same year, *amana* concentrated its function on sales and

producing in “visual communication”.

In 2014, the company changed its organization design as a whole radically. In this year, *amana* abolished its holding company system, and a series of organization change was implemented in the company. Sales department of *amana Images* was integrated into *amana*. And *amana Holdings* bought out *amana* and changed its name into *amana*. Besides, “stock photos” business was integrated into “visual communication” business and the company sold out shares of *Polygon Pictures*. Through this restructuring process, *amana* has integrated its sales function, and it has changed its organization into current organization design.

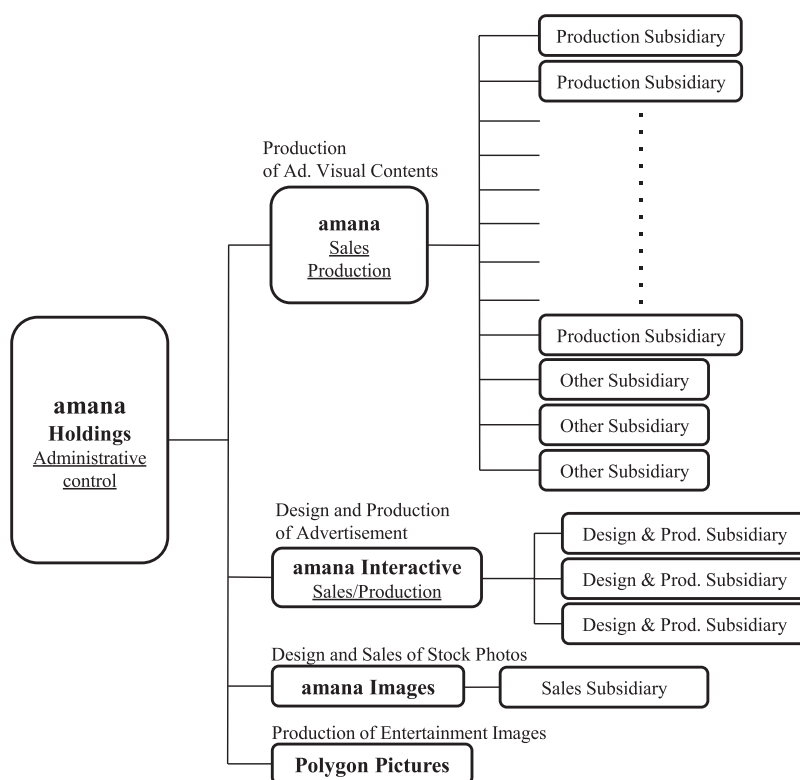


Figure 6 The company organization in the most diversified period

In addition to this restructuring of organization structure, the company has changed the organization process to strengthen profitability and marketability of production subsidiaries. In 2014, the company changed internal revenue dividing method between sales division and production subsidiaries. Before 2014, Revenue from clients was divided proportionally between sales division and production subsidiary at a certain ratio. In this method, production revenue was determined automatically once sales revenue was generated, this meant that production subsidiaries were kept away from radical change of the market.

Since 2014, however, production subsidiaries need to charge sales divisions (producers) for their production on each project to earn

revenue. Through the change of revenue dividing method, production subsidiaries should consider reasonableness of the price or cost of their production. Besides, the company has encouraged production subsidiaries to receive an order from clients directly (not through producers) since 2016. Those changes in organization process seem to result in greater awareness of profitability and marketability in production subsidiaries.

In addition to these restructuring of structure and process, the company have introduced matrix management system called *vertical and horizontal line management system* which encourages additional cooperation between producers and creators to promote new business creation. According to Burgelman,

the company management would put in place “structural context refers to the various organizational and administrative mechanisms” to “implement the current corporate strategy” (Burgelman, 1983, 229). Based on Burgelman’s argument, it is possible to consider this matrix management system as formation of a kind of “structural context” to encourage and promote more active organic cooperation between producers and creators and photographers systematically.

In this matrix management system, sales divisions compose vertical lines of the matrix, and production divisions and subsidiaries compose horizontal lines. And sales growth at each cross points of the matrix have been defined as the objectives for productions and producers to promote cooperation between them.

4.8 Current organization design: integrated functionalized division organization

Through a series of these restructuring of organization design and process, the current organization design has been formed.

As shown in figure 7, the organization as a whole is composed of administrative/control departments, sales divisions and production divisions. Administrative/control departments include *amana data center* which assembles and accumulates data relating to activities of each divisions and subsidiaries. The role of this data center is to understand actual activities of each creator to increase efficiency of their creative activities and to streamline business process of the company.

And Sales divisions are organized by client market, *corporate market* and *professional market*. Production divisions include subsidiar-

ies and internal divisions which are organized by those creative services. Production divisions are composed of 13 divisions and 17 subsidiaries.

5. Discussion

Based on the case study of the company *amana*, it is possible to present a comparison between its organization design and organic organization as an ideal type. Through comparison with structural and behavioral characteristics of organic organization, it seems that the organization design of the company is considered as having those characteristics of organic organization.

In the organization design of *amana*, the variety of production subsidiaries are specialized in diverse creative services (specialization), and the matrix management system promotes active cooperation between functionalized divisions of producers and diversified creative productions in producing process (complexity). Creators are nurtured by creators themselves in each production (professionalism), and “small-scale” production subsidiaries and the matrix management system as well encourages internal communication in those production and new cooperation between productions (internal communication). On the other hand, producers in sales division is actively scanning markets and direct order receiving by production subsidiaries make production being exposed to market environment (external communication). Finally, proactive and aggressive diversification and frequent organizational changes in every two or three years reflect the current CEO’s strategic intent and managerial attitude (manager’s attitude toward change).

However, other characteristics which are

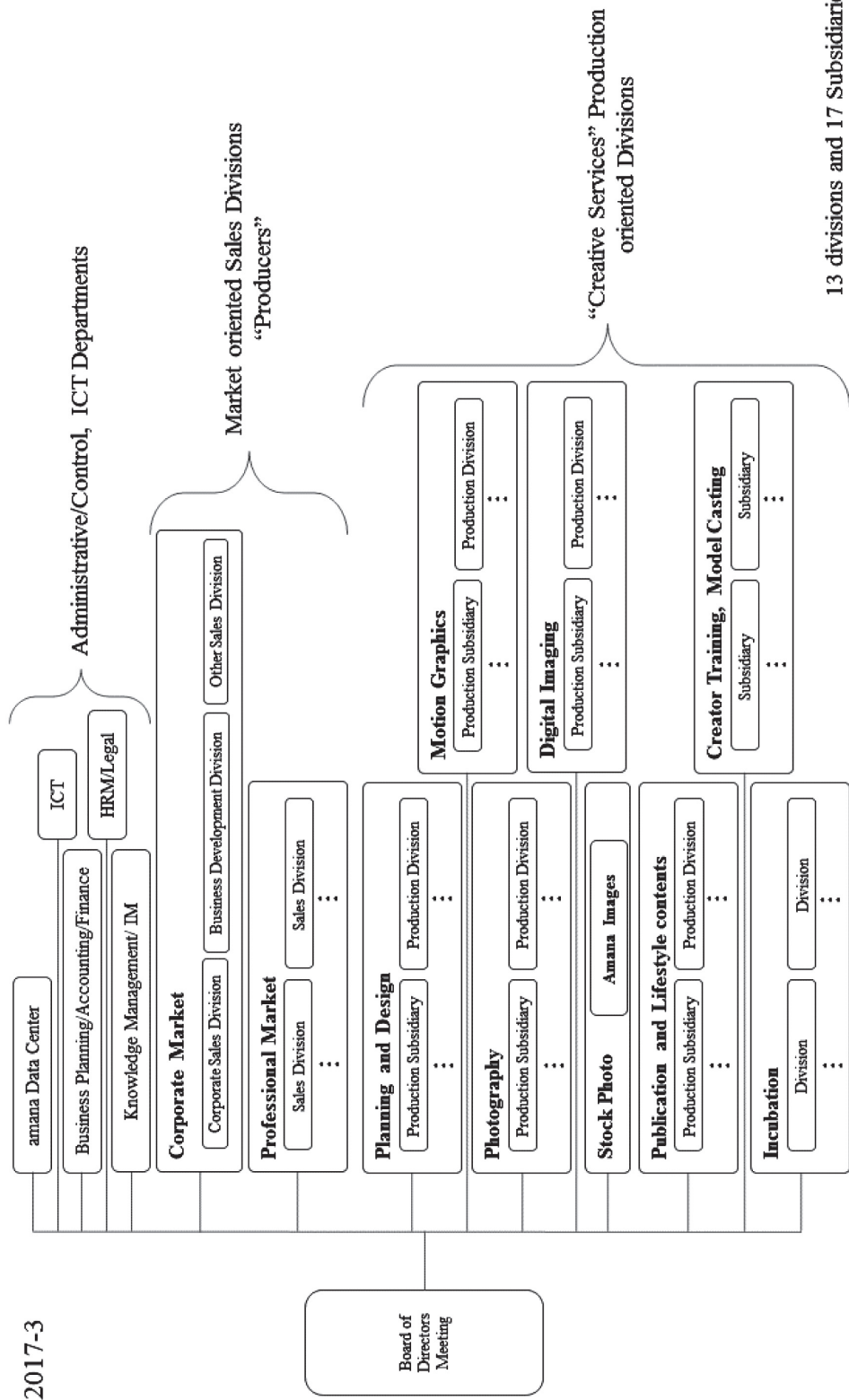


Figure 7 The current organization design of the company

not mentioned in the ideal type of organic organization are found from the case study. As described before, the company has been trying to control producing and creative activities through more centralized administrative departments including cost control and data processing department. This can be thought of as *selective centralization*. And its redefinition of business domain through the process of restructuring and formulation of structural context for encouraging cooperation in the organization can be considered as *integration*. Besides, a series of measures introduced in production subsidiary for promoting marketability and profitability can be thought of as increasing *adaptability* of the company.

In addition, from the case study, the development of organizational design of *amana* can be considered as a series of tentative solutions to external strategic problems and internal management problems of the time.

As summarized in table 3, formation of the basic design of the company can be considered as tentative solution to adaptation to technological and market change as external

problem and for encouraging creativity and diversity, enhancing marketability, maintaining small-scale as internal problem. Creation of the holding company system can also be thought of as solution to market expansion and diversification as external problem and for promoting production autonomy as internal problem. Besides, it seems that restructuring of holding company system and the matrix management system, current design of integrated functionalized division structure has been a solution for streamlining inefficiency, promoting organizational integration and organic cooperation, and enhancing marketability and profitability as internal management problems.

By the way, Mintzberg and Mchugh showed that organizational structure of the National Film Board of Canada had been “an evolved compromise, a balancing act worked out in response to the demand of the individual project, on the one hand, and the need for a certain order, on the other” (Mintzberg and Mchugh, 1985, 165).

And as mentioned before, it is possible to discover that some sort of opposing forces

Table 3 Development of organizational design as tentative solution

| External strategic problem | Development of organization design as tentative solution | Internal management problem |
|---|--|--|
| <ul style="list-style-type: none"> - adaptation to technological and market change - market expansion - diversification of solution services | Formation of the basic design: functionalized division organization composed of combination of subsidiaries (2005) | <ul style="list-style-type: none"> - encouraging creativity and diversity - enhancing marketability - maintaining “small-scale” |
| | Creation of the holding company “amana Holdings” (2008) | <ul style="list-style-type: none"> - promoting production autonomy |
| | Spin-off of web business and selective concentration of control (2009) | <ul style="list-style-type: none"> - streamlining inefficiency |
| | Starting “entertainment image production” and further diversification (2011-2012) | |
| | Concentration and integration into “visual communication” business and restructuring holding company structure (2013-2014) | <ul style="list-style-type: none"> - streamlining inefficiency - promoting organizational integration |
| | Change of organization process and “VHL management system” (2014, 2016) | <ul style="list-style-type: none"> - enhancing marketability and profitability - encouraging organic cooperation |
| | Current design: integrated functionalized division organization (2017) | <ul style="list-style-type: none"> - enhancing marketability and profitability - promoting organizational integration |

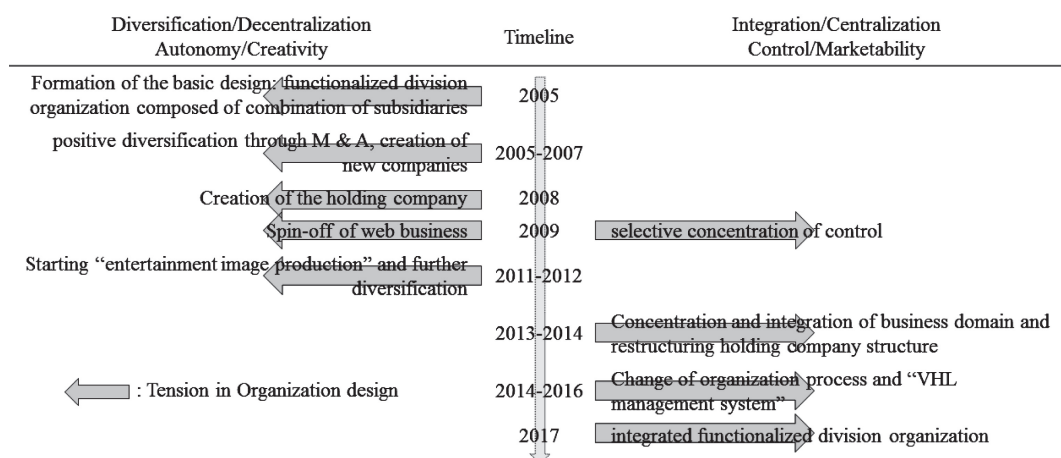


Figure 8 The development of organization design and tension in the organization

have been affecting the development of organization design of the company. These opposing forces can be regarded as tensions between conflicting values or logics of design. Thus, according to Mintzberg and McHugh, organization design of the company as tentative solution also seems to be “an evolved compromise, a balancing act” in response to the tension between such as creativity and marketability, autonomy and control, decentralization and centralization, diversification and integration (Figure 8).

Furthermore, the development of organization design of the company needs to be regarded as a continuous dynamic process, rather than a static combination of structural and behavioral characteristics. Based on the case study, we can find that the development of the organization design of the company has been continuous series of activities of organization change and reorganization. From this standpoint, the development of organization design of the company needs to be considered as “an ongoing activity”, that is “organization designing” (Yoo et al., 2006, 215).

Finally, a tentative conclusion can be drawn

from this research as follows. Firstly, the organization design of *amana* can be considered as compromised mixture of organic characteristics and non-organic characteristics rather than an assemblage of organic characteristics. Secondly, such compromised mixture has been formed through the tension between conflicting values and logics of design in the process of development of organization design. And thirdly, this development process needs to be considered as a continuous, ongoing activity of “organization designing”. Fourth, through the development of organization design, the company seems to have been trying to promote creativity as well as marketability in productions. This implies that the tension between creativity and marketability might be a serious one in creative organization.

Needless to add, further research should be addressed in the future about the following issues. First, it is needed to investigate into a process of evolution of creative project at a micro level, especially focusing on functions of producers, relationship between producers and productions, and involvement of administrative / control departments with creative proj-

ect development. Second, it is also needed that an investigation at organizational level into a “generative mechanisms” (Burgelman, 1983) of creative projects and “strategy formation” process (Mintzberg and Mchugh, 1985) in the company. And third, it should be addressed an international comparative study about the relationship between organization design and creative performance in wider perspective including social and institutional factors.

Notes

- 1 This is the revised paper that was presented at the 35th EAMSA Annual Conference 2018 at Korea. I do appreciate participants at the session for informative suggestions and comments.
- 2 The interviews were taken place on 29th of March 2017, 18th of May 2018, and 3rd of July 2018.
- 3 Data on environmental recognition and strategic focus of the company management were collected from annual reports and annual securities reports.
- 4 Data on business domain were also collected from annual reports and annual securities reports.

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