The Managerial Process in the Media Industry

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ABSTRACT
Managing an organisation from the media industry has a series of particularities that are the object of this analysis. The main functions of management are studied with the help of relevant examples and case studies taken from the specialized literature. For such a complex, dynamic and versatile industry such as media, with the electronic sector evolving perhaps more rapidly than in any other industry, the challenges facing managers are multiple.

KEYWORDS: *Media, management, functions, process*

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Introduction

The manager transforms other people's work into tangible performance. For this, he/she has to fulfill simultaneously the function of entrepreneur, regulator, negotiator and many others and to establish a management process that typically constitutes of five phases: planning, organizing, leading, motivating and controlling.

In this article, we will try to analyze the process of management in media companies, by means of different examples taken from this industry. We will try to determine the way in which the principles of the five fundamental management functions are put into practice. Far from aiming to be a management manual for the media industry, this analysis can represent a set of benchmarks and recommendations for any organization in the media sector.

1. The planning function – choosing the winning strategy

The planning function supposes a thinking and action effort for managers with the purpose of identifying beforehand the problems that can come up in the activity of the company, from within it but also from the outside environment. In this manner, by anticipating them, and with sufficient time available, stronger possibilities of solving these problems will emerge.

Prevention and planning have become an integral part of manager mentality, that has to pro-actively anticipate the way different activities are carried out. Generally, the manifestation of the planning function requires taking the following five steps:
- **Establishing the perspective,** or the direction in which the activity needs to be oriented, by following the identification of the entire set of necessary information, based on which the possible actions to be initiated are formulated.

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- **Defining the objectives** – based on the information gathered in the previous step, the general working objectives are formulated. The derivation of the general objectives is realized when the planning refers to a shorter time frame.
- **Establishing the programs** for each activity sector of the company; these programs are considered as an integral part of the general program.
- **Defining the means,** both material and financial, that are necessary for fulfilling the planned objectives.
- **Evaluating the consequences** of the decisions taken, which will consist of both the development of business processes within the company and also the valuation of the obtained results.

Two important phenomena make this first management function to be a complex and risky process for a media organisation. The first phenomenon is the major difficulty of knowing beforehand the wishes and needs of viewers and readers, as well as the way they are consuming different media products (Lacy, 2004). Hence the media supplier transforms into an investor that supports different types of production costs (personnel, materials etc.) with a view to develop the media product. If we are referring to a book publisher, the production time for a book can span from several months for a work of reduced complexity (a fiction novel by example) to several years for a work of high complexity (a large encyclopedia etc.). During all this time, the publisher invests constantly, hoping to get a return on his investment as soon as the product is launched.

The second important aspect of planning in media is the consequence of value-adding objectives and of competition pressure intensification, of the constant development of content and form quality of media products in general, which has known a significant acceleration in the last two decades (Deslandes, 2008).

Largely influenced by Porter's five forces model, R.G. Picard identifies four distinct forces that act within and outside the media company:
- The general influence of the economic environment;
- The evolution of public policies;
- Market transformations;
- Transformations of the company itself (Picard, 2002).

These influence factors are the cornerstone for strategic planning within a media company from a global perspective.

The definition of „strategic planning" is changing over time. This can emphasize development, stability, quick recovery following a crisis period, or scale economies. Obtaining the critical dimensions for an organisation of the media industry is usually the safest route to global market domination (for example, the AOL – Time Warner merger, the partnership between Sony and Philips for the launch of the DVD-ROM etc.).

2. The organizing function – choosing the efficient structure

There is no perfect organisation. Structure is nothing more than the means of management to reach its objectives (DeCenzo, Robbins & Gabilliet, 2004). In an environment usually dominated by organisational chaos caused by frequent major changes, during which media companies usually have high personnel turnover, the attempt to reduce the uncertainty degree to zero is bound to fail. It seems nevertheless that companies that know how to

recruit and train talented, very motivated teams that are capable of exploiting the brand have a critical competitive advantage compared to their competitors (Sanchez-Tabernero, 2004).

These teams, in order to benefit from their entire creative potential, need to be organized: this is about the clear definition of tasks, functions, responsibilities and the recruiting and finding of talent. Although media company organigrams only reflect the visible part of power and responsibility separation, structure is however the main instrument for determining the general schematics of an organisation: this has everything to do with the needs of the organisation, the means of action and the people responsible for each activity.

Thus we can distinguish between several configurations, each of them answering differently to the various needs that a media company may have, following each of the latter's internal and external context.

2.1. The functional structure

Clearly the most obvious one is the functional structure: its force is based on the advantages of specializing the positions from within departments and of grouping appropriate activities and people using the same professional language: marketing, accounting, legal, purchasing, logistics, commercial etc. This structure, which is similar to public administration structures, has the disadvantage of losing from sight the basic interests of the organisation at the exchange of fulfilling all the functional objectives. Hence, the functional structure is encountered rather rarely in the world of media companies, which have project based work as their most frequent operating mode.

2.2. The divisional structure

The divisional structure defines an organisation in which the basic leading cell is disseminated into several sectors or divisions of activity that enjoy a high degree of independence. Under the supervision of a directing committee, formed in general by division managers, this type of organisation brings together different units, that manage various categories of media products, in a structure that benefits largely from economic and informational synergies.

2.3. The matrix structure

The matrix structure represents actually a combination of the first two types of approach. The french division of Gruner & Jahr press group, Prima Presse, combines functional management with the splitting of product lines targeted for different markets (women press, television, business etc.). The board consists of the president, the CEO, the managers in charge of leading the functional departments from the organigram, as well as the five managers of the theme divisions, as shown in the figure below. This type of organisation abandons the principle of "command unit" and allows the mobilization of teams with different competencies in common projects.

Organisational structure for Prima Presse
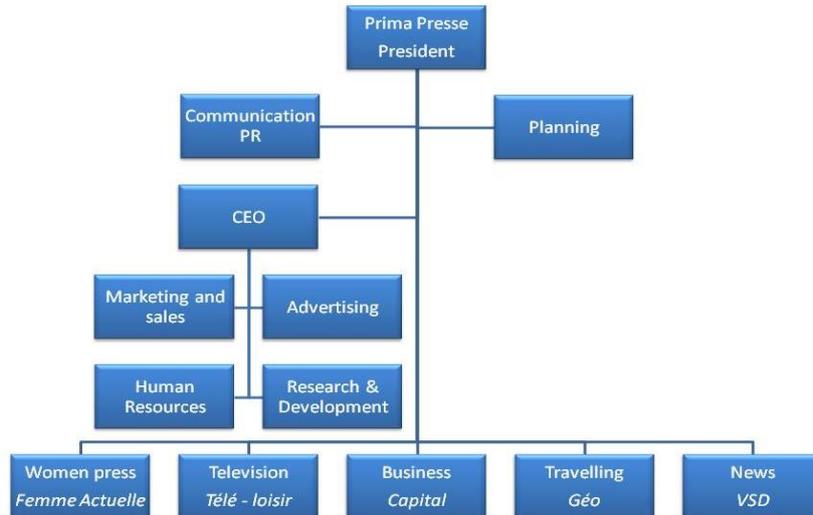
H. Mintzberg suggests another type of structure, called the five level structure (Mintzberg, 1984). This is a dynamic model which is capable of explaining the tensions and interactions with various interest groups from within an organisation, that have different goals and activities:

> ➢ the strategic level, that advocates a higher centralisation of power;
> ➢ the medium level, or tactical management level, that tends towards increasing its own influence;
> ➢ the technostructure, that consists of control activities in the organisation and that is oriented towards an increasing stadardisation of procedures;
> ➢ the auxiliary personnel, which is the „functional" element of the organisational structure and shows loyalty to its own professional groups;
> ➢ the operational/executive component, that is oriented towards autonomy and its own professional status.

In fast evolving sectors, the more decentralized and autonomous structures are formed, the more flexible organisations that adopt such an approach become. This fact has increased with the development of electronic businesses, which have transformed the traditional workplace into a virtual one. The most recent developments of new media have pushed media groups to reorganize to accelerate the decisional process. The success of the new Financial Times website, for instance, has allowed the creation of a "common newsroom", a name that represents an entire process that allows the integration and interaction of multiple news teams all over the world, be it print- or web-based. This newly created global editing team has risen from the efforts of resisting pyramid logic, which is typical for a daily news agency and which had been in place for www.ft.com. After this change, the editing teams started behaving, according to FT ex-CEO Olivier Fleuriot's expression, "a gang of pals that know eachother for a lifetime" (Alline, 2000).

3. The coordination function – choosing the leader of the organization

Running a media company is definitely influenced by the style of the person in charge. Without going into too much detail, which would lead to a personalized leadership model, we are interested in analyzing the variables of the personality that determine efficiency in such an organization. It is obvious that the leader of a company, especially in the media business, imprints a personal touch on the evolution of the organisation, introducing a personal dimension on the management of the media company.

According to V. Lefter, in his work "Human Resources Management", a manager's leadership style expresses the manner in which they carry out their responsibilities in managing, organizing and administering the activity of an organisation. Management style is influenced by a number of factors, but it must always be analyzed in connection to the company's approach to human resources, motivation policies and participative management applied at the organisation level.

A number of theories regarding leadership style are detailed in specialized literature. According to Rensis Likert, four ways of governance can be identified in an organisation corresponding to four management styles:

- Style I, characterized by despotic governance of the organisation, called "exploiter";
- Style II, based on the principle of promoting human relations, its main characteristic being "goodwill";
- Style III, promoting delegation and communication, therefore being "consultative";
- Style IV, based on a participative concept on the part of the employees, therefore "participative".

In practice, we can observe that several different management styles can be applied within the same organisation, depending on the circumstances. As such, in times of crisis, there is a tendency to resort to style I, as in times of economic boom, management is more inclined to rely on style IV. In reality style IV ensures increased efficiency both from an economic and a human point of view.

As far as human resources management is concerned, an important part is played out by the approach to management styles based on two elements:

- Managers' interest in meeting production quotas, getting results, fulfilling objectives
- Manager's interest towards the company's employees

The defining traits of a media company manager are diverse: authority, passion, experience, technical competence, know-how, contact networks, self-confidence, determination, endurance, character strength. The situations which bring out these traits carry a decisive role in the development of an organisation. "Alchemist, individualist, expert, opportunistic, diplomat, strategist, winner", according to Rooke and Torbert (2005), "on the verge of clinical problems: paranoid, autocratic, perpetually unsatisfied", based on an article dedicated to the president and founder of NRJ radio trust, Jean-Paul Beaudecroux, published in "Management" magazine in March 2005, these being only a few of the descriptive adjectives used by the press when referring to their bosses (Rooke and Torbert, 2005).

These leaders, through their experience, the vocabulary they use, their inner and outer universe, are carriers of a management style that is unique and identifiable, built up from their motivational needs, traits of character and temperament. Specialized literature identifies three primary management styles: autocratic, democratic and laissez-faire or liberal (Lippitt & White, 1960).

An authoritarian leader traditionally imposes the rules. He is the only player in the decision process, imposes his discourse, working schedule and methods, and usually behaves abrasively. Examples of autocratic business owners in media are very numerous: Hearst, CEO of Sanoma Hearst group, Rupert Murdoch, or Eisner, who controls the Disney group.

A democratic leader is, in contrast with the first type, open to dialogue and concerted action and his decisions are the result of this dialogue. His listening skills are maximized, consulting others even for minor decisions. He facilitates communication, openness, promotes the idea of collectivity and full employee participation in decision making. A good example is the general manager of French group Canal+, Pierre Lescure, who takes several hours each day walking about the offices, talking to employees.

The liberal style allocates a non-interventionist management practice, letting collaborations develop freely and having an activity that is largely concentrated on assuring all means necessary to the employees to reach their maximum efficiency.

A recent study, realized on a five-year time period, „Inside the BBC and CNN, Managing Media Organisations", by Lucy Kűng in 2000, was aimed to identify the connections between organisational culture and strategy in media companies, starting from the case studies of BBC and CNN. This study identified the importance of organisational culture in the defining and putting into practice of a strategy. The cultural difference between these two media giants is evident from the perspective of each company's success: without the obsessive preoccupation of CNN to present the world news in real time, television would not be where it is today. In a similar manner, without the sharing of a collective intention to dedicate its efforts to public service and of a task book that includes culture as a main focus, the BBC network could not have maintained the same qualitative level of its programmes.

4. The training - motivating function - the choice of the ideal mixture of motivational factors

The exertion of the training- motivating function implies the attraction of the personnel to fulfill the company's objectives. The importance of this function is highlighted by the fact that, as it is generally known, without the participation of work force the achievement of the pre-established goals is practically impossible.

Realistically, the formulation of the following question arises: „Why do people contribute to the activity of a company, irrespective of its nature?" Moreover, can the participation be seen as a personal initiative or as a goodwill of the employees of that company? Indeed the facts do not match perfectly to the stated things, even if someone has adressed a unit in this way. Simply the fact that someone is an employee of a company from the media industry does not imply that he or she contributes to the achievement of its goals. It means that the participation process to what the company is aiming at is determined by other factors, which are other resorts that bring the individual into „movement".

4.1. The challenge of abilities - requested in the process of ongoing formation of employees

The people employed in the „new media" companies are in their majority self-taught and at the same time invest an important part of their time into learning and constant improvement of their abilities. The professionals coming from this environment have invested, on average, 13,5 hours a week learning and perfecting their abilities. The acquisition of these abilities is an individual responsibility, mostly given by the interactive nature of the main working means, the PC, but also because the traditional training programs cannot keep up with the employees' needs in this fast moving and so technology-dependent industry.

This informal approach of gaining abilities makes the recruitment and selection processes more difficult, because the employees cannot assess correctly the level of aptitudes and complexity of the potential employees.

The employees of the „new media" industry identify a better access to training the abilities as being the most important problem of personnel politics. The employers, the professional associations and other players of this industry must collaborate with the training suppliers to be assured that their offer is in line with present needs of the industry. A hierarchy of the abilities for the different industry segments is required, which will allow the fresh employees to begin a career development program by training their abilities. The training programs must reflect the real rhythm of the technology development, and a more efficient, stable standards and procedures based system must be imposed for the uniformization of the certification of these aptitudes.

All these aspects will become more and more important, while the media industry grows on a global level above the local communities, where old personal relationships were sufficient for establishing your reputation and professional level.

4.2. The challenge of sustainability in a media organisation

The people who work in the media industry rarely can be considered "employees" in the usual meaning of the word. The majority work from project to project, bringing their contribution to the creation of media products, like movies, book covers, or advertisements, or web pages design. The social networks are therefore the most important sources for searching for a job or, depending on the case, of work place security, employees are often naming their friends or colleagues as the best information source regarding the job market in this area.

Full-time is not necessarily equivalent to long term. Even for the employees with full-time work contracts, the average length of service at one employer rarely exceeds six months. The career paths are mainly built around the creation of a special abilities and prestigious projects portfolio, rather than around the length of service in only one company. A typically successful career implies the evolution from full-time employee, to independent contractor, to entrepreneur.

The personal networks and professional associations have an important role in retaining the employees and in the reduction of costs associated to the transfer of personel in the media and "new media" industry. Thus, the professional associations must be developped, for them to play more efficiently the role of intermediate on the job market in the media area.

This aspect is to be taken into consideration by the organisations with a significant number of women or minorities, for whom associations are more important than personal networks in obtaining a better work place or for advancing in their career.

4.3. The challenge of work place and employees' security

The professionals of the media industry usually identify a high need for medical insurance and/or other social protection instruments. In a sector which is flexible and based on projects, mechanisms must be built to permit the employees to offer social benefits, like the health insurance, even outside the company. A precedent that can be taken as a model of overtaking these benefits in work based on projects exists in numerous traditional media institutions.

5. The control function – choosing the right key performance indicators

Lack of control, this is a conclusion which was made over and over again among those who were interested and have reviewed the major industrial disasters that have resulted in corporate governance crises of the 2000s: Enron, MCIWorldcom and others. History has shown that it is dangerous to neglect this last step of the process management. Especially with the activities in the media being so difficult to quantify: it is not so obvious how one could measure the productivity of a journalist, the efficiency of a reporting team (through the length of the text, through the objectivity of the program, through its originality in comparison with its competition or other subjective concepts).

Compared to a sales supervisor in a cosmetics company or a department head in a supermarket, the performance criteria cannot be objective. It will always be difficult to determine which is a more valuable writer, one who is the author of a commercially successful movie or one who writes a scenario that will go down in history for its originality. In addition, the praise will go to an editor of investigations, who has been following a certain trail for months to uncover a drug trafficking network or to an editor who writes a brilliant column every day for a big newspaper? In this business, the conversion of these contributions on a rational scale is rather an issue, especially because, on one hand, every administration of such a company would try to give up these rules if they don't reflect reality and on the other hand, because every control system is liable to damage creativity.

5.1. Control methods in media

Control methods put in force in the media industry are somehow informal. They adjust to the size of the organisation: the requirement of controls, especially in the legal aspect, is not the same for companies such as Time Warner, which is given a value on more than one stock markets, or to an independent company owned by a single shareholder. The controls are stronger in decentralized structures, in the idea of covering as much risk of shortfalls in costs or of non-compliance of certain contractual clauses as possible. In addition to this other aspects can contribute to the analysis, aspects which can be market oriented, to procedures put in force or simply by signals and cultural norms within the company.

To quantify the results of an innovation made in a magazine owned by print media, such as a subscription to two areas, the publisher calculates the costs of making this offer, the

evolution of its advertising revenue as compared to initial forecasts, on a target section. In television, the director of a certain channel evaluates the results of hourly installment of "prime time" in relation to other competing channels, the increase of its share in some audience segments, such as over 50 year old housewives in the morning time slot etc.

Control procedures may include hierarchical and administrative mechanisms, especially concerning budgetary issues, such as streamlining the internal operations, the management of performance indicators and the level of indebtedness, cost breakdown, frequent deviation analysis, or legal issues, particularly for the book and newspaper publishers, such as obligations to the legal deposit, compliance to the status of journalists and of provisions relating to intellectual property. The assessment – controlling operations must also validate the positioning of the channel, newspaper, book etc. opposite to the main legislative and regulatory texts, such as the broadcasting law or opposite to the competent bodies which ensure the compliance with these regulations (eg. National Broadcasting Commission). Thus, a TV channel may be required to devote a percentage of its revenue to culture or to certain programs for people with disabilities, to provide a number of hours per year for broadcasting in other languages than the official one etc. These provisions are regularly negociated with legal entities and the non-compliance with those rules and regulations may result in harsh penalties, due to a series of legal instruments available to these administrative committees.

Ideally, the manager would support and advertise the need for these systems. In the media business, a sole vision lacking follow-up actions and corrections is dangerous. These will allow the forcement of the organisation strategy or the exercising of adaptive correction, of actions meant to restore the company on its predetermined path, so as to redefine new strategic hypotheses to which another company may be associated, if required. Objective validation favors risk undertaking. While supervising, the manager will have the means to differentiate the acceptable risks from the unacceptable ones, in this case, the control-evaluation function allowing the organisation (company) to redo its course, by correcting the significant differences that have emerged since the initial strategic planning.

In broadcasting, retroactive control, or controlling, located downstream of the activity, generally occurs after noticing an audience decrease or a lack of interest shown by the public, which is called an „industrial accident". However, in this area, where everything constantly changes, control is also exercised in a precautionary manner. It is thus the continuous controlling function: for example, market studies may help prevent certain difficulties that a new title or a new program might face before its appearance. They can cause changes in shape, such as a different cover, or a change of scenery for a show, of a logo, of a presenter or a change of a generic. Some producers, especially in the United States, do not hesitate to test several mounting options of a broadcast studio on a number of target audiences.

Conclusion

As the article shows, there are some typical aspects regarding the management of a company from the media industry that need to be taken into consideration in order to overcome the challenges of a very fast-changing industry that is shaping public opinion worldwide.

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