

An investigation on a production company via the scope of Mintzberg's adhocratic organization structure

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Abstract

Today, the importance of innovation for enterprises, increase each passing day. As a result of globalization, enterprises are under intense competitive pressure. They have to make innovation for increasing to market share or for protecting to it at least. Non-innovative firms lose their customers and their existence is face to threat from other innovative actors in the market. Therefore firms have to design their organization structure that encourage to innovation. Mintzberg's adhocratic organization structure was investigated in this article. Thus, its aim of this study leads to resemblance and diversity between theory and practice via of the theoretical knowledge. As a result of study; high degree of similarity between the application and Mintzberg's theory, which is related to adhocratic organization structure, has been identified.

Keywords: Innovation, Organizational Structure, Mintzberg, Adhocracy, Media Sector

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1. Introduction

Today, with the effect of globalization, frontiers are removed and competition has increased steadily. As a technical term innovation refers to result of novelty and also an economic and social process connected with differentiation and change as lexical meaning (Elçi, et al, 2008). According to OECD and Eurostat, and the generally accepted definition, innovation is practiced of new or significantly improved products or services, processes, organizational structures, new marketing methods at workplace organization or external relations (OECD, 2000). According to Gümüslüoğlu (2009), increase in innovation performances of the countries in nowadays, plays an important role for economic and social progress, prosperity and development. Therefore, innovation and innovative thinking in organizations has become one of the most mentioned issues. Roman and his friends (2011) has defined to innovation as internal activities that are concerned the whole organization.

Innovation, according to Harmaakorpi and Mutanen (2008), is implementation of a new organizational method on the firm's business practices, workplace organization or external relations. Organizational aspect of innovation is likened to roe by Sunding and Zilberman (1999) and they emphasize that innovation processes should be taken into account by both private and public sector. In addition to this thought, according to Stalk and his friends (2009), organizations should be creative more than ever and innovative for to sustain their lives, to compete, grow, and to go up a leading position in the market. Although the business community and the academic world come to agree about the definition, importance, and of the necessity of innovation, Godin (2005) said that innovation have measurement problems.

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2. Literature Review

Henry Mintzberg is handled to innovation in terms of whole organization and talked about innovative organizations. So innovation is not just a case of working on a few people in an organization, it has transformed into an organization structure. From this perspective, Adhocracy is the most widely used word with the innovation. Adhocracy also referred to as the opposite of bureaucracy, is the name given to structure that is encountered on the innovative organizations. Innovative organizations are also used in the same sense with adhocratic organizations.

For the first time put forward by Weber, bureaucracy is an organization form that are collected of hierarchy, authority, division of labor, written rules and correspondences (Koluman, 2010). The problem revealed by the bureaucracy is placement of persons to these strict categories and regulations, procedures and organizational charts connect them to past methods (Gore, 1993). According to Dolan (2011), adhocratic structure is located between highly structured bureaucracies and low-level structured anarchic organization structure and it is in a close side to anarchism. Managers have a high level of technical and professional knowledge (Roodenburg, 2008). Adhocracy is defined as identifiable structures that various expertise fields (horizontal differentiation) are too much, superior control (vertical differentiation) is very low and low degree of formality and centralization (Altuntaş, 2007). Ad-hoc means "one-off", "target". It refers to the high organic structure. Teams can develop the ability to solve problems jointly on adhocratic structure, if information transfer between teams is productive (MacCormack et al., 2007). Adhocratic organization structure a structure that the exact opposite of the bureaucratic organizations. It refers to dynamic, entrepreneurial, innovative, creative, and flexible organizational environments. Organizational positions are temporary not permanent, so they aren't considered important.

Tendencies of centralization in the organization as organization structure are not very common. People are encouraged to use initiative, to take risks, to make innovation and civil liberties within the organization (Mintzberg, 1983). Adhocracy has simplicity, lower formal structure, decentralized management style and organizational flexibility instead of bureaucratic structure properties such as complexity, centralization, formality and a high degree of rigidity (Tutar, 2002). According to Attar and Pourrezzat (2009), a high degree horizontal partitioning, low formalization, decentralization, flexibility, sensitivity are seen in this kind of organizations. Bilton (1999) is stressed in his study that these firms are flexibility firms, which can aware of the opportunities quickly and can assess to opportunities. Aforementioned flexibility, according to Büyüksulu (1998), has an important role on flexible working application, increase productivity and reduce labor costs in terms of organization. Finally, there are two main problems on the adhocratic organization structures:

Activity Problems: There is an unbalanced workload. There is no standard business processes. Communication cost is high. *Inappropriate Transition Hazard:* Innovation power of organization may be killing by transferring to another structure due to the inefficiency and uncertainty (Mintzberg, 1983).

3. An Investigation on the Firm that Operates in Media Sector

3.1 Research Goal

Many researchers have worked on the organization structure also several theories have been developed on this subject at the same time. Mintzberg's organization structure theory, which is revealed at the end of 1970s, derived from the flow of many management theories, that's why we handled Mintzberg's organizational structure theory on this study. Mintzberg's organizational structure theory has influenced many researches as from revealed of theory. Despite the numerous criticisms, theory remains on the agenda and still preserves to validity. In our study, the organization structure of ZorZanaat Production Company and Adhocratic organization structure, which is revealed under the innovative organization by Mintzberg, are compared and put forward to similarities and differences of both organization structure.

3.2 Methodology

Semi-structured in-depth interview technique was used as a research tool. Different questions are asked according to the attention of organization leader within the general framework with prearranged road map for nearly three-hour

interview with the organization leader and obtained information about organization's design parameters and external environment of organization. The interview process is recorded audio recording device and then analysis of the records was made in the direction of Mintzberg's views. The reason for selecting the semi-structured interview method as a research tool is to obtain satisfactory information as well as it is high chance to take a particular course of interview (Altunışık et al., 2002). Purpose is to prefer this method for research; to reveal on the organization leader's habits, beliefs, attitudes, and feelings about the subject, to benefit from leader's expert opinions and to understand media- production sector and also the topic in depth (Kurtuluş, 2010). Semi-structured in-depth interview process is carried out by paying attention to the following points^b: *A brief description about the purpose of the interview was done. Assurance is given for names of interview participants and also name of interviewed business will not be announced, will not be even hinted without their permission. Given information about the result that study's wants to arrive to participant and so, he clarified to questions about the purpose. Information, which is about the note-taking system and voice recording system during the meeting, was given participants.*

An effective communication medium has occurred and organization leader has answered the questions clearly and satisfactorily. Pre-prepared interview guide has been examined during the interview, so that the risk of overlooked question is prevented. Market that Business Operates In ZorZanaat production company is an organization that formed by three people who work together in various projects for ten years. The company's area of activity is animation, TV programs include on children and the digital media industry that focused on advertising films production. Sector that business is included in, is based on specialized labor force although technology-intensive sector. Considering speed of technological changes, the sector can be referred as fast, dynamic and mobile structure. Although there are few enterprises operating in the market, limitation in the number of customers causes the formation of a fierce competitive environment in the market. At the same time, company's field of activity is in need of a high level of technology, software information and creative abilities. So it is very difficult to enter the market of new competitors and eliminates the existence of substitution of produced products.

Financing of produced projects are supplied on sponsors highly and so, the growth of the national economy is very important in terms of sector's reacquire. Therefore, business is affected by changes in the economic environmental factors. The target group of business is mainly children, so number of children was carried out in the market, children segmentation that according to income, age, culture and child profile in the future is remarkable for now and the future of business. Business is aware towards technical and social developments abroad. Entered in the process of widely used technology on publication and while business follows closely to other channels, it focuses on the multi-media at the same time. Thus, market innovations, developments and potential opportunities are evaluated and keeps fit to creative power.

3.3 ZorZanaat Production and Mintzberg's Organization Structure Design Parameters

Mintzberg described to organization structure as "coordination that labor force is divided into different tasks and these tasks are re-collected for common goals". This structure is shaped around five co-ordination mechanisms, five structural components of the organization and nine design parameters. Five co-ordination mechanisms are composed of the components that hold the organization together and serve as glue. *These components (Mintzberg (1979); 1. Common harmony, 2. Direct supervision, 3. Standardization of business processes 4. Standardization of work outputs, 5. Standardization of the labor skills.*

In addition, main coordination mechanism is mutual trust between individuals on the adhocratic organization structure (Sunje et al., 2010). The *five structural components* of the organization are as: 1. Operating core, 2. Strategic apex 3. Middle line, 4. Techno-structure, 5. Support staff

^b We would like to thank organization leader for accepting us in this interview process.

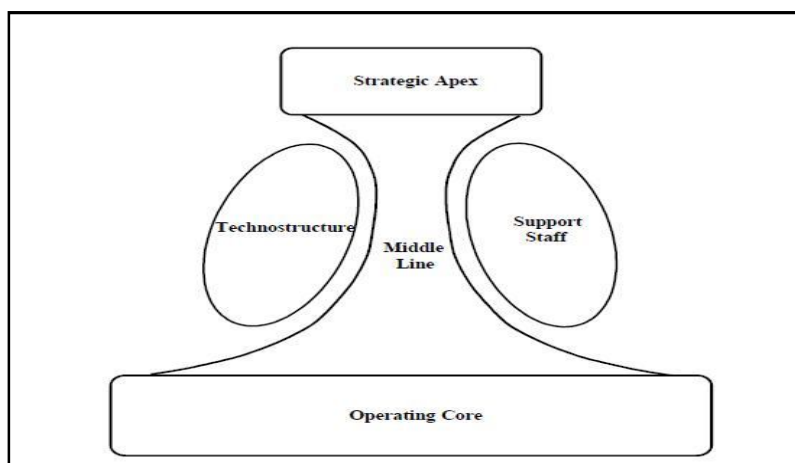


Figure 1: Five Essential Component of Organizational Structure

In addition, Mintzberg is grouped nine design parameters under four headings. Aforementioned parameters are (Mintzberg, 1983);

A. Positions,

1. Specialization on operating core (large, high ability to understand and control on job)
2. Behavioral formalization (position, workflow, rules)
3. Education (knowledge and skills) and teaching (organizational norms)

B. Design of Top Structure

4. Group units (Control, common resources, performance metrics, internal coordination, knowledge base, process and function times, output, etc.)
5. Unit size (Standardization in units and similar tasks, employees' need for autonomy and clear information, close supervision, complex independent tasks, the lack of directors' control tasks in the hierarchy)

C. Design of Side Connections

6. Planning and control systems (output's or results' value)
7. Connectivity devices (officers, task forces and permanent commissions, managers, matrix structure)

D. Design of Decision Maker Systems

8. Vertical decentralization (Distribution of formal power on decision making process, delegation of authority, coordination, low-level authority)
9. Horizontal decentralization (No management control on decision process, the whole organization as individuals, techno-structure and experts)

Parameters are defined shaped like. Questions were asked regarding the organization structure of ZorZanaat production within the frame of organization design parameters that identified by Mintzberg and comparison was made according to the responses received from participants.

The comparison results of ZorZanaat Company's organization structure with the Mintzberg's nine organization structure design parameters are summarized in Table 1.

Table 1: Organizational Structure Compatibility of ZorZanaat Production According to Adhocratic Organization Parameters

Mintzberg's Nine-Structure Design Parameters	Adhocracy	ZorZanaat Production	Accord Degree
1. Specialization in operating core	Large, high understand ability and control on the job	A high level of specialization and grip strength	High
2. Behavioral formalization	Position, workflow, rules	Positions and rules that could not defined easily	Middle
3. Education and teaching	Information-ability and organizational norms	Unconditional support for learning, learning organization	High
4. Group units	Control, common resources, performance criterion, internal coordination, knowledge base, process and function, times, output, etc.	Common sources, information and output-based business groups, cross informal control,	High
5. Unit Size	Standardization and similar tasks, employees' autonomy needing, and explicit knowledge, close supervision, complex independent tasks, the lack of directors' control tasks in the hierarchy	Low standardization, high autonomy, clear and uninterrupted information flow, off-site supervision, low hierarchy	High
6. Planlanning and control systems	Output's or outcomes' value	The focus on output and outcome	High
7. Connectivity devices	Officers, task forces and continuously commissions, managers, matrix structure	Distribution of power, expertise strength, matrix, and "specific" structuring	High
8. Vertical decentralization	Distribution of formal power on decision process, delegation of authority, coordination, low-level authority	Distribution of formal power on decision process, delegation of authority, coordination, low-level authority	High
9. Horizontal decentralization	No management control on decision process, the whole organization as individuals, techno-structure and experts	Partial control of the management decision-making processes, techno-structure, business processes that was outsourced, expertise and confidence.	Middle

As summarized in Table 1, Mintzberg’s adhocratic organization design parameters with investigated company are observed match up with high level. According to the results in table, emphasis can be made on organizations, which have project-based, creative and nonrecurring business processes, should designing organization structure that is defined by Mintzberg.

3.4 ZorZanaat Production Organization Structure

Organization structure of ZorZanaat production, working on project-based work, is an advanced, modern organization structure that increased autonomy on employees, giving priority to development of take initiative and decision-making ability. According to Mintzberg’s adhocratic organization structure the distance between the operative core and the strategic apex is reduced, middle line is quite shortened according to other organizational structures. Compared to this structure, which a significant decrease of hierarchy in organization structure, strategic apex with operative core are intertwined and the middle line is almost nonexistent on organization structure of ZorZanaat Production. Therefore, this section is defined as the strategic focus rather than strategic apex on business’s organization structure. In addition to business’ 10 specialized employees, new employees are recruited according to quality and quantity of projects and after the projects are completed, the roads are divided between the business and the employees until another project. In this context, we can say that pressure on employees to uncertainty about the continuity, which is stated by Mintzberg on his theory, is valid for ZorZanaat Production.

Project leader takes the helm of each project on business and core cadres or employees supplied from outside are involved in the project team according to the specifications required by the project. Business specialized units are defined as; software, web, 3D, 2D, and R&D. Experts, who are involved in the projects from these specialists units, are involved in another project quickly after finishing their work. All project teams depend on the strategic focus.

Strategic focus is business founders who composed of three members and have the high-and multi-expertise characteristics. These founders may be included in each project as operative. In addition, business get service to support staff such as accounting, distribution, legal issues while cleaning and cooking jobs are being outsourced. The services received from outside, directly linked to the strategic focus. Strategic focus puts into practice to agreements with other organizations for these services. But, it is observed that business sometimes adds to other members of the organization on decision making processes, on the subject of choice of business for which the service will be taken. The organizational structure of the business is shown in Figure 2.

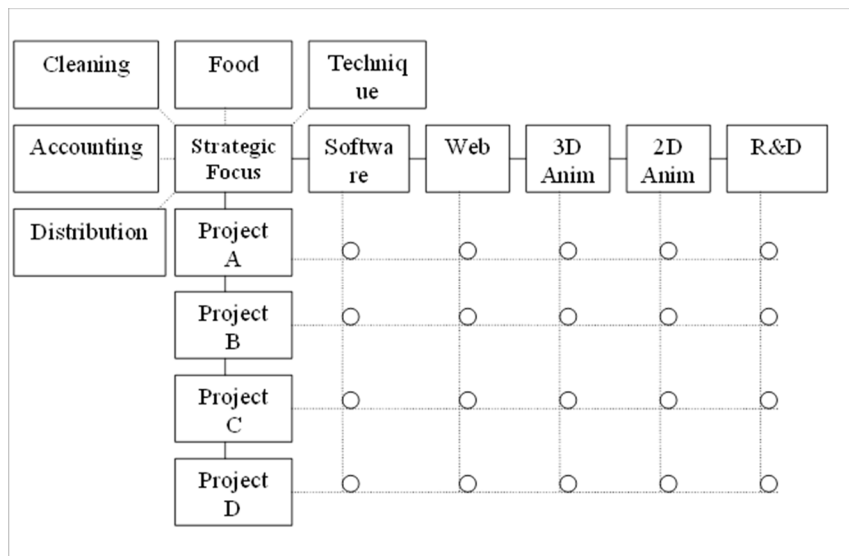


Figure 2: ZorZanaat Production Organizational Structure

As can be seen in Figure 2, there is a matrix structure on business' organization structure which specialized units involved in projects. In conjunction with other external units, all projects are connected to the strategic focus. Although strategic focus appears in the same level with other specialist teams, it is the admiral that leading to organization at the same time.

3.4.1 Positions' Design on Organization Structure

Specialized staff recruitment is one of the most important factors that causing to achievement of Adhocracy. Specialization on operational and managerial level is important in point of to understand adhocracy's new strategies and to harmonize the innovations. Therefore, especially intense specialization in the horizontal level appears one of the design parameters for this structure. Higher education and skilled professionals are employed on adhocracies. However, unlike the professional bureaucracy, Adhocracies don't rely on experts' standardized capabilities. In opposition to innovativeness, this situation leads to standardization. Instead, existing knowledge and skills development is required to combine different knowledge and skills. For this reason, rather than to specialize or diversify as operational unit adhocracy is outside the classical specialization or differentiation and while each expert working on his own at professional bureaucracy, experts combine forces at adhocracy. This situation introduces to educational need for work that is done and highly orientation on the realization of projects. Structural relationships show complex and organic structure characteristic on the organization structure of ZorZanaat Production that have not standardization. Jobs, which are connected to the leader, are undertaken by skilled professionals on lean structure. This situation provides to work together of departments, which are located outside the strategic focus on business, and therefore activities are carried out in non-formal line.

3.4.2 Design of Upper Structure

ZorZanaat Production is structured and also tended to use on the basis of functional and market in the matrix structure for the grouping operation without break employees' connection with their expertise area. These experts, which are grouped on operational units, are divided into temporarily groups (project groups) to perform their duty. Managers can

be divided into three groups as functional managers, project managers and managers, who are served as a bridge, on Adhocracies, which quite a high number of managers / leaders is employed. Mutual harmony between the members of the project groups and the highest number of project managers should be small enough. This situation provides for the establishment of a tight control mechanism with classical measurements for adhocratic organization and this determines to size of the sections. On the other hand, there is no formal leader or manager on ZorZanaat Production's functional sections. Strategic focus undertakes to leadership task at this teams. In addition, project leaders emerge as organic according to current state of organizational structure and the nature of the work.

3.4.3 Design of the Side Connections

Plans' changes are inevitable to innovative studies that aimed to practice by Adhocracies. This situation creates to pose an important obstacle for fulfillment of planning and control activities. In this context, job definition is performed with limited activity planning that is prepared on get to work point, but there is no separate mechanism for performance control. ZorZanaat Production draws attention to the autonomy of employees to create an innovative organizational structure and likewise minimizes to planning and control activities. But, performance evaluation meetings are held every month on a regular basis within the business; all members of the organization give feedback by evaluating the performance both themselves and the other members of the organization.

3.4.4 Decision Maker Systems's Design

Adhocracies have mutual co-operation at high levels in terms of connectivity tools. Here, managers who serve as a bridge, take on coordination task between functional units and managers of the project team. Because of the need for well-trained experts, Adhocratic structure has the characteristics of decentralization as in professional bureaucracy, but it differs from professional bureaucracy in the meaning of structural. Because, experts are not only the operational area but also they are located in each unit of the organization. In this case, decentralization emerges both vertical and horizontal dimension on adhocracies and it is capable of selective according to qualification of decisions. Although similar organization structure is seen on ZorZanaat Production, it is possible to identify some differences. Here, strategic focus unit takes the place of managers, who serve as a bridge. These managers establish connections between projects and units on Adhocracies. However, strategic focus unit takes part in operative tasks at the same time and this situation may cause to semi-decentralization characteristic of decisions. Namely, specialist teams or expert staff of project teams allows to strategic focus unit for review of their decisions.

4. Conclusion

In this study, adhocratic organization structure characteristics, which are foreseen by Mintzberg at the end of 20th century and capable of responding to fast, mobile, dynamic environmental conditions on 21st century information society, are investigated. At the same time, this study has studied to gain a point of view about the validity and applicability of adhocratic structure by investigating to organization structure of business, which operating in the media-making industry. With the obtained findings, ZorZanaat Production Company's organization structure has a similar structure to operational adhocracy organization. It is determined that unlike Mintzberg, strategic apex on ZorZanaat Production is closer to the operating core and it is taken into account the middle line shortness and also strategic apex is determined as strategic focus in the organization chart. This kind of organizational design makes difficult to focus on the future and considering of external environment in terms of strategic, while improving to structure's organic and dynamic strength. However, as Beglinger's (2003) emphasized in, strategic apex is responsible for protecting to organization against the external dangers. However, communication and coordination tasks between teams are performed by related managers on Mintzberg's adhocratic structure, on the other hand; strategic focus unit undertakes to this task on the organization structure of ZorZanaat Production. While teams can be use short-circuit communication channels between each other, final task is carried out by the strategic focus in the context of coordination. Eliminate of operative processes, which is within the province of strategic focus unit, and units focus more on plans, policies and objectives instead of the process, makes increase the organization's ability and enterprise capacity. In addition, business tends towards external resources completely such as distribution, catering, cleaning, and accounting services. This situation has provided to business for focus on its main job and also that situation has prevented the loss of energy and time for activities that are outside of their core job. So, business continuously develops itself around the main capabilities and it presents to faster, better quality and more low-cost works to its

customers in comparison with its competitors. Business places emphasis on education for development to aforesaid factors that providing to competitive advantage. Staffs are supported for education and they are encouraged continuously to improve themselves and the organization. The most important business resource of ZorZanaat Production is its work experience and the creative power. Unique, rare, creative force that cannot be inimitable and substituted can be defined as the basic competence of the organization. According to Galende and Fuente (2003), this competency is intangible innovation source. Business, which is fictionalized to organization structure on this basis to maintain and develop to this main competence, will position organically to strategic focus unit as strategic apex. At this stage, side connection of the organizational design and decision-making system parameters will need to redefine.

This research is carried only on a business that operating in the media-making industry. With the obtained results; it doesn't generalized for organizations, which operate in sectors that are expressed by Mintzberg such as theater, printing and publishing, however, it is targeted that this study shed light on works to be taken in aforementioned sectors.

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