

A Study on the Organizational Resilience of Netflix

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Abstract

The purpose of this study is to prove the global OTT, Netflix's organizational resilience (OR). For this, we review previous literatures regarding Netflix's OR and the theoretical logic of the OR. Then, we investigate Netflix's organizational culture (OC), corporate structure and business strategies based on the five levers of the OR. As a result, the first lever, the coordination makes Netflix to get rid of the inner wall by creating Netflix terms like 'sunshining,' and 'postmortem,' which makes their employees extraordinarily candid with each other. The second lever, the cooperation provides employees with understanding customers by sharing company and service information openly and broadly through transparent board system, billboard advertising, etc. The third lever, the clout allows Netflix to encourage independent decision-making by their employees. Netflix customers are under scrutiny and served 24/7 via live chat or phone by supporting a high-performance workplace. The fourth lever, the capabilities are related to Netflix's keeping highly effective people and it establishes a culture of highly motivated employees. The "dream team" policy is run by what is known as the "keeper test." The last lever, the connections make Netflix to forge external strategic partnership to stay agile. There is no rule for partnering with key content producers by allowing creative freedom to them.

Keywords: *Organizational Resilience, Organizational Culture, Corporate Structure, Business Strategy, Netflix*

1. Introduction

Organizational resilience (OR) refers to the ability of an organization to anticipate, prepare for, respond and adapt to incremental change and sudden disruptions in order to survive and prosper. There has been a preoccupation with defensive resilience behaviors and not enough focus on resilience to adapt to opportunity to deal with the big, complex issues that abound in modern business [1]. According to Economist Intelligence Unit (EIU) and the British Standards Institution (BSI), interviewed executives assessed the progress they made towards embedding a culture of resilience agree with the importance of the OR, but 29% of them moved in this direction. Their confidence in resilience is exaggerated. In the key area of having well-trained and appropriately skilled employee, 75% of respondents are satisfied that their companies will be well prepared in three years' time. Good people and great service are key to achieving the OR. Understanding customer needs, employing well-trained employee, and having a dynamic leadership are the top prerequisites ensuring OR [2].

The OR is becoming important to Netflix, since Walt Disney has showed strong growth at its own streaming video service or Over-the-top (OTT) [3], Disney Plus (Disney+) in its 2nd quarter of 2022 drawing a sharp contrast with Netflix's recent subscriber declines. Disney added 7.9million (mn) new subscribers and this increase came weeks after Netflix's announcement to lose 2mn subscribers in the same quarter, sparking a

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sharp sell-off in its shares and raising concerns about the potential size of the global video streaming market. Disney+ reached 137.7mn subscribers, while Disney's total number of streaming subscribers including Disney+, ESPN Plus (ESPN+) and Hulu reached 205mn in the same period. During the pandemic, Disney shares have fallen more than 40% over the past year [4]. Disney + started off strong, surpassing 100 million subscribers less than a year and a half after the launch of November 2019 launch. Like Netflix, Disney also continues to invest heavily into original content [5].

Recently, Netflix loosed subscribers for the first time, laid off marketing staffers, and is reining in its multibillion-dollar annual content budget even if it will spend US\$18 bn on content only in 2022. The streamer credited its first subscription drop in over a decade to growing competition, password sharing, and macroeconomic factors such as inflation and Russia's invasion of Ukraine [6]. The purpose of this study is to prove the world streaming media leader, Netflix's OR in this crisis. For this, we firstly review the previous literatures regarding Netflix's organizational culture (OC) and discuss the theoretical base of the OR. Then, we organize the research question based on this theoretical logic and explain the research methodology. With this backdrop, we will investigate the case of Netflix's OR.

2. Literature Review and Theoretic Logic

2.1 Previous Literature Review

Three leadership principles are suggested for helping organizations successfully manage a crisis. The crisis response leadership matrix (CRLM) is a prescriptive guide helping an organization improve its initial response and enhance the effectiveness of its crisis management efforts. Combining the element of OC with leadership styles, CRLM offers a methodology allowing organizations to match a given crisis with the best possible crisis response leader. One use case is Netflix which had a crisis when it announced a change in its product-pricing scheme in 2011. It experienced customers' churn-out and a fall in stock price, after increasing the package price of combined OTT and DVD rentals from \$10 to \$16 per month. After it separated DVD subscription by creating 'Qwikster' and focused on OTT, its CEO known for his adaptive leadership style announced the dissolution of 'Qwikster' and the return of the DVD business to Netflix. This resilient adaptation allowed Netflix to recover and by the third quarter of 2014, its stock price was US\$480 per share. As results, firms adopting the CRLM can confidently choose the right person to lead a swift, effective response to a crisis [7].

There is a literature review about the OR with the goal of identifying how the OR is conceptualized and assessed. The OR definitions and the attributes contributing to develop resilient organizations are analyzed and articles focusing on tools to measure OR are reviewed. Even if the OR is considered a property, ability or capability that can be improved over time, there is no consensus about the elements contributing to improving the level of OR. In results, a conceptualization of OR and a four-level Maturity Model for OR (MMOR) are proposed. Using MMOR, the organization can be in one of the following levels like fragile, robust, resilient or antifragile based on its ability and capacity to handle disruptive events: ~~fragile, robust, resilient or antifragile~~ [8].

A perspective of institutional logics how traditional studios and OTTs make strategic decisions has been investigated. The key criteria that traditional studio executives use to make production and distribution decisions are shaped as a commitment logic. Their decision-making heuristics focus on theatrical release and box-office intakes. However, OTTs follow a convenience logic, the product of advanced data analytics to increase subscriptions. In this, the need to drive online traffic by providing users with an extensive catalogue of movies guides production and distribution decisions. Whereas the commitment logic aims for mass-market

hits in cinemas, the convenience logic seeks to reach a wide range of home subscribers with segmentation [9].

Table 1. Summary of Previous Literatures

Year	Authors	Key points
2017	M. Bowers, J. R. Hall and M. M. Srinivasan	- The crisis response leadership matrix (CRLM) is a methodology allowing organizations to match a given crisis with the best possible crisis response leader. - Netflix: Resilient adaptation of CEO in crisis of subscriber churn out due to pricing change
2018	C. Ruiz-Martin, A. López-Paredes, and G. Wainer	- The literature review about OR for identifying how OR is conceptualized and assessed. - The conceptualization of OR and a four-level Maturity Model for OR (MMOR) - The firm is in one of the following four levels: Fragile, robust, resilient or antifragile.
2021	L. H. Allègre, L. Joseph, W. W. David and J. Amit	- The perspective of institutional logics how traditional studios and OTT services make strategic decisions have been investigated. - Whereas the commitment logic aims for mass-market hits in cinemas, the convenience logic seeks to reach a wide range of subscribers at home with micro-segmented offerings.

2.2 Theoretical Logic

In one of the OR views, two main points are emphasized: To bust organizational silos and to be outside in mindset. It means, the resilient company bridges across divisions and works from ‘outside in,’ instead of pushing their won offerings on customer (‘inside out’). Companies are constantly innovating to keep pace with changing technologies. In a complex market environment, only flexible, agile, changing companies can survive. Working from ‘outside in’ means to identify potential customer problems and provide seamless, integrated products and services that address them. For this, it is essential to break through internal barriers that often impede action and ensure that there are no warring divisions within the company, so that they are fighting more against themselves, rather than the competition. There are five levers for ‘outside in’ are coordination, cooperation, clout, capability, and connection.

The coordination is to align activities and information around the customer axis across company units. It means to restructure silos to enable swift responses and it is moving from intra-product-unit to cross-enterprise coordination. The cooperation is ensuring attitudes and behaviors focusing on customers and it is moving from incentive-based to value-based. The clout is to empower customer champions and it is moving from product leader’s decision making to customer-owner’s coordination. The capabilities are to develop the skills to cope with changing customer needs and it is moving from product to customer solution innovation. The connections are to forge external links to stay focused and agile and it is moving from protecting to shrinking the core [10].

3. Research Design

3.1 Research Questions

The above theoretical logic is understood as follows: Companies are product or service focused in coordination, understand their customers in cooperation, shift from focusing on selling products to solving customer problems in clout, are focused on solving their customer’s problems in capabilities, and expand the periphery of the core [11]. Netflix employed 9,400 full-time workers as of 2020, over double the number recorded in 2016 [12] and its board members only have monthly and quarterly offline meetings as observers and the communication with management only comes in the form of short, online memos where questions are answered, essentially making it a living document. By crediting this governance as a meaningful contribution towards their performances [13], Netflix wants to maintain a core values, beliefs, business philosophy, and

behaviors which motivates its employees to support innovative ideas for OTT business growth.

The main characteristics to define Netflix’s OC are independent decision-making, open, broad, and deliberate information sharing, extraordinary candidness, focus on high effectiveness, and rule avoidance. The autonomous decision-making is from Netflix’s “people over process” approach according to a document titled as “freedom and responsibility” available on Netflix’s official website which became a current manifesto of Netflix’s OC. The first value outlines Netflix’s decision-making ways and accompanying expected behaviors. Netflix empowers its employees not only to make the decision but to do so “based on the long-term, not near term.” Netflix encourages its employee to take the time first to be creative and then it moves into judicious decision-making for the long-term [14].

In an interview, Netflix CEO, Hastings said, “First principle thinking is the idea that everything you do is underpinned by a foundational belief or first principles. Instead of blindly following directions, a ‘first principle’ thinker will constantly ask, ‘What’s best for the company?’ and, ‘Couldn’t we do it this other way instead?’” Netflix employees from all levels have access to information, other decisions, and ideas. Netflix motivates individuals to develop personalized approaches to solve challenges in their jobs and this promotes initiative at the bottom-line [15, 16]. By maintaining autonomy, communication, attitude, productivity, and rule of no rules, Netflix employees are motivated to take risks and deliver innovative ideas contributing to Netflix’s competitiveness. Overall, Netflix maintains this culture that helps keep its organization flexible, innovative, and responsive to market demand and consumer preferences [17, 18]. As shown in Figure 1, the research framework is schematized as follows, based on the five levers of the OR theory pursuing ‘outside-in’ and the five characteristics of the OC pursued by Netflix.

Levers for OR	Outside-in Mindset	Enablers to Reorganize for Resilience	Netflix’s Organizational Culture
Coordination	Cross-enterprise coordination	<ul style="list-style-type: none"> ▪ Informal: Social networks, information-rich individuals ▪ Semiformal: Task force teams, customer segment teams ▪ Formal mechanisms: Silo swapping (breaking down a wall) 	<ul style="list-style-type: none"> ▪ To be extraordinarily candid with each other
Cooperation	Values-based cooperation	<ul style="list-style-type: none"> ▪ Redefining corporate value as a way of fostering cooperation ▪ Reaffirming the importance of cooperation ▪ Attracting right people, building metrics, providing incentives 	<ul style="list-style-type: none"> ▪ To share information openly, broadly & deliberately
Clout	Customer-owner drives collaboration	<ul style="list-style-type: none"> ▪ Recognition to customer-facing individuals & groups ▪ Describing customer ownership ▪ Fostering greater sharing of customer information 	<ul style="list-style-type: none"> ▪ To encourage independent decision-making by staffs
Capabilities	Customer solution innovation	<ul style="list-style-type: none"> ▪ Cultivating & developing multidomain generalists with clear roles, career pathways, and incentives ▪ Reallocating clout to customer-facing individuals & groups 	<ul style="list-style-type: none"> ▪ To keep only its (Netflix) highly effective people
Connections	Shrink the core, expand the periphery	<ul style="list-style-type: none"> ▪ Redefining boundaries as porous ▪ Building a collaborative mind-set ▪ Enabling coordination and cooperation in partnerships 	<ul style="list-style-type: none"> ▪ To avoid rules (rule no rules)

Figure 1. Research framework based on the theoretical logic of the OR

Whenever Netflix experienced the market crisis, Netflix responded on the customers’ changing needs just like it disrupted traditional TV by releasing entire seasons of shows all at once. Under the current crisis of Netflix confronting with big subscriber losses and a dramatic plunge in its share price, the research questions based on the theoretical view of the OR are as follows:

- 1) How does Netflix align its internal activities across units?
- 2) How does Netflix align its internal goals across units?
- 3) How does Netflix assign power to customer-facing persons?

- 4) How does Netflix develop customer-facing generalists?
- 5) How does Netflix expand the source of inputs to external key partners?

3.2 Research Methodology

Before the study, we searched the literatures dealing with concept of the OR and Netflix's case of the OR. Based on the previous literature review, we investigate OC, corporate governance, and business activities of Netflix. So, this study is based on not only company document, financial data, market survey data, and governance analysis of global research companies, but also several blogs supporting the exchange of ideas in terms of Netflix's OR and actual experiences as Netflix's employees and customers.

4. Results

4.1 Coordination: Aligning Netflix's Internal Activities Across Units

The first lever for 'outside-in,' the coordination is about the alignment of the internal activities around the customer axis. Netflix's employees are expected to broadcast their mistakes, as well as explain the flaws in logic or errors in judgment that caused them to occur [19]. This candid communication process is referred to as 'sunshining.' It allows the 'sunshiner' to understand their mistake, provides the team with a lesson learned as to what not to do, and encourages innovation by showing that failures are not fatal to someone's career at the company, Netflix. While the sunshining can benefit the team at Netflix, it can be the uncomfortable situation where a 'sunshiner' is on the receiving end of criticism which leans more towards negative criticism rather than constructive criticism [20].

Nevertheless, the term, 'postmortem' is a Netflix slang for a meeting or email that details why the fired person were fired. For instance, after Sean Carey got fired from his role as a vice president at Netflix in 2016, he attended his own postmortem. At his postmortem, Netflix's chief content officer, Ted Sarandos explained to 40 to 50 people on the content team why he was fired. Sarandos said Carey, while he played an important role in building the website's streaming library, lacked the creativity needed at Netflix as the content behemoth transitioned to original content. Postmortems as email forms can be viewed by all employees. Carey agreed with the usefulness of this by saying that it was certainly awkward for some, but it was also consistent with the culture. Carey told in interview with the Wall Street Journal, "In the end, I felt it was beneficial" As for Netflix, the Journal reported that the entertainment juggernaut prides itself on its unique corporate culture, which rewards blunt feedback, and links that to its global dominance [21].

Netflix said in a written statement, being part of Netflix is like being part of an Olympic team, getting cut, when it happens, is very disappointing but there is no shame at all [22]. In Mar. 2017, Malaysia-based subscription-based OTT, Iflix appointed Sean Carey as its new chief content officer who was responsible for all licensed television series, kids and family content, and co-productions for Netflix in all territories. Prior to that he also worked at Sony Corp. and Sony Pictures Entertainment [23].

4.2 Cooperation: Aligning Netflix's Internal Goals Across Units

The second lever for 'outside-in,' the cooperation is about the alignment of the internal goals focused on the customer. Almost all memos, financial reports, strategic decisions, and so on are available to all employees regardless of rank [19]. Providing employees with all critical information provides them with the foundations to make well-reasoned choices and gives them a higher sense of ownership [20].

In terms of the shared goal or vision, the best example is the CEO's vision coming from an interview 20 years ago where he stated, "The dream 20 years from now...is to have a global entertainment distribution company that provides a unique channel for film producers and studios" [24]. He was spot on regarding where he thought

Netflix could be and where the company is now, which is especially impressive since the interview took place well before Internet speeds were fast enough to properly watch films on the internet. He has the rare ability to predict where an industry is headed and to prepare. Having started as a small DVD-by-mail subscription service, he had the foresight to see the rise of streaming and took advantage of Netflix's unique opportunity to capitalize on it well before competitors even realized the possibilities that digital viewing offered. Netflix's evolution from a DVD-by-mail service into a streaming brings up another vision. But he is not always right. As discussed in the previous literature review [7], Netflix announced the split of its DVD-by-mail and streaming services into separate businesses. In this case, He may have saved himself from unneeded stress had he quit on the idea earlier, but his willingness to accept that it was a flop soon after its announcement showed consumers that Netflix's focus remained on them. CEO's readiness to hear feedback from the customers, even when it was negative, saved Netflix from further embarrassment and subscription slippage [25].

The open information sharing is Netflix's genuine transparency with the board. The board memo is available with links to supporting analysis and open access to all shared files on Netflix's secured intranet. It consists of 20 to 40 pages of written text that highlights business performance, industry trends, competitive developments, and other strategic and organizational issues. High-level data is summarized in charts and graphs, but the memo's emphasis is primarily the written discussion and analysis of issues. Embedded links within each section of the memo connect the reader to supplemental analysis, data, and details that support and expand the written discussion. So, Netflix directors are very positive about the level of information they receive through the memo and supporting analysis, and the impact that these have on board meetings and discussion [26].

The broad information sharing is from Netflix's a retro investment in billboard adverting in 2018. There are two reasons related to employee communication. One reason is that Netflix understands the importance of reaching customers when they're not staring at their screens. There's a growing segment of advertising called out-of-home (OOH) media including billboards, street furniture, transit posters and digital screens in places like doctor's offices, elevators, gas pumps and electronic billboards. Consumers' time with OOH is growing every year. Another reason is that billboards have become an important source for social media content. In fact, eye-catching and clever billboards are "a thing" on platforms like Snap and Instagram. Acquiring paid customers using social channels is becoming more expensive and amplifying a brand with eye-catching public visuals is becoming cheaper thanks to those same networks. It relates to communicating with employees. Most employees spend most of their time in a company office, manufacturing plant, store, warehouse, or other facility. While they do so, they can get valuable information by experiencing communication in the work environment. As Netflix is doing OOH advertising, they are using methods that catch employees' attention of posters, bulletin boards, electronic screens and banners [27].

A dismissal of an employee is from Netflix's internal policies stating that employees are entrusted with information that is not publicly known and should not be shared outside the company. Netflix fired an employee for sharing confidential and "commercially sensitive" information outside the company related to Dave Chappelle's new stand-up special in 2021. According to Netflix, this employee may have been motivated by disappointment and hurt with Netflix, which has faced intense public furor over Chappelle's special, "The Closer" at that time. Co-CEO, Ted Sarandos has reportedly defended Chappelle's "creative freedom" and told employees the company would not remove "The Closer" from its service in an Oct. 8 memo to staff [28].

4.3 Clout: Assigning Power to Customer-Facing Persons

The third lever for 'outside-in,' the clout is about the empowerment of customer champions. Netflix's concern is not the simple customer focus, but the customer obsession with Netflix. The former Netflix VP of Product, Gibson Biddle described the difference of customer focus and obsession. The latter is to test and learn via

consumer science beyond listening to what customers say, to invent and deliver on unanticipated, future needs beyond understanding customers' current wants and needs, to aspire to long-term customer delight beyond focusing on customer satisfaction, to pioneer new frontiers with less competition beyond providing better product than competition, and to lead with customer delight, to ensure that work is hard-to-copy, & higher margins follow beyond balancing customer satisfaction & margin, to build a business.

Most of the customer obsession with Netflix are linked to encouraging employees at Netflix to make independent decisions. Customers are always under scrutiny, not only through analyzing personal profile data for better recommending the right content, but also through focus groups, usability sessions, one-on-ones and demographic surveys and A/B testing. Netflix's obsession strategy is beyond those data analytics, algorithms, and personalization. Netflix calls it "consumer science" using a scientific methodology to form hypotheses, test them for building a culture of customer obsession with Netflix and for discovering what delights the customers. This science is the driver behind their ultra-tailored experience and it's the reason why its original content like 'Black Mirror' and 'The Queen's Gambit' is so exceedingly popular. A scientific approach can create a slick, efficient customer experience, but it is the human element that can make that experience truly outstanding. English live support is available 24/7 via live chat or phone, and customer support teams are trained to focus on joy and proactively helping customers [29, 30].

Netflix fully understands the competitive advantage of happiness, not just of its customers but of its employees as well. Though not all great customer experiences are rooted in great employee experiences, every great employee experience does rub off on the customer experience. Netflix' CEO understands this better than anyone else. Netflix makes sure, it hires the right people who will put the company's interests first, who understand and support the desire for a high-performance workplace, and they fully empower their employees to make the most creative and impactful decisions that will trickle down to the customers. Netflix culture manifesto states, "Our core philosophy is people over process. More specifically, we have great people working together as a dream team. With this approach, we are a more flexible, fun, stimulating, creative, collaborative, and successful organization" [29, 31].

The employees' spending, travel, gifts, etc. are not monitored with the guidelines being to "act in Netflix's best interest" and "use good judgment" [20]. This freedom greatly benefits Netflix, as an emphasis on self-management and autonomy has repeatedly proven to create a greater sense of well-being and job satisfaction in employees, which then improves performance [32]. Another benefit of leaving key decision-making up to lower-level employees is that it prepares them to make quick decisions in times of crisis, thus enabling the company to pivot faster when responding to external forces [33].

4.4 Capabilities: Developing Netflix's Customer-Facing Generalists

The fourth lever for 'outside-in,' the capabilities are about developing the skills to cope with changing customer needs. The high performance of employees is expressed by the term, "dream team" of Netflix culture which states, "We model ourselves on being a team, not a family" [20]. It means, Netflix establishes a culture of highly motivated employees who are doing meaningful work and pursuing ambitious goals. The "dream team" policy is run by what is known as the "Keeper Test" which is described by Netflix CEO as the test to managers in the form of a question: "Which of my people, if they told me they were leaving for a similar job at a peer company, would I fight hard to keep at Netflix? The other people should get a generous severance now so we can open a slot to try to find a star for that role." In other words, if you are not worth fighting for, you are let go and offered a minimum 4 months of full pay as a severance package.

This strategy has been cited as a contributing factor to Netflix's ranking as one of the fastest growing companies in the U.S., with a three-year revenue growth of 87.8% as of 2016. Nevertheless, many ex-

employees have claimed it has created an environment that is detrimental to their mental and professional development. According to Glassdoor, a website that allows current and former employees to review companies, many ex-employees feel that the “dream team” strategy has created a culture of fear at Netflix. Nurturing an intense and extremely competitive environment, one in which “work-life balance is nonexistent at all levels of employment”, only 65% of employees would recommend working for Netflix, which is still free to have a firing strategy consistent. Netflix’s intent to create an environment of self-sufficient employees with a high level of performance is the ultimate compromise in exchange for independence, creative freedom, and a high salary. Patty McCord, the woman credited with creating this culture at Netflix put it best when she was fired as a result of this culture, by saying “companies don’t exist to make you happy. [...] The business doesn’t exist to serve you. The business exists to serve [their] customers” [34].

4.5 Connections: Expanding Netflix’s Source of Inputs to External Key Partners

The fifth lever for ‘outside-in,’ the connections are about forging external links to stay focused and agile. As of 2019, Netflix’s business structure provides the form ensuring that the business responds well to changes in consumer preferences. Netflix’s business model for competitive advantage, and intensive growth strategies are all linked to its organizational structure (OS). Netflix’s headquarters direct the strategies implemented in the geographical divisions and the product/operations divisions. Even if Netflix’s OS maintains executive direction throughout the organization, the corporate structure (CS) is relatively flat and this flatness is related to Netflix’s business model. Netflix’s OS has the functional groups such as CEO, legal, talent, finance, product, content, and communications. Geographical divisions enable strategic management specific to regional market characteristics and Netflix has domestic and international streaming divisions. Divisions for products and operations represent the two types of outputs in Netflix’s business model: Original programming and other content. Original programming operations are a major factor, as the business attracts customers and generates revenues through its original content. The strategic objective of these divisions is to achieve operational effectiveness in separately managing content distribution and content production [35].

Netflix spent US\$8bn on producing its own original content in 2018 alone. It means, Netflix is much more interested in creating content rather than licensing. To make taking original content from pitch to play as efficient as possible, all employees of business units should talk to each other. When Netflix ramped up its original content capability, there was a lot more information to consider when making decision [36].

There is no typical Netflix content or program at all. Where the conventional broadcasting companies take a “one size fits all” approach to programming with that one size being determined by upper level of executives, mainly white, American, and male, Netflix casts the net far and wide in search of fresh talent and tailors its content to its underserved customers. It has expanded its content partners and established footholds in Europe and Asia including Spain, France, India, and South Korea. Because of these efforts, non-English-language series began to find global audiences such as Spain’s *Money Heist*, France’s *Lupin* and, South Korea’s *Squid Game*, otherwise they may never have exposed outside their country. Netflix matches this approach with an unorthodox work culture, a senior Netflix UK producer explains in 2022: “Rather than a situation where you’ve got a massive hierarchy within a company, what you have is lots of people who have real agency and can make their own decisions, but they do it whilst keeping everybody else in the company super-informed” [37].

At the end of 2020, there were an interview with eighteen Korean series producers making Netflix original. As shown in Table 2, Netflix’s production style is different from the Korean drama production tradition. Netflix starts the post-production from the pre-production stage. In main-production, full episodes are ready before opening and screen quality is real 4K, not edited in post-production. Preference criteria of Netflix for choosing a writer, actor, and story are different from Korean dramas. Because of those differences, Korean

series producers prefer Netflix. It is a big opportunity for Korean producers to work independently. The results of this interview give six advantages for enhancing the content quality: Production with various stories, masterpiece production, diversification of drama programming, high screen quality with 4K, simultaneous distribution to the global market, and standardization of the production process [38, 39].

Table 2. Comparison of Production Process between Korean and Netflix Style

Production process		Korean production Style	Netflix's Production Style
Pre stage	Target viewer:	- Targeting on Age group	- Targeting on genre
	Submitted script:	- 4 episodes	- 1~2 episodes
	Writer reputation:	- Important	- Less important than story
	Actor reputation:	- Important	- Top actor not preferred
	Production cost:	- Different by contract	- 10~20% margin & return of balance after audit
Main Stage	Production before opening:	- 4 episodes ready	- Full episodes ready before opening & purchased
	Video sharing:	- Control by director	- OK cuts (Picture lock) shared by participants
	Product placement (PPL):	- Many	- Nothing
Post stage	Screen quality:	- HD, partially 4K	- Over real 4K (not offline edit)
	Interim advertising:	- Yes	- No interim advertisement at all
	Dubbing/subtitles:	- No dubbing, no subtitles	- Kingdom2: dubbing of 13, subtitles of 29 nations
	Sponsorship bar:	- Many of sponsorship bars	- No sponsorship bars
	Preview of next episode:	- Very emphasized	- 'Skip' functions if the viewer is not interested

6. Conclusion

The results of the study analyzing five levers of Netflix's OR are summarized in following Table 3. In fact, the five levers of OR are related to Netflix's OC. The coordination is related to the candid attitude. Netflix provides its employees with helpful and timely feedback culture by creating the terms like 'sunshining' and 'postmortem,' which makes their employees extraordinarily candid with each other. The cooperation is related to the proactive information sharing. Netflix provides its employees with understanding customers by sharing company information openly and broadly through transparent board system, billboard advertising, and so on. The clout is related to the autonomous decision-making on the long term. Netflix provides its employees with the data and welfare for smart decision by supporting a high-performance workplace. The capabilities are related to the culture of highly motivated employees. Netflix provides its employee with the inclusion in the "dream team" run by "keeper test." The last connections are related to focusing on results over process. Netflix provides its external partners with the freedom in creativity.

Table 3. Summary of Results

Levers of OR	Netflix's OC:	Key actions of Netflix's OR
Coordination	<i>Candidness:</i>	Helpful & timely feedback culture by creating the term 'sunshining' & 'postmortem'
Cooperation	<i>Effective Communication:</i>	Understanding customers by sharing company information openly and broadly through transparent board system, billboard advertising, and so on
Clout	<i>Autonomy:</i>	Data and welfare for smart decision by supporting a high-performance workplace
Capabilities	<i>Productivity:</i>	Inclusion in the "dream team" run by "keeper test"
Connections	<i>Rule of no rules:</i>	Freedom in creativity

The whole world has been confronting two crises simultaneously, Covid 19 crisis and the US China trade war and Netflix is not exceptional even if it is beneficiary of the pandemic situation. Netflix needs to be resilient and as mentioned above, the OR is an ability of the organization to recover quickly through agile OS. So, Netflix's OR is required at all the organizational, corporate, and business level. In the research framework of this study, the five levers for Netflix's OR are linked to the current OC of Netflix based on Netflix's famous culture and philosophy of 'Freedom & Responsibility'. In conclusion, Netflix is expected to overcome the

current crisis along with the current Netflix' OC, whatever it will create enterprise-wide resilience program utilizing the enablers to reorganize for resilience. This paper is expected to be of little help to this movement.

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