

A review of pixar animation studios commerce essay



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Pixar(2010) Pixar is an American animation production company based in California, United States. The company was started in the year 1979 as the part of the computer division of Lucasfilm and was bought by The Walt Disney Company in the year 2006. The company during its 17 years of existence has delivered several movies that has redefined the world of visual technology and animation. Pixar is known for its some of the basic values that form the foundation of its unbeatable success. People at Pixar are extremely talented and there exists an open collaboration among people coming from multiple disciplines. However, a formal structure is followed at the company where it is necessary for every member to ensure enhancement of three inter-related facets of the business, namely, ‘ leadership’, ‘ process’ and ‘ accountability’.

Leadership is taken very seriously at Pixar and it is ensured that leaders are able to tune their communications, and value the vision of the organization and come up with the ability to provide lots of ideas (Jeremy, 2010)

Managers as well as workers of the enterprise have the freedom of expression so that their vision and ideas can be communicated freely that helps the organization to come up with innovative ideas ensuring a sustainable position in the market (Morris, Jeremy, 2010). Another important element of Pixar's environment refers to its collaborative approach towards work. It is fine to have talented people hired in the company, but it is equally important to make these people work in a motivated manner towards achievement of organizational goals (Milter and Matveev, 2004). At Pixar, everyone is made to understand that his/her success lies in the success of all other members. This helps in moving in a collaborative manner to ensure that everyone working in the company succeeds. The team spirit at Pixar helps in development of old hires and new hands in a similar fashion with a healthy respect for each other resulting in an environment of credibility and trust prevailing throughout the organization. Apart, from these two elements, accountability forms the foundation of the working environment at Pixar. Leaders and managers at Pixar follow a clear line of accountability that helps them in seeking ways to improve themselves. Every project is headed by a Director/Producer duo, to whom all members of the project are accountable. These directors and producers are in turn accountable to leaders of the company and have the opportunity to utilize the experience and knowledge of senior filmmakers who are the part of top management of the company. In short, Pixar follows a highly structured process aims at fostering a

meaningful collaboration resulting in a culture that comprise of value for ability and contribution of others.

Cultural Analysis

Before going for a discussion on cultural analysis, we need to understand the meaning of culture in a proper manner. Various scholars and academicians have given several definitions for culture. Formally, culture has been defined as a pattern of shared beliefs that were developed by a group during the process of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. Martin (2002) explained that everyone knows about the groups, organizations, and societies in which certain beliefs and values prevail at cross purposes with the beliefs of others, resulting in a condition where conflicts and ambiguity prevails in a high degree. This is often the result of insufficient stability prevailing among members, insufficient shared history of experience, or the presence of several subgroups with difference in their personal experiences (Thorngate, 2004). Many a times conflicts and ambiguity also results because of the fact that an individual is not a part of a single groups but belongs to several different groups and this has an impact on the assumptions and beliefs that one brings to a particular group and is influences by the assumptions that re appropriate to some other groups to which an individual belong.

Khan (2005) argued that it is necessary that people are matched with the organization in order to ensure success of the company. There is a set of collective rules through which a company operates, which is termed as the <https://assignbuster.com/a-review-of-pixar-animation-studios-commerce-essay/>

culture of the organization. (Conolly, 2008) explained that employees of the enterprise should be well aware of their workplace that will clearly define appropriate and inappropriate behavior.

In the present paper, an analysis of cross-cultural issues arising out of the merger of The Walt Disney and Pixar will be undertaken. It makes it necessary to understand the meaning of cross-cultural analysis. Under a cross-cultural analysis, an investigation is made into the ways through which people coming from different backgrounds communicate with each other. Whenever any merger takes place there is an amalgamation of the culture of the two organizations participating in the merger (Stening, 2002). Here several cross-cultural issues may arise because of the interaction of people coming from two different groups with different background, beliefs, values and functions. Cross-cultural analysis thrives to harness the utilitarian function of culture in order to use it as a mode of increasing the adaptation of people and bringing an improvement in patterns of communication (Nigel, 2001). It is one of the discipline of international management that focus on cultural encounters, aiming at discovery of methods that can be adopted to handle cultural differences that often give rise to conflicts, ambiguity and miscommunication.

There are several different models that can be used to conduct a cross-cultural analysis. Various models includes those suggested by Hawkins (1992), Terpstra and Sarathy (2000), Hofstede (1994), and Wills (1991). The framework suggested by Hawkins and Terpstra are similar in nature and explains some of the common elements such as values, education and learning, social status and organization. Hawkins has tried to approach <https://assignbuster.com/a-review-of-pixar-animation-studios-commerce-essay/>

culture from the perspective of a consumer lifestyle, while Terpstra approaches culture in somewhat wider contexts. Thus, it is much more easy to use the model suggested by Terpstra and Sarathy. In addition, Hofstede's model will be used to understand the various dimensions of culture that are based upon individualism, power distance, masculinity and uncertainty avoidance. Wills (1991) considered learning as the key element of their model of culture. This will explain the basic idea of culture at Pixar as after the merger with The Walt Disney, the major aim of the company was to establish Pixar as a learning organization. The dimensions of learning are used to consider a model of cross-cultural analysis suggesting a relationship between high/low context of a culture and the rate at which new products are adapted.

In addition, it is to be noted that culture and leadership are interconnected. These are viewed as the two sides of the same coin, in that leaders first create cultures when they create groups and organizations (Edgar, 2004). Once cultures exists they determine the criteria for leadership and thus determine who will or will not be a leader. The unique function of leadership helps in managing the existing culture in case the elements of a culture becomes dysfunctional. Leadership also manages evolution of culture and change in such a way that the group is able to thrive in a changed environment also (Bal, 1999). Thus, it is right to say that it is necessary to understand the culture both for group members as well as for their leaders. The cultural analysis in relation to leadership roles will also be discussed and analyzed for Pixar.

Cross Cultural Issues at Pixar

The Walt Disney acquired Pixar with the view that Pixar would be able to bring some creativity to Disney, which had lost the luster in its animation. However, various major factors of the success of a merger were recognized by both the parties and they emphasized on

The concept of transformational leadership and the importance of its existence for the success of the merger

Creating a new strategic vision and mission for the new organization that is shared by both the parties to the merger

Developing and maintaining learning teams resulting in fostering a learning environment throughout the organization.

Creating and maintain a learning culture throughout the merged organization.

Pixar is well known for its culture of collective creativity. Management think in a way to build capability to recover when some failures occur and not in the direction of preventing the risk. It is believed that smart people are more important as compared to good ideas (Catmull, 2008). The company aims at enhancing the power of creative people and builds a creative culture on the foundation of active feedback among peers. An open culture and communication prevails in the organization where people at all levels support each other and help each other to turn out their best (Catmull, 2008). All members of the organization respect each other and there are very rare cases of any unhealthy conflicts with groups having considerable

problem-solving powers that act as an inspiration to be creative and innovative. However, with the merger of Pixar with The Walt Disney, the culture of the two organizations also merged and then arouse several cross-cultural issues that could have resulted in a failure of the merger if not managed properly (Haspeslagh, 2006). The Walt Disney is characterized with a highly regimented culture while Pixar is known for its unique, free-spirited, independent work dynamic culture (Lam; Chi and Lee, 2007). The successful combination of these two totally different cultures was the hallmark for the success of the merger. In case Disney would have made any attempt to get the people of Pixar work under pressure to generate efficiencies, even though the way of increasing its productivity or bringing about an elimination of the overlapping support positions, would have resulted in high rates of turnover with skilled employees leaving the Disney Pixar (Lam and Lee). It is to be noted that many a time sin such highly skilled industries such as animation and communication, people are allowed to let go because of skill gap. However, it is the issue of cultural gap that makes most of the skilled people switch companies frequently in animation and communication industry (Keating, 2006). It is the clear understanding of magnitude of synergies that makes the mergers successful.

Analysis of the cross-cultural issues at Disney Pixar

As discussed in the previous section, to manage cross-cultural issues at Disney Pixar, management concentrated on four important elements of transformational leadership, shared vision, learning team and learning culture. These elements and Disney Pixar's approach to these are discussed as follows:

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Transformational Leadership at Disney Pixar

It is necessary that an organization have transformational leaders in order to develop creative thinking and problem solving to foster organizational growth. Transformational leaders are those who lead through social exchange. They help their followers grow and develop into leaders by responding to individual followers' needs by empowering them and by aligning the objectives and goals of the individual followers, the leader, the group and the larger organization (Riggio and Bernard, 2008). It is the elements that can encourage organizations to develop and change more rapidly so as to be able to meet challenges of dynamic and competitive environments.

Disney Pixar followed the approach of defining and developing the transformational leadership. The company decided to follow the approach in order to make employees easily adapt the new culture, which is a mix of the cultures of two organizations. It is believed that creative powers come from creative leadership (Riggio, 2008). It is so because effective leadership helps in effective development of support structures, the necessary resources and access to the experience and knowledge of the top management of the organization. At Pixar, access to the brain trust of the organization was easy for all individuals because of its independent and free-spirit culture.

However, it was for Disney's culture to adopt this key feature in order to be successful in the competitive environment. Transformational leadership was chosen as a route to achieve this objective and make Disney Pixar a learning organization.

Shared Strategic Vision

Another key element ensuring the success of a merger is the sharing of a shared vision of goals and objectives by the merging organization. This helps in providing proper guidance and reducing the anxieties and uncertainties associated with the process of merger. It is necessary in case of a merger to develop an environment of learning throughout the organization. This is possible only if there is an availability of diverse learning teams that are led by leaders who are sharing a common strategic vision. An organization is able to create a sustainable competitive advantage through such a process (Jemison, 2006). This further makes it easy to manage the increasing complexities associated with economies of scale and then competitors find it more difficult to copy a company's operational methods (Janik, 2006). As explained by Gill (2010), managing through a shared vision proves to be much more productive as compared to the management done through coercion or control. Creation of a shared vision refers to the process where a consensus has to be achieved on the direction of the group and on the desired results. The basic aim is to make the members of a team approach their work with aim of achieving same goals for the future and being guided by same principles. A shared vision is also necessary for developing and fostering learning and change in an organization.

In the case of Disney Pixar, a formal team of leaders was created in order to integrate the two companies. Among these steps, the Vice President of Pixar was appointed as the chief creative officer of Disney's and Pixar's animation studios. Despite of his having the authority to "green light" films for both the studios, the ultimate authority to approve rested in the hands of Disney's

CEO. The main aim was to maintain the Pixar's culture. However, it is not enough to develop teams of leaders. It is necessary that leading teams emerge throughout the organization and leaders try to develop learning of each and every individual about the new cultural values, mission and vision of the organization and the objectives for which the various operations are being carried out in the organization (Gancel and Rodgers, 2002). Every individual is required to have a commitment towards the strategic vision of the merger. There is a need of combining the best skills as two organizations to enhance the sharing of the strategic vision and avoid any cultural issues.

Developing Team Learning

At Pixar, it is believed that providing freedom to take decisions helps in development of teams. People are given full chance to be creative and use their ideas in order to learn from their success or failures. The cofounder of Pixar and his executives gives tremendous authority to their directors. All decision-making authority rests in the hands of teams and no single individual is considered as a decisions making authority. The rule is that the opinions and advice received from the "brain trusts" of directors will be used only as an advice and directors have full authority to refuse their suggestions if it does not fit their plans. However, Disney having a tight control culture, followed an approach where corporate executives micromanage by keeping tight control over budgets and entering in the departments to take final creative decisions. These two different approaches resulted in several cultural issues after the merger. Many of the key employees left the company because of Disney's dominating cultural values. Ed Catmull, the cofounder of Pixar had recently changed his vision to build the organization

where everyone work in the direction of creating a magic even when the directors and cofounders are gone (Prokesh, 2008). This called for a strong transition in the culture of the organization where executives were expected to do something of themselves even when people carrying out the organization were not there. Same was expected out of Disney, and unfortunately Disney's staff lacked the spirit and failed to develop a strong learning approach towards their work.

Creating a Learning Culture

Traditionally, organizations used to follow a top to down bureaucratic, controlled and narrow approach to management. This approach used to limit the learning process in the organization. In case of a learning organization, new directions of growth and development can be identified and recognized that makes it possible to handle challenges and problems. In today's competitive global era, diversity and cross-cultural complexities have become the synonymous to the challenges that a business organization face while improving their operational efficiency.

Disney Pixar failed to recognize the method through which an organization can turn into a learning organization (Keating, 2006). The process is being undertaken successfully at Pixar through developing relationships and recognizing the fact that talent is rare and thus its retention is essential. Ed Catmull believes that the assumptions of the organization must be constantly challenged and the search for flaws that can destroy the culture of the organization should not stop throughout the operations of the organization. However, the process could not be undertaken successfully at

Disney Pixar and resulted in several cultural issues. The new company was
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unable to keep Pixar's talent together as there were vast differences between the cultural values and working styles of the two companies (Haspeslagh, 2006). Management was not successful in creating a learning culture throughout the organization and the unionized culture of Disney may not successfully coexist with non-unionized culture of Pixar.

Recommendations

Disney Pixar has failed at many levels while making the merger successful. The company has taken strong steps to initiate learning in the organization but it is doubtful whether such learning will be institutionalized throughout the organization. Some recommendations to foster learning and avoid any cultural clashes are discussed as follows:

A utilization of differences can be made through the use of matrix strategy. This will help in finding a perfect balance between the competencies of managers of both the companies. In addition communication plays an important role in managing cultural differences (Lodorfos, 2006). Leaders should allow open communication and integration between team members as well as between teams to ensure smooth flow of knowledge and information. This will help in people from both the organization understand each others' values, beliefs and working style resulting in more respect for each other's culture (Harding and Rouse, 2006). Treating the partner company members with respect is the key to the success of a merger. Additionally, formal as well as informal training should be provided to the employees of Disney in order to adjust themselves with the open and free culture of Pixar. The decision making authority should not rest in the hands of few authorities and managers must be delegated more and more decision

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making power as in case of Pixar. Furthermore, Disney and Pixar studios are kept separate in order to reduce the complications. However, it is advised to design a single studio where a combined set of values coming from the combination of the ideas of both the companies should be fostered to ensure success of the merger. This is so because keeping the two parts of the Disney-Pixar merger as separate organizations can create the conditions for separation in future. Such a separation will result in more differences on account of cultural values and style of leading to more clashes and conflicts among the individuals of two companies. Disney-Pixar should aim at developing a learning organization through efficient flow of information and knowledge throughout the organization in order to be successful in future.

Conclusion

From the above discussion, it can be concluded that proper management of cultural differences is one of the key factors in success of a merger. Today's business environment is characterized with an increasing number of organizations desiring to avail the advantage of globalization. Many of the companies take the route of mergers and acquisitions to achieve the objective. Many of such mergers fail due to cultural clashes among people of different organizations. Each of the merged company is required to integrate the corporate cultures of their organizations. It is the leadership style, management styles and communication lines that are necessary to be developed and managed in order to be successful in managing cross-cultural issues. It is evident that there is always a possibility of cross-cultural issues in case of a merger that cannot be avoided at any cost. However, it is possible to manage these issues through developing the organizations into a

learning organization in order to foster knowledge sharing throughout the organization resulting a in a successful merger.