
How Culture May Impact a Netflix's Strategy

The organizational culture is a very important element for a company when deciding the strategy. Netflix is an American based international corporation for which, since the beginning back in 1997, organizational structure and culture code has been one of the pillars of its amazing growth. Netflix provides subscription-based streaming services for films, series and TV programs primarily produced in-house. It operates in more than 170 countries and has well above 130 million subscribers worldwide. Good introductory paragraph! Netflix, as one of the biggest technology companies worldwide, has grown extremely fast and efficiently. Moreover, internal and external communication, as well as the everyday work environment, has helped a lot to sustain this growth.

The company has implemented different channels to promote and spread its organizational structure. You can easily find on internet many videos, company documents, conferences or even internal company events open to everybody. Netflix workforce is structured in autonomous and self directed small working teams. An enchant characteristic associated to the teams is the mere fact that there are no bosses driving each group, which seems really attractive for employees. Working without bosses and without hierarchies is an increasingly common reality since Brian Robertson, founder of the company Ternary Software, defined holacracy in 2007.

It is an organization system in which decision making is distributed instead of being established by a traditional hierarchy. This small and close-knit groups make use of collective intelligence in favor of not only business interests but also of personal interests. The groups are very flat and their hierarchies are very limited, non obstant, each member of the team has his own role. For example, one team could be made of employees covering the following roles: IT, client, operational, legal, research, admin and design. If the objective of the team requires more roles or people for the same role, the team will try to attain this by demonstrating that such necessity is real. Another large distinctness between Netflix organizational structure and other traditional ones is the "purpose driven" objectives. Working with high degree of liberty requires employees to work precisely towards a specific purpose, therefore, the team will have to organize independently to reach the goals and objectives for such purpose. Consequently, this purpose slightly replaces the idea and figure of a conventional team leader.

According to this idea, a clear example of a certain team purpose could be: "how can we better define client favourite films taking into account the subscriber past views?". The better the recommendations are, the more they will trust this suggestions and the more products the clients will buy to the company. Another remarkable objective in this kind of organization consists in promoting innovation. Big corporations normally fail with this due to the friction between different departments and the dependencies among them. However, Netflix model culture includes increasing employees freedom rather than limiting it, in order to keep attracting pioneering people which can adapt to this ideal culture and help sustain success. Also, the autonomous team structure facilitates new ideas (from old or new employees). Innovation is about to test new things based research and development. If employees are not worried about "failing and testing", at some point new revolutionary and innovating ideas emerge. Independence and small teams are key to spread this aspect.

A well understood freedom and concept of responsibility from every single employee is key for this organization to progress. Despite its size and International presence, Netflix organizational culture has been designed in small dedicated teams, where Autonomy and freedom and self management are elements incorporated in the company's strategy which contribute very positively to the growth and success.

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