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THE PRODUCTION

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THE PRODUCER-DIRECTOR DYAD

MANAGING THE FAULTLINE BETWEEN ART AND COMMERCE

Joris J. Ebbers, Nachoem M. Wijnberg,
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The tension between art and commerce is a general feature of production in the cultural industries in general (Caves, 2000; Voss, Cable, & Voss, 2000) and of the film industry in particular (Delmestri, Montanari, & Usai, 2005; Holbrook & Addis, 2008). This is one reason why film production is of great interest from the perspective of social science and management theory. Another reason is the dominance of temporary organizational structures. Films—especially in the Netherlands—are predominantly produced by project-based organizations (PBOs), which can be defined as temporary organizations that dissolve as soon as the project is completed for which they were specifically set up (DeFillippi & Arthur, 1998; Starkey, Barnatt, & Tempest, 2000). These two features taken together have determined the basic shape of film production in the Netherlands.

Dealing with the tension between art and commerce is often handled by dividing primary responsibility for these two dimensions of performance among different individuals with different roles in each temporary PBO. Although the director is predominantly responsible for the artistic aspects of a film, the producer is predominantly responsible for the commercial aspects of a film. However, the division of authority between these key individuals is not always explicit or clear. Does the producer have a veto on decisions that will affect the budget

during the production? Does the director have primary responsibility for recruiting and selecting other team members occupying artistic roles, such as the screenwriter or director of photography (DOP)?

Looking at these relations in a broader sense also means that one has to consider not just the single PBO, but also the group of people who regularly work together in a series of such PBOs. A *latent organization* is a form of organization that binds together “configurations of key actors in ongoing relationships that become active/manifest as and when projects demand” (Starkey et al., 2000, p. 299). Ebbers and Wijnberg (2009) presented evidence that precisely in the film industry these latent organizations, even though they only exist informally and on the basis of implicit and relational contracts, can be considered more “real” organizations from a management perspective than the temporary PBOs that do have a formal existence. Taking these longer term relations into account raises questions about the effects of stable and strong links among individuals, especially with respect to the core producer–director dyad. Does repeated collaboration between individuals occupying these two roles result in advantages or disadvantages with regard to the selection of team members or the efficient management of actual production?

Faultline theory (Bezrukova, Jehn, Zanutto, & Thatcher, 2009; Gibson & Vermeulen, 2003; Li & Hambrick, 2005) suggests that the most obvious and significant dichotomies among the members of groups or organizations can have a strong impact on the functioning of the group or organization as a whole. If the art versus commerce faultline is the most significant dichotomy in the organization of film production, then it makes sense to look closely at the specific roles that bridge this faultline: the producer–director dyad. This is especially relevant when this particular dyad can also be considered the dual executive team (Reid & Karambayya, 2009) of the project organization and of the latent organization. In general, the strongest ties are expected to arise between individuals who are most similar (McPherson, Smith-Lovin, & Cook, 2001), but in an organization, such as the latent organization that depends on relational contracts, the most essential ties might well be those that are most unlikely to arise and become strong. It is precisely these ties between dissimilar actors that constitute dyads that bridge the most important art versus commerce faultline in the organization.

For these reasons, this chapter focuses on the core dyad of director and producer. We show how and to what extent this dyad actually bridges the faultline between art and commerce. In addition, we focus on how the particular relationships between the members of this core dyad determine the performance of the PBO, as well as of the latent organization. We first briefly discuss PBOs, latent organizations, and faultline theory. Then, we consider how these theoretical approaches help one to understand the practice of film production in temporary

organizations. Next, we present data we collected in a series of interviews among Dutch directors and producers. Finally, we offer a brief conclusion.

Theory

Organizations, Project-Based Organizations, and Latent Organizations

The core insight of *transaction cost theory* is that firms exist because making use of markets to achieve specific results can be costly (Coase, 1937). The higher the costs of the market as a coordination mechanism, the more reason to incorporate transactions within the boundaries of the firm (Williamson, 1975). Large firms, however, also have important drawbacks, such as the principal–agent problem, which is related to internal coordination and monitoring of opportunistic behavior by employees (Alchian & Demsetz, 1972) and slow managerial decision-making processes that may hamper innovation (Thompson, 1965).

Partly to offset these two negative consequences of large bureaucratic organizations, flexible employment relations, the “boundary-less career,” and looser contractual relationships between employers and employees have been on the rise (Arthur & Rousseau, 1996). Organizations want more flexible labor contracts so that they can react more quickly to uncertain market conditions and stay competitive and innovative. Short-term contractual labor relations are thought to be an important means to this end.

Arguably, the quintessential form of flexible organization is the PBO. A PBO can be defined as a temporary organization that ceases to exist as soon as the project, for which it was specifically set up, is completed (DeFillippi & Arthur, 1998; Jones, 1996; Starkey et al., 2000). The discontinuities inherent to PBOs, however, also bring high transaction costs (Williamson, 1981) that are involved in setting up this type of organization. For each project, one needs to search for members, negotiate contracts, and coordinate individual and collective actions. Short-lived and temporary organizations such as PBOs are less likely to develop more elaborate organizational structures to deal with multiple organizational objectives.

A way of dealing with these transaction costs in short-term PBOs is to form an informal organization by serially collaborating in a string of PBOs. Fundamental to these so-called latent organizations are long-term informal relationships between key professionals that become formal in temporary contracts for particular projects. By definition, latent organizations also lack formalized structures, just as they lack explicit and formal contracts. Instead, they can be considered to be governed by implicit and relational contracts (MacNeil, 1985;

Rousseau, 1990). These relational contracts are indissolubly linked to particular relationships, and the obligations and expectations that result from them are sustained by the value of the continuation of these relationships. Relational contracts allow for flexibility in dealing with unforeseen events, solidarity in problem solving, and openness in information sharing (Bull, 1987; Poppo & Zenger, 2002). The latent organization brings advantages that can remedy some of the problems of the PBO (Starkey et al., 2000). It provides the organizational continuity in which relational contracts and flexible rewarding can flourish.

Short-term PBOs are an especially common phenomenon in the cultural industries, such as the television (Starkey et al., 2000) and film industry (DeFillippi & Arthur, 1998; Jones, 1996; Starkey et al., 2000). In turn, the long-term latent organizations can be a way to solve contractual and behavioral difficulties in both the television (Starkey et al., 2000) and film industries. Ebbers and Wijnberg (2009) presented evidence that, especially in the film industry, these latent organizations, which only exist informally and on the basis of implicit and relational contracts, can be considered to be more real organizations than PBOs that have a formal existence.

Organizational Structure and Faultlines

Organizations are rarely, if ever, simple and homogenous. They often pursue many different activities and usually have many members who differ from one another along many dimensions. Moreover, there usually are many organizational objectives and ways to measure performance for each of them. At the same time, there are various means that can help organizations in dealing with all these multiplicities, such as the division of labor and designing a suitable organizational structure.

At a very basic level, it makes sense to distribute tasks among organizational members who are best suited to perform them. In larger organizations, this can lead to the establishment of functionally specialized departments, such as a research and development (R & D) department and a marketing department in an electronics manufacturer. Each of these departments then focuses on a particular range of activities, necessitating particular skills and capabilities and attracting employees with particular qualifications and orientations. In turn, this kind of departmental specialization can create new problems, precisely because this specialization can decrease the effectiveness of communication and decision making across departmental boundaries. This problem is often referred to as an *interface problem*. An example of an interface that has received much attention in the literature is the R & D versus marketing interface (Gupta, Raj, & Wilemon, 1986; Leenders & Wierenga, 2008).

Although grouping engineers in the R & D department and marketers in the marketing department can create interface problems, within each organizational unit there may also be differences between individuals. The tensions between different sets of objectives, orientations, or other personal characteristics can result in faultlines that have the potential to split the organization. Wherever there are groups, subgroups can be distinguished based on the presence or absence of particular characteristics within these groups. Even in the management team at the top of a large company, tension can exist between engineers on one side and people with a business science background on the other. These groups do not necessarily have to be formal groups, nor do they even need to be recognized as such by the involved actors. Lau and Murnighan (1998) introduced the term “faultlines” to describe the boundaries between two or more such subgroups. From an organizational perspective, these faultlines need to be monitored because the performance of the organization as a whole depends on how they are bridged and managed.

Much research has been done to study the effects of the existence of particular faultlines in groups or teams on collective performance (Bezrukova et al., 2009; Gibson & Vermeulen, 2003; Li & Hambrick, 2005). This stream of research has mostly focused on demographic attributes (Jehn, Chadwick, & Thatcher, 1997; Jehn, Northcraft, & Neale, 1999), but values (Bezrukova et al., 2009; Jehn, 1994; Probst, Carnevale, & Triandis, 1999) also have received attention as characteristics that can define faultlines. These group values denote the essential beliefs or orientations of individuals that are held in common in particular (sub-)groups and that determine the behavioral choices of these individuals. The more these group values differ between individuals on the two sides of the faultline, the more one can expect different decisions to be preferred by these individuals and the greater the potential for disunity and conflict at the intergroup or organizational level. Again, as briefly discussed earlier, a possible way to manage such faultlines is to create various departments in which particular group values are shared. The managerial problem then is transferred out of the groups or teams and toward the management of the organization as a whole.

In this chapter, we focus on one particular type of faultline, the artistic–commercial faultline, which is the one most readily apparent in the cultural industries in general and the film industry in particular. Given the importance of the tension between artistic and nonartistic or commercial objectives in the cultural industries, at first sight, it seems to make sense to have departmental specialization along those lines, with, on one side, those organizational members devoted to achieving artistic ends and, on the other, those members who have to ensure the economic success of the organization. Such organizations do exist, sometimes with the division going through all levels of the organization up to the artistic

director and the commercial director, who jointly form the dual executive leadership (Reid & Karambayya, 2009).

Faultlines in Film Production and the Core Dyad

In cultural industries, one solution for dealing with the tension between artistic and nonartistic objectives is to have an artistic director and a business director leading the organization together. In fact, many authors (e.g., Caves, 2000; Holbrook & Addis, 2008) have pointed out that the dichotomy between artistic and nonartistic objectives is a major determinant of how organizations in the cultural industries behave. This suggests that, in the cultural industries, there may be a major faultline between artistic and nonartistic or commercial roles and objectives. In addition, this may imply that how this faultline runs through the organization and its parts, and how it is bridged and managed, could be a major factor in explaining organizational performance. In the film industry, this dichotomy is clearly identifiable. The director usually has the main responsibility for artistic matters, whereas the producer is responsible for the business side of filmmaking. These two roles can also be seen to reflect the dual leadership of film projects.

Although Hollywood in the first half of the twentieth century was characterized by the dominance of large, centralized, and vertically integrated organizations, the film industry in the past decades has become an example of a strongly decentralized industry. Films are most often produced by a group of independent firms and freelancers that are contracted to supply the resources needed in a project organization that is disbanded immediately after the film is completed. Currently, a career in the film industry—and in neighboring ones, such as television—is therefore a succession of temporary projects that result in a collection of film credits. It differs from a long career at one or a couple of firms, in which one is aiming for a progression through the ranks by internal promotions (Faulkner & Anderson, 1987).

The benefits of hierarchy in the old Hollywood studio system was that both producers and directors were tied to the studio with long-term contracts, and disagreements could be settled at a higher hierarchical level. An important side effect of the replacement of the old studios by a succession of PBOs is the increased difficulty in managing the dichotomy between art and commerce and the different objectives of producers and directors because projects are temporary and organizations are disbanded after completion of the film. Moreover, the artistic versus commercial success of films may have a different impact on the careers of producers and directors. On the one hand, the evaluation criteria for a producer's career are mainly related to the commercial success or potential of the films in which they participated. On the other hand, directors' careers may be

more driven by their artistic performance, especially in terms of the awards that they have won.

Homophily denotes the phenomenon that contacts between similar people occur at a higher rate than do contacts among people who are dissimilar (McPherson et al., 2001). In general, it is assumed that being close in this sense will make it easier for ties to be established (Lazarsfeld & Merton, 1978). Just as network ties arise most easily between similar actors, it can be expected that relational contracts will come more easily into existence and are more likely to effectively govern relations between individuals when they are more similar to each other. At the same time, this argument suggests that precisely in such an informal organization—in which ties between similar individuals arise relatively easily—the most essential ingredients to organizational longevity and performance are the relationships between individuals who are *not* similar. This provides an argument for focusing on those relationships that seem to bridge the most important faultline.

The members of latent organizations include a wide variety of professionals involved in film projects, and links and relationships can exist between subgroups of any size. It has been suggested, however, that special attention be paid to dyadic relationships. Baker and Faulkner (1991) focused on dyads or collaborative pairs occurring among three roles: producer, director, and scriptwriter. They showed that, in the past, it was not unlikely that the roles of producer and director were combined in a single person. Thus, the faultline between art and commerce was bridged by pooling these diverging interests and responsibilities in a single individual. However, over time, there has been a trend toward specialization in the producer role and a clear division between commercial and artistic domains, with the former being occupied by the producer and the latter by the director or scriptwriter (Baker & Faulkner, 1991).

Other studies on network relations, such as that by Sorenson and Waguespack (2006), included vertical relations between the producer and distributor. Since both are mainly concerned with the business aspects of film projects, this can be classified as the core commercial dyad in film production. An important part of the study by Ferriani et al. (2005) focused on dyadic relations between the director and each of the other members of what Goldman (1983) regards as the core team of director, DOP, editor, production designer, and composer. All these dyads can be classified as artistic dyads in the film production process. Thus, none of these dyads crosses the faultline between art and commerce.

In this study, we focus on the producer–director dyad. As we indicated already, producers and directors are considered to represent the artistic and commercial poles in the project. From script development and preparations in preproduction, the actual shoot in the production phase, to postproduction activities

such as editing, producers and directors are also often involved in the project for a longer time than any of the other actors. Of the mixed dyads of commercial and artistic roles, we would therefore expect the greatest benefits to result from these producer–director dyads because the artistic goal of the director wanting to build a reputation based on artistic performance can potentially be hindered by the producer’s goal of keeping within budget and making a profit (Alvarez & Svejenova, 2002).

Directors may enhance their reputation by receiving awards (or nominations) for their contributions to films that lose money (DeFillippi & Arthur, 1998), whereas such results could at the same time be detrimental to the producer’s reputation and scare off investors in future projects. A strong and stable producer–director dyad will help to even out these diverging artistic versus nonartistic goals and is therefore more likely to form the core of a stable latent organization. Moreover, to the extent that there are “managerial” relations within PBOs, it is the roles of producer and director that provide management, and, if they are perceived to form a stable dyad, other individuals will more readily accept instructions from either one of them. Finally, as we already suggested, the producer–director dyad constitutes the relationship that is least likely to be brought about and strengthened by the forces of homophily. Strong ties are less likely to form in this faultline-bridging dyad and, precisely because of this, the strength of this tie is potentially essential to a latent organization that depends on relational contracts.

In the next section, we present data about film production in the Netherlands, based on interviews with producers and directors. The case study will be structured along four main themes: (1) the division of roles and responsibilities among producers and directors, (2) the functioning of the producer–director dyad in selecting other members of the PBO, (3) the benefits of a stable producer–director dyad, and (4) the liabilities of a stable producer–director dyad.

Case Study

The following case study is built around quotes from semistructured face-to-face interviews that were conducted with producers and directors in 2007 and 2008. We interviewed a total of twenty-four producers and fourteen directors who were selected from the population of producers and directors involved in the production of feature films released in the previous 10 years. All producers were either (co-)owner or chief executive officer of production companies. Most of these production companies were also involved in the production of television drama, in some cases commercials, and, in rare cases, theater plays. We performed roughly 90-minute interviews that were tape-recorded and subsequently typed

out verbatim. Finally, all informants were granted anonymity in the reporting of results.

Roles and Responsibilities

Roles and Responsibilities of Directors and Producers

Whereas the producer's predominant role and responsibility is concerned with finding adequate financial capital, managing contracts, guarding the budget, and scheduling and organizing the production process, the director's predominant role and responsibility is concerned with the ultimate look and feel of the film. Although some directors see a clear division of responsibilities, for example “producers provide the entire logistics and, as a director, you have a vision of what you want to achieve” (Director H), others have a broader view of the producer's role: “There are people that view a producer as a completely different person that is only concerned with financial matters. That financial part might be her specialty, but the substantive choices about what the film should be about and what it should look like, these are things we do together At the moment we are casting for my new film. At those moments, we talk simultaneously about whether an actress is bankable or capable of attracting a large audience. To me, that is just as crucial as that actress being a very interesting person who makes the film very different from a content perspective” (Director L).

Roles and Responsibility for Artistic Success

Because of their different roles and responsibilities and their different opinions as to the exact division and/or overlap between them, directors and producers may also be expected to have different opinions as to whom they eventually hold responsible for either artistic or commercial success. A first important indicator of tension across the faultline between art and commerce could therefore be disagreement between directors and producers about who is responsible for artistic or commercial success. In our interviews, we asked producers and directors in which order they hold their fellow project members responsible for either the artistic or commercial success of a film. In addition to the role of producer and director, we used a list of key team members, including the roles of scriptwriter, cast members, cameraman or DOP, editor, composer, and distributor. Tables 7.1 and 7.2 describe the extent to which producers and directors disagree with respect to responsibilities for artistic and commercial success.

Both producers and directors agree that the director has the key responsibility for the eventual artistic success of a film project. The view of producers

**Table 7.1 Order of Responsibility for Artistic Success
According to Producers and Directors**

Roles	Producer	Director	P—D
Director	1	1	=
Producer	2	5	-3
Scriptwriter	3	2	+1
Cast	4	4	=
Camera (DOP)	5	3	+2
Editor	6	6	=
Composer	7	7	=
Distributor	8	8	=

is summarized very well in this quote from a producer: “The director is ultimately most responsible for the artistic achievements of films. All the others on the [film] set of course also have a responsibility, but the director has the final responsibility” (Producer U). This view is confirmed by directors. “The director has ultimate creative responsibility for the film. For everything the DOP or composer does, I am ultimately responsible” (Director B). After the film has been completed, the role of the producer is to vie for broader artistic recognition at film festivals: “Later on the producer is the one who brings the film to the attention of [film] festivals and the like... A producer plays a very large role in this” (Director H).

In the first column of Table 7.1 we see listed the roles of the core members of a film project. The second column shows the order of responsibility as an average in the opinion of producers. The third column shows the same for directors. The

**Table 7.2 Order of Responsibility for Commercial
Success According to Producers and Directors**

Roles	Producer	Director	P—D
Producer	1	2	-1
Director	2	4	-2
Distributor	3	1	+2
Scriptwriter	4	5	-1
Cast	5	3	+2
Editor	6	7	-1
Composer	7	8	-1
Camera (DOP)	8	6	+2

final column shows the difference in opinion between producers and directors as to the order of responsibility for the artistic success of a film. With respect to the coding, we should note that if a respondent gave the same score for two or more roles, each was coded as the average of these scores. For example, if a producer held the director and producer equally responsible, both would score a 1.5 (average of 1 and 2). Roles to which respondents did not assign a responsibility score were coded as the average of the remaining scores for each of them. For example, if a director held the editor, composer, and distributor equally least responsible, each was coded as a 7 (average of 6, 7, and 8).

Table 7.1 shows that producers and directors have a shared understanding about the artistic responsibility of the director, cast, editor, composer, and distributor. There is some disagreement (−3) however, with respect to the responsibility of the producer. Whereas producers see themselves as the second most responsible: “In my opinion the producer is actually just as important for artistic success as the director” (Producer V), directors place them at number 5. Part of this might be explained by the fact that even though a producer’s direct influence on the artistic merits of a film could be limited, in the end, they are responsible for having green-lighted the film project in the first place. This is very well reflected in the following quote: “Being a producer, it [artistic failure] is always your fault. In that case, you just shouldn’t have hired those people” (Producer H). There is a slight disagreement with respect to the scriptwriter (+1), but this might be related to the previous point. Finally, it should be noted that directors value the artistic input of the DOP/cameraman much more than the producer does (+2).

Roles and Responsibility for Commercial Success

Commercial success in the film industry is very difficult to predict. This could also explain why there is considerable disagreement between producers and directors about who is most responsible for commercial success (Table 7.2). To a certain extent, this is also a matter of choice because films channeled into art house releases, with lower anticipated revenues, can cross over to become big commercial successes, as a result of artistic acclaim at prestigious film festivals, for example. “It is generally very difficult to determine who is responsible for commercial success. It also depends on whether it was supposed to be a commercial success from the start or not. It is possible that originally a film was not intended to be a commercial film, but afterward became one, and vice versa” (Director F).

Producers and directors nearly agree that the producer has the prime responsibility for the commercial success of a film (−1). To put it simply: “The buck stops here” (Producer C). Producers, however, hold directors much more responsible for commercial success than the directors do themselves. There is a fair gap

between the two (-2). This also depends on who takes the initiative in setting up a new film project in the first place. “When you, as a producer, ask a writer to write a script and, subsequently, you hire a director, then of course you as a producer are responsible. But here in the Netherlands, it is not unusual for directors or writers to approach you with a script” (Producer N). In addition, although producers do not hold a scriptwriter responsible for commercial success (because it is a producer’s decision to greenlight the script), they do hold directors responsible for how the script is turned into a film: “It may be that a writer delivers a brilliant script. But it can be completely ruined by the director” (Producer I).

Although—according to directors and producers—distributors do not play a role in a film’s artistic success, they do play quite an important role in the commercial success of a film. The distributor’s role and responsibility is marketing the film, determining the size of the release in terms of number of prints that will be distributed to film theaters, and making deals with these film theater owners about sharing the revenues. “The producer and I come with a film and then the distributor must cash it in. We put the ball on the spot, and he should score” (Director B). But at the same time a distributor “cannot turn a [bad] film into a success . . . and alternatively, they can screw up by targeting the wrong audience, bad publicity, lack of marketing, and giving a small film a big release and vice versa” (Producer C).

Interestingly enough, there is considerable disagreement between producers and directors as to the degree to which they hold distributors responsible. Directors hold distributors more responsible for commercial success than do producers (+2). “The distributor should be at the top, because if he determines that the film is released in 100 copies, then at least 50,000 people will go and see the film. Rather, if a film is released with only six copies, no one will see that film” (Director A). However, it is very difficult to determine who is responsible for commercial success because it all adds up. “I think that if the same film was made by a director who made it a lesser film—to put it bluntly—that because of the casting and the way it is promoted by the producer and distributor, the first blow would have been the same. The first 300,000 visitors would come just the same. This would be the result of [good] promotion, casting, genre, and marketing. But, after that, the film should be on its own legs. If the film is not good, it will stop after 300,000 visitors So, in some cases, I think the most important factor for the commercial success of the film is the director. But, on the other hand, if the same film would not have been marketed that well, there wouldn’t have been a lot of visitors to start with” (Director M).

The previous quote already hints at the importance of cast members (in terms of the lead actor and/or actress) for commercial success. As you can see, there is considerable disagreement as to the bankability or value of cast members in attracting a large audience. Some producers believe that cast

members have star power that can aid in turning a film into a commercial success. “We are now making a film with [actor]. This film you have to market completely around [actor]. You have to offer something in return because his name is worth money” (Producer A). Part of the contract states that cast members are also required to promote the film in the press to build publicity. “Actors and directors, since it is written in their contracts, know that they must cooperate with regard to press, promotion, and publicity” (Producer I). Some producers also believe that, in addition to the cast, certain well-known directors can also draw an audience: “It is about the director who is known from this or that film and the bankability of the cast” (Producer D). Nevertheless, in general, producers seem to agree that, in the Netherlands, cast members are not bankable. “In the Netherlands, people do not go to the films because it features a certain actor” (Producer G).

The Producer–Director Dyad and Project Team Selection

Producers and Directors in the Team Selection Process

The previous section makes clear that there can be disagreement between directors and producers as to which other team members they hold responsible for artistic and commercial success. With respect to both artistic and commercial success, directors rate the input of the DOP much higher than producers do. In addition, directors also hold distributors and cast members much more responsible than producers do. Although eventual—commercial even more than artistic—success is difficult to predict and therefore difficult to attribute to individuals, one might expect that this disagreement between producers and directors could manifest itself in the selection process of other individual team members for each film project.

The division between artistic and commercial roles and responsibilities and the possible faultline between the two is neatly summarized by the following quote: “In my opinion, the director, editor, and composer are stacked together and the producer, distributor, and cast are stacked together” (Producer I). As we saw earlier, the director is mainly responsible for the artistic look and feel of a film and is also ultimately responsible for the work of the other artistic team members, such as the editor, DOP, and composer. One would therefore expect that the director has the strongest voice in the selection of these team members. Conversely, the producer is predominantly responsible for the business aspects of the film. Since distributors and, to some extent, cast members can play an important role in attaining commercial success, one would expect that the producer has a strong voice in the selection of these team members.

However, who precisely has the strongest voice, the director or producer, also depends on who had the original idea or initiated a particular film project. As we already briefly mentioned, it is not uncommon for directors to approach a producer either with an idea or a script that they may even have written themselves. “It really depends. Sometimes it is the director, sometimes the writer, and sometimes the producer. Sometimes the director is also the writer. Sometimes I come up with a plan and I hire a writer to work on it” (Producer B). Naturally, the one who owns the intellectual property overall has a stronger voice in team selection. “If the producer is the initiator, then he will have a greater say in the selection of the cast and crew. If I myself, or together with a scriptwriter, initiate a project and subsequently approach a producer, I will be in a much stronger position” (Director J).

In general, however, there are no specific contractual agreements between producers and directors in which they demand specific individuals to be part of the team. “I don’t have anything written down about which specific individuals I want to work with, but that I do have a voice in it. The producer cannot force me to work with someone I do not want to work with. There are no specific names in it [the contract], but it does state that we should agree” (Director E). This is confirmed by producers. “That’s often what you and the director determine together. You both need to be able to work with that person. When either of the two really does not see it work, you should not do it. Then you get a forced collaboration and that never works” (Producer A). Although there are no upfront contractual obligations that determine team selection, and directors and producers both need to agree on who is to join, in practice, either the producer or the director has a dominant voice in relations to specific roles.

Dominance of Directors Versus Producers in the Team Selection Process

Apart from the roles of producer and director, the roles of other professionals involved in a film project also come with specific tasks and responsibilities that, in turn, shape the particular relations between each of them and the members of the core dyad. In what follows, we focus on the same roles discussed in the previous sections (Tables 7.1 and 7.2. Since each film is a unique project that may require very specific skills and resources, the selection process for team members is also partly determined by the nature of the project at hand. The film’s specific genre, for example, may influence the selection of team members: “Sometimes you have a specific editor for each project. A certain editor is better in drama than in comedy or suspense” (Director H). In addition, the choice of whether the film is intended to be an art house film or a mainstream film will also influence the

selection of team members. “The composer has a great deal of influence on the feel of a film. Just by listening to the music, you can already hear whether something is art house or mainstream and... [being a DOP] you need to know what kind of film you’re shooting. For example, if you are shooting a commercial film, then the film needs to get the look that it deserves” (Director F).

Although the specific choice may depend on the nature of the film project, directors have the dominant voice in selecting the film crew for the main creative roles. After asking directors which are the most important artistic roles in addition to those of director and scriptwriter, directors confirm that “you can see some roles as purely creative: the DOP, composer, and editor” (Director M). When asking directors, with respect to the selection process, in which roles their voice is dominant, it is clear that this is especially the case with respect to precisely these three key creative roles. This is highlighted by the following quotes: “I am very loyal. For example, I nearly almost work with the same DOP and composer.... I always try to work with the same editor, but that is not always possible” (Director N). “I have two [DOPs] that I like to work with, it will be difficult for me to collaborate with a third. It should preferably be someone I know and previously worked with. There are a few options. The choice of one of these two depends on the style of the film” (Director F). “The editor is almost always my choice. I make a choice and they say ‘OK.’ That is also a good thing because it’s my regular editor” (Director M).

Both the key creative roles and the dominant influence of the director in their selection—except to some extent for the composer—are largely acknowledged by producers in the following quotes. “A cameraman, editor, and composer are very crucial in determining the style and form. I select them for each specific project depending on its style. I will first see which persons I know myself, but the director has his preferences as well” (Producer J). Another producer confirms this: “You do have preferences, but it all depends on what type of film it is, who the director is.... It may be that it is all tied to the director” (Producer A). “In the case of DOPs... we usually follow the preferences of the director. This also applies to the editor. The composers we search together with the director” (Producer G). “It often depends on the director. I know that if I work with this particular director, I get this editor.... People know that they often work together” (Producer A).

The producer is especially dominant in the selection of the film distributor. This is perfectly illustrated by the following quote from a producer: “Before we start with the actual film shoot, we already have close contact with the distributor. We do this because we think that it is important that the relationship between the producer and distributor is properly coordinated. In this respect, we are unlike many other producers. Many producers make a film and pass the baton to the distributor when the film is finished. The distributor generally runs a great

risk with a film and, in order to reduce the risks, the distributor may give a film a small release. That means limited marketing and few copies. So this becomes a kind of self-fulfilling prophesy. For us, it is important that, in an early stage and in consultation with the distributor, we determine the target audience, how that audience will be reached, and what the marketing strategy will look like. If, as a producer and distributor, you determine the marketing strategy at an early stage, the risk to the distributor will be a lot smaller. We also often collaborate with the same distributor, as a result of which you are better able to coordinate the collaboration” (Producer U).

This quote shows that whereas the dominance of the director in the selection process is based on strong ties with artistic members of the film project, the dominance of the producer is in many cases the result of strong ties with the other main commercial party involved in the film project: the film distributor. The director is hardly ever involved with the distributor. “I do not interfere with the selection of a distributor, that’s a producer issue” (Director E). Even if they wanted to, it is very difficult for directors to influence the relation between the producer and distributor. “In a possible future project [with the same producer], I would prefer a different distributor but there’s a special bond between this producer and distributor, so I do not think that I will be able to make that happen. That is something where the producer’s voice is more important than mine” (Director F).

Conflicts Between Producers and Directors in the Selection Process

The influence of the producer in the selection process becomes more important, however, when the director’s choice of team members interferes with the producer’s commercial interests. “The vote of the producer is especially decisive where important financial interests are at stake. As long as this is not the case, there will not be any tampering with the artistic integrity of the director” (Director D). However: “Sometimes they [selection criteria] indeed diverge. This obviously has to do with money or preference or antipathies of a producer” (Director E). Producers need to strike a balance between the skills of prospective team members and the price they have to pay for them. “In most cases, it is the average between the person capabilities, isn’t he too expensive, and doesn’t he demand too much” (Director A).

An important conflict between producers and directors revolves around the selection process of cast members or lead actors and actresses. “Producers will always meddle with the [selection of] cast members. Commercial considerations of the producer in the choice of key cast members can cause friction” (Director F). Although a number of directors and producers doubt the existence of star power in the Netherlands, an important reason why producers may have a

strong preference for certain cast members is that their bankability—or capability to draw an audience to the cinemas—will help them to persuade investors or distributors to invest in their project. “Sometimes it is easier to convince a distributor when you say that you have certain actors or actresses in the film” (Producer J). Especially in mainstream (as opposed to art house) film projects, it is not unlikely that the selection decision may switch to the commercial side of the art–commerce faultline because it is, to a considerable degree, determined by the commercial producer–distributor dyad. “It may be that the distributor says ‘take this or that lead actor, because it makes it easier for me to design a [marketing] campaign.’ So he does sort of have an influence on the choice of actors” (Producer N). Although directors can refuse to work with certain cast members, they do discuss the selection with the producer at length. “If a film is to be a commercial success, this is a matter for the producer and me together. You talk about it constantly; the kind of actors that you cast. It is important that you monitor the genre or type of film” (Director E).

The Influence of Loyalty and Past Collaborations on the Selection Process

In addition to differences in taste between the producer and director and the cost of contracting certain team members, relations based on past collaboration also play an important role in team selection processes. “As a producer, you can’t tie people [to your organization] with a permanent contract. You don’t have the money for that. Moreover, the director also has his own friends that he is trying to smuggle in” (Producer K).

On the one hand, these preferences for professionals one has worked with in the past may simply be a matter of familiarity or trust. “Naturally, in certain cases it is more pleasant to work with people that you know. You know what you have both in terms of personality and quality” (Producer B). As we saw earlier, producers and directors tend to be quite loyal and have built their own networks of professionals they like to work with. Naturally, they will try to get these individuals on their team. “You have your own network with many people in [different] departments you regularly work with that you want to try to advise to your director” (Producer B). Both producers and directors, however, see the risk involved when the team members of a film project are too loyal to the other party. “Producers generally find it scary when the crew originates too much from the personal sphere of the director because it means that they [the producers] have less control” (B-Director).

On the other hand, however, past collaboration can lead to varying degrees of obligations and expectations toward particular professionals that may influence

the selection process. In the (Dutch) film industry, there is often a lack of money and when financial resources are tight loyalty can become important. “it [loyalty] is also financial. I have made many small films where there was not much money. Much of the people who participated in these [small productions] also did very big things [productions]” (Director F). Producers also engage in this form of informal cross-subsidization between projects. “When I ask someone to work for less, I can’t do it again the next time. I feel that I have an obligation to ensure that person must be compensated with a next project. It happens very often that you ask people to work for less than normal but as a producer this creates obligations for the next project” (Producer J).

Effects of the Stability of the Producer–Director Dyad

Long-Term Relations and Producer–Director Dyads

As discussed earlier, we are especially interested in the producer–director dyad since this is the most important dyad from a management perspective. The stability of this dyad or the degree of loyalty between producer and director varies quite a lot. “Some directors are loyal but others are not. The last group wanders from producer to producer” (Producer O). Some directors are highly skeptical about loyalty and distrust the intentions of producers. “It’s a business relation. There is no other relation. It has been a long time ago since I last fell for pleas for so-called loyalty: ‘Do something for us now for the good cause’ and things like that. I always demand money. There is no loyalty” (Director G). Alternatively, there are also producers who question the loyalty and commitment of directors and other crew members: “We are not tied to anything because people have things running with six other producers. They have many irons in the fire.... There is a lot of shopping around among screenwriters and directors” (Producer D).

On the basis of our interviews with producers, we found that 21 percent of the production companies had both producers and directors as shareholders. From the interviews with directors, we know that 14 percent of them indicated that they were joint shareholder in a production company. In general, however, there are no formal long-term contractual relations between producers and key creative individuals, such as directors or scriptwriters. Often, this is not simply the result of opportunism but due to the high uncertainty that characterizes the film industry. Since it is very difficult to predict the success of films, it is also very difficult to finance (especially independent) film productions. In addition, and possibly as a result, most film production companies are very small and have little stability or continuity that would allow them to be able to offer long-term

employment contracts to key creative individuals. The average Dutch film production company has only 4.25 full time employees (FTEs), of which 1.5 are its owners.

Although many producers would like to offer long-term contracts to key creative individuals, such as directors and scriptwriters, they say they cannot afford to because of the high risks involved. “You try to build a long-term relationship with people you’re satisfied with. But because being a producer you have so little financial elbow room, you can’t offer anyone anything. I can’t say: come and work for us for 2 years” (Producer G). Although highly uncommon, the same producer gives an example of a long-term contract that he made with a specific director. “I did once offer [Director E] a salary for a certain period of time, whether we had work for him or not, because we really wanted to do a project with him, and did not want him to go to another producer” (Producer G). It is more common for producers to tie in a specific director by offering a series of projects on an individual contract basis. “In the meantime, they kept me occupied and on standby in case [film] would get greenlighted. I did not have a contract, but they always tried to let me do a number of [television] series in order to keep me tied to their firm” (Director E).

Although formal long-term employment contracts are uncommon, the majority of producers prefer stable long-term relations with freelancers. “We have no permanent employees. You naturally reestablish contact when the previous collaboration was successful.... This is not something that is written down in contracts” (Producer N). Since success is difficult to predict in the film industry, some producers even continue a relation when the previous project was not successful. “You also build significant joint experience. That’s important, even if things go wrong. I prefer a company where it goes wrong once and where it goes well the next time instead of having to work with an uncertain factor every time” (Producer R). Producers are especially keen on building relationships with directors and scriptwriters who—in their view—are the key individuals in film production. Producers consider them the heart of their firms, even though they are freelancers. “The important thing as a [production] company is to tie directors and screenwriters to your company. This allows you to get a certain profile as to the type of films that you make, and it also determines your image as a producer. Those people should be the heart of your business. You try to build some form of relationship with them in order to keep them tied” (Producer J).

Directors generally also prefer to collaborate with a small number of producers. In addition to those directors who are joint shareholders in a production company, there is also the director who works exclusively for a single producer without any contractual obligations to do so. “I’m not even sure whether this is written down in a contract, but in principle I am not setting up relationships

with other producers. This is an important thing because almost nobody else does this After my graduation, I was immediately picked up by the producer with whom I still work. I therefore tied myself to this producer, but it is completely informal. Any day, we can say: ‘we go and work with someone else,’ but it is a very strong partnership We have very often thought about starting a firm together, but then you really need to have the same goals. My goal is to make my own films and not those of others, so I don’t want to spend too much time developing other people’s projects” (Director L).

The majority of directors prefer to collaborate with a limited number of producers. “I have a preference for a close cooperation with one or a few producers” (Director M). This is especially the case when the director is also the writer of his or her own script (so-called hyphenates). They often develop these ideas for scripts in close collaboration with a producer. “I’ve always been independent, but since 2 years I have a verbal agreement with [producer A]. This means that I offer all my new plans for films to them first. If they are not interested, I will go to another producer” (Director A). The following director is known in the industry for shopping around for the best deals with any production company, but he also indicates a preference for a stable relation. “At the moment, I am not tied to any [production] company, but that is likely to change in the future I want to do this because I have the idea that there are very interesting things happening in the world when, at some point, a director and producer become a tandem” (Director F).

Benefits of Stable Producer–Director Dyad During Selection

Producers and directors who have strong ties are more likely to trust each other in the selection process of the other project team members. This is confirmed by the following two directors. “If you have already worked with someone before, there will be more trust and everything [in the selection process] will be easier. You have to get to know each other” (Director E). Producers may also be more inclined to hire a project team member for which a director has a strong preference, even though this person may be more expensive than the producer was initially willing to spend: “You have to be able to trust that someone [a producer] can really take into consideration both the costs and the benefits. That you spend your money on people who might be a bit expensive, but, at the same time, do deliver excellent work, and that, on other fronts, you can cut some costs” (Director H).

A stable relation between producers and directors makes contract negotiations easier. This is especially important for producers since they are the ones who have to guard the budget. “These people grow with our company. It also means that you can reward flexibility. They work for us for the amount that is available

in the budget. Depending on the size of the budget, this amount is sometimes higher and sometimes lower. This means that we do not need to have complex negotiations because they trust us to reward them within the possibilities of the budget. It also offers us the possibility to even out payments over successive projects” (Producer U). Moreover, a director may also act as a go-between between the producer and other potential team members during contract negotiations. “I have the role of good cop, in the sense that I can explain to one department that another department gets even less. Ultimately, in the phase that the money is being distributed, everyone doesn’t just want money for himself in terms of salary, but also for his department to do things with. They want the best for the film, but this is not always possible. In these matters, I have a soothing effect. I provide each of them with information. This is really a kind of good cop bad cop idea” (Director L). The following director phrases it slightly differently: “If I already know in advance from the producer how much money is available, then I could potentially approach these people using my charm and say: Would you rather not do it? Can’t you do it for a bit less? It would be so nice to work together again” (Director K).

In addition, the flexibility of a producer in the selection process is constrained by the director’s network of past collaborations and vice-versa. Directors as well as producers often have a few individuals for each role that they prefer to work with. One of the producers states that: “if there are twenty roles on a [film] set, we always have a preference for three or four [people]. That means we have a pool of eighty, a solid club of eighty, from which we choose. This is the pool that we like to work with” (Producer C). However, the selection of the project team to a large extent depends on the director. “You build [a team] around the directors you choose” (Producer S). In addition to the fact that a stable producer–director dyad leads to more trust, it also makes the selection process considerably easier because their networks of past collaborations overlap. “Because of trust and past experience, it becomes easier to build a crew since you are already very much [fishing] in the same pond. They [producers] often work with the same people with whom I work” (Director M).

Finally, these overlapping networks are valuable to producers since directors are more inclined to work with people from their own network, and it allows them to offer crew members deals for a package of projects at a discount. “You can provide someone with work for a long period at a discount” (Producer E). For example, with respect to DOPs: “If you know that a DOP will be doing two projects in a row with you, you can bundle the negotiations for the two projects. A deal of 40 days for us is cheaper than two separate deals of 20 days” (Producer K). The following director acknowledges this: “Especially when you have a long-term relation, the producer will try to push his own people. He wants

you to build a long-term collaboration with them” (B-Director). Although the benefits of a stable producer–director dyad are valuable in the selection of team members, they are arguably even more important during the actual shooting of the film.

Benefits of Stable Producer–Director Dyad During Production

For producers, it is crucial to be able to exert a certain degree of control over the team shooting the film. “The team that is shooting the film is very important. You have to monitor this well, otherwise things can easily get out of hand.... If you do not have much control over a film, also from an artistic view it does not make much sense for me to make a film” (Producer Q). Directors, however, run the risk of having to compromise their artistic vision because producers cut the supply of money during the shoot. “In [film] for example, we produced under conditions that I did not want. At one point, we agreed among all heads of department: we will keep it fun, but clearly this it is not the project that we had in mind anymore. [The budget] was increasingly being cut and scraped in ways we had not anticipated. At that point, you have the choice to either quit or to continue. In the latter case, you have to accept that it [the film] will become somewhat less good” (Director E). In situations like this, there is a risk to the producer that the director will rally the crew against him or her. However, when there is a long-term relationship with a producer, directors “won’t stir up the crew against the producer” (Director H) and “will be more inclined to give the producer the benefit of the doubt” (Director J).

Especially during the actual shooting, it is important to have a mutual understanding of the need to balance the commercial objectives of the production department and the artistic objectives of those on the film set. It is important “that there is not a relationship of us against the production [department], or us and the people who always say: ‘we don’t have money for that.’ I always want a quadrangle between the executive producer, director, DOP, and the first assistant director. These four people must feel that they are a team and agree with respect to all three aspects: what is financially possible, what is practically feasible, and what are our wishes with respect to the content—all four of them have to believe that these three things are equally important, rather than ‘I just want this and you just find out how you manage this financially.’ These people are not welcome. It also shows respect for each role, and respect that you believe that everyone only wants one thing and that is to make a beautiful film, and not pocketing a lot of money, exploiting people, or not feeling like exploring alternatives but just saying that ‘something cannot be done,’ or only dreaming of the most beautiful shots. But, just as well, I do not want to judge a director in terms of: ‘But you always think the sky is the limit’” (Producer X).

In cases in which there is a stable producer–director dyad, it is easier to deal with these inherent conflicts between producers and directors, which can easily be exacerbated by the many contingencies that characterize film shoots. “A director who has the long-term relationship with a producer in mind will have more eye for the balance between artistic feasibility, financial feasibility, and practical feasibility from a production perspective. You’re no good to me when you as a director think that nothing has anything to do with you, except the content of the film” (Producer X). This is confirmed by the following director: “Discussions are more to the point: What are we going to do and how are we going to do it within the boundaries of time and the financial resources that are available? What choices do we make? Which scenes are important? It is more about brainstorming and discussion rather than conflict” (Director N). Another director adds that “the more you talk about things, the more they [producers] tell you what they are doing, the more I can influence that, and the more it is just an open, transparent, and organic whole rather than you being suddenly confronted with all kinds of issues” (Director F). It also means that producers can more safely challenge directors, and it works the other way around: “If a producer knows that you have a long-term relation with one another, he will take more risks in being critical without running the risk that the director will go to a different producer. The more stable the collaboration, the more critical he can be towards me” (Director B).

Stable producer–director dyads can either be formal and based on long-term contractual relations that exceed the individual project, or they can be informal, based on serial collaboration in successive projects.

First, when producers and directors are joint shareholders in a film production company, conflicts between commerce and art can be settled at the firm level. “The advantage in our company is that we all have experience in directing and producing. This is an advantage because we can settle the conflicting interests of the director and producer internally. As a director, you have certain demands and wishes, but, at the same time, you know that as a producer you need to keep an eye on proportionality. So as a director, I correct myself as it were You avoid all sorts of problems because you know the implications in advance” (Producer/director U).

Second, however, stable producer–director dyads are, in most cases, informal relations based on serial collaboration in successive project organizations. The same producer/director continues: “You often see that certain directors often work with certain producers. Then it is very similar to what happens within our company. In that case, all those forces have been given a place. You are doing the same thing and you feel at ease with one another. The challenge is to avoid a split in the team” (Producer/director U). Or, in the words of a director: “you become a bit of a co-producer, and the producer becomes a bit of a co-director. So you operate as a team” (Director K).

Liabilities of a Stable Producer–Director Dyad

In the previous section, we focused on the benefits of stable relations between producers and directors. In this last section, we briefly discuss some of the liabilities of stable producer–director dyads.

Most of these liabilities are related to producers or directors becoming overly dependent on each other. Usually, this is a more serious problem for directors because they are generally involved in fewer projects than are producers. “A disadvantage [of a stable relation] is that they [producers] lose confidence in our collaboration and suddenly see much more opportunities for collaboration with others than I do. The difference between a producer and director, among other things, is that most producers are involved in several projects in a year while I can technically do not much more than one project per year” (Director M). Another director shares that: “I want to spread my collaborations with producers. I do not want all my projects to be with one producer, I find this too risky. At any moment, in the heat of the battle, your work relationship can come under pressure. You’ll get the most stupid problems, like having to buy back your own projects from producers who want to see money for them” (Director D).

In addition to becoming too dependent on a single producer, directors also simply miss out on other valuable opportunities with other producers. Loyalty may become problematic when “you are acting so loyal that you do not seize particular opportunities with other producers. Of course, it is true that expectations will grow: ‘why are you suddenly [working] with someone else?’” (Director C). According to the following producer, it is especially inexperienced directors who run the risk of being loyal to only a single producer. “Directors are naïve when they are young...they are willing to commit to a single producer without any contract... Most directors discover after 2 or 3 years that they must spread their attention” (Producer K).

Some producers also encourage directors to spread their risks because of the uncertain nature of the industry; they cannot offer them a stable supply of work. “I always tell directors that they need to have several irons in the fire, and therefore also need to do projects with other producers. They know that I would offer them a permanent contract if I could afford to. I encourage them to also get involved in other projects. I have had so many people crying here at this table who had freed up their agenda and turned down a number of projects and don’t know what to do anymore. I can’t guarantee anyone that there will be a new film coming up” (Producer X).

In addition to overreliance on a single source of work, it is also difficult for directors to negotiate a higher remuneration when they have a stable relation with a producer. First, producers know what they earned in past projects and use that as a benchmark. “When you work with the same producer, it is also

problematic to suddenly ask for substantially more money. I can do this more easily when I start working with another producer. With respect to remuneration and negotiation about the terms of your contract, it is easier and better to work with several producers. The competition among producers works in my favor, which means that I can demand more on all fronts” (Director E). Second, directors may more easily take salary cuts because of budgetary issues. “It’s tricky because I am also sort of part of the company, and therefore tend to think too much in line with the producer, while my agent says: ‘you have to go for your full pay because the money has been made available because of you,’ then I tend to say ‘yes, but I know because of information that, if I do that, it will be difficult to make the film.’ In those situations, I am inclined not to do it, not to demand the maximum because this could mean that I run the risk of the project not going through” (Director B).

Finally, the film industry is a creative one and therefore depends on a fresh flow of new ideas that can often result from new encounters with other film professionals. This is something that both directors and producers mention on several occasions. “It is always good to work with several teams. Otherwise, you will get stuck in routines and it’s always good to see how other people do certain things. It also keeps you fresh. It provides you with new ideas” (Producer G). “It [the relation] can become worn and therefore it is good to renew. You’re too easy on one another A new person can also excite you and give you a whole new view. They can also involve you in things that the other person kept you out of and you knew nothing about” (Director J).

Conclusion

There is broad evidence of continuity or repeat collaboration in the film industry (Delmestri et al., 2005; Ferriani, et al., 2005), and it has been proposed to look at these groups of serially collaborating individuals as members of so-called latent organizations (Starkey et al., 2000). In the case presented here, we specifically focused on how the core dyad of producer and director functions to manage the tensions generated by the artistic–commercial faultline. Whereas the producer’s predominant role and responsibility is concerned with finding adequate financial capital, managing contracts, guarding the budget, and scheduling and organizing the production process, the director’s predominant role and responsibility is concerned with the ultimate look and feel of the film. Precisely because the individuals fulfilling these two roles are at different sides of the faultline, the link between them bridges it.

We took a closer look at the actual division of roles and responsibilities among producers and directors, and we particularly focused on how the dyad operated

in selecting other members of the team. Next, we looked at the advantages and disadvantages of a stable producer–director dyad as perceived by producers and directors. The responses of producers and directors show that they do see their roles as being mainly on one or the other side of the faultline. At the same time, they may have different estimates of the other team members' importance for artistic or commercial results. This can lead to further differences of opinion with regard to the selection of other team members. The producers and directors recognized the importance of a stable and strong link between them. Although some potential disadvantages were clearly noted—staleness, lack of flexibility—longer term close collaboration has great importance in managing the dual objectives of film production, to the benefit of the performance of the PBO, as well as of the latent organization.

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