Strategic Organisational Change and Artist-Leadership in the K-Pop Industry: A narrative analysis approach

By

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DECLARATION

I declare that this thesis submitted in support for the application for the degree of Doctor of Philosophy is my own work and has not been submitted for a degree at another university.
ABSTRACT

The shape of K-pop small and medium-sized enterprises (SMEs) in particular has undergone a dynamic transformation over the past two or three decades, marking a turning point in the history of the K-pop industry and leading to major changes in both its management and leadership. This phenomenon was led by the three major artist-led companies: SM, YG and JYP Entertainment (also known as the ‘Big Three’) in the K-pop industry. The transformational change in both their leadership and their organisation will be qualitatively interpreted based on a case analysis of their artist-leaders (Soo-man Lee, Hyun-suk Yang and Jin-young Park). Taking into account the analysis, this thesis proposes a framework of ‘Strategic Organisational Change (SOC)’ to develop both conceptual and contextual understanding of anticipatory patterns of organisational and a leadership change in the culture and creative industries (CCI). The SOC of artist-leadership sets out the three main phases of organisational change of K-pop SMEs: entrepreneurial stage, established stage, and the transformational change in between. The principal findings of this study demonstrate that charismatic leadership with heroic storytelling enabled the early success of the idol system while the artistic competence of artist-leaders compensated for their lack of managerial competence. However, later, vision-driven leadership was needed to redefine the organisational vision. This symbolic role of artist-leaders during the transformational paradigm change was conducted by retelling and remaking stories so that new meanings have been discursively recontextualised into large and established organisations in Korean CCI. Finally, even though artist-leaders lose the charismatic power during organisational change, the symbolic communication can make them sense of the need for change and give sense of SOC to organisational members.
CHAPTER ONE. INTRODUCTION

1.1 Objectives of Research

In today’s globalised music business, large and established media conglomerates have hegemonic power and monopolistic control over the music production-distribution system in taking control over a large part of the value chain of the industry. Korean popular music (hereafter K-pop) entertainment companies have a relatively short history; however, in recent decades, they have grown significantly along with the great popularity in the domestic market and other neighbouring global markets. The emergence of artist-leaders and the idol system seem was one of the reasons, which allowed the rapid growth and the strong hegemonic power of the three major artist-led organisations: SM, YG and JYP Entertainment (also known as the ‘Big Three’) in South Korea (hereafter Korea).

The distinctive and rapid growth of music industry in the past few decades. According to the International Record Industry Association (IFPI), in 2018, the Korean music market experienced a 17.9% rise in revenue growth, and it was described as fluctuating from ‘potential’ to ‘power player’, and Korea ranked eighth in the global music market.

1 K-pop is defined both as a pop dance music genre and as a business in the global marketplace.
revenue rankings in 2016 and ranked sixth in 2019 (IFPI, 2019; Kelley, 2019).

Entertainment companies in the K-pop industry have been expanding as the global music industry becomes larger and more integrated. Artist-leaders that emerged in the late 90s adopted a systemic approach toward the artist management business, and they created a different picture of the K-pop phenomenon. The emergence of artist-leaders and the organisational growth of entertainment companies are the main features. Artist-leaders are the leaders who used to be artists\(^2\) once and founded their business.

For example, the founder of SM Entertainment (hereafter SM ENT), Soo-man Lee (hereafter S-M Lee), started his career as a singer in 1972 and spent some time working as a music producer until he finally co-established an artist-managing agency in 1989. Likewise, the founder of YG ENT, Hyun-suk Yang (hereafter H-S Yang), and that of JYP ENT, Jin-young Park (hereafter J-Y Park) were both very famous singers and music producers before they founded their businesses.

The so-called ‘Big Three’ entertainment companies share the hegemonic power in the Korean music industry, while many micro record labels and music publishing companies have disappeared from the market. The ‘Big Three’ companies provide a full supporting

\(^2\) The term, artists, refers to commercial musicians and singers. Throughout this study, the meanings of artists vary from idols to established music composers and producers.
service for contracted stars, including legal and accounting services. The success of K-pop dynamics is driven by the idol system since the newly introduced system not only led to the boom in Korean popular music but also established the distinctive organisational forms of artist management³.

There have been a couple of ups and downs; however, even though there is some argument over the inclusion of YG ENT⁴ in the ‘Big Three’ companies, this assumption was accepted until recently. The hegemony of the ‘Big Three’ K-pop entertainment companies formed soon after the companies were established around the 2000s. Before the recent steep growth of Bighit⁵. The dominance of the Big Three was hardly challenged as their sales showed. In 2015, the sales of SM ENT were 280 million USD followed by YG and JYP ENT (165.1 million USD for YG ENT and 43.4 million USD for JYP ENT) (Yoon, 2016). Also, as K-pop became a billion-dollar industry, in 2018, the sales were

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³ The background reasoning for how the artist management companies, which used to be intermediaries to record labels, have become the dominant stakeholders will be explained later in this thesis. For now, the importance of the idol system introduced by the artist-leaders from the entertainment companies can be noted.

⁴ The inclusion of YG Ent in the ‘Big Three’ is at risk since K-pop star Seungri, a member of BigBang, was accused of organising sex services for prospective investors for his business. H-S Yang himself is also under investigation of being involved. Even though the investigation is ongoing, the stock value of YGENT has dramatically dropped. After another allegation over corrupt relations with Korean police over iKON leader B.I’s alleged use of an illegal drug, H-S Yang and his younger brother Min-suk Yang, the CEO of YGENT, resigned all their official positions and responsibilities on June 14, 2019 (The Straits Times, 2019). This is still an ongoing issue, and the consequences seem to be unclear. These recent events fall outside the timeline for this thesis. However, this is an issue which I hope to revisit in future research.

⁵ Bighit is a South Korean entertainment company established in 2005 by Si-Hyuk Bang, who is a music producer and composer. S-H Bang, before establishing Bighit, used to work with J-Y Park as one of the music producers in JYP. The company has produced BTS and growing fast due to the huge success of BTS.
around 518 million USD (SM ENT), followed by 243 million USD (YG ENT) and 107 million USD (JYP ENT) according to Financial Supervisory Service of Korea (TAN, 2019).

In terms of the number of idol groups produced by these big three companies, SM ENT has produced over 30 idol groups\(^6\) since 1999. The number is followed by JYP (around 28 idols\(^7\) since 1997) and YG ENT (over 10 idol groups\(^8\) since 1996). Including the ‘Big Three’, a total of 1,952 entertainment companies were registered in 2016. This number is expected to increase considering that registration only started in 2014, with the government’s newly introduced ‘Popular Culture and Arts Industry Development Act’ (KOCCA, 2017).

However, the hegemony is not just about the sales and the numbers. This is based more on social and cultural beliefs rather than the economic features. In these regards, I argue the symbolic role of artist-leaders who have been successful singers, as previously stated, was one of the main reasons behind their hegemonic status. Therefore, it is crucial to understand the K-pop production (of the idol system) in the artist management business led by the artist-leaders. Thus, this thesis is focusing on the roles of artist-leaders during the rapid and successful

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\(^6\) They include BoA, TVXQ, Super Junior, Girls Generation, SHINee, f(x), Red Velvet, and EXO.

\(^7\) For example, Twice, Wonder Girls, 2AM, 2PM, Miss A, GoT7, G.Soul and Day 6.

\(^8\) Such as Big Bang, PSY, 2NE1, Lee hi, Black Pink, Epik High, iKon, Winner, Akdong Musician, and Jinusean.
expansion of K-pop entertainment companies along with the rise of the K-pop music industry at a global level.

The purpose of this study is to discover what makes artists become successful leaders by challenging the conventional ideas of leaders and leadership studies. For this purpose, this study attempts to examine the real-life cases of three leaders in artist-led organisations in the K-pop industry. Therefore, this research will lead to a better understanding of artist-leadership in the creative and cultural sectors as distinct from conventional models in the organisational change and leadership literature. Moreover, this study will suggest the expansion of an organisational change model contributing knowledge to both conventional leadership and organisational behaviour literature.

1.2 Scope of Thesis

Leadership is considered to be an essential aspect of any successful business as a good leader can motivate organisational members to perform more effectively. Organisational members can be more directional when they share and understand a common business goal. In the culture and creative industries (hereafter CCI)\(^9\), where the founder

\(^9\) In this thesis, I will use the term ‘the culture and creative industries (CCI)’ not only to generalise my arguments but also to avoid specific discursive speculation regarding the organisational perspective. Even though there have been discursive meanings to distinguish the terms ‘cultural industries’ and ‘content industries’, both are part of an ideological narrative of neoliberal policymaking in contemporary Korea (see sub-chapter 3.1.2 for more). The ‘cultural industries’ and ‘content industries’ will be used when the specific use of the term is necessary to name or to cite the actual cultural policies and laws. However, CCI can be embrace the
is often described as a charismatic leader, passionate followers (both artists and creative staff) have a tight relationship with their leader, from which the charismatic leader emerges as a perceived role-model. Small companies (e.g. music labels, artist agencies) often start their business led by a charismatic leader with dominant direction and mission. I assume that founders of K-pop entertainment companies are defined as leaders and organisational change led by charismatic artist-leaders was the critical mechanism behind the successful globalisation of the K-pop business during the early emergence of the ‘Big Three’ in the 2000s.

However, in terms of the communicative aspect, charisma can present a hindrance to change when small companies confront the need for strategic change. Researchers have defined strategic change as ‘an attempt to change current modes of cognition and action to enable the organisation to take advantage of important opportunities or to cope with consequential environmental threats’ (Gioia and Chittipeddi, 1991, p.433). It seems the traditional approach of charismatic leadership does not provide the best description of how artist-leaders adjust to organisational change. Indeed, as Greiner (1972) indicates, leadership is also transformed by organisational change; therefore, this relationship works in both directions.

In CCI, organisational change is a complex and highly interactive job as it involves various transition processes which require critical cultural and creative aspects of the sector while distancing the specific intentions of the different regimes over time.
managerial decisions; therefore, it is difficult to analyse. For instance, the founders can be hesitant to organisational change because the autonomy of creative producers and organisational flexibility can be threatened. Artists tend to be independent workers, and creativity also comes from the autonomy of creative work (Schlesinger, 2010). Nevertheless, at some point, small companies which have been successful in the market inevitably consider organisational change concerning further growth, maintaining a sustainable market position, and ensuring future profits.

As leadership deals with building corporate strategies on the vision or core value, the role of a leader is to implement and develop visions or values for strategic management. Furthermore, leadership is considered to take a critical role when formulating the culture within an organisation thus organisational change may reflect the individual values and beliefs of the leader (Schein, 1983). Following the corporatisation of the ‘music business’, organisational studies of CCI concentrate not only on SMEs but also large-scale and established organisations (Jones & Thornton, 2015).

However, even though there have been cases of strategic management applied in practice to the corporatisation of small media business, it is acknowledged that only the basic ideas of management have been applied in CCI, despite the commercialisation and industrialisation of the creative and cultural sectors (Cray et al., 2007). Organisational change is often strategically planned and led by leaders, and this will be described as strategic organisational change (hereafter SOC) in this
study. This thesis carries the central assumption that the role of the leader will change as an organisation changes and that this leadership change can be managed.

Furthermore, an empirical understanding of leadership will enable the proposition of a theoretical framework of change management for leaders in CCI. For instance, the personal sense-making process of artist-leaders involves the psychological acceptance of changing circumstances. The personal psychological adaptation for change does not occur in a short period. Long term process of organisational change can be achieved when a leader effectively shares the same vision with employees. Thus, an empirical understanding of leadership will enable the proposition of a theoretical framework of strategic organisational change (SOC) for leaders in CCI.

For this, leadership and organisational literature need interdisciplinary approach to articulate the organisational reality in CCI and to understand the trajectory of leadership along with organisational changes of different stages. For example, the conceptual framework of SOC at both the organisational and individual level of a leader will address a theoretical ground marrying existing leadership studies with organisational change literature (Lucy Küng, 2014; Nadler & Tushman, 1990; Nahavandi & Malekzadeh, 1993). Therefore, the hybrid concept of both organisational and leadership changes is referred to as SOC to differentiate from the organisational change in this study.
1.3 Research Questions

Bearing in mind the abovementioned objectives of this study, I have identified the following research questions. This study attempts to answer whether an artist can be a successful leader while responding to the central research question: How and why do artists become the leaders of established and large-scale organisations and what happens during the transition? Therefore, the following sub-questions have emerged concerning the K-pop phenomenon.

**A. Can an artist make a good leader?**

To answer the first research question, it is necessary to understand the complicated roles and behaviours of artist-founders to reveal the leadership competences of having been artists in CCI when making transitions to the entrepreneurial business. In CCI, the commodification of music, commercialisation of the music business and value creation are not necessarily compatible with the conventional understanding of business and management. Whether the artists hold the quality of leadership will be central to this question. Thus, the early stages of organisation formation and the process of becoming a leader and holding leadership power over the organisation will need to be analysed.

Furthermore, in order to demonstrate the cultural-political aspect of emergence and growth of the K-pop industry, chapter three will provide some industry background for artist-leadership (chapter three). The uncertainty in the music business and unpredictable environment of consumption and production in pop culture will need to be studied while
revisiting the role of artistic backgrounds of the leaders in artist management and music production. Therefore, with the competence model, which is developed in chapter two, chapter five and six will scrutinise the origin and the shape of charismatic leadership power.

**B. How does the artist-leader change over time along with the organisation?**

To answer this question, it will be necessary to accommodate the essential qualities whereby artist-leaders become established leaders as an organisation grows. For this, the transition from artists or artist-entrepreneurs to established leaders will be studied from an organisational perspective. By examining actual case studies, the conventional ideas on leaders who are assumed to hold fixed and inborn characters will be challenged. It will also be necessary to investigate how organisational growth and development occur in the creative sectors under the supervision of artist-leaders.

Organisational change cannot be accomplished only by changing the organisational structure. With the extended conceptual framework of SOC developed in the literature review (chapter two), the developmental and contextual understanding of both leadership and organisational change will explore artist-leadership in the Korean music industry from the South Korean aspect (chapter three). In this way, arguments around the flexibility and creativity of leadership in CCI will be examined from different perspectives (chapter six).
C. To what extent does artist-leaders’ leadership continue to be effective in large-scale organisations?

To answer this question, it is necessary to understand the symbolic side of leadership and communication by asking why they are still effective (assuming that they do indeed continue to be effective). Arguing that the style of leadership in a complex and formally constructed organisation may need to be different from that from the early period, this chapter will attempt to map the symbolic structure of leadership in CCI (chapter six). Also, the transition of leadership can be further investigated as the symbolic approach toward leadership can unveil the implicit leadership which are normally intangible.

In this vein, it is argued that the different stories told by artist-leaders will be the best narrative data to answer my research questions. There are different interpretations and intention in the stories in different time. Also, the stories are shared not only by the audience but also by the media. Therefore, I call attention to the role of stories in the symbolic communication of artist-leaders. The changing stories, communication, and leadership during SOC will thereby be analysed in the main discussion chapters (chapter six for entrepreneurial stage and chapter seven for organisational transformation).

1.4 Method of Research

A case study can be beneficial when there are few examples, but they are a unique phenomenon (Yin, 1981). This can support theory-building
by looking at real-life while drawing out the theoretical foundations for general principles. In this thesis, the case study analysis will make use of a narrative approach as the main research methodology (Flyvbjerg, 2006). The analysis of narrative data allows historical commitment to the study of individual lives surrounded by dynamic organisational phenomena.

Narrative highlights ‘the discursive, social nature of the strategy project, linking it more to cultural and historical contexts’ (Barry & Elmes, 1997, p.430). For this, fourteen semi-structured interviews have been conducted, and the interviewees vary from an artist to a creative staff in an entertainment company. The qualitative analysis of artists becoming leaders will investigate the correlations between the competences of an artist-leader in CCI and the success of the business. The human experience is expressed in stories, and the use of stories can be analysed through qualitative research.

Stories of experiences alter biographical information, and the systematic study of personal experience and meaning provide windows onto lives and the constraints which circumscribe them (Kohler-Riessman, 2000). These stories ‘make sense of’ the life events and are used to ‘construct’ an idea of the leader, and to build an organisational culture around that leader’s story. Thus, this narrative aspect of methodology will contribute to understanding how the artist-leaders were able to secure their leadership following the transition from an entrepreneurial business to an established and large-scale organisation.
Furthermore, the narrative analysis of the development of the leaders and organisations will be used to identify the important events and cases which this study can relate to the conceptual framework, in order to provide the supporting evidence to answer the research questions. Therefore, for the analysis of the three artist-leaders, audio-visual data which have been collected from nine speech events presented by the leaders have been studied. The aim here is to capture noticeable characteristics and patterns of development among the artist-leaders in a narrative setting. This will contribute to the contextual grounds for developing general theories about how leadership develops in CCI. This will be further discussed in chapter four, Methodology.

1.5 Chapter Outlines

Chapter 1. Introduction

The first chapter introduces the background and objectives of this study presenting a summary of the methodology and the outline of the research. The main purpose of this chapter is to identify research questions around the empirical cases of organisation and leadership change which led to the recent global success of the K-pop. In this chapter, I explain the description of terminologies such as ‘SOC’, ‘Big Threes’ and ‘idol system’ to help readers understand the key ideas in advance. In summary, I provide the objectives and the scope of this study and then introduce a summarised methodological design with a brief outline of this research.
Chapter 2. Theoretical Framework

Chapter two highlights the distinctive developmental process of artist-leadership and the interacting features which drive SOC in K-pop CCI. The conceptual framework combines a leadership competence model with an organisational change model in order to examine artist-leadership. For this, I have taken an interdisciplinary approach which draws upon research from cultural theory, organisational studies and psychology. Thus, this chapter is organised in three main sections. Firstly, I introduce the literature on organisational change. The effect of organisational change on the individual and vice versa as organisations grow will be analysed using a stage model. The ‘stepwise’ organisational change models will provide the contextual and conceptual grounds for this study as they establish a developmental framework at both organisational and individual levels.

The literature review will attempt to present a comprehensive understanding of changes at both organisational and individual level by providing the conceptual framework for SOC. This is to decide whether the patterns of organisational growth show distinctive paths and whether they allow artists to become leaders. Finally, this chapter attempts to look at the implicit side of the roles of being a flexible, adaptable and symbolic leader in CCI. The notion of symbolic management, therefore, will be introduced. From the symbolic perspective of leadership competences, I argue that organisational transformation implies a transition from charismatic leadership into vision-driven leadership.
Chapter 3. Foundation of K-Pop Industry: Understanding K-Pop Idol System

The organisational aspects of artist-leadership need to be examined in relation to the changing backgrounds in the political economy of culture, as the artist-leaders range across different media and different intersecting areas of popular culture. In other words, before looking at the leadership and organisational constraints, which compose the main argument of this thesis, the rapid growth of K-Pop industry must first be examined in its cultural, economic, and political contexts. In chapter three, I draw upon modern historic accounts to provide a contextual understanding of the cultural-political environment in the post-idol era in the Korean music industry. The historical backgrounds of the K-pop industry and Korean artist management companies will be introduced, and the success factors of the globally successful idol system will be discussed.

In the second part of the chapter, the industrial development of the K-pop industry is examined in relation to the commodification and corporatisation of K-pop entertainment companies (small and medium-sized artist agencies and music labels), especially in the context of digitalisation of the music industry. I am looking at the K-pop idol system and the music industry in comparison with Western/US perspective of star system. Finally, the shift from domestic to global music markets in the marketing and artist management business is examined to understand the unique system of the K-pop value chain, idol production and consumption.
Chapter 4. Methodology

Chapter four explains the qualitative research design used in the empirical part of this research, combining different methods. Since the theoretical framework from chapter three requires a combined methodology which can investigate the SOC at both individual and organisational levels, an interdisciplinary approach has been chosen. The empirical research design is framed by the ‘triangulative dimensions’ of thematic analysis, discourse analysis and narrative analysis. These different research dimensions address different specific objectives in the research aims.

Chapter 5. Artist-leaders during Entrepreneurial Stage: Growth of K-Pop SMEs

K-pop SMEs in CCI can easily be at risk because of a lack of funding, so they seek organisational growth not only to diminish the uncertainty of cultural products and production. Furthermore, the cost of idol training is enormous, so this risk must be managed and controlled. However, the most significant risk of pursuing growth is losing bargaining power over artists. When the K-pop idols leave, the many years of investment over idol training can disappear. During entrepreneurial stage, distinctive organisational structures such as dual leadership establish a strong emotional bond between the leaders and artists and provide the basis for intuitive decision-making power. Therefore, in-depth interviews with the research participants will be analysed to build the different archetypes of artist-leaders and to demonstrate the symbolic role of charismatic leadership.
In chapter five, I begin by describing the artist-leader’s extraordinary qualities as a holder of charisma and locate this charisma in the wider context of K-pop. The high level of charismatic power and charismatic leadership effectively dominate the organisation, including both artists and organisational staff. Thus, this chapter will attempt to understand artist-leadership during the entrepreneurial stage when the charismatic power of artist-leaders is effective across every corner of the organisation. Theories around charisma and charismatic leadership will be reviewed to define the origin and picture of the charismatic leadership of the artist-leaders.

Chapter 6. Artist-leaders’ Storytelling and Entrepreneurial Stories

Chapter six and seven, while chapter five has explored the entrepreneurial stage of SOC, will address the next stage as the organisation begins to expand and becomes more corporate, more global and more strategic. This chapter (and chapter seven) will be more concerned with the transformation from entrepreneurial to strategic management. Thus, this chapter will indicate the findings of the case studies based on the perspective of the leader as a storyteller. While analysing the narrative data of speech events and interview transcripts, the extended theoretical review will also be discussed in these chapters. This can fill in the gap between the theoretical literature and the empirical cases.

In chapter six, I attempt to scrutinise symbolic changes in artist-leadership during the transformational change stage by analysing entrepreneurial stories of artist-leaders. Methodologically I will analyse
the patterns and shapes of famous entrepreneurial stories which have been widespread during the early organisational formation to reveal the symbolic role of artist-leaders. From the management perspective, the storytelling practices of artist-leaders range from early entrepreneurial stories to establishing the narrative for SOC. This is manifest as the artist-leaders overcome challenges during the processes of organisational growth and structural change. Thus, symbolic communication using storytelling for change is first investigated to demonstrate the specific processes of communication between artist-leaders and organisational members as K-pop SMEs confront managerial and leadership crises.

Chapter 7. Transforming Organisation and Leadership: Growing beyond K-Pop SMEs

In chapter seven, I am looking at the transformational stage where the SMEs must strategically change the shape of their explicit structures to move on to the stage of becoming large-scale and established organisations. When organisations employ professional management for organisational growth, the decision-making system, communication, organisational culture, and leadership become more formalised. As the stages develop to the next levels of growth, they need to adopt a more formalised organisational structure. It seems that this stage in the organisation’s development was difficult, and artist-leaders have devoted tremendous efforts to persuade themselves, organisational members and the public towards the new visions and brands.
Furthermore, the last part of this chapter attempts to stress the discursive role of artist-leaders as creating the dominant discourse around the K-pop industry. Narrative data will be analysed to show how artist-leadership used storytelling to achieve organisational transformation through the process of re-shaping leadership, re-visioning organisational future and reframing K-pop discourses.

Chapter 8. Conclusion

The last chapter will first summarise the chapters projecting the findings of the study on the framework of SOC. Then, I will review the responses to the research questions, adding some concluding remarks and suggestions for future research towards leadership studies in CCI. Furthermore, I will consider the practical implications of the research findings focussed on the symbolic communication of artist-leaders. Finally, the limitation of this study will be presented including the extent to which its findings might be generalised to other sectors.
CHAPTER TWO. THEORETICAL FRAMEWORK

2.1 Introduction

In the culture and creative industries (CCI), leaders, as well as organisations, need to be flexible and adaptable due to the rapid and unpredictable organisational change. Organisational change is a fundamental managerial strategy which can be decided by founder-leaders with a long-term or short-term plan. The plan becomes very flexible and variable in many cases when it comes to the music industry, a reflection of the distinctive nature of the creative sector and the uncertainty of cultural production and the technological and cultural-political shifts in CCI. In this regard, the conventional theoretical understanding of organisational change has not been carried out, especially in the Korean context. For instance, the moment of crisis and specific managerial challenges will need to be reinterpreted from a CCI perspective.

For these reasons, it is necessary to map the changing shape of the organisation against the changing role of the leader. The role of leaders during change processes will be crucial since the founder-leader is required to handle various tasks and plan different strategies and solutions. For instance, in CCI where the founders are often deeply involved with the cultural production process or even a critical, creative project member, the characters of the founders are deeply embedded in the products and the organisation. Therefore, it is imperative to build
the framework of organisational change in relation to the role of a leader. This thesis will look at the leadership roles of the founders from different angles to scrutinise different shapes and patterns in different timelines. For this reason, this chapter will review a large number of theories and ideas.

The following sub-chapters will first attempt to access the organisational change literature and, then, elaborate on the applicable concepts and theories for CCI. Then, I will investigate the leadership theories to investigate and conceptualise the changing leadership styles and their impact on the organisation. Finally, I will turn the attention toward the symbolic perspective of management and leadership not only to design the research method but also to unveil the implicit and invisible side of the leadership and management from the perspective of CCI.

2.2 Theorising Strategic Organisational Change

Previous studies adopted an organic model focusing on different features of the main factors which can affect successful transition (Churchill & Lewis, 1983; Greiner, 1972; Guido & Geert, 2019). The concept of organisational change is especially beneficial when investigating the stages of the growth because the transitions between the stages involve diverse processes. Adopting such models is indeed useful for explaining the entire company development cycle, from birth to death. Therefore, the stepwise model of organisational change can provide a good chronological frame through which the changing
organisational model can be analysed according to different stages under the unique settings of CCI. In this sub-chapter, I will revisit the various stepwise organisational change models, and employ the models to fit with the distinctive qualities of CCI to develop the framework of SOC.

2.2.1 Rapid Growth in CCI and Organisational Change Models

Using a stepwise categorisation, the characteristic features of the different stages can be recognised using the visualised model as an indication of the growth process. Another proposition of stages theory is that the sequence and the pattern of the order are ‘pre-determined and thus predictable’, therefore, the stages model is useful for a comparative case study (Levie & Lichtenstein, 2010). Therefore, the stage approach allows the prediction of the procedural growth patterns in an organisational setting.

Greiner’s model (see figure one) is a useful tool that allows small companies to diagnose their stance and to prepare for the challenges involved in the process of growth. Greiner’s model also shows that the speed of growth in the market is related to the pace of organisational change. However, as Burns and Dewhurst (1996) pointed out, there is a lack of empirical evidence in support of Greiner’s model. Despite this, it is indeed vital to recognise typical and predictable crises as a company grows.
Another widely discussed model for organisational change is the Churchill and Lewis model (1983). They presented a five-stage model of small business growth, which is a comparatively, more practical model that uses reliable empirical findings based on small business research. The stages consist of ‘Existence, Survival, Success, Take-off and Maturity’. The model emphasises the role of the owner while the company grows. Also, the model determines which position is preferable for the owner at each stage. This is useful because it accommodates the business imperatives as well as relevant functions: management, marketing, and financial control (Burns & Dewhurst, 1996). This model, despite the limited scope of research over small businesses, has suggested a clearer picture of changing management demands. This implies that the stepwise model needs to ensure the
management factors of the leader at different stages in order to plan organisational change. Therefore, a leader or a manager is assumed to hold managerial skills. However, it underestimates the other values of managers other than their managerial skills.

On the other hand, Churchill and Lewis identified the essential characteristics for optimising growth at each step highlighting the distinctive role of the owner. This includes the owner’s objectives, operational ability, management ability and strategic ability (Churchill & Lewis, 1983). These abilities are not only critical when determining the best organisational development strategy, but they are also useful tools for the evaluation of the performance of the owner in practice. However, there is a limitation to consider for this thesis since, as noted above, the model only focusses on the administrative skills of the owner.

Similarly, as an extension of Greiner’s research, Scott and Bruce (1987) emphasised the importance of crises as a dividing tool, proposing ‘Five Stages of Growth in Small Business’ (see figure two). This article provides a useful diagnostic model, identifying four different crises during the process of growth. The model includes the basic features and potential crises which may arise at each stage. It is significant for an organisational leader to understand these crises since each crisis facilitates organisational changes (Gioia & Chittipeddi, 1991).

Even though previous organisational theorists such as Greiner have contributed a conceptual understanding of the stepwise model of organisational change by introducing the specific crises and the time
frame, it may not apply to other industries (Greiner, 1972). Indeed, the forms of crises suggested by Scott and Bruce (1987) are unsuitable for the theoretical framework of this study. As they admitted, actual adaptation should be made according to a specific type of business as it varies from business to business. This raises the issue of the industrial context for organisational change modelling.

Figure 2 Scott and Bruce’s Five Stage Model (Scott & Bruce, 1987, p.47)

The dilemma of organisational change models is that the scholars tend to overconcentrate the generalisation of steps whilst neglecting the industrial and individual circumstances. Therefore, the models often underestimate the critical role of leadership and instead focus on the periodical and structural development of organisational change stages.
Moreover, the organic models of organisational change stages limit their scope to the growth of SMEs and lack the discussion on the stage of large organisations.

Furthermore, the traditional organisational change models also do not consider the special characteristics of SMEs in CCI; the need to grow rapidly in response to success and the face of an unpredictable and competitive market environment, as previously stated. Indeed, the speed of organisational growth is much faster and more dynamic in CCI (L Küng, 2011). Nevertheless, the basic concepts and the life-cycle model proposed in their work contribute to this thesis for identifying and pinpointing the different stages of organisational change and moments of crisis in a CCI perspective.

Preparation for moving to another level of organisational change is required as a response to external environmental factors. Concerning this, the critical consideration is the contingencies between organisational change and cultural products. Regarding the rapid growth speed, Hambrick and Crozier (1985) presented an accelerated stage model of the organisational life cycle. This steep and shortened growth phase, as shown in figure three, comes from the companies that see rapid growth. The following paragraphs demonstrate the issues raised by rapid and turbulent growth in the creative sectors. The graph on the left shows the typical portrayal of organisational stages while the right describes that of the accelerated growth stage.
Figure 3 Accelerated Growth Stage Model (Hambrick & Crozier, 1985, p.34)

The reason is that organisational change occurs posthaste in the early stages of a CCI organisation due to the uncertainty of the rapid and dynamic external environment characteristic of CCI. SMEs in CCI choose to grow aggressively once the market reacts to their products. The cultural products can be transformed into different commodities quickly once the original form becomes successful (Holmes, 2000). In CCI, the business model requires heavy exploitation of successful creative and cultural products to compensate for a high proportion of failures.

Once a product proves to be successful the business should, therefore, attempt to scale up production to exploit the ‘hit’ product. For instance, once one idol becomes successful it seems that other idols in the same company tend to take advantage of the ‘hit’. In this case, they must grow quickly because of the unpredictability of the business environment in CCI cannot ensure sustainable success. For instance, either the trend can change or a sudden scandal can put an artist’s reputation at risk. In
other words, the SMEs are forced to grow by the nature of their business model and the competitive environment.

As Dewhurst and Burns (1983) pointed out, when economies of scale are necessary, a small business cannot survive without growth. In this regard, traditional concepts such as economies of scale become obscured from the perspective of modern management studies requiring different economic approaches. For example, the so-called 360-degree ‘multiple rights deals’ in the music industry allow music labels to extract maximum benefit from artists. This can drive dynamic organisational growth when the artists achieve success because the 360-degree deal enables the recording labels to maximise the revenue from the artists’ various commercial activities.

To summarise, stepwise organisational change models provide an opportunity to draw the developmental picture of organisations resisting managerial and leadership crisis. However, they cannot fully project the organisational change in CCI because the industrial environment of SMEs in CCI does not follow the conventional growth curve. For instance, external factors such as the rapid industrial and dynamic global environment in the creative sectors can increase the speed of organisational growth. Furthermore, the unstable industrial environment and the unpredictable success of cultural and creative products drives the SMEs in CCI to react by growing rapidly. In this regard, the previous models will need a more precise application of the stepwise model which can elaborate on the strategic elements of CCI in the following sub-chapters.
2.2.2 Entrepreneurial Aspect of CCI and Extensive Organic Model

Even though founders do not have to be entrepreneurs, entrepreneurship and the leadership of the founder often operate simultaneously in certain situations; thus, there is an inconsistency of terminology in leadership and entrepreneurship. Nevertheless, entrepreneurship literature can bridge the gap between an artistic-creative sphere and conventional leadership studies. Therefore, entrepreneurship and leadership, which have been studied separately, need a more integrated approach in the creative sector (Bilton & Cummings, 2010). In this sub-chapter, I focus on the entrepreneurial aspect of SMEs in CCI and the entrepreneurial value of artist-leaders.\(^{10}\)

The definition of entrepreneurship is ‘the process of discovering or creating opportunities out of social and cultural capital to generate economic and symbolic value potential’ (Schulte-Holthaus, 2018, p.109). In this regard, the process of entrepreneurship is similar to the operation of cultural production and commercialisation of culture. Artist-leaders in the Korean pop music industry share the necessary competences\(^{11}\) of entrepreneurs and may also be described as artistic or cultural entrepreneurs (Leadbeater, 1999; McNicholas, 2004; Nausedaite, 2015). This is because entrepreneurship in the creative

\(^{10}\) I will generally refer them as artist-leaders to differentiate from the artistic entrepreneurs not only because the artist-entrepreneurs do not have to take on a leadership role but also because they do not necessarily need to grow beyond SMEs.

\(^{11}\) Competences are defined as a set of trait-driven behaviours in a specific given situation shaped by dynamic activities and events in the different stages and structures of the organisation (see sub-chapter 2.3.1).
sector can be defined as ‘the process of adding value to creative inputs/creativity’ (de Bruin, 2005, p.145). In CCI, creative producers such as self-employed music producers are entrepreneurs in compliance with the idea that ‘A cultural entrepreneur is a person operating in a freelance mode in the interstices of the flexible labour market’ (Scott, 2012, p.242).

In these regards, the cultural production of artistic work and the commodification of culture are simply an example of entrepreneurship by commercial artists. For instance, as Kao (1989) claimed, entrepreneurial behaviour involves turning a new idea into something tangible such as a new product. Essential behaviours of entrepreneurs, as described by Robert Baron, are the generation of ideas for new products or services, the recognition of business opportunities, and the acquisition of necessary resources for new venture development (Baron, 2007). For instance, creating a new venture enterprise (e.g. start-ups) is one of the most representative examples of entrepreneurial behaviour.

Customarily, entrepreneurial activity such as establishing an enterprise in the recent K-pop context is led by an artist-founder who is already a successful and talented artist. Whether they are operating as a self-employed producer or as a contracted producer, entrepreneurial participation in the market helps artistic entrepreneurs understand the commercial aspect of cultural production. For example, the standard career path of leaders before founding agencies was to become a music producer for a Korean entertainment company. Therefore, this thesis
will include the newly added ‘embryonic’ stage, as can be seen in figure four.

![Diagram showing stages of growth](image)

**Figure 4 Conceptual Expansion of Organic Stage Model (Source: Author)**

During the self-employed ‘embryonic’ stage, creative producers practice entrepreneurial activities in a somewhat independent setting. Also, De Bruin (2005) suggested that the individual level of creative entrepreneurship includes commercial artistic production (de Bruin, 2005). In the K-pop industry, artistic entrepreneurs produce their own albums, and the cultural product/service is itself an artistic brand; however, this brand acts as a fundamental component when starting venture enterprises (whether music labels or artist management agencies) as the artistic brand carries the collective identity of reputation, knowledge, and values of artists (D. Jung & Sosik, 2006; Preece et al., 2015).
As mentioned, the early stage of the entrepreneurial process (self-employed step) of artists in CCI includes the professional career as music producers. The engagement with the commercial business at the individual level can be described as the embryonic stage when defining the contextual standard of the growth of entrepreneurs. This can often take the form of self-employed business or a small business focusing on the artistic side. To clarify this distinction, artist-leaders function as an artistic entrepreneur without administrative leaders such as a Chief Executive Officer (hereafter CEO). Therefore, in CCI, it is necessary to inspect the extended version of the organic model including the pre- and post-stages to understand the extended cycle of organisational life (see figure four).

Another critical purpose of the extensive understanding of the organisational change model is to investigate ‘after the mature stage’. In a recent study of organisational change and growth, Sykes (2008) presented the growth model by likening it to the Egg to Butterfly metamorphosis based on individual talents and potential. This notion offers a useful point of view to modelling organisational growth beyond the scope of small and entrepreneurial firms. Sykes pointed out that previous models have focused on maximisation thesis, and Sykes’s model moved forward with an attempt to investigate the value of individuals within organisations. However, as Sykes admitted, the findings require more empirical research and qualitative feedback to support the model.
With similar ambition to that of Sykes, this thesis attempts to investigate the phase following the organisational growth and maturity stage. In organisational reality, dynamic change is still necessary as organisational size and structure move onto the decline phase, to revive the decreasing power of leadership. This is the reason why the ‘Metamorphosis’, growth stage needs to be built into the model. The metamorphosis stage usually replaces the death or decline phase, as it goes beyond the maturity stage which refers to the transformation of artist-led organisations into global companies in the case of the Korean music industry. Therefore, in the K-pop context, traditional stepwise model of organisational change needs more expansion in terms of the conceptual modelling. Also, the newly applied embryo and metamorphosis stages mean the organisational change of artist-led organisations will require more broaden and dynamic approach.

2.2.3 Leadership Crisis in CCI context

Organizational change is the adoption of an organizational environment for the sake of survival. Namely, the old principles no longer work in the age of Globalization. Businesses have reached the old model’s limits concerning complexity and speed. At the same time, the challenge which new economy brings to small business managers is the use of new business approach and the strong will for organizational changes and adaptation to global market demands. (Ivanko, 2012, p.189).

As Ivanko (2012) argues above, organisational change becomes inevitable as an organisation reaches the limitation of an old and small system of management. Moreover, while the organisation pursues the growth beyond the current culture and vision, the entrepreneurial aspect
must be replaced with the formal management reframing the organisational paradigm (see sub-chapter chapter 2.2.7 for more about organisation transformation).

John Kao in his book, *Entrepreneurship, creativity & organization: texts, cases & readings* (1989), has argued that complexity in organisational structure with a diversity of constituents and a range of professional functions under one roof can cause conflicts between the informal system of a start-up and the formal operation as the organisation evolves. He described this ‘entrepreneurial-managerial’ transition as ‘traumatic’, taking as an example Apple Computer Corporation (Kao, 1989, p.179). The trauma occurs not only at the organisational level but also at the leadership level. For example, the nearly thirty-year leadership contribution of Steve Jobs to Apple, and his temporary replacement by others highlights wonderfully the tension between entrepreneurial vision and bureaucratic discipline.

Artist-led Korean music-entertainment companies, in particular, the entrepreneurial-managerial transition, which often comes alongside a managerial crisis, has been less traumatic as it occurred under strong charismatic power of artist-leaders; the transition has been delayed until the entrepreneurial-established transition. Indeed, charismatic leadership was available throughout the entrepreneurial stage, surviving the ‘initial’ leadership crisis, and dealing with a managerial crisis. For example, Greiner (1972) suggests that leadership crises emerge at the early stage of an organisational life cycle; however, in the case of the K-pop industry, managerial crises precede leadership crises. The
smooth transition to the next stage can not only reduce the chance of crisis and failure but also ensure adequate change.

Strong charismatic leadership has allowed a less painful transition from the entrepreneurial to the managerial stage. Thus, the managerial stage is overwhelmed in the entrepreneurial stage. At the same time, the dual leadership can neutralise the ‘initial’ leadership. In this study, therefore, I argue that ‘leadership crisis’ stated by Greiner (1972) is not as fatal because it can be overridden by the strong charismatic power of artist-leaders in CCI (see chapter five for more discussion). In short, the ‘real’ leadership crisis is therefore delayed while the founder enjoys powerful charismatic leadership. Thus, the early chaos of managerial crisis in CCI could be resolved by artist-leaders with strong charisma.

To summarise, the crisis of leadership can be far more significant during the matured stages and thereafter. The leadership of artist-founders works effectively for an extended period because of the importance of strong control over creative and cultural production in CCI. For these reasons, the conceptual framework of SOC (figure five) suggests that the five-stage model needs to be simplified not only to emphasise the
mature stage and the metamorphosis stage but also to scrutinise the transitional phase of small business into a large-scale business.

2.2.4 Conceptualising Organic Stages of SOC in CCI

The conceptual framework of the two main stages are ‘entrepreneurial stage’, and ‘established stage’ as it appears in the above figure five. Indeed, the empirical case study of artist-leaders seems to suggest different patterns of ‘leadership crisis’ which can contribute to the paradox of charismatic leadership. The following notions contribute to the conceptual framework of SOC (see figure five). For instance, according to John Kao (1989), the basic organisational growth stage can be described as entrepreneurial, managerial and established stages. However, what is happening in the rapidly growing SMEs in CCI can be somewhat different.

In the case of K-pop businesses examined in this thesis, there is not a leadership crisis at the point of transition from ‘entrepreneurial’ to ‘managerial’ stage, because the artist-leader’s charismatic leadership style combined with ‘dual leadership’ bridges this transition (more discussion will follow, see sub-chapter 2.4.1 for dual leadership and see sub-chapter 2.3 for the shape of charismatic leadership in CCI). This happens as the organisation grows into a large and established organisation. Thus, the ‘managerial’ stage is to be integrated into the ‘entrepreneurial’ stage, avoiding the leadership crisis.
This is also because the artist-leader already has acquired some managerial competences during the ‘pre-organisational’ / embryonic stage as a self-employed musician or producer. Because the initial crisis is smoothed over, the leader can continue in a similar role and function. Instead, the real leadership crisis comes later when the entrepreneurial organisation transitions into an ‘established’ organisation. This later transition is even more significant and challenging and requires a fundamental change in leadership style. Thus, I am proposing that the managerial stage is included in the entrepreneurial stage in K-pop cases, and the traumatic change is the ‘entrepreneurial-established’ transition which involves the leadership change to confront leadership crisis for transformational change. In this regard, the following notions will contribute to a conceptual map of SOC.

![Figure 5 Strategic Organisational Change (SOC) Model (Source: Author)](image-url)
First, the entrepreneurial stage does include the ‘embryonic’ stage such as self-employed artists or freelance independent producers. Indeed, the previous study also adopted the idea of entrepreneurship regarding SMEs in CCI and explained that the development of ‘musical micro-enterprises (bands, solo careers, record labels) and products (songs) involves a range of risks, investments, contracts, and the coordination of social networks’ (Scott, 2012, p.241). Second, as it can be seen from the ‘Big Three’, the K-pop industry has shown cases of dramatic growth from SMEs to large organisations; therefore, the growth stage which has been stated in figure three was notably short in K-pop SMEs. Furthermore, the managerial stage which can be also referred to the growth stage can even be short because of the rapid speed as discussed in the previous paragraphs.

Most distinctively, the managerial stage, as shown in the figure, is effectively absorbed into the entrepreneurship phase, which means the model of charismatic leadership avoids the crisis and mitigates the need for a radical change until the organisation reaches the ‘established’ stage’ (the detailed discussion will follow in the next few pages). In this respect, the managerial crises that I am referring to in this transitional phase can be solved by incremental change. A more detailed examination of these two stages of development – the entrepreneurial and managerial stage in which the leader’s charisma combines with ‘dual leadership’ will be examined from the empirical case study.

To summarise, while entrepreneurial-managerial transition can be short or natural, organisational change toward established stage is not only
radical but also traumatic. In the initial stages of artistic entrepreneurship, leadership in CCI may face fewer risks concerning administrative skills compared to other sectors. Moreover, the rapid growth drives the organisation to skip certain change (e.g. managerial stage) and postpone certain crises and changes (e.g. leadership crisis). Therefore, during the transformational change, charismatic leaders shall confront the ‘real’ leadership crisis (the second wave of leadership crisis).

2.2.5 Summary: Applying Stepwise Organisational Change Theories to CCI

In this sub-chapter, I have evaluated the stepwise organic model of organisational change literature. While the visualised stages of organisational change of small business have provided fruitful insights about the different crises and strategies in different stages for growth, there is still a huge gap in the theoretical model which must be filled with this thesis. As stated in 2.2.1, even though there is growing discussion about the organisational change of large-scale organisations, researchers often highlight the early and small organisational forms of the business neglecting to focus on the organisational transformation of large-scale companies (Greenwood & Hinings, 1988). Organisational change models were constructed based on the data collected from the small business from mainly manufacturing industries. Also, the models tend to overlook the transformational change which often occurs during the ‘mature stage’ of organisation.
However, artist leaders in CCI do not follow the model of traditional business growth for several reasons. First of all, their artistic strengths remain crucial through the early phases of development, unlike the leadership competences described in the models which trigger a moment of crisis and renewal. Secondly, the key management factors organisational change theorists implied were missing a large part of non-managerial aspects of the leader, in particular, the symbolic factors which this thesis intends to include. Moreover, both the early research of the stepwise model focussed on the small business framework. Finally, because of the significant need to achieve economies of scale, it is not enough to grow as an SME, it is necessary to transform from an SME to a large-scale organisation.

Also, I have suggested that it is necessary to investigate the revolutionary stage of the stepwise model in what I have referred to as the ‘metamorphosis stage’. This stage is also vital as transformation can overcome curbs on the very last stage of organisational growth in the SME context. This transformational change affects the style of leadership and even enforce it to change. This metamorphosis change requires a revolutionary transition in leadership. From the perspective of organisational culture, the conflicts between organisational members can be flexibly resolved under vision-driven leadership.

2.3 Charismatic Leadership in CCI and its Criticism

Leadership is a process of collective action (Van Seters & Field, 1990). Organisational stages can be minimised or extended according to the
managers’ leadership or a company’s strategy as Alfred D. Chandler, Jr. proposed in his book, ‘Strategy and Structure’ (Chandler, 1990). For example, leadership style can have a significant influence on a company’s strategic decisions such as organisation size, and the level and timing of organisational growth or change (Nahavandi & Malekzadeh, 1993). Thus, powerful leadership is critical to strategic decisions such as an organisational change in SMEs in CCI (Lucy Küng, 2014; Nadler & Tushman, 1990). Nevertheless, it is not much discussed in the context of CCI.

Therefore, this sub-chapter will discuss SOC from the perspective of leadership, and the changing role and identity of artist-leaders during the stepwise organisational change. To build a theoretical grounding regarding the contextual model of leadership style which can conform with SOC model, I intend to provide an overview of the different leadership theories, from the traditional approach to modern charismatic and visionary leadership theories.

2.3.1 Leadership Competence: Trait-Based Leadership Behaviours

... trait based leadership tend to favor the notion that leaders are born not made. Although it is true that leaders who have certain traits tend to excel, the evidence is equally clear that education and training can improve leadership effectiveness. This supports the notion that leaders can certainly be made so we move on (Stafford, 2010, p.101).

Previous scholars have assumed that leaders are born with innate abilities that distinguish them from other people (Organ, 1996). The purpose of the traditional trait approach was to perceive leaders as
distinct from non-leaders. However, this assumption has been criticised by many scholars, which has made the trait-based approach fall out of favour. In fact, ‘traits’ cannot be considered an independent variable for leadership. In this sense, whether such traits are innate or fixed is comparatively unimportant in contemporary leadership studies as this idea was often considered too predominant, too narrow, or too dull (JA Conger & Kanungo, 1998; Zaccaro, 2007).

More importantly, traditional approaches around trait-based leadership theories have significantly neglected the enormous influence of other environmental factors. There are many different elements at play, such as situational dynamics. Indeed, personality factors can change according to the diverse lifetime experience, and the effect can vary according to the period and strength of the experience. Furthermore, the personality of the leader will undergo emotional stress while performing the managerial role in an organisational context. Similar to the life course of an individual, the developmental and longitudinal explanation can be applied to understand organisational behaviour such as leadership.

Another criticism is that trait-based theories have focussed on measuring and labelling leadership traits, whilst overlooking the flexibility of trait attributes in response to dynamic organisational realities. For these reasons, while accepting the current criticism of the trait-based approach, it will be argued that an alternative conceptual tool can overcome the limitations of the traditional trait-approach. Thus, I
will also consider the industrial environment as a situational factor which mediates individual behaviour.

Furthermore, Stogdill (1948) advanced his previous argument regarding traits of leaders by adding situational factors to the essential elements, arguing: ‘It becomes apparent that an adequate analysis of leadership involves not only a study of leaders but also of situations’ (Stogdill, 1948, p.65). The situational factors are the contextual level of leadership which are surely external events and the changes in competences imply the leadership change.

In different organizational settings and cultures, we tend to look upon leadership in different ways. As pointed out in Chapter 2, context is vital: leadership may, for example, be different depending on whether we study assembly line mass production or knowledge intensive firms, or whether we study small entrepreneurial businesses or large bureaucracies. The contextual sensitivity also concerns the occupational/professional, hierarchical and more overall societal level as well as different organizational situations such as growth and expansion or maturity and consolidation. In short, context matters when we discuss leadership (Alvesson and Spicer, 2011, p.104).

Even though many traits theorists argue that a leader is born and never changes, while the core traits remain stable, the traits-driven behaviours can markedly change proceeding with other situational factors such as dynamic activities and events in the different stages and structures of the organisation. The significant issue is that situational factors modify behaviour even if the traits might seem to predict an unchanging set of behaviours. For instance, a charismatic leader in a certain situation may no longer be effective when the situation changes. Likewise, a leader in one industry may not necessarily perform well as a leader in another
industrial sector due to different situational settings. The conceptual grounds for the leadership competences of this study have been formed as shown in figure six. The different combination of trait-driven behaviours decides the style of leadership.

Here, it is important to note that the curve of competence model is not set but flexible, so the behavioural appearance is diverse. In this respect, the transition between charismatic leadership and visionary leadership can suggest that the external situations can be more influential than internal traits of individuals in deciding who will become a better leader. Also, the perceived behaviours are not solely decisive according to the traits of a leader as the external events should be taken into account. For instance, the unique environment situation of CCI such as digitalisation may affect the traits of artists in various ways.

![Figure 6 Leadership Competence Model (Source: Author)](image)

Leadership competences are contextual forms that result in different leadership behaviours which are shifting as the external environment
changes. For example, personal values, such as leadership traits are linked to the behaviour of individuals towards innovation (Marshall & Vredenburg, 1992). Competences in leadership can vary throughout the organisational life course reflecting changing behavioural factors rather than fixed or constant traits. For these reasons, ‘competences’ are a suitable concept through which to understand the leadership styles from the narrative of artist-leaders, as Ulrich and Allen (2016, p.22) articulated that competences ‘were identified by what leaders said and did and were often tailored not only to the situation but to the business strategy. Thus, leadership competence is modified behaviours in different business strategies in different stages of SOC.

To summarise, A good leader in one situation does not have to be a good leader in a different case, even though one actual trait operates in the same manner. In a different situation (e.g. different organisational stages), certain behaviours can be more perceivable than others. Accordingly, competences are influential elements in determining the style of leadership. In this study, I will focus on charismatic leadership according to its outcomes (behaviours) rather than its origins (born or made).

2.3.2 Darkside of Charismatic Leadership

Specifically, we define charisma as a relationship between an individual (leader) and one or more followers based on leader behaviors combined with favorable attributions on the part of followers. Key behaviors on the part of the leader include providing a sense of mission, articulating a future-oriented, inspirational vision based on powerful imagery, values, and beliefs. Additional behaviors include showing determination when
accomplishing goals and communicating high performance expectations. Favorable attributional effects on the part of followers include the generation of confidence in the leader, making followers feel good in his/her presence, and strong admiration or respect (Waldman et al., 2004, p.358).

Charismatic leadership has been evaluated by Conger and Kanungo (1987) and House (1977) as comprehensive theories in which ‘leader traits, behaviours, influence, and situational factors combine to increase subordinate receptivity to ideological appeals’ (Van Seters & Field, 1990, p.38). House defined charismatic leaders as those ‘who by force of their personal abilities are capable of having profound and extraordinary effects on followers’ (House, 1976, p.189). Small companies often start their business under charismatic leadership, and this is particularly notable in the creative sectors, regardless of organisational forms (either non-profit or for-profit organisations), where a founder is an owner in many cases. For companies who started under strong leaders with artistic skills, charismatic leadership can still be the most effective approach, as long as the organisation stays as a small or medium business (Halverson et al., 2004).

Indeed, strong, charismatic leadership may work well because of direct and straightforward decision-making, and this process may be adequate for SMEs. The process of establishing rigidity and formalising bureaucracy within the organisational system can be delayed because of the strong power of artist-leaders. This is because the leader relies extensively on charisma and concentrates most of the power in his or her own hands without delegating authority or enabling staff members to participate in decision making. Scott and Bruce (1987) explained, the
values of companies during the beginning of the business genuinely rely on the skills of the founders, and they usually have controlling power. For example, in the case of the Korean entertainment industry, the charisma of artist-leaders works as a controlling power preventing artists from leaving the company. The power consists of ‘strong faith and emotional energy’ enforced by the charismatic leader as Alvesson (2011) stated.

Charismatic power is important in CCI because of its external influence. Power can be defined as the strong feeling of control, and it is not simply ‘in the purview of leaders; followers can also wield considerable power in a situation’ (McManus & Perruci, 2015, p.31). In this vein, charismatic leadership theory rests on the notion that power is often ‘beyond the legal and formal authority structure of a group or organization’ (Judge et al., 2009, p.866).

Recently, many leadership scholars have used the word ‘charisma’ as either a trait, personality or a new style of leadership. For instance, Robert van Krieken (2012) has argued that the three types of authority; traditional, rational-legal (bureaucratic), and personal quality (charisma), are in fact ‘interlocking and mutually reinforcing’ instead of ‘alternative bases of authority’ (Krieken, 2012, p.69). The word ‘Charisma’ was initially introduced to describe the political or religious figure as an extraordinary man by Max Weber (Weber, 2009). Charismatic authority functions informally through human relationships; at least, ‘on a perceived sensitivity and ability to minister to the needs of followers’ (J. A. Conger et al., 1997, p.291).
From the Weberian perspective, charisma is ‘what is in opposition to scientific knowledge and bureaucratic procedures and what operates on the level of emotionality and desire rather than the intellect; it is affectual rather than rational’ (Styhre & Eriksson, 2008, p.159). Weber’s concept of charisma originally dealt with political and religious leaders. Along with the audience’s demands and expectations, the social construction of charisma has been driven by ‘the proliferation of various forms of charisma in addition to the political’ and, in this sense, looking at charisma through the lens of celebrity shows that ‘the intersection of charismatic, traditional and rational-legal authority is precisely what is interesting about politics, culture and society in the nineteenth and twentieth centuries’ (Krieken, 2012, p.70).

As described by Farmer (2012), there are two types of power in organisations: (1) formal power, including reward, coercive and legitimate power, and (2) informal power, including referent, expert and information power. The informal power of charisma as a source of authority can also be found in theories regarding power in an organisation. I would assert that the relevant sources of power, especially in CCI, will be informal and charismatic. Charismatic authority is appreciated when the followers recognise their values by mirroring the leader\(^\text{13}\). Recognition is preserved by stimulating and establishing an interpersonal relationship because the perceptions of followers drive the process of identification.

\(^{13}\) I assume that the process of obtaining such authority is related to ‘celebrity appeal’ for artist-leaders in K-pop CCI. Thus, this will be examined in chapter five.
Nevertheless, as an organisation grows with diverse business plans and strategies, their knowledge and experience may not always be adequate. For example, the organisational decision-making structure is highly rigid in the entertainment business as organisational change can often duplicate the models of the other traditional industries, with a lack of consideration for the characteristics of CCI.

Some scholars have suggested that charismatic leaders may not be a good leader for creative people because even though their vision works as an effective factor, the dark side of charismatic leadership can become a hindrance to organisational change (Mumford et al., 2002). Although charismatic leadership has provided the core competences for successful emergence and the early entrepreneurial growth of artist-led SMEs in the K-pop industry, criticism has been raised with the not yet diminishing power of charismatic leaders especially as the organisation expands and becomes more complex and bureaucratic.

The charismatic leader’s unconventional actions may trigger the ire of forces within the organization which then act to immobilize him or her. Leaders’ aggressive style may also alienate many potential supporters and ultimately leave them without sufficient political support for their ambitious plans (Conger, 1990, p.211-212).

Charismatic leaders are often considered narcissistic leaders who have a significant influence on the culture and style of the organisation. However, narcissism can also mean that they believe themselves to be ‘someone special’, which can result in them becoming a ‘poor listener or isolated loner’ who is unrealistic and delusional (J. L. Thompson & Martin, 2005). Besides, Nadler and Tushman (1990) pointed out that
charismatic leadership is not sufficiently effective for organisational change due to the confusing transition as organisations grow larger and more complex. Charismatic power can be seen as less attractive for the newly joined ‘different group’ of organisational members.

In Korean entertainment businesses, artist-leaders overwhelm the power of CEOs. The empirical cases of K-pop artist-leaders demonstrate that their charismatic power is somehow symbolic as the power is coming from celebrity image or role-modelling practices of followers not from the organisational positions. Power is also deliberately concealed in organisations so that one of the insiders may successfully introduce hidden personal agendas and organisational strategies can be swayed by ‘silver-tongued manipulation’ (Butcher & Clarke, 2008). Thus, the founder must bear in mind that power can be abused when relying too much on their personal beliefs and values.

And I have concluded that the widespread quasi-religious belief in the powers of charismatic leaders is problematic for a number of reasons. First, faith exaggerates the impact that CEOs have on companies. Second, the idea that CEOs must have charisma leads companies to overlook many promising candidates and to consider others who are unsuited for the job. Finally, charismatic leaders can destabilize organizations in dangerous ways (Khurana, 2002, p.62).

A charismatic leader must bear in mind that the power can be abused by institutionalising the culture of the firm subordinated to their values. It is too obscure for them to examine the existing circumstances from an objective view and instead, they can easily stick to the programmed management based on their experience (Miller, 1993). Therefore, the narcissism of the artist-leader, or the dark side of charismatic leadership,
can hinder the strategic decision-making process of the board of directors, creating barriers to communication between top management.

To summarise, the charismatic leadership style may reduce the power and autonomy of employees, decreasing creativity by imposing coercive powers. Also, from the perspectives of flexibility and stability, the charismatic leadership is not always the best answer, and the leaders have to be aware of the manipulation which can come from the highly political situation within the organisation. For instance, the process of organisational formalisation often results in a loss of flexibility and creativity (Smith & Vecchio, 2007, p.493). This will be discussed in sub-chapter 6.3. Thus, the following sub-chapter will discuss the potential reconfiguring of charismatic leadership. This will allow the notion that artist-leaders can revive or survive by changing the shape of leadership into the visionary leaders.

2.3.3 Motivating Followers of Different Groups

Organisational change is a collective development, which needs the support of organisational members. Organisational change can be accelerated by the leader’s motivating behaviour which can affect organisational members to modify their behaviour. Weick and Quinn clarified the importance of leadership, stating that ‘the new behaviours in the leader attract new behaviours from followers’ (Weick & Quinn, 1999, p.380). In this regard, a broad explanation of the relationship can be achieved by looking at individual motivations and relationships.
Furthermore, these exceptional leaders affect followers as a result of ‘motivational mechanisms’ that are encouraged by the leaders’ behaviours which provide the followers with an ‘ideological explanation for action’ (Antonakis, 2014). Understanding motivation in charismatic leadership will be critical to clarify a causal relationship between the leader and behavioural outputs of followers (Chamorro-Premuzic, 2007). Motivation is ‘what makes people act the way they do’ (Beck, 2003; Franken, 1982). Buck (1985) defined motivation as a reasonable force which activates and directs behaviour in a specific system.

Transactional theories of leadership, assume that the role of a leader in the leader-follower relationship is ‘instrumental rather than inspirational’ and functions to provide the ‘incentives or disincentives’ to gain organisational support (Gupta et al., 2004, p.245). This instrumental quality refers to extrinsic motivations such as financial rewards and penalties. However, intrinsic motivations of an artist and an entrepreneur operate as core values during cultural production and entrepreneurial activities. In CCI, this mechanism is fruitful because the act of motivating others tends to be more influential for the small companies and most of the firm in this field are SMEs. Thus, it seems that entrepreneurial firms in CCI may prefer to remain small scale partly in order to effectively motivate the organisational staff. To be successful, the leader must be prepared to encourage others as well as persuade them of the new motivation and value (J. L. Thompson & Martin, 2005). Like most creative people, artist-leaders are characterised by high intrinsic motivation.
From the behavioural perspective, charismatic leaders are ‘strong role-models for the beliefs and values they want their followers to adopt’, and ‘competent and communicate high expectations’ (Walker & Aritz, 2014, p.7). Thus, they arouse and encourage ‘task-relevant motives in followers’, and the followers can be motivated ‘with the help of power or appreciation’ (Winkler, 2010, p.33). In this case, a possible way to maintain influence is to achieve it through personal, informal power. The informal power of leaders is influential during the creative process, the position and title of a leader can vary regardless of the level of formal power (see sub-chapter 2.3.2 for more discussion on the power of a charismatic leader).

Intrinsic motivation is also ‘the component of creativity most strongly influenced by context’, so ‘high levels of creativity demand a high degree of intrinsic motivation’ (Picard, 2004, p.67). In this sense, charismatic power can be amplified in creative people with a high sense of companionship in a small entrepreneurial setting. I argue that the charismatic power of artist-leaders is similar to referent power which is the content of role modelling (Fiedler, 1964; Zehndorfer, 2014). Therefore, charismatic power as an intrinsic motivator is confined to certain domains of the entrepreneurial stage where role modelling is working properly among followers. However, charismatic leaders who have become role models can be at more risk in formal management as ‘in effect, the domain of position power is reduced, sometimes to the extent of becoming merely symbolic’ (Butcher & Clarke, 2008, p.60).
Even though they are less formulated and less established, under the role modelling act of motivational communication, followers make sense of the personal visions of charismatic leaders. For charismatic leaders, the vision was at first easily shared without being explicitly stated because the followers in the entrepreneurial stage have high intrinsic motivation through the role modelling process. Concerning this, Antonakis (2014) has added that followers have high loyalty and devotion to charismatic leaders, idealising the leaders as role models with a vision and purpose (Antonakis, 2014; Bass, 1985). Vision can be shared implicitly rather than explicitly because the role-modelling behaviours provide followers with ideological complicity with the leader.

Furthermore, during the entrepreneurial stage, visions appear in various forms of thoughts and values; however, the vision is highly dependent on the personal thoughts and values of the leader. As the organisation expands, the organisational members with extrinsic motivation will need a more explicit organisational vision rather than implicitly trusting the individual vision of the charismatic leader. During this stage, new organisational members, as well as some existing staff who are extrinsically motivated, cannot be effectively led by the charismatic leader. Therefore, the vision-centric approach beyond charismatic leadership will be introduced in the following sub-chapters.

To conclude, individual visions and dreams could be shared very effectively under charismatic power in the early entrepreneurial stages; however, artist-leaders require more than just charismatic power as they
go through organisational change. Without followers, no leader can exist. The vision of charismatic leaders seems to be individual-driven directions which can be limited to short-term missions rather than a clearly articulated organisational vision. Thus, ‘vision’ is not persuasive when it is carried only by the ‘charisma’ of the charismatic leader.

Furthermore, charismatic leadership is more directive; visionary leadership is more persuasive and inclusive, encouraging the followers to choose their own path to a common goal. Therefore, leaders are required to change when their relationship with followers is no longer the same. Charismatic leadership by artist-leaders in the K-pop industry will be further discussed in chapter five. However, at this point, it is vital to remember the follower centred aspect of leadership. The follower’s motivation and role-modelling provide the basis for a contextual (situational) understanding of the charismatic power of artist-leaders.

2.3.4 Beyond Charisma: Reshaping Leadership through Vision

...a variety of leadership styles may be appropriate, depending upon how the organization is normally managed and led. In strategic changes, however, the management process and structure itself is the subject of change; therefore, it cannot be relied upon to manage the change. In addition, the organization’s definition of effective leadership may also be changing as a consequence of the re-orientation or re-creation. In these situations, leadership becomes a very critical element of change management (Nadler & Tushman, 1990, p.81).

Since leadership works differently for different groups of followers, there is a psychologically intriguing question raised by Fiedler (1967)
whether managers need to use different leadership styles for different types of staff within the organisation. For example, Fiedler proposed that there are task-oriented second-level managers who work with a task-oriented subordinate and with a relationship-oriented one, and the different leadership style is required according to different functional specialities (Fiedler, 1967). This notion is employed, and this study assumes that the style of leadership becomes critical as the different types of managers (creative managers and administrative managers) work together in CCI. As I asserted, leadership can change as their behaviours can be adjusted into different competences to motivate the different organisational members.

However, it is particularly difficult to decide the compelling style of leadership in the creative sectors, and which leadership style will be best adapted to the various challenges of CCI. Even though it appears that there is no ‘perfect’ leadership style, visionary leadership seems to be a potentially useful concept concerning this study. The meaning of vision can vary from short-term organisational missions to long-term future directions. In most leadership studies, including those that focus on charismatic leadership, transformational and transactional leadership styles, vision is regarded as one of the essential qualities of a leader. Even though vision is one of the essential qualities of charismatic leaders, it becomes far more critical for visionary leaders. Moreover, vision becomes more important during the transformational change of the organisation, as the range and membership of the organisation expand.
Sashkin (1988) stated that visionary leaders can initially express their vision, explain it to others, extend the vision in other situations, and finally expand the vision in a broader context, thus widening the vision’s temporal and spatial sphere of influence. They can deal heuristically with uncertain conditions and offer some flexibility in their visions to anticipate and account for unfamiliar situations (as cited in Antonakis, 2014).

Some theorists have presented the paradoxical argument that, in a context of rapid growth, while accepting the new people, systems, and processes in line with heightened demands, organisations must not discard ‘the values and techniques that have allowed their growth in the first place’ (Hambrick & Crozier, 1985, p.45). To be able to reshape the style of leadership, artist-leaders must realise the necessity of change, not only organisational change but also leadership change. This begins once the leader recognises the need for change to overcome the limitations of existing leadership (see previous sub-chapter 2.3.1 for the dark side of charismatic leadership). Leaders need to confront not only the need for change but also the limitations of charismatic leadership. More specifically, visions can change and develop as an organisation grows.

Kotter said that leaders could easily forget to create enough urgency and overestimate their competences during organisational change. Nevertheless, as Kotter (1996) has stated, the resistance to change arises because of ‘past success, a lack of visible crises, low-performance standards, insufficient feedback from external constituencies’ (p.5). For this reason, successful transformation requires making sense of leadership crises and accepting the urgency of leadership change. When ‘resistance to change’ is high, traditional charismatic power is no longer
valid. For this reason, when the organisation needs to change, charismatic leaders must change the style of leadership into a more flexible form due to the different types of followership held by various organisational members.

At first, followers tend to accept the leader with no question as they feel affection toward them and are emotionally engaged with the leader and their mission (Yukl, 1993). Followers, in turn, display ‘affection and admiration for the leader, in whom their sentiments and ideals are expressed’ (Antonakis, 2014, p.262). Furthermore, leader-follower relations in CCI are more sensitive, as the dominant forms of leadership are inherently emotional (see sub-chapter 6.2.1 for the emotional bond in K-pop SMEs). Charismatic leadership can inspire and excite, but if there is resistance, a more logical and reasoned approach is needed to persuade people to make drastic changes. According to Kotter (1996), characteristics of a compelling vision are ‘Imaginable, Desirable, Feasible, Flexible and Communicable’. Therefore, while the visions provide new logics for followers, the flexible approach toward different types of followers will help to motivate them to accept and participate in organisational change.

One of the challenges of becoming a large-scale organisation is to hold on to the advantages of ‘thinking and behaving like fast-moving, flexible small organizations while obtaining the scale and synergy benefits that can accrue from size’ (Thompson & Martin, 2005, p.135). However, even though managing for efficiency in a formal setting would be prominent, there seems to be a loss of flexibility, which can
result in a crisis. It is acknowledged that a more complex and well-structured management style is needed to oversee the increased number of managers and staff in a growing company. Thus, flexibility is what distinguishes visionary leadership from other types of leadership.

Ineffective visions often have a pie-in-the-sky quality. Good visions are also clear enough to motivate action but flexible enough to allow initiative. Bad visions are sometimes too vague, sometimes too specific. Finally, effective visions are easy to communicate. Ineffective visions can be impenetrable (Kotter, 1996, p.72).

Furthermore, vision can be a useful tool for change management within an organisation because it allows for the psychological stability that allows the organisation to move ahead (Schein, 2006, p.323). The process of reshaping leadership involves the psychological change of leaders, which can be examined through an implicit approach toward strategic change into a large-scale organisation. The individual sense-making process of vision formulation, including its implicit value and meaning, is necessary to evoke actions leading to strategic implementation (see sub-chapter 2.4).

Implicit values are sometimes not promulgated, discussed, or perhaps even recognised (Gilmore and Pine, 2007, p.126). Organisational strategies are often planned formally by top management and explicitly espouse values which are often stated in the corporate documents (Bourne et al., 2017). The problem is that individual values are ‘less apparent but more deeply ingrained in the culture, are more difficult to change than norms of behaviour’ (Kotter, 1996, p.148). Sashkin (1984)
mentioned that visionary leaders have domain-specific knowledge about a vision which protects them from environmental conditions.

For a vision to be salient, organizational members must feel that a clear vision has been articulated; that the leadership of the company shares the vision; and that the vision is appropriate. To conclude, because vision is assumed to affect followers’ emotions, we propose that vision formulation, value-laden content, and assimilation are related to affect-focused and unrelated to cognition-focused attitudes of employees toward their organization (Dvir et al., 2004, p.128).

Therefore, vision is a symbolic device that will enable leaders to share ideas and goals. The role of a visionary leader is to recognise the ideal time to articulate and share new visions with organisational members. This is particularly true when there are more diverse organisational actors such as administrative staff or stakeholders involved. In CCI, as organisations undergo the transformational change, the process of vision sharing, and articulation is required again. Even though the charismatic visions (individual vision of charismatic leaders) have been widespread in K-pop SMEs during the entrepreneurial stage, new or re-designed visions (extended versions of organisational vision) will need to be developed and shared among former and new members in a large-scale organisation. This will be discussed in chapter six and seven.

2.3.5 Summary: Applying Charismatic Leadership Theories to CCI

Although the trait-based approach has been challenged by psychologists due to the rather simplistic assumption towards the origins of trait-behaviour, there is still a need for a structural approach
that accommodates the importance of behaviours to the dynamics of leadership and acknowledges that these behaviours are shaped by the personal values of the leaders. As stated, traits and behaviours are dependent on situational factors as shown in the leadership competence model (see figure six). That is, even if two individuals share the same trait, it can have different behavioural outcomes. A specific leadership style stems from the different combination of competences which I have referred to as trait-driven behaviours in a given situation. Therefore, the notion of leadership competence can give a useful theoretical ground to describe the leader and changing styles of the leaders.

To sum up, the limitations (dark side) of charismatic leadership consist of being too individualised, too detached from current strategic realities, emotional and not rational in decision-making. Organisational members require the artist-leaders to reshape their style of leading in order to adapt to managing the bigger scale of the organisation which in turn requires more complex decision-making. The decentralised power and hierarchical culture vested in formal management under top executives in a mature structure present a challenge to the traditional way in which artist-leaders have previously worked to motivate employees and to manage artists. Thus, leaders must seek an alternative source of power and effective communication for transformational change. New visions will be needed to enforce this power and new forms of symbolic communication will be needed to share these new visions.

Moreover, previous studies of organisational change literature underestimated the role of leadership, as Greiner did. Nevertheless,
considering how leader-follower relationships work in CCI, the role of leaders is to share the meaning of changes and generate positive emotion, which is a vital solution for adapting to crises. In this sense, as the organisational growth becomes revolutionary, the leader’s vision must be revisited, and a change in leadership style will be needed for organisational transformation.

Therefore, even though this study often refers to artist-leaders as a particular style under the name of competences, the style is not fixed as many early leadership trait theorists argued. Instead, this study attempts to overcome the criticism surrounding the issues of stability and consistency by extending the scope of the research beyond the trait approach to include behavioural relations and situational factors. The leadership change, therefore, will need to be examined from the symbolic perspective of leadership to investigate the implicit side of leadership change in SOC. Thus, the symbolic communication seems to remain active in even more powerful ways, as the vision is strategically formulated and implemented in the established stage.

2.4 Symbolic Management for Transformational Change

According to the previous sub-chapters, organisational growth often requires a strategic approach to organisational change, but it includes emotional aspects to move from one stage to the next because organisational change may be resisted by employees. The dark side of charismatic leadership and the weakening charisma require the artist-leaders to adjust their competences as well as reshape their leadership.
Just as the changes in the organisational structure need time to plan and be accepted within the organisation, individual changes will be turbulent in the revolutionary transition. The followers must not only learn from the leader’s decisions and implicitly interpret their symbolic intentions, and this constructs a new organisational identity of the followers. Thus, it seems inevitable that individual resistance can arise during the Strategic Organisational Change (SOC) process.

The symbolic side of leadership, including perspectives on leader-follower relations, perceptions, languages, metaphor expressions, and archetypes, further extends the contextual understanding of leadership competence developed in this study. Elements such as structure, style, process, and a more political orientation towards decision-making instead of traditional rational approaches all take on a symbolic dimension which is necessary to motivate the followers. This sub-chapter will provide the conceptual framework of SOC from the perspective of symbolic leadership and management of K-pop entertainment companies led by artist-leaders. Therefore, the following section will consider how sense-making (and sense-giving) behaviours of artist-leaders work to reshape the leadership style in CCI.

2.4.1 Duality in Leadership: Symbolic Side of Leadership in CCI

Effective symbolic leadership is possible only for those who understand the deepest values and most pressing concerns of their constituents. But leaders still play a critical role in articulating a vision by bringing a unique, personal blend of history, poetry, passion, conviction, and courage in distilling and shaping direction. Most important, they can choose which
stories to tell as a means of communicating a shared quest (Bolman and Deal, 2017, p.370).

When a more formal strategic planning system is applied to produce new strategic changes, substantial data and analysis will need to be provided to support the case instead of strong reliance on vision and intuition (Thompson and Martin, 2005). However, because of the environmental dynamics as well as the uncertainty of business in CCI, such an approach may be less applicable. Instead, artist-leaders play a significant role in delivering the vision in the form of dialogues and stories, which makes the discursive competence of artist-leaders symbolically crucial in communication.

Symbolic leadership is defined as ‘leadership which refers to and is based on, the category of meaning’ or ‘an action that makes meaning tangible’ (Winkler, 2010, p.59). In this sense, symbolic leadership also covers a range of leadership behaviours where ‘reality only becomes tangible and experienceable through symbols’ (Linder, 2017, p.320). Etzioni (1961) argued that there is a more significant commitment and less alienation for followers when leaders use ‘symbolic over material or physical power’ (Antonakis, 2014, p.260). In this case, a dual leadership model combines the rational, managerial leadership provided by a new CEO or similar administrative role, alongside the symbolic leadership provided by the charismatic artist-leader. This combination is the main reason the leadership crisis predicted by Greiner can be avoided or at least postponed.

From a symbolic perspective, organizations are judged as much on appearance as outcomes. The right drama gives audiences the
performance they expect. The production reassures, fosters belief in the organization’s purposes, and cultivates hope and faith. Structures that do little to coordinate activity, and protocols that rarely achieve their intended outcomes still play a significant symbolic role. They provide internal glue. They help participants cope, find meaning, and play their roles without reading the wrong lines, upstaging the lead actors, or confusing tragedy with comedy. To outside audiences, they provide a basis for confidence and support (Bolman & Deal, 2017).

Dual leadership system is expected to share some of the constraints encountered, such as the alignment of divisional goals and the setting of organisational goals, and the top management in these organisations is more complicated because it is performed by two individuals with somewhat distinct objectives and agendas (Reid & Karambayya, 2009). In CCI, some successful companies have chosen to create and live with ‘a dual perspective: the informality and looseness of the small firm along with some of the comprehensiveness and orderliness of the large firm’ and the companies chose this system for a couple of reasons; they ‘envision themselves as larger, acquire the needed skills and processes in advance of being big, but consciously retain as many of the characteristics of smallness as they can’ (Hambrick and Crozier, 1985, p.38).

The dual structure is not as simple as it sounds because of the various communication conflicts between the leaders, top executives, and organisational members. Traditional leadership is seen as a ‘single-person phenomenon’; and, conventionally, specific vision and personal voice are established by the authority of a single corporate leader (Reid and Karambayya, 2009, p.1078). In this respect, it is inevitable as well as necessary to accept the introduction of managerial leaders for artist-
led organisations because the growth of organisational structure and decision-making hierarchies requires decoupled strategic roles and circumscribed power positions between artist-leaders and CEOs. This will be explained in the case analysis, sub-chapter 5.3.1. This requires the decoupled understanding of explicit and implicit leadership of artist-leaders during SOC.

Often, organisational growth requires the replacement of entrepreneurial founders with professional managers, and the departure of the founders is necessary because their value is limited as, in the new organisational environment, the core set of competences the founders hold will not be suitable in the scope of professional management (Greiner, 1972; Wasserman, 2003). This could be true as the founders might lose their role and power over the organisation. Indeed, the conventional knowledge is that leadership crisis emerges as the organisation grows because of the lack of managerial competences of the founder. This seems applicable in the case of entrepreneurial companies in CCI as all the leaders have given up the CEO positions in the early stage of organisational growth. It can be interpreted as the artist-leaders losing their power as the organisation grows.

However, a symbolic perspective on artist-leadership in the K-pop industry tells a somewhat different story. Leaders must peer into ‘the future to interpret with clarity the direction the organisation should head’ to grow (Onodugo and Ewurum, 2013, p.32). John B. Thompson in his book, *The Media and Modernity: A Social Theory of the Media*, has defined ‘symbolic power’ as the ‘capacity to intervene in the course of
events, to influence the actions of others and indeed to create events, by means of the production and transmission of symbolic forms’ (Thompson, 1995, p.7). However, the symbolic perspective artist-leadership in the K-pop industry tells a somehow different story.

The symbolic power of a charismatic leader slows down the phase of a leadership crisis taking advantage of the strong trust bond with their followers. In K-pop SMEs, the dual-leadership system allows the balance of power between an artist-leader and a CEO, postponing a leadership crisis during the entrepreneurial stage. Nevertheless, when creative behaviours such as cultural production and talent management are critical the dual leadership model is increasingly effective to control and motivate the core value creation around creative people.

Crises are not inevitable but can be controlled and prepared for. A leader or senior management team should be able to provide subordinates with ‘a workable certainty’ for change by abandoning the previous system, and ‘sense-giving’ provides subordinates with a chance to interpret the situation of crisis (Lüscher et al., 2016). This can lead to an organisational decision-making design that prevents different views from being located on the board of the top management.

As the business moves beyond the early stages of entrepreneurship, the organisation and the leader’s responsibilities become more complex. In this case, the dual leadership model is introduced - delegating some administrative tasks to the new CEO but still keeping the main leadership power with the artist-leader and the gradual shift to a less
individualised structure but which still retains and relies upon the individual charisma of the artist-leader (see chapter 5.3.1. for further discussion on dual leadership).

2.4.2 Symbolic Communication: Transforming Culture of Organisation

In a rapid growth environment, SMEs often flourish because of their powerful culture. The culture of organisations brings about changes as it allows a ‘tool kit’ of ‘symbols, stories, rituals, and worldviews that people can use in varying configurations to solve different kinds of problems’ (Clegg, Hardy, and Nord, 1996, p.7). As they develop and their staff members become more diverse, the key vision and ideology are gradually dissolved. Successful companies will not let this happen. They consolidate culture, use symbols widely, always reminding members of the traditions of the success of the organisation (Hambrick & Crozier, 1985).

Symbols can also be ‘a valuable tool in the successful implementation of fundamental change’, helping to sharing collective meanings regarding ‘the character of the organization to members and outsiders’ (Smith and Vecchio, 2007, p.497). Therefore, symbols, stories and rituals can also show the discursive level of collective meanings in the organisational narrative. Indeed, artist-leaders are ‘called upon to view and make sense of the external and internal competitive environments through differing paradigmatic frames’ (Bolman and Deal, 2017; Kriger and Zhovtobryukh, 2016, p.18). Organisational change relies on a relationship among the members within the company and collective
development, and the development process should be able to respond to the current condition (Bilton, 2006). When organisational change entails changing the organisational culture, the transformation is so significant and radical that even the top management may struggle to accept it.

According to some organisational change theorists, deliberate attempts to change organisational identity can create a backlash by provoking ‘a desire to preserve how knowledge is used in practice’ (Nag et al., 2007). When leaders engage in sense-giving, organisational members are not merely ‘passive recipients of meaning, but instead, engage in their own sense-making and adapt, alter, resist, or reject the sense they have been given’ (Maitlis and Christianson, 2014, p.78; see also Gioia and Chittipeddi, 1991; Maitlis and Sonenshein, 2010). Sense-giving through storytelling frames ‘the actual and future situation and the common values in understandable and evocative terms’, and it influences organisational members ‘to perceive and interpret certain actions and events in particular ways’ (Søderberg, 2003, p.7).

External factors forcing the SMEs to change can be perceived and identified by the leaders, and storytelling is ‘the favoured sense-making currency of human affairs’ when resolving the environmental factors (Boje, 1991, p.106). As previously noted, this thesis assumes that even the enforcement of strong corporate culture rooted in the entrepreneurial stage eventually needs to be reborn as the early paradigm of the organisation and leadership reach the end of life. This
process is similar to the sense-making/giving behaviours by leaders when confronting the moment of change of this study.

Therefore, the culturally situated problem-solving behaviours are constituted in languages and stories which not only make meanings but frame the ways in which meanings are interpreted. Furthermore, symbolic communication is designed to create a secure corporate image that can be publicly expressed and imprinted in the context wherein the organisation intends to exist (Alvesson and Berg, 2011).

Organizational culture can be seen as a useful way of describing the collective characteristics of the human resources (e.g., in terms of its patterned behavior, underlying value and belief structures or human artifacts). One can, in fact, argue that the management of human resources in a strategic perspective is essentially the strategic ‘framing’ of corporate cultures (Berg, 1986, p.559).

The effective use of symbolic communication can be valuable for the successful implementation of transformational changes as it possesses essential values and practices legitimised in organisational culture (Smith and Vecchio, 2007). For instance, the characters of leaders are embedded in the organisations because the organisational culture of early-stage companies is planned by leaders (Schein, 2004; Schein, 1983). Also, organisational culture can be effectively communicated and illustrated by stories because it is symbolised in a set of values and behavioural principles (Cameron & Quinn, 2006). As mentioned by Mintzberg and Westley (2018), there are two levels of change: the concrete level and the conceptual level.
Change can take place in an organisation from the broadest, most conceptual level (for example, in mindset or culture) to the narrowest and most concrete (for example, of a piece of equipment or a person in a job). Such change can also be considered to happen in two basic spheres: pertaining to organization, or basic state, and pertaining to strategy, or directional thrust. (Mintzberg and Westley, 2018, p.40).

Even though the notion needs more discussion, this study refers to the broad and conceptual change as transformational change where the mindset and culture of organisation change. In the book, Organizational Culture and Leadership, Edgar Schein (2004, p.15) defined culture as ‘A pattern of shared basic assumptions that the group learned as it solved its problems 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’. Indeed, organisational culture consists of ‘the values, beliefs, history and traditions’ that indicate the deeper underpinnings of the organisation.

The reason organizational culture was ignored as an important factor in accounting for organizational performance is that it encompasses the taken-for-granted values, underlying assumptions, expectations, collective memories, and definitions present in an organization. It represents ‘how things are around here.’ It reflects the prevailing ideology that people carry inside their heads. It conveys a sense of identity to employees, provides unwritten and often unspoken guidelines for how to get along in the organization, and it enhances the stability of the social system that they experience (Cameron and Quinn, 2006, p.16).

In this sense, the most effective style of leadership would exist when it matches with the organisational culture of the creative sectors (Cameron & Quinn, 2006). For instance, in CCI, artist-leaders need to
investigate an effective way of embedding creativity in the culture of an organisation. Especially in CCI, fostering creativity in the organisation is the role of an effective leader. For this, artist-leaders will also need to encourage creative behaviours among the organisational members by facilitating empowerment and by being engaged in storytelling (Alexander Styhre & Sundgren, 2005).

Moreover, from a symbolic perspective, strategic human resource management is mainly a collective framing of corporate cultures (Alvesson & Berg, 2011). In this sense, when planning organisational change, efficient communication between the founder and top management is especially far-reaching because the organisational value and purpose among the organisational members need to be communicated through ‘appropriate informal and formal channels and across all levels of management’ (Fillis & Rentschler, 2005, p.109).

The reframed culture of organisations will enhance the organisational value and purpose which can be shared in implicit forms in different organisational groups. This more implicit approach can counter the resistance to change organisational members in CCI. Therefore, a symbolic approach toward leadership change represents a strategic attempt by charismatic leaders to transform the organisation into a large-scale business. The following paragraphs will establish the conceptual framework of symbolic communication by artist-leaders focussing on their vision-centric approach. This lays the basis for an investigation of symbolic communication in CCI in chapter seven.
2.4.3 Symbolic Resources for Sense-making and Sense-giving

From the perspective of symbolic management, ‘symbolic resources’ are ‘symbols, metaphors, concepts, and images which in a condensed form represent complex organizational phenomena that may elicit and guide corporate strategic action’ (Alvesson and Berg, 2011, p.166). Symbols, metaphors and narratives can communicate the ‘good’ values of company policies and strategies (Bolin et al., 2005). Metaphors are the most common rhetoric and create familiarity by connecting two previously irrelevant symbols and concepts.

Moreover, it is evident that symbolic resources are components that have a strong effect on ‘the framing of reality’ in organisations, make coherent impressions on the organisation’s external and internal symbolic domains (Berg, 1986, p.569). Framing is ‘an ability to shape people’s understanding in a desired way through particular conversation techniques’ (Sandberg and Targama, 2007, p.115). By connecting the unfamiliarity of new subject areas to similar subject areas, a metaphorical expression is also used as a framing device that transforms old and traditional meanings and values (B. Shin, 2011). Thus, the symbolic resources such as metaphors and myths are commonly used to strategically manage organisational members as well.

According to Kotter (1966, p.90), ‘A verbal picture is worth a thousand words’, so metaphors and analogy can be handy when symbolising the meaning and values to share in stories. Therefore, metaphors which have been actively referred to in artist-leaders’ speeches and statements
will need to be subjected to narrative analysis in this study. A fuller discussion on the use of metaphors will be presented in the methodology chapter.

Furthermore, the symbolic approach will be important to understand the shapes of change in SOC as symbolic resources which represent norms and values in the narrative setting may be important instruments to facilitate change (May, 1991). That is to say, the stories help us to understand how the leaders make sense of their organisations and their own roles as leaders. This seems to be a promising direction since it combines the idea of ‘myth’ (a fiction which contains a truth) and Weick’s ‘sense-making’ as a function of leadership. The importance of mythology has been studied by some scholars and they state that through ‘myth and symbol sharing, people cease being individuals and become a group capable of experiencing communitas, the foundation of culture and society and, through these, of organisations’ (M. J. Hatch, Kostera, and Koźmiński 2006, p.60).

The role of myths or mythmaking has become an essential aspect of analysis in narrative studies because myth can be seen as ‘a sort of a managerial tool’, or a ‘tool to manage’ one’s social and organizational role’ (Kostera, 2008, p.7). For instance, ‘the great person’ myth can anticipate and make things happen in the future, and it is mythmaking stories which form their voice in the speeches. In the book, ‘The Hero with a Thousand Faces’, Campbell details the structure of the monomyth as ‘the hero’s journey’, which he summarised as follows:
A hero ventures forth from the world of common day into a region of supernatural wonder: fabulous forces are there encountered and a decisive victory is won: the hero comes back from this mysterious adventure with the power to bestow boons on his fellow man (Campbell, 2008, p.3).

In many kinds of literature (as with Campbell above), a heroic figure follows simple plots. Similarly, biographical stories of artist-leaders also consist of heroic plots. These mythological story-making tropes of the hero or heroine are contained in basic plots. Even though there is no generally agreed-upon meaning of ‘myth’ differentiating it from stories and narratives, it is considered to embody ‘larger-than-life, sacral meanings, revolving around unique deeds performed by supernatural heroes and addressing the enduring mysteries of life’ (Gabriel, 2015, p.285). Therefore, the role of myths and mythological structure in story-making maximise the effectiveness of storytelling. Thus, myths will play an important role as the narrative analysis on the stories told and shared by artist-leaders (please refer to chapter six and seven for more).

Sense-making contributes to story-making as it creates particular connections between plots. At the same time, making stories contributes to the sense-making process of organisational narratives (Weick, 2011; Weick and Quinn, 1999). Explicitly, artist-leaders attend the official events as a representative and give speeches about the visions of their companies. By doing this, no matter what actual positions they hold, the implicit effect is giving sense to the audience that they are the leaders. This too will be discussed further in the methodology chapter.
Sense-making and sense-giving processes, as change implementers, assimilate ‘events and actions into a plot to make the organizational changes understandable’ (Gioia and Chittipeddi, 1991, p.8). Storytelling is a cultural activity for sharing stories. By telling stories, leaders were able to make sense of crises and challenges and give reason to the organisation vision for strategic change. What makes their storytelling different from traditional corporate communication is that it is ‘more dynamic and open for the individual to engage in and relate to personal experiences’ (Bolin et al., 2005).

Therefore, this thesis is trying to show how the stories the leaders tell ‘make sense of’ and ‘give sense to’ the organisations they lead. Sense-making becomes active as it is ‘the root activity when people deal with an unknowable, unpredictable world’ (Weick, 2012, p.235). It seems certain that the change process will bring a stress and fear while adapting to new values and attitudes. As stated, this personal sense-making process of artist-leaders involves psychological acceptance of changing circumstances.

An empirical study of the Royal Shakespeare Company has stressed the paradoxical importance of leadership in CCI. The authors of All Together: a Creative Approach To Organisational Change define ‘effective leadership’ as ‘the ability to marry rhetorical power with practical innovations so as to create a sustainable, resilient, well-networked organisation’ (Hewison, Holden and Jones, 2010, p.117). Reissner (2011) investigated the patterns of stories during organisational change. From their findings, framing organisational
change as personal accounts of experiences fulfils dual purposes. First, the stories function as powerful devices to make sense of the change. Second, the stories reflect the complex dynamics of the change.

A leader’s words can spark enthusiasm for change in followers by generating a response and changing behaviour. In challenging times the words can also comfort and enhance the performance of the followers (Malek et al., 2015). Goia and Chittipeddi highlight the way stories make sense of and give a sense to organisational change: ‘the interpretation of a new vision for the institution constitute key processes involved in instigating and managing change’ (Gioia and Chittipeddi, 1991, p.446).

Recognition of the rhetorical dimension of human behaviours provides a fruitful source of data for symbolic leadership (Klamer & Classifiction, 2011). The assumption is that decision-making includes communication and persuasion which do not generally comply with algorithmic guidelines as stipulated by conventional assessment. Symbolic resources, in particular stories, act as a robust communication tool which is used by artist-leaders to implement and plan implicit changes in the organisation (as distinct from explicit structural changes). As stated above, symbolic communication can be more persuasive when it comes to CCI as it consists of an emotional element in the leader-follower relationship.

That is, the discursive role of ‘language’ and ‘symbols’ is critical for this study to understand the artist-leaders as the storytellers who
interpret the external environment of the political economy of Korean pop music industry but also make sense of the internal crisis with a strategic purpose. Furthermore, leaders can strategically choose stories to motivate their organisational members and support their leadership. In a similar vein, under the circumstances of duality in leadership and organisational structure it is crucial to make clear who holds the most power, no matter the position.

To conclude, the sense-making and sense-giving process minimise resistance to change from internal stakeholders such as artists and staff, and external stakeholders such as the audience and gatekeepers. In this regard, artist-leaders can perform as a symbolic change agent of K-pop SMEs. This study suggests that the organisational stories play a critical role in symbolic communication, that is aligned in shared visions as they are more memorable, more engaging and more inclusive.

2.4.4 Vision-driven communication and Re-framing Organisational Reality

Symbolic leaders communicate a vision. One powerful way in which a leader can interpret experience is by distilling and disseminating a vision — a persuasive and hopeful image of the future. A vision needs to address both the challenges of the present and the hopes and values of followers. Vision is particularly important in times of crisis and uncertainty. When people are in pain, when they are confused and uncertain, or when they feel despair and hopelessness, they desperately seek meaning and hope (Bolman and Deal, 2017, p.369).

For a smooth organisational change, employees also have to accept the organisational reality: that they too need to change and participate themselves in the transition. From the perspective of SOC, these
prescriptive beliefs are institutionalised and embedded in a vision, and the vision may serve ‘as a basis for the development of organizational norms and structures’ (Strange and Mumford, 2002, p.344). For example, organisational vision can provide a core ideology which sticks ‘an organization together as it grows, decentralizes, diversifies, expands globally, and develops workplace diversity’ (Collins & Porras, 1996). Thus, the vision-centric sense-giving process will enable the psychological acceptance of the need for change with motivation to follow and enact such strategies (Onodugo & Ewurum, 2013).

As previously stated, leaders would be able to lead the organisational transformation by giving a sense for the ‘need for change’ to counter the ‘resistance to change’ among organisational members. More significantly, they address the structural inertia within the organisation, which describes the forces at work to maintain ‘the status quo, including systems, structures, processes, culture, sunk costs, internal politics, and barriers to entry and exit’ (Hannan and Freeman, 1984). It is not just the problem of resistance to the new system and structural inertia, but more of psychological disharmony that comes from the different groups’ identities and values.

When there is a high ambiguity such as in an entrepreneurial business, organisational vision needs to be re-established through a process of sense-making and sense-giving. Here, vision can be the critical symbolic tool to give sense to organisational members without any political intention, and the organisational members can make sense of the urgency of change by interpreting the vision. Indeed, understanding
can be achieved by vision sharing; thus, it is imperative for leaders to ‘authentically navigate their communication strategies in ways that are more socialized, and less personalized, in nature’ (Galvin, Waldman, and Balthazard, 2010, p.531). The vision can be effectively shared as it embedded in the culture of the organisation.

This can result in an organisational decision structure which filters various opinions from being put on the table of the top management team. This process is necessary to cope with uncertainty, which includes a ‘mental model of how the environment works (sense-making) and then can communicate to others and gain their support (sense-giving)’ (Hill and Levenhagen, 1995, p.1057). In this regard, the individual level of leadership change starts with recognising their own limits in leadership.

Sensemaking thus involves not merely interpretation and meaning production but the active authoring of the situations in which reflexive actors are embedded and are attempting to comprehend. People engage in partially overlapping processes in which they construct ‘realities’ and then retrospectively make sense of them in a continuing dialogue of discovery and invention in which identities and social worlds are concomitantly referenced and fabricated (Brown, Colville, and Pye, 2015, p.267).

In this thesis, frames function as the personal schemes of interpretation of individuals so as to find, make, and understand the meaning; and are used to understand happenings, events, and stories ‘as elements of a larger, more coherent picture of life’ (Conger and Kanungo, 1998, p.16). Here, regarding the term frames, I am employing the definition, ‘central organizing idea or storyline that provides meaning’ (Goffman, 1974,
Therefore, frames are considered to carry meanings and ideas in a narrative form as embedded in vision.

The dynamics around the radical change can shift the existing frames of meaning in vision toward certain directions with the new shapes while legitimating the strategic change beyond the structural change (Fiss & Zajac, 2006). A new paradigm of an organisation can be established with ‘a shared vision for the future, clarity of mission, purpose, and a common set of values’ (Khandelwal and Mohendra, 2010, p.21). Moreover, frames provide ‘a structure of assumptions, rules, and boundaries that guide sense-making and over time become embedded and taken-for-granted’ (Lüscher, Lewis, Scher, and Lewis, 2016, p.222). For effective communication, understanding and trust between organisational members are critical (Thompson and Martin, 2005).

In this sense, when planning organisational change, efficient communication between the founder and top management is especially far-reaching because the organisational value and purpose among the organisational members need to be communicated through ‘appropriate informal and formal channels and across all levels of management’ (Fillis and Rentschler, 2005, p.109). Thus, the sense-making process of listeners can build their own identities, as people spend much of their working lives ‘interpreting, re-framing, evaluating’ the stories (Weick, 2011). Reframing is a symbolic process of aligning the different groups because it involves recognising ‘the multi-goal nature of organisations, the political model implicitly values diversity’ (Butcher and Clarke,
At the same time, the diverse nature of the different organisational groups can be aligned under the central vision as a result of organisational reframing.

The reframed culture of organisations with new meanings and new visions will enhance the organisational value, and purpose can be shared in implicit forms across different organisational groups. Therefore, strategic change towards the established stage will only be successful when organisational members share the aligned vision and implement the strategically established organisational vision under vision-driven leadership. Therefore, the symbolic communication achieved by storytelling behaviours will be examined in this study. In this respect, the following sub-chapter will attempt to identify the specific resources needed in this work of reframing culture.

2.4.5 Summary: Focusing on Symbolic Aspect of Leadership and Management

As discussed, the dual dimension of roles between artist-leaders and administrative leaders such as CEOs make the understanding of leadership in CCI more complex. Therefore, I suggest the symbolic approach will contribute to the implicit and contextual understanding of leadership change in the SOC framework. This section has also examined the strategic use of individual and organisational stories to build a culture which sustains and develops the visions, power, creativity and symbolic identity of the organisation. Change management through storytelling is useful as it helps organisational members make sense of change and accept the new visionary future.
Moreover, the organisational narrative conveys the organisational culture, as well as the identity of a storyteller.

Making sense of organisational change, from the individual perspective, is to realise the current situation and the urgent necessity of change. Dynamics of decision-making for organisational growth conveys the psychological pressure on the leader during the leadership change. Therefore, the role of leadership for organisational change is deeply related to persuasive skills, and the communicative aspect of leadership can be examined through the social constructionist approach of sense-making and sense-giving. Therefore, artist-leaders need to be able to make a collective decision based on sense-making processes of the past, present and future of the organisation.

To conclude, artist-leaders applies their competences for developing an artistic identity to develop the organisational culture while taking advantage of their storytelling behaviours in speeches and public engagement. Therefore, the strategic change of leadership managed by artist-leaders through sense-making and sense-giving process in narrative forms will be analysed by looking at the different narratives of the artist-leaders as a storyteller. To understand this distinctive aspect of leadership in CCI, symbolic resources such as stories and metaphors will be examined to investigate the symbolic dimension of SOC, and the role of myths and story-making behaviours will need to be revisited to demonstrate the individual change acceptance of organisational members and artist-leaders during SOC.
2.5 Conclusion

In this theoretical review, I have revisited the conventional discussions regarding leadership and organisational change. To summarise, there has not been many references to the creative and cultural sectors in the organisational change literature compared to other industrial sectors. This may be because the typical organisational forms of business in CCI are small and medium-sized Enterprises (SMEs hereafter) in which the core creativity and project-based organisational production are highly reliant on the artist-leaders. Nevertheless, some underlying theoretical groundings are unveiled in this chapter, summarised below.

Sub-chapter 2.2 shows that the rapid growth and the unpredictable environment of CCI require a different approach from the conventional stepwise model of organisational change. Thus, as appeared in figure five, the managerial stage was absorbed into the entrepreneurial stage, and transformational change is postponed until the transition to the established stage in the model. Nevertheless, the transformational change of SMEs enforces the leaders to change their behaviours to move beyond the entrepreneurial stage. Also, the metaphoric stages such as the embryonic stage and metamorphosis stage as shown in figure four have expanded the conceptual understanding of the model.

Sub-chapter 2.3 explores the theoretical groundings of charismatic leadership applicable in CCI. First of all, I have introduced the notion of leadership competence to suggest the need for the contextual understanding of leadership. In this sub-chapter, traditional trait
theories are extended to examine trait-driven behaviours or leadership competences. This notion of changing behaviours of leaders will be useful when examining the vision-driven leadership and communication in the established stage of the organisation. Indeed, the dark side of charismatic leadership demonstrates the need for leadership to move beyond the limitations of charismatic power. Not only the organisation but also the leader must change to adapt to the internal and external organisational environment.

Sub-chapter 2.4 has reviewed the need for a symbolic approach to better integrate the theoretical findings of leadership and organisational change. For instance, leaders must persuade the need for change against the resistance to change asserted by followers. With no sense-giving, the followers fail to understand the need for change and will be hesitant to accept the struggles that are required for organisational transformation. In that case, the SOC fails. As the organisational staff in CCI are more creative and emotionally driven, the sense-giving behaviours are more implicit to intrinsically motivate the followers to make sense of the need for change. However, at the same time, the administrative staff need more rational and explicit behaviours for the same influence. For this, the notion of dual leadership has been introduced. Thus, this sub-chapter asserts that symbolic communication is a way of negotiating the process of change and accordingly is imperative for SOC.

To conclude, the ‘Stepwise’ models of the organisational change introduced at the start of the chapter do not map directly onto the
experience of CCI especially K-pop SMEs in this thesis, because the leadership crisis plays out differently. Because of the charismatic leadership of the founder, the initial leadership crisis in models put forward by Greiner and others is postponed. Instead, there is a crisis later in the ‘established’ stage, where the problems stored up or suppressed by the charismatic power of the leader finally breakthrough. Specifically, there is a gap between the informal, small creative organisation and the demands of running a complex, formal, and increasingly bureaucratic organisation. That gap is filled by ‘symbolic leadership’ – the artist-leader transitions from being charismatic to a visionary leader, making sense of complex situations and especially providing a compelling vision for organisational change.
CHAPTER THREE. FOUNDATION OF K-POP INDUSTRY:
UNDERSTANDING K-POP IDOL SYSTEM

As the theoretical review has pointed out, the distinctive business environment of the music industry will provide the reasoning of different leadership and Strategic Organisational Change (SOC). At both the organisational and individual level, the music business must establish a certain power structure to control cultural and creative production to stabilise the uncertainties in CCI. However, the political economy of K-pop success differentiates Korean cases from American cases, and the difference becomes more considerable with neoliberal capitalistic policies and globalisation. Moreover, the paradigm shift of digitalisation and the newly emerged innovative idol system of K-pop SMEs (SM, YG and JYP ENT) have successfully achieved the dynamic transformation from a record-centred model to a star-centred business. Therefore, it is critical to explore the context of the political, industrial and cultural environment during the emergence of the K-pop industry for a holistic understanding of leadership and organisational change in CCI.

Therefore, this chapter explores the historical backgrounds of the K-pop industry and Korean artist management companies noting that the idol system is the core of the K-pop phenomenon. For this, sub-chapter 3.1 will explore the cultural politics of the Korean music industry and popular culture before the emergence of the idol system. Then, the industrial perspective of the K-pop industry and the iconic idol system
of the artist-led companies will be explored focussing on the historical accounts of the artist management business. This will look into the K-pop value structure during the digitalisation of the Korean music industry. Finally, sub-chapter 3.3 will investigate the iconic idol system which led to the K-pop phenomenon in the global scene. In particular, the production side of the idol system will be examined comparing to Western star-making production. The chapter will offer the contextual understanding of the distinctive production mechanism of artist-led organisation.

3.1 Cultural Politics of Music Industry in Korea

Understanding the development of the K-pop industry can begin by exploring the political economy of the music industry. In this sub-chapter, historical accounts of the emergence of the modern forms of the Korean music business will be understood by looking into the social, cultural and political environment in the development of cultural policy decisions. I do not intend to discuss the in-depth and detailed arguments around the classification of the industrial sector or cultural policies perspectives. However, there remains a need to address the cultural and political discourses used for different purposes by different regimes and political bodies.

Therefore, this sub-chapter will look at the cultural politic of Korean music from the perspective of popular culture in the recent history of Korea. Sub-chapter 3.1.1 will look at the cultural-political history of Korean popular culture and music until the 1990s. This will tell the
backgrounds of the emergence of Korean pop music right before the rise of artist-led organisations. Sub-chapter 3.1.2 then presents the state policy over cultural industries in the late 1990s and the early 2000s. The chapter aims to show how the economic recognition of the government over CCI changed or affected the K-pop industries and artist management business. Lastly, sub-chapter 3.1.3 will overview the star system of the Korean music industry including the dynamics of digitalisation in this system. The chapter aims to develop a conceptual understanding of the K-pop idol system and the artist-led entertainment companies that have appeared as affected by the governmental policies and discourses.

3.1.1 Deregulating Popular Culture and Emerging Korean Pop Music

The issue of cultural identity first arose from the sense of cultural discontinuity between Korean traditional culture and contemporary culture, owing to the influence of Japanese colonialism (1910–1945), the divided Korea (1945-present), the Korean War (1950–1953), rapid modernization and the apparently indiscriminate influx of western culture. Given these various circumstances, Korean traditional culture has tended to become eroded and swiftly transformed, and furthermore, to some extent, has given way to western culture in terms of the way of life of the people (Yim, 2002, p.38).

For a considerable time, the economic utility of culture has not been in the centre of interest for policymakers in Korea. Instead, the cultural identity policy was considered more important (Yim, 2002). Even after the liberation of the Korean Peninsula was in 1945, the hybrid of local and foreign culture has been common as the foreign influence was enormous due to Japanese colonialism. The long period of Japanese
colonial occupation (1910-1945) has made economic development and social recovery problematic. During the early post-colonial period (1945-1948), modern political identities in Korean society were significantly affected by the allied army which liberated Korea from Japanese colonial rule in 1945. Also, in the 1950s, there was a significant influence from Western popular culture, and Korean's national identity was culturally hybrid (Fithratullah, 2019). To be specific, it seems that cultural independence was delayed while the government tried to recover and the cultural and social identity while establishing an independent regime.

The modern history of Korea has been concentrated on economic growth and national security. The regime of Park Chung-Hee (1961-1979) focused on promoting economic development while focussing on cultural policy and the issue of culture by means of the state-control tool (Howard, 2014). With a policy of industrialisation and a robustly controlled nationalised financial system, he brought in foreign investment. His ambition made Korea one of the fastest-growing nations in the 1960s and 1970s. At that time, manufacturing industries and heavy industries were treated as the main escape from poverty.

Furthermore, governmental intervention was too powerful, and they treated the media as a tool for propaganda while under-evaluating the industrial potential. Until the 1980s, the Korean government was in the Cold War with North Korea. While Korea was in the middle of the Cold War, the broadcasting stations had to comply with the government (Kwon, 2016, p.125). Also, until 1987, control was embedded within
‘shared social discourses of ethics and morality, and top-down political censorship’ (Howard, 2014, p.393). This can be assumed from the fact the cultural policy was separate from the industrial policy until the cultural industries division was first introduced by President Kim Young-Sam (1993-1998) in 1994 (KCTI, 2017, p.50).

Regulations and censorship acted as a controlling device for the manipulation of the audience. Especially after the military coup of Chun Doo-Hwan (1980-1988), his regime closed all the private broadcasting stations, leaving only two state-run TV channels, KBS and MBC. The media control was concentrated on these two broadcasting stations. While the military government was forcing the cultural sectors to support its political and economic goals, the cultural industries stayed comparatively underdeveloped (S. H. Kwon & Kim, 2014). Thus, it can be said that the government was tightly controlling the popular culture sectors by imposing media censorship in the 1980s.

Until the 1980s, the dominant genre of music was the so-called Korean ballads and ppongjjak. While Korean ballads were influenced by Western music such as American folk music, ppongjjak was a Japanese enka-influenced musical style (D. Shim, 2006). Cultural theorists often quote this as a case of ‘cultural imperialism’, the dominance of (usually) Western cultural flows, particularly US-led (Hull, Hutchison, and Strasser, 2011). Korean domestic popular culture was highly influenced by American pop culture during this time. Also, there was a lack of domestic creativity in Korean media. This ‘genre-specific’ discourse
was also another feature of limited variety in music, also due to a lack of audience.

However, in 1992, Seo Taiji and Boys (H-S Yang was one of the members) showed up with their single ‘I Know’ on a TV show. Based on musical talent and creativity, they were considered to be pioneers who defied stereotypes in terms of musical genres, themes of the song, fashion style, and regulation such as censorship. With the increased scale of the music market caused by the influx of fans and audience, they expanded the scope of K-pop with their new genre of hip-hop dance music (Romano, 2018). The debut of Seo Taiji and Boys in the early 1990s encouraged teenagers to climb to the top of the pop culture audience. The increased audience and diversity in the genre paved the way for the emergence of the K-pop genre with explosive popularity among teenagers. They undoubtedly contributed to the development of the contemporary type of Korean popular music known as K-pop (Jin, 2017). They were famous for radical experimentation with different music genres such as Hip hop, electronic music, and reggae (I Oh & Lee, 2014). Their new style of dance and music genre dominated the Korean music industry with great popularity.

While Seo Taiji composed music and wrote the lyrics, Ju-no Lee and H-S Yang brought a new style of dance. They were highly influenced by American Hip hop music with which the Korean audience was very unfamiliar. Also, they were highly independent as they were able to produce their own songs and performance. Therefore, the media and audience who were accustomed to a high level of control by the
government were initially shocked, but the audience soon started to take the syndrome as a new form of creativity. The lack of Korean popular music identity, lack of awareness of musicians, and the government control became the backdrop to the subsequent explosive consumption and quantitative expansion of the Korean pop music scene. Seo Taiji and Boys have been described as a unique Korean pop music hybrid combining Western styles and genres with local sentiments. Later, this new hybrid genre of dance music and dance style also became the dominant value of K-pop idol groups that all the ‘Big Three’ pursued.

During this time, the deregulation in the media in the Korean media allowed the stakeholders in the cultural sectors to have more ‘autonomy and freedom from government control’ (Kwon and Kim, 2014, p.430). In 1994, the Korean government deregulated multiple measures such as censorship relaxation, tax and financial relief interventions, and public funding investment for production costs. Furthermore, thanks to the officially launched cable television (1995) and satellite broadcasting (2002), Korean pop music was able to be exposed to the audience in various channels and times (S. Shim, 2008). According to legislation in South Korea, at least 60% of overall broadcasting hours on TV and cable channels must be devoted to domestic music programmes (Leung, 2012, p.34). Entertainment companies focused on fostering television-friendly young talents who possessed not only vocal skills but also dancing and general all-around television entertaining capabilities including their personal appearance (Jin, 2017). Thus, the government deregulation of the media industry expanded the media market.
To conclude, Korean popular culture and its industrial perspective had been ignored and neglected by policymakers, with popular culture being viewed as leisure and entertainment with no artistic creativity through the 1980s. At the same time, there was powerful governmental control over the media and cultural sectors. From the perspective of domestic music production against western domination, Seo Taiji and Boys has turned the genre-specific limitation of Korean popular music into widespread major discourse with commercial success. By this time, idols had emerged as a modern pop-culture product that was driving mass consumption among teenagers (Hoyoung Kim & Yoon, 2012). That is to say, the relatively deregulated environment with the liberated state control and the influx of new pop music style provided entrepreneur-friendly opportunities in the market. The next sub-chapters will describe in more detail the entrepreneurial context of the K-pop industry and idol system.

3.1.2 Policy Shift: From ‘Cultural Industries’ to ‘Content Industries’

K-pop Idol stars’ commercial role as celebrities is often used by multinational corporations (mainly ‘chaebol’), such as Samsung or LG, to advertise to and win over foreign markets. Therefore, it is crucial to

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14 Chaebols are large groups of connected enterprises generally controlled by a rich family in Korea. There are several, but the best known abroad are Hyundai, LG and Samsung. They grew from the ashes of the Korean War. Following the end of the war, authorities directed relief resources and inexpensive loans to entrepreneurs who pledged to reconstruct the nation. In the following decades chaebol played a significant part in the growth of South Korea as an industrial giant. To find out more see the New York Times article; ‘Money, Power, Family: Inside South Korea’s Chaebol’ (Tejada, 2017).
understand ‘both the industry’s power over the star and those actions that demonstrate the power of the star’ (McDonald, 2010, p.110-111). In this regard, an influx of capital does not always mean the violation of autonomy or the reduction of creativity. The government's active policy successfully boosted the cultural industries and increased their production capacity.

Creative industries contain the notions of the digital era, which changed the context of cultural industries. Culture took industrial form in an industrial environment. The industrial revolution introduced major and evolving changes in society life, such as urbanization, new affordability and consumption patterns, work force organization principles, adapting to the economic needs of industrial production, tensions in various society levels, liberalization, but also capital concentration and the power of ideology (Moore, 2014, p.745).

During the 1990s, national legislation and cultural policies under the ‘cultural industries’ discourse perceived culture as an industrial commodity. Hye Kyung Lee (2016, p.445) has stated that ‘the economic turn in cultural policy came with the government’s unprecedented promotion of and support for popular culture’ (Lee, 2016). The economic significance raised in the arts and cultural sectors and the neoliberal restructuring of cultural industries were brought into the main political scope following the election of President Kim Dae-Jung (1998-2003), the first shift of state policy regarding CCI.

The Korean economic crisis of 1997, which led to the IMF bailout, was, ironically, the turning point for K-pop SMEs. The major restructuring of the economy and cultural policies encouraged economic competitiveness, while the pre-IMF objective was to mitigate the
adverse effects of Western culture, such as ‘commercialism, materialism, violence and sensuality’ (Yim, 2002; Kim, 2017, p.2375). Also, the music business did not get much attention from the giant Korean family-controlled conglomerates, the ‘Chaebols’. The Chaebols are mostly involved in heavy industry and factory-based business. Even some of the existing music businesses, such as LG Media and Hyundai Sounds, withdrew their business after the 1997-98 Asian financial crisis (MCT, 2001).

Even though the music business suffered from the lack of funding in the music industry, the non-participation of Chaebols and large media corporations in the artist management business allowed the artist-leaders to enjoy a market advantage with less competition. This allowed the rapid organisational growth of artist-led organisations and the formation of the ‘Big Three’ hegemony. The IMF crisis seems to have been ‘a watershed event’ for the upsurge of entrepreneurship (Choi, 2010, p.78).

In 1999, the Framework Act on The Promotion of Cultural Industries was legislated by President Kim Dae-Jung, who entitled himself the ‘President of Culture’. From this moment, the Korean government’s support for the cultural industry was noteworthy. Allocation of the total budget was $148.5 million (D. Shim, 2006). Moreover, with the governmental support of Kim Dae-Jung’s regime (1998-2003), many Korean businesses were encouraged to pursue international export markets, and the multi-national chaebol conglomerates actively made
use of the celebrity endorsement to promote their products in neighbouring Asian countries (Howard, 2014).

President Lee Myung-Bak (2008-2013) brought change to the concept of cultural industries by expanding the term into ‘cultural content’, as an umbrella concept. This has been used extensively across the cultural industries. The ‘cultural content’ was used to refer to digitalised cultural products and as part of the ‘cultural industries discourse’; however, the regime emphasised the term as signalling the second shift of Korean cultural policy. ‘Content industries’ shares discursive similarities with the British terminological usage of the ‘creative industries’\(^{15}\). The term ‘content industry’ as one of the economy-boosting policies functions as a discursive tool for extending the scope of cultural impact on the neighbouring industries such as digital content industries. As stated in Article 2. (definitions) of the ‘Content Industry Promotion Act 2002, ‘content industry’ is ‘any industry related to the production, distribution, use, etc. of contents creating economic added value or services providing such contents’.

The Korean version of ‘content industries’ was equivalent to the ‘the creative industries’ in terms of increasing ‘social legitimacy of and public investment in cultural industries’ (H. K. Lee, 2016, p.439). As stated in UNESCO's CREATIVE ECONOMY REPORT 2013,  

\(^{15}\)The term, creative industries, started to influence policymaking, 'such as the national cultural policy of Australia in the early 1990s, followed by the transition made by the influential Department for Culture, Media and Sport of the United Kingdom from cultural to creative industries at the end of the decade’ (UNESCO, 2013:20).
compared to the traditional meaning of cultural industries, the term ‘creative industries’ is related to a much larger economic range, covering services and goods by the cultural sector and those based on technology, including many forms of science and software development. (UNESCO, 2013, p.20). However, at the same time, there are different political meanings in terms of the economic purpose of culture-related industries.

The discourse of the Korean ‘content industry’ has encouraged the cultural policymaking act as bottom-up entrepreneurial start-ups emerged in the Korean CCI. For instance, the Hallyu\(^{16}\) policy not only has provided business opportunities for the artist-led entertainment companies but also has offered the discursive tools for artist-leaders to link their commercial business with the somewhat patriotic behaviours representing the positive image-making of Korea in terms of the ‘nation branding’ (see sub-chapter 6.1.3 for more discussion on Hallyu-discourse).

The discourse of the content industry in Korean cultural policy was less concerned to understand creativity compared to the British ‘creative industries’ discourse. Indeed, the British ‘creative industries’ discourse has raised significant awareness of ‘creativity’ and ‘innovation’ in CCI. Furthermore, ‘creative industries’ is widely related to the significant role of human creativity and social participation in cultural production,

\(^{16}\text{Hallyu (Korean Wave) refers to the world-wide phenomenon of Korean popular culture and its popularity with pop music, TV dramas, and movies (for more, see 6.1.3).}\)
which is often described as the creative process by western critics. American popular culture in the music industry reflects a top-down hierarchical and bureaucratised system that preserves the controlling power, and allows the major players to legitimise and monopolise the music market (Cvetkovski, 2015).

However, the discursive use of creativity and creative process were often cited by the artist-leaders in Korea. For this reason, the terms have been described as more bottom-up and artistic metaphors (this will be discussed in chapter six). Also, the discursive turn from ‘cultural industries’ to ‘cultural content industries’ in the Korean cultural policy was a political and economic response to the bottom-up success of private business in the cultural sectors. Thus, it emerged that the entrepreneurial behaviours of artist-leaders had been successful and this in turn led to the support of cultural policy as an economy-boosting tool.

Artistic entrepreneurs are looking for more creativity and innovation in order to take advantage of these opportunities and address the challenges posed by a rapidly evolving environment (Hang & van Weezel, 2007). The discursive turn of ‘cultural content industries’ encouraged the influx of capital and talent into the CCI. The inflow of capital from the late 2000s along with corporatisation increased the competition between artist management agencies in the K-pop industry. Circumstances in which new products, services, manufactured goods, and arranging techniques can be implemented and sold for more than their production cost can be considered entrepreneurial opportunities.
During the turbulent time of neoliberal cultural policymaking throughout the 2000s, the industrial environment became entrepreneurially favoured. This becomes one of the underlying features of the K-pop industry. With the recent popularity of Hallyu took off from neighbouring Asian countries, K-pop music has been presented to many other western countries, and entertainment companies in South Korea have been accelerating the worldwide success of the K-pop music industry.

3.1.3 Star-centred value System and K-pop idols

Bill Ryan, the author of ‘Making Capital from Culture’ highlighted ‘artists of significant reputation and the process of capital accumulation, and one which is characteristic of the corporate era of the culture industry’ (Ryan, 2010, p.199). In this vein, even in the popular music industry, making stars out of music productions or making music out of stars has been one of the major commercialisation strategies. There is more to this than the economic importance of the commercial role for celebrity-stars. They are not only a commodity that can be sold in the market for profit but also a huge part of the labour force which can create cultural products. They are a brand asset to investors, to the individual (the actor him/herself), to the producer and to the manager that manages them; they are a huge part of a profit (Dyer, 2004, p.5). This has made the position of stars in the value chain of music critical as situated in popular culture discourse.
The corporations of culture benefit both ways. Their stars function like brands and in the most successful cases, give rise to styles which function the same way. This lesson has not been lost on culture companies over the course of the 20th century. Competition through the making of stars and styles as the foundations of product specialisation and market segmentation, and with it, the search for relative originality as style-based marketing has come to play a more and more important role in sustaining corporate dominance, has led to a proliferation of artistic types (Ryan, 2010, p.219).

The commercial aspect of popular culture industries has been linked to stardom. When looking at the entrepreneurial rise of artist management and dynamic music production in the Korean music industry, the nature of the idols’ brand and the role of the star quality is important to understand. The clear difference between artist, celebrity and star is vague. For instance, once an artist becomes famous through their art, he or she often becomes a celebrity and acts as such. The thoughts of ‘stars’ and ‘celebrity’ are often presented in a multitude of contexts (Loy et al., 2018). Thus, the term, star and celebrity will be interchangeably used. Instead, it could be notable to examine Korean language usage. For instance, the derogatory term, ttanttara, has been used to refer to the ‘Yeonyein (entertainers)’, ‘those who played on stage, the artist being the stage entertainer’ (Shin and Lee, 2016, p.21).

The term, ttanttara, was known to be originated from the English word ‘tantara’, which used to refer to a circus troupe who wandered and performed at local markets in the 1950s (Dongailbo, 2011). The circus troupe was normally low social class performers. Sung-il Shin, the famous movie star in the 1960s shared the story about this. He recalled that he was called as ttanttara and he answered back with rage. He
admitted that he could not handle to be called such word because he thought he was an actor, not *ttantara* (HuffpostKorea, 2017). Nevertheless, for a long time throughout the 1970s, popular culture sectors and so-called ‘entertainers’ have been considered lacking in dignity and creativity. For a mass audience, the popular culture was mainly for amusement and fun until the 1980s.

The emerging young fandom, the consumption of music by teenagers, became a trend and reached its peak in the 1990s (MCT, 2001). Thus, throughout the 1990s, K-pop idols have been carefully created targeting the young audience, especially teenagers. Therefore, the early generation of K-pop idols was branded as a mythic image (idol star), so the fans could admire their K-pop idols. When it works, the power of those who build these brands becomes mythic. Brands function as ‘important communication contexts in which social actors can articulate a relatively authentic and coherent set of ideas and values’ (Mumby, 2016, p.899).

For this, the idol production had to achieve the right fit to create the star image. For instance, idols such as H.O.T were told not to appear in the media with their natural attitude. The script was thoroughly monitored by the firm. This included the strict prohibition of personal life. K-pop idol members were required to live together, and managers always accompanied them at all times. The idol system as a whole is efficiently organised through the long-term stages of talent competitions and selecting process, which motivate and encourage trainees’ talent development. The highly concentrated training was under the
assumption that creativity and talent can be created; hence a star can be born.

... the selection of stars is not simply a social phenomenon but a legitimate commodity market where the star is the point of origin for not simply his or her direct creative good (a song, book, or film) but an additional industry that emerges and is branded by his or her stardom. A celebrity can generate significant profits by translating their stardom into products directly branded by his or her name (Currid-Halkett, 2015, p.9).

As discussed, the profitability, creativity and mobility from an industrial view can be understood interchangeably, and all reduce the uncertainty of the music industry. Whereas acting talent is an unpredictable commodity, star status is a form of branding which ensures a degree of consistency across different projects of variable quality (Bilton, 1999, p.9-10). Mobility between media platforms is essential to gaining popularity and fame in this star-centred value system (MCST, 2010). Under the star-centred value system, narrowly defined expertise and skills are no longer important, as a musician can also be an actor or actress at any time. In this model, symbolic pleasure comes ahead of aesthetic pleasure. As image and fame are now emphasised, the traditional aesthetic-based version of artistic creativity may not be as unique as before.

The star-centred value system can make the symbolic value of K-pop idols move between media platforms, which maximises trans-media profitability. This approach assists the brand-building process of K-pop idols. From the doctrine of ‘economy of scope’, this can also overcome the ‘genre limitation’ of musicians by turning the styles of stars into brands (Ryan, 2010). For this reason, artist-leaders came up with the
newly developed strategies to diversify the business other than artist management. This can improve the unbalanced revenue sources and solve the problems of leaning on a few successful artists, which can be unstable for organisational management.

The symbolic qualities of stardom have translated into brands, endorsements, and other revenue streams that are aligned with the cultural producers’ personae as much as their original point of origin (e.g. art, music, fashion) (Currid-Halkett, 2015, p.3).

‘Stardom: Industry of Desire’ written by Christine Gledhill (1991) suggests that the nature of stardom in consumer culture is changing. Especially in the digital era, fandom can blur ‘the lines between producers and consumers’, create ‘symbiotic relationships between powerful corporations and individual fans’, and give rise to ‘new forms of cultural production’ (Pearson, 2010, p.84). For example, sharing ‘reaction videos’ and making ‘cover dance or song videos’ are everyday cultural activities of the ‘pop prosumer’ (S. Jung, 2014). This consumer culture has become more common with the increased power of fandoms. The act of participation has grown enormously, and the cultural activities reproduced and consumed by fans create an imaginary interaction with stars. Nowadays, the cultural barrier is much smaller compared to traditional state-borders before globalisation. Furthermore, the Korean music industry did not wrestle with digitisation but rather embraced it. As a result, K-pop fans all over the world were able to easily access the music produced, and Korean entertainment companies and their idol groups would then try to meet the needs of their international fan base.
As the value chain has been transformed, traditional or conventional concepts regarding musical artists and celebrity-stars have changed. For example, the common understanding of artistic creativity under the conventional value chain of the record industry is different from that of the star-centred system. Indeed, such artistic creativity does not have to be inborn, as long as the potential for stardom is there. This was the original mindset of the idol system and made the time-consuming training essential. The perspective of celebrity society can help in understanding the importance of fame and image in modern life that affects almost every part of society, including politics and business. Politicians and entrepreneurs get a great benefit from fame to attract ordinary people. People admire and worship celebrities, and this is more widespread thanks to highly congested media connectivity. More importantly, fame may also be considered as synonymous with talent, and even with artistic creativity in popular media discourse.

Therefore, the symbolic role of charismatic artist-leaders who can control their artists was critical. This also means that the high dependency on the artists can weaken the sustainability of K-pop SMEs. In this regard, the Korean entertainment business remains vulnerable as long as artist management is the main revenue channel of the business model. For these reasons, I will later be attempting to focus on the discursive role of artist-leaders under the system of stardom (mainly in chapter six and chapter seven).
3.2 Industrial Perspective of Rising K-pop Industry

The recent history of commercialisation of art and media organisations has brought many shifts in funding and governance with high demand on professionalism concerning managerial functions of the organisations, such as marketing, human resources, and organisational structure. In addition to this, creative production runs a high risk of failure due to the ambiguity of the market and consumers, and the complexity of marketing strategies. For this, formal divisions with organisational hierarchy have been established in some successful micro-entrepreneurial start-ups in CCI. In this sub-chapter, I will demonstrate the dynamics of the changing environment in the Korean music industry and its impact on the industrialisation of the artist management business.

In line with the SOC in the Korean CCI, the digitalisation which has influenced the structural changes in the music industry will be discussed in this sub-chapter. Sub-chapter 3.2.1 will explain the relationship between bureaucratic structural development and uncertainty of cultural products. This can reveal why K-pop SMEs had to choose to grow and how they were able to present the new production system in the Korean music industry. Then, sub-chapter 3.2.2 will focus on the entrepreneurial aspect of digitalisation in the Korean music industry during the emergence of artist-led organisation. Finally, sub-chapter 3.2.3 will examine the value structure of the artist management business.
3.2.1 Bureaucratic Managerialism and Reducing Uncertainty

From the aspect of culture and creative industries the commercial side remains within popular culture and there remains the question about the artists, who are non-mainstream creatives and who are seldom effective entrepreneurs or business managers (Moore, 2014, p.745).

Mass production in the music industry has been criticised by pessimistic scholars such as Adorno and Horkheimer (1997), the representative members of what is known as the Frankfurt School. The Frankfurt School’s concern is that the culture industry is a ‘one-dimensional’ culture, and the music products become a victim of ‘bureaucratic managerialism’ (Louw, 2001). From this view of mass-producing for mass-consumption, the audience is ‘a mass of non-discriminating consumers’ and, the culture itself is ‘formulaic, manipulative’ (Storey, 2015, p.8). However, the Frankfurt School was too pessimistic about the role of many stakeholders, such as intermediaries, artists, and especially the audience. UNESCO’s Creative Economy Report 2013 stated that convergence and integration of culture with the economy is not always pessimistic, saying that ‘the process of commodification’ does not necessarily result in ‘the degeneration of cultural expression’ (UNESCO, 2013, p.20).

Indeed, often the contrary may be true, for industrially (or digitally) generated goods and services clearly possess many positive qualities. Hence, by the 1980s the term cultural industries no longer carried pejorative connotations of the earlier term and began to be used in academia and policy-making circles as a positive label. This referred to forms of cultural production and consumption that have at their core a symbolic or expressive element (UNESCO, 2013, p.20).
Indeed, transforming artistic value into music products seems to be the most crucial factor for the artist management business to overcome the unpredictable risks of CCI. Product in the music industry has a significant and substantial difference from that in the manufacturing sector since the process of producing creative work is symbolic value. The essentials of ‘cultural products’ are to ‘satisfy the symbolic; to be viable, they must address the economic’ (Townley and Gulledge, 2013, p.1). The culture consumption in the popular culture music market requires products to be aesthetic as well as commercial. Likewise, the Korean legal definition of ‘cultural products’ in Article 2. of ‘Framework act on the promotion of cultural industries 1999’ states: ‘tangible or intangible goods which create the economic value’. As can be seen from the legal definition of cultural products, the economic value is deeply related to the concept of cultural products in the Korean context.

Adding to the economic value of cultural products, even more significantly, other fundamental factors are the cultural and symbolic value that increase the uncertainty of cultural products in the context of consumption. The term ‘cultural products’ represents a wide array of goods ‘ranging from works of art to branded and luxury goods including the events organized around them that have become inevitable today’ (Greffe, 2017, p.33). They include creative work such as albums and songs performed by artists. In CCI, products are ‘experience goods’, of which a consumer does not have sufficient information before purchase and needs some time to realise the satisfaction. This increases the levels of uncertainty and ambiguity of creative products (Flew, 2002). Here,
the information can be delivered to the audience through various channels such as an advertisement or TV shows. From the perspective of the owner of an entertainment company, the uncertainty of artists can be more manageable with enough funds to invest more exposure to the media.

In this regard, musical products such as albums can also be seen as separate cultural products exempt from the singers. Therefore, singers with a large investment can get more opportunities to avoid the risk of failure by covering it with other albums or even another good performance. Therefore, artist-led organisations have to pursue organisational growth to minimise the risk of failure. Entertainment companies can utilise their network with mainstream TV producers. When the K-pop SMEs want to raise the funds, they need to grow. For these reasons, determining the proper timing and forms of organisational development is critical for many small companies during the transition in the music industry.

Corporate strategy aims to control and order the unpredictable social processes and diversity of human behaviours which are condensed into notions of production and consumption and which riddle the music business with uncertainties. These include anxieties about whether existing and new artists will continue to produce and deliver what is anticipated, and questions about whether consumers will purchase their recordings and, if so, for how much longer. (Negus, 1999, p.31).

As Negus (1999) has pointed out, the uncertainty of the music industry has outlooks on both cultural products and the creative process of cultural production. Bearing in mind the high risk of business failure, creative and cultural producers seek creativity during a value creation
process. Moreover, Caves (2003) has referred to the ‘nobody knows’ principle, claiming the fundamental uncertainty of creative goods and the unpredictable perception of an audience regarding the quality of the products. Thus, the unpredictable purchasing behaviours of consumers can also create anxieties for creative and cultural producers. In CCI, the quality of the product, its ‘creative value’, seems to be a critical factor and, in the act of converting a valuable idea into a marketable product (the result of entrepreneurial activity), uncertainty about ‘creative value’ is thereby reduced.

Taking into account the uncertainty of the creative production process, many critical, unexpected events occur, and the leader must make decisions in response. This process includes their entrepreneurial activities which confer added value. The creative process of cultural production will be not only the music producing process but also the star-making process for artist management companies in Korea. To reduce uncertainty, it has to ensure the standard quality of music and even singers. This requires a systemic approach. Therefore, in CCI, artistic entrepreneurs who bring profoundly new products into the creative or cultural sectors confront resistance because of the unfamiliarity of their products and the lack of conventions that make them respectable and suitable (Khaire, 2013). Therefore, it can be quite challenging to persuade that the value is both culturally and economically acceptable.

Therefore, mass production and the acceptance of ‘bureaucratic managerialism’ can also act as positive factors for the eco-system of the
music industry as well as the benefit of the audience. Above all, the commercial culture in the popular music industry allowed the commodification of music products, and even increased the diversity in music genres. The sustainable production of cultural products and the increased size of the popular music industry stabilised the variable elements of the Korean music market.

3.2.2 Technological Shift: From Record Industry to Digitalised Music Industry

American popular culture in the music industry reflects a top-down hierarchical and bureaucratised system that preserves the controlling power and allows the major players to legitimise and monopolise the music market (Cvetkovski, 2015). This was possible as the media conglomerates with extensive funding became involved in cultural and creative production and pursued a strategy of integrating production with music distribution channels. With the advent of digitalisation in the music industry in the US, the era of music conglomerates has emerged, in which the so-called ‘Majors’ have expanded their business from production to distribution by multiple mergers.

Increasingly the major corporations have recognised that the key to strategic control in the creative industries lies in owning the rights to distribute products. Production of symbolic goods is a risky business, for the reasons already noted. By leaving the business of production to

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17 According to Gander and Rieple (2002), the ‘Majors’ were Sony BMG, Warner, EMI, and Universal. These are all multinational companies that, together, control approximately 80% of worldwide turnover (2002:46). In 2019, four media conglomerates that own 90 per cent of the U.S. media are Comcast (via NBCUniversal), Disney, ViacomCBS (controlled by National Amusements) and AT&T (via WarnerMedia) (Contributors, 2019).
smaller partner organisations further down the industry food chain, the major corporations have been able to avoid the pitfalls of unexpected hits and misses. By owning the rights to products they are able to control the market and capitalise on successful products in a range of different markets (Bilton, 1999, p.23).

In the early 1990s, the ‘Majors’ have absorbed independent labels, and this feature has been ‘institutionalized through a series of joint ventures, production, licensing, marketing and distribution deals which have led to the blurring of “indie”/”major” organizational distinctions and belief systems’ (Negus, 1999, p.35). Thus, digitalisation has made the music business more integrated and the controlling power of the large media conglomerates, the ‘Majors’ was huge.

On the other hand, in Korea, the vertical integration strategies of certain global media companies such as News Corporation have not been as frequent in the Korean music market. Korean case is somewhat different from the case of the global music industry. The global integration of the ‘Majors’ has the pattern of buying out small and independent music labels ‘creating transnational manufacturing and distribution systems’ (Hull et al., 2011, p.37). However, in the Korean music industry, the music labels and the distribution companies were integrated while the artist management business emerged as one of the major stakeholders in the Korean CCI sector. With a lack of distribution channels in terms of music production and promotion, the music industry was small, highly local and based on ‘a rather un-innovative and marginal production system that simply pushed a lot of blasé products into the market to somehow connect with consumers’ (Shin and Kim, 2013, p.262).
Entertainment companies in Korea have been driven to such diversification of industries targeting stars with distinct skills that more effectively match these diverse industries. These businesses have spent and expanded their commitment to supporting promising groups and singers by using proceeds from already profitable operations within the same organisation to fulfil current business requirements (Parc & Kim, 2020). The eco-system of the music industry began to take on its present shape during the 1990s with the economic development of overall industrial sectors.

Since 2000, the domestic record industry has been in decline. From 2004, the value of the digital music industry exceeded that of the physical record industry (KOCCA, 2005). According to the 2005 *Music Industry White Paper*, there were more than 5,800 music retailers in Korea, such as department stores, large discount stores, large bookstores, etc. However, most retailers have been closed since 2004, and traditional retailers have been removed and the circulation of music is dominated by mobile platform providers (K Negus, 2015). Despite declining record sales, music production companies continued to grow with increasing competition and deteriorated revenue structures (KOCCA, 2005). The paradigm shift in the music industry affected the domestic market significantly because the Korean music industry was not ready to endure the change.

Korean music labels and artist managing agencies were not adequately structured, and the distribution companies suffered from illegal copying and the from the activities of the stalls selling tapes and CDs on the
street (Parc & Kim, 2020). This unlawful market was considerable, and even had its own music chart called Kilboard (illegal vendors on the streets), which was a compound word of ‘street’ and ‘Billboard’ (Parc & Kim, 2020). For this reason, Korean music labels had to give up the revenue structure which heavily relied on record sales by turning their interests into other sources of revenue. During the shift, several traditional record labels merged with digital music providers (KOCCA, 2005).

When the Korean music industry began to boom in the early 1990s, many observers expressed concerns about the future of the industry as it faced an environment that had been “devastated” by digitization. At the time, the industry was confronted by a multitude of challenges including the loose practice of IPRs, rampant piracy through the Internet, and the lifting of the ban on Japanese cultural products. Some even argued that there would be no future for the Korean music industry. However, despite the fact that these issues have not been entirely solved, the Korean music industry was able to survive and flourish further in the global market (Parc and Kim, 2020, p.13).

Even though the global music industry has been transformed with the digitalisation of music, it offered opportunities to artist-entrepreneurs who held the power of stardom and music production. The Korean music industry recognised the change that came with digitalisation, not clinging to existing frameworks and procedures. Most notably, by changing its practices, the Korean music industry has accepted these improvements (Parc and Kim, 2020, p.14). The entertainment companies such as the ‘Big Three’ were able to obtain a high level of profit from other sources such as TV shows or commercial advertising.
Traditional record sales are not the primary concern for artist-led organisations participating in the Korean music industry. With the digitalisation which eased and accelerated the increasing power of the agencies, the integration of the function of the talent agency and the music label was strategically useful for artist management companies. During the digitalisation of the Korean music industry, this adaptation process greatly increased the competitiveness of K-pop in the global market. The integration meant one comprehensive and exclusive contract rather than a separate music deal and talent management. Radical and steep growth was possible because of the exclusivity of the contract.

The exclusive contracts, ‘a type of in-house 360-degree deal arrangement’ includes essential terms and conditions ‘in which a company seeks to be involved in and profit from every revenue stream within an artist’s portfolio of activities’ (K Negus, 2015, p.7). This allows the company to diversify the star value from various revenue sources. For instance, while the record sales are decreasing the star can easily switch to movies or TV dramas. While traditional music labels went under severe financial problems, artist-led small artist management companies had less impact. This was possible as they were more relying on affiliated or exclusive artists and their popularity.

To summarise, the digitalisation of the music industry and the emergence of artist-leaders were the main changes in the 2000s. During this time artist-founded entrepreneurial K-pop business and online-based music production companies have emerged in response to the
rapid growth of the digital music industry. Thus, the music business in Korea has been run by a handful of artist management companies founded by artist-leaders who form the case studies in this thesis.

3.2.3 K-Pop Value Structure: Contemporary Artist Management

In the US, when a person wants to make a living as a singer, he or she looks for a publishing company, and the company promotes the album when the album comes out. If there is a response, artists hire managers individually. The manager becomes a legal representative of the singer and makes a contract with the agency (Stopps, 2008). As well as the uniqueness of artist-centred revenue coverage to ensure ‘streamlining of revenue collection within a complex network of revenue streams’, the contract contains copyright and relevant legal rights (Cvetkovski, 2015, p. 136). In this format, music managers and agencies negotiate to increase the value of the musician for a commission. There is a much higher chance of success when the artists are skilled artist managers with good connections in the creative sectors. This makes the US-style artist management and music production business more artist-centred. Under this structure, artists can have more choice and bargaining power when making deals with managers and lawyers.

On the contrary, in the Korean music industry, power is more company-centred, so the artist, in particular idols, is holding less power in the artist-management contracts. Until the early 1990s, K-pop CCI was unstructured, and the government was not paying much attention to the legal disputes. Until the late 1980s, artist management in Korea has
been led by small and independent labels. By that time, powerful managers introduced successful artists who were not necessarily idols. In artist management companies, artist managers are considered to be more important than managerial staff. The role of an artist manager is crucial because the artist manager deals with gatekeepers in the media, such as television programme producers and journalists. Also, they manage the schedule and personal privacy of the artist. There used to be no systemised organisational structure, and artist managers worked independently. Thus, artists are loyal to their manager. This tight relationship often allows them to move as a package when signing to another company or when establishing their own company.

Artist-leaders had bargaining power and the human network, it was difficult to differentiate artist-leaders from manager-leaders or producer-leaders who imposed the hegemonic power until the early 1990s. Manager-leaders are leaders who have no artistic background. For instance, Ho-yeon Lee who started his career as managing staff founded DSP Media in 1991. On the other hand, producer-leader are the founders of artist management with music producing skills. For instance, Chang-hwan Kim was one of the powerful producers in the 1990s. He founded Moa agency in 1990 (now Medialine ENT). However, the producer-leaders did not have performing experience. Therefore, they were able to provide good music but had a lack of knowledge in performance. Meanwhile, artist-leaders possessed all the necessary knowledge and experience in the field.
The typical structure of the artist-managing business was small and discreet because of the informal way of working in the murky world of the narrow human network. Until the early 1990s, artist managers were only able to manage a few artists due to the limited resources. The unique approach to marketing and business common in the Korean music industry required the full attention and devotion of the managers for artists. The competence of manager-leaders came from the intermediating role between artists and music producers.

Until recently, there have been cases of contracting with no legal review and sometimes even no contracts at all among small agencies, with artists not having the power to negotiate or ask for a formal contract. During their trainee years, an idol trainee accumulates debt to their companies because of the money being spent on overall investment. For example, AOA, a K-pop girl group formed by FNC ENT, admitted that they were only able to get paid for the first time after three years of working since their debut was not successful, and the company had to recover the investment for the years of training and the cost of producing (Koreaboo, 2016). There were many non-contract deals made with a verbal agreement. Sometimes, the company-favoured standard music contract has legal issues regarding the principle of good faith and fair contracts. From the perspective of domestic music production against western domination, the idol system has turned unusualness into commercial success. The cost of idol training is enormous, so this risk must be managed and controlled.
For instance, in 2010, three members of TVXQ (also known as Dong Bang Shin Ki) sued SM ENT for unfair salaries and labour practices, leading to the group disbanding (S. Chen, 2016b). The BBC news article, ‘The Dark Side of South Korean Pop Music’, states that K-Pop’s biggest success stories were to be ‘built on the back of so-called slave contracts’ (Williamson, 2011). This becomes even tougher when it comes to other smaller entertainment companies. The long-term contracts underpinned the effectiveness of the idol system, allowing idol training in the early stages of K-pop growth. The Ministry of Culture, Sports and Tourism and Korean Fair Trade Commission have introduced newly enacted ‘Popular Culture And Arts Industry Development Act’ (2014) and ‘Standard Form Contracts’ for K-pop idols (2009) to support the K-pop industry and to improve the idol system. As a result, the management agreement cannot exceed a seven-year period.

Even though there had existed similar ideas of an in-house star-making system in the US and Japan, the notion of the idol system was awkward and raised controversial issues when it was first introduced in Korea. In the 1990s, the criticism on the idol was various around the topics such as the negative social impact of idolisation of stars and the fantasising and imitating the stars which led the teenagers to undermine the sense of reality. There even has been concerns about the emerging popularity of the idol citing as some kind of disease. The idol consumption by youth was treated just as an escape or deviation of the youth (Hankyoreh, 1997).
Nevertheless, many artists, as well as potential idol trainees (idol candidates), want to make an exclusive contract with the ‘Big Three’ with prominent artist-leaders. This was another symbolic power that artist-led organisations hold. Therefore, the business diversification strategy has no choice but to seek other business fields that can generate regular, stable income. In this sense, the relationship between idols and its Fordist criticism of being standardised has mainly been forgotten and lost in the discourses that artist-leaders are sharing (refer to ‘system-discourse’ in sub-chapter 6.1.1 for more discussion).

3.3 K-pop Idol System: Production of Celebrity-Stars

The Korean music industry has evolved by overcoming its disadvantages and enhancing existing advantages while understanding and embracing comprehensively the changes brought on by digitisation and technological advancement. The dramatic growth of the artist management agencies which have established and developed the idol system has attracted the involvement of other players. Nevertheless, until recently, idol production has been considered a factory-like system, and there are alarming notions about treating idols as ‘mere commodities’ (ASIA TODAY, 2018). However, good music is not enough; those performing it are more critical in star-centred consumption culture. Therefore, foreign countries have found it difficult to follow a hybrid approach and international media treat K-pop as unique and extraordinary in both negative and positive ways.
This sub-chapter focusses on the emergence and growth of the K-pop idol system from various views. Sub-chapter 3.3.1 will examine the early period of the K-pop idol system to understand the origin of the system from the western perspective. Sub-chapter 3.3.2 looks at the development of the system by focusing on the rapid growth during the digitalisation and globalisation of the K-pop industry. Lastly, sub-chapter 3.3.3 will discuss the recent paradigm change of K-pop SMEs and artist-leaders as they undergo a transformational change in their organisations. It includes discussion of business diversification and global expansion as a strategic approach for transformational change of the ‘Big Three’.

3.3.1 The emergence of Idol-System: Origin of Korean Star System

Since the Gaon chart\(^{18}\) has been in operation, idol groups have led the Korean offline music market. Looking at the records from first to tenth on the annual chart from 2011 to 2015, Yong-pil Jo’s 5th album <Hello> was the only exception as a non-idol group in the chart of 2013 (KOCCA, 2017). The founder of SM EMT, S-M Lee was known to be the first person who invented the Korean idol production system. He was described as a founder who is ‘credited with the industrialization of the star-making process in K-pop’ (Shim, 2006, p.38). SM EMT only

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\(^{18}\) The MCST sponsored Gaon Chart launched in 2010 and has published charts on various criteria. The album chart ranks the domestic shipments of offline albums such as CDs, vinyl records, and cassette tapes, based on documents received from the domestic major record distributors and direct overseas shipping. The government-accredited offline album chart is Gaon chart run by the Korean Music Content Industry Association.
had 13 employees when S-M Lee founded the firm in 1995. He did a lot of research and running tests on a financially lucrative idol group project, and he has complete control over the idols' professional and personal life (G. Kim, 2017). This factory model of K-pop production succeeds in the market with the successful introduction of H.O.T. (1996) and S.E.S. (1997).

K-pop idols are the foundation of the K-pop phenomenon and they are characterised by choreography that is well-organised and flawlessly performed. This requires long-term practice and a considerable effort under a disciplined training regime. This thesis has chosen to focus on the western perspective. Furthermore, this thesis takes a stance that the first generation of idol groups are the ones from SM ENT, one of the ‘Big Three’, giving credit to the testimony of S-M Lee that he was inspired by American pop culture and music such as MTV (An & Gong, 2012; Salmon, 2013). Even though the K-pop idol system was established by benchmarking Japanese idol production, both production was originated from the Hollywood in-house star system (Galbraith & Karlin, 2012).

The Hollywood ‘studio system’ has dominated film production and distribution in the first half of the twentieth century. The Hollywood

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19 I am arguing that the prominence of the first generation of idol stars such as H.O.T., S.E.S. from SM ENT and SECHSKIES, Fin.K.L from DSP Media was a cornerstone in the early stage of idol system.

20 S-M Lee was selected as one of the 500 most influential business leaders by Variety magazine in 2018, and the biography described: ‘Inspired by MTV to launch Korea’s first babyfaced ‘idol’ boy band, H.O.T., he championed upbeat dance music mixed with stylish visuals that had never existed in the country’s pop scene’ (VARIETY500, 2018).
star-system, or ‘studio system’ which emerged in the early 1900s secured control of production and distribution in the American film industry. The star system of K-pop, as inspired by the Hollywood studios in the 1930s, was designed to bring a measure of predictability to the business. The whole package process of the idol system, which consists of the casting, training, and debuting, is similar to the Hollywood star-making system (G.-T. Lee, 2014; G. Lee, 2013). This system corresponds to the standard Fordist, more localised, and assembly-line mass-production model (Bruin, 2007, p.88; Rothman, 2004).

The idea of a Hollywood studio is more of a factory where all the equipment and tools are efficiently placed with the workers in the right position. The well-organised operating system decides the quality of the products. Similarly, in a multi-storey building of the ‘Big Three’, they equipped the recording facilities, dance practising rooms with the creative staff such as ‘songwriters, recording engineers, managers, choreographers, costume designers, design coordinators etc’ (Shin, 2009, p.510).

However, there is some distinction compared to the Hollywood studio in specific aims. The factory-like Hollywood studio was more focussed on the production of film and the star system worked ‘to reinforce managerial control over the production process’ by controlling the cost of ‘the character actors, supporting players and extras’ (Holmes, 2000, p.99). Even though the star system invested in ‘particular star talent and carefully calibrated the products they were associated with, the number
of interviews, and the lifestyle that was projected to a star’s fan base’ (Jones, Lorenzen and Sapsed, 2015, p.179), it did not take an educational role.

Further to the conventional music business approach by record labels, entertainment companies such as SM, JYP and YG adopted ‘a way of working that seeks to deal ‘in-house’ with all aspects of a performer’s education and music and performing skills’ (Negus, 2015, p.7). Shin (2009) especially emphasised the idol system of the companies as an ‘academy system’ where idol candidates are ‘registered at an academy as trainees and take the lessons necessary to be a star’ (p.510). Idol trainees trained singing skill, dancing, acting, foreign languages like English and Japanese, and communication techniques including public behaviours and etiquettes (Yecies & Shim, 2014).

In the world of K-pop, the actual production of cultural content (e.g. celebrities and music) occurs via yeonye gihoeksa, or talent agencies. The “Big Three” agencies are SM Entertainment, JYP Entertainment, and YG Entertainment, founded in 1995, 1996, and 1997, respectively. Each talent agency has its own proprietary training curriculum to manufacture song celebrities. These agencies are essentially academies, where trainees are recruited, trained in dancing, singing, acting, and speaking of foreign languages such as Japanese, Chinese, and English (Chen, 2016, p.34).

The Fordist approach of talent nurturing production focuses on the standardised high quality of the star. This highly intensive and long term strategy of cultural pre-production was described as ‘boot-camp-style training’ (Salmon, 2013). Some scholars cited the idol system as an ‘in-house manufacturing process’ as each member of this idol group has to go through a step-by-step casting and rigorous training stage to find the
best members for their debut. The role of the charismatic artist-leader is very important for securing the probability of talent influx, hard training, competitive motivation, and the spotlight after debut.

During the casting stage, the company held auditions in both the United States and other countries such as China, Thailand, and America to find new stars. The preparation protocol is a lengthy one (Deniar et al., 2019). For instance, the casting team manager operates outside the firm looking for future idol stars by visiting schools and regional festivals. Besides, they coordinate multiple auditions in the main cities and sometimes large foreign cities. Also, the street casting was one of the main casting skills in the 1990s. Many members of K-pop idols including SNSD’s lead vocalist Seohyun, NCT Dream’s lead dancer Jaemin, and EXO’s main rapper Chanyeol were discovered on the street (Koreaboo, 2016). Here, the fame of artist-leaders acted as some form of a credit to get attention from the idol candidates. Then, the training team takes over the newly selected trainees, spending several years developing the required creative skills (MCST, 2010). The Idol system has a competition-based structure: auditions, training system, debut process.

Life as an idol trainee is meant to be hard. The work of idol trainees seems as hard as students spending over 7 hours per day, and there is still ‘Confucian value of authoritarian employer-employee relationships’ in Korea (Jang & Kim, 2013, p.99). The creative process of the idol system includes the casting of potential idol stars and their training over several years. For example, Jihyo, a member of TWICE (JYP ENT)
spent 10 years of training in JYP ENT. The idol system is not only time consuming but is also a high budget investment. The idea of the star system concentrates on the overall revenue of the label from one of the successful artists within the organisation so that the profits can cover the cost of other, less successful artists. In this regard, I am concentrating on the idol system as a mechanical scheme of talent nurturing, educational and star-making pre-production.

America’s factory-like artist-making system in Motown records have a very similar path of effective creative teams working for star-making rather than just music production, as the charismatic Gordy ran the company with strict rules and robust corporate control (McIntyre, 2012). Motown Records was established in 1960 by Berry Gordy, a music producer, songwriter, record shop owner and automobile worker at GM (General Motors) (Cruz, 2009). According to Gyu Tag Lee (2014), ‘K-pop branding strategies’ are similar to ‘Motown’s business strategies’ from the 1960s. This study argues that Barry Gordy formed an image that appealed to a black community that valued the strong bonds between families, and he gave the singers the image of being like a father, brother, or life senior, rather than just the president of his own company (G. T. Lee, 2014).

SM Entertainment (SM) once confessed Motown’s influence on them, and other K-Pop companies are not also free from Motown’s branding strategies. Among them, there are three important factors that K-Pop industry mostly refer to. First, Motown’s ‘Fordism’ or ‘factory processing system’ that made their music, hit records, and stars. Sometimes this factor is criticized as ‘too much standardized’ or ‘too much factory-like’ by audiences and critics. However, Motown emphasized their ‘family love’
and ‘brotherhood’ between the company and their musicians, and among Motown musicians (G. T. Lee, 2014, p.38).

K-pop idol branding which is similar to the Motown branding can be found from H-S Yang’s core vision, ‘familism’. YG ENT stated that the company is trying to produce high-quality content through close musical ties between artists and a company’s production system. Familyism has two meanings: One is a close musical bond so that YG artists can do the music they want to do, and the other is a company’s family-like belief and support toward artists as a family when they have difficulties. YG ENT held the highest rate of stay, an indicator of celebrity loyalty, among the Big Three in 2014.

Motown shares feature with the K-pop idol system, as Motown emphasised the branding of the label rather than the individual stars. Therefore, the audience can easily recognise ‘Motown soul’ by listening to the music, as the company gave strict directions to artists and music producers, establishing an organisational identity within the musical products. Here, a similar branding strategy can also be found from the ‘Big Three’. For example, YG ENT had compilation albums, YG FAMILY Project Album ‘Famillenium’, in which all the artists of the company participated in 1999 and organised collaborative concert

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21 Despite remarkable success in the 1960s, Motown has lost its reputation. In comparison with K-pop’s global success, I assume the reasons why Motown was not able to survive are as follows. First, the Motown system did not survive as the success was not continued and did not form a trend, as it was a single case that was absorbed into the Majors later. Secondly, concerning the first reason, the musical and cultural genres were limited and lacked flexibility in the diversification of the audience and artists.
such as 2004 YG FAMILY One Concert ‘We Are One; No. 1’ (see Appendix E).

To summarise, adopting the star-system of Hollywood and Motown Records, the artist-leaders of the K-pop entertainment companies accelerated the efficiency of the production mechanism by diversifying corporate strategies, since the idols produced and trained under the system became talented and skilled in many areas. Consequently, the idol system, which consists of the stages of casting-training-management, is successfully founded. The idol system is a comprehensive process, and the procedure requires a series of decision-making steps.

Therefore, as described earlier, the creative production process of the idol system in the K-pop industry consists of pre-production, production, and post-production. Strategic decisions are required at each phase as well as throughout the entire process. Regarding internal control over creative production, the leader intervenes in the whole process as a decision-maker reflecting their informal power based on their expertise in this process. The controlling process is accompanied by strict discipline to ensure the hard work of the promising trainees of the firm, and to guarantee the creative production including idol training. In this respect, the emergence of the idol system which has been highly influenced by the Western perspective on commodified artists was able to be introduced as an entrepreneurial behaviour that is highly dangerous but opportunistic.
3.3.2 Rapid growth of ‘Big Three’ and Organisational Crisis

Due to the short history of the commercialised popular music industry, the artist management business was unorganised and highly reliant on the individual ability of artist managers. In the emerging time of K-pop SMEs in Korean CCI, the size of the enterprise can stay small, and the structure of the organisation can remain simple because most of the entrepreneurial activities are project-based, and only a limited number of people are involved. For instance, S-M Lee founded SM ENT in 1995 with capital fund at 50 million won. SM ENT only had twenty employees with two K-pop idol groups debuted (H.O.T. and S.E.S.)\textsuperscript{22} in 1997 (SM Entertainment, official website). In this structure, the line of communication between a leader and organisational staff is compact and effective. Soon after, the ‘Big Three’ have started to grow rapidly. The control over the unstable environment has been achieved by expanding the size of the organisation. This can be explained with the timeline of the three entertainment companies’ organisational history as referred to in the timeline in Appendix E at the end of the thesis.

However, with the expected growth of the K-pop industry, some of the major artist management companies started taking the roles of both a music publishing label and an artist manager. It seems the bureaucracy was unavoidable in the idol system due to the development of the artist

\[\text{\textsuperscript{22} SM ENT had a couple of other artists at that time. However, others were idol trainees or artists with non-exclusive contracts.}\]
managing business in Korea. Along with the corporatisation in the K-pop industry, the bureaucracy and organisational hierarchy created internal politics and inner-circle issues within the organisation. Artist-leaders seem to have a strong influence on management based on the internal structure. Moreover, the founding members of artist-led entertainment companies are loyal followers even before the entrepreneurial business.

Appendix E shows that the early stage of SM ENT had several changes in formal leadership. There were four changes of CEO between 1989 and 2005. This implies two assumptions. First, the early stage of SM ENT was unstable in terms of the leadership of the CEO. Second, the organisational structure and top management decisions were systemised. Both assumptions gave a strong sense that the artist-leadership was very strong as the organisational growth was still rapid during the period. In this vein, for K-pop SMEs that are less dependant on formal authority, the charismatic power overrides the position power. Thus, it allows artist-leaders to enforce hegemonic power in the K-pop artist management business, as the major roles of manager-leaders have been replaced by artist-leaders.

K-pop idol stars and the ‘Big Three’ were trying to target the US market beyond relatively safe domestic and Asian countries because of the small size of the domestic market. This logic appeared in most of the artist-leaders’ early speeches as a reason for their global strategy (Lee, 2011, Park, 2007). The first well-known case of K-pop idol star's overseas entry was BoA (SM ENT). She had already mastered Japanese
and English before her debut. SM ENT also founded SM Japan in collaboration with the largest entertainment company in Japan, ‘Avex Trax’ and supported systematic marketing. BoA entered Japan in 2001 and was the first to succeed abroad under a systematic and strategic plan. Boa, who debuted with her 1st album ‘ID; Peace B’ in the local market in 2000, immediately attempted to enter the Japanese music market the following year in 2001. In 2002, Boa reached number one on the ‘Oricon charts’ with her 2nd album ‘Listen to My Heart’ (Cartujano, 2020).

Being recognised in the U.S. means becoming a global K-pop star. The profit-share structure of the extremely stagnant domestic recording market has become a catalyst for overseas entry. The opening door of the global music industry was Japan, and BoA was its ‘conductor’ as she featured an English version of ‘Listen to My Heart,’ the first of several English K-Pop albums (Cahyadi, 2020). However, at that time, there was not a notable response from the US market.

However, in the late-2000s, K-pop idol stars, mainly in Asian markets such as Japan, China, and Southeast Asia, were expanding their reach into the US music market. Before PSY or even BTS, the first global K-pop success story was Rain. He was named one of Time Magazine's ‘100 Most Influential People Who Shape Our World’ in 2006, and he featured in the film ‘Speed Racer’ in 2008. In 2006, he performed two

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23 Avex Trax is a record label owned by Avex Group Holdings Inc which is a Japanese entertainment conglomerate led by founder Max Matsuura. Not only BoA, but also other SM artists like TVXQ, Super Junior and f(x) have been working together.
shows in New York City at Madison Square Garden and The Colosseum in Las Vegas as part of his Rainy Day tour. K-pop idols like TVXQ, KARA, and BIGBANG were also popular in Japan, but there was not much in the form of English song releases until 2008 when Se7en (YG ENT) and Rain (JYP ENT) started to dabble in the US market (Cahyadi, 2020).

The globalisation of K-pop idol members can be encouraged for a strategic purpose, and the role of international band members was significant during the global expansion. For instance, both Nichkhun, a member of 2PM (JYP ENT), and Lisa, a member of BLACKPINK (YG ENT), are from Thailand. Major entertainment companies in South Korea regularly held global auditions in some countries recruiting new members from the US, the UK, China, Japan, and Thailand. This improves the global appeal of the idol groups and weakens the competitiveness of foreign countries by lessening the cultural difference (G. Park, 2013). The global members not only diversify the Korean-ness of K-pop idols but also enhance the connectivity with the global audience, especially the Thai audience.

In the 2010s, S-M Lee was more focusing on the diversification strategy as SM ENT was under transformational change. However, YG ENT was enjoying the rapid growth stage having many tours. For instance, YG K-pop idol stars such as 2NE1, BIGBANG and WINNER had many
world tours. In the case of J-Y Park, the intent of expansion on the US music market came from his passion started from his early career as a singer-songwriter. In the international expansion strategy of JYP ENT, there was a crisis of the leadership regarding J-Y Park’s strategy when entering the US music market. While he was busy trying to make a promotion for Wonder Girls in the US, their popularity dropped rapidly in the domestic marketplace. The Foreign Direct Investment (FDI) needed not only the liquidity of the budget to maintain the business in a different country but also sustainable income from the home country.

However, the promotion of Wonder girl took too much time to achieve attention from people in the US while spending an enormous amount of money setting up their branch in New York City. Also, JYP ENT struggled with financial issues for years until 2013. In 2004–2008, J-Y Park's plans to enter the US were crushed by the global financial crisis triggered by the 2008 Lehman Brothers bankruptcy. Thus, diversification was framed by the need to avoid an organisational crisis through risky business expansion.

As of August 29, 2018, for the first time in 17 years since JYP ENT’s IPO (2001), JYP's market capitalisation (1 trillion and 90.9 billion won: approximately $981.2 million) has surpassed SM ENT’s (1 trillion and 78.5 billion won: approximately $970.1 million) (Kim, 2018). From this,

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it can be assumed that JYP had a real leadership crisis during the transformational change in the 2000s, but J-Y Park realised the need for change. Wook Jung, CEO of JYP said the successful record in 2018 was possible thanks to the change in the role of producer J-Y Park (E. Lee, 2018). Global expansion strategy conducted by K-pop SMEs is the critical strategic decision, which may cause the organisation to suffer severe damage.

To summarise, the traumatic technological transformation of digital music has encouraged the rapid growth of the Korean music industry and its global expansion. In this dynamic environment, the global music industry is closely linked to the domestic market, as digitalisation has increased global connectivity. Moreover, the Korean music industry was an early adopter of digitalisation, which made K-pop audiences around the world quickly access and consume K-pop idols.

3.3.3 Paradigm Shift of Artist-led Organisations

The organisational paradigm confronts dramatic change as K-pop SMEs apply for IPO (Initial Public Offering). For K-pop SMEs, IPO means a lot. First, it is difficult to remain as SMEs once listed. The size of revenue needs to meet the criteria for the listing screening are set by the Exchange; the KRX’s listing requirements include sales, the continuance of the company according to the financial situation, management in accordance with governance, management safety related to pre-listing increases and stock trading, and protection of investors entering the market (McKinsey & Company, 2015). Second,
the influx of investment is not only opportunistic but also a responsibility. Artist-leaders will have to be more careful when launching new idols or projects. According to McKinsey & Company (2015), it normally takes about 12 years for a venture to be listed on the stock market in Korea. But SM ENT only took five years (1995-2000). This fast-moving organisational growth implies that the artist-leaders had a long-term vision and strategic leadership.

However, as can be seen from Appendix E, both JYP ENT and YG ENT took almost 10 years. For this, it could be assumed that the other two artist-leaders postponed the transformational change while keeping the companies as SMEs. Moreover, YG ENT failed to enter Korean Securities Dealers Automated Quotations (KOSDAQ)\(^{25}\) in 2010 and succeeded only on reapplying in 2011. The reason for the failure of the listing initially was known to be the sustainability of sales. According to seoulfinace (2010), it was a problem in the overall sales structure of the entertainment business, and Korea Exchange (KRX) was not optimistic about the uncertainty of sales continuity which was accepted as the biggest reason for the industry. It tended to be unclear whether to maintain continuous profits due to the unpredictable aspect of CCI. Meanwhile, JYP Ent entered KOSDAQ by merging with the already listed J.Tune ENT in 2010 (back door listing). This back door listing is legally prohibited now.

\(^{25}\) KOSDAQ is a trading board of KRX in South Korea established in 1996.
At this transformational stage, globalisation does not merely mean having a global idol member or performing at the foreign concert hall. This idea can be understood better with J-Y Park’s visionary project, ‘Globalisation through Localisation’\textsuperscript{26} or S-M Lee’s NCT project\textsuperscript{27}. They both have one thing in common: extending their industries in countries outside of Korea (Derbyshire, 2018). This means the entertainment companies attempt to improve their global appeal while diminishing the Korean-ness in the K-pop idols. Similar attempts to go beyond the internationalisation of K-pop have been tried before. For example, YG ENT has been collaborating with foreign creative teams such as dancing, fashion and production groups from all over the world promoting a new album of their musicians.

Recently, CL, a member of 2NE1 made a solo debut in the US collaborating with the globally famous choreographer Parris Goebel and her ReQuest Dance Crew. Also, SM ENT has a creative working camp cooperating with European songwriters. These activities not only give them opportunities to learn from global trends but also are the source of embedding creativity by learning and sharing new ideas with creative artists who have global recognition. However, the

\textsuperscript{26} J-Y Park explained ‘Globalisation through Localisation’ as ‘an initiative to grow K-pop from within other countries, rather than exporting Korean groups into those countries’ (Derbyshire, 2018).

\textsuperscript{27} The vision behind NCT is much broader than JYP’s and holds possibilities for a multitude of potential groups but they both share a similarity – expanding their industries from within countries outside of Korea. The aim of NCT is to build a network of groups that share the same name, similar to how current groups operate with sub-units. Instead of making a rap or dance unit, NCT may form completely different groups based in different countries (Derbyshire, 2018).
entertainment companies seem to overcome the limitation of Korean identity embedded in K-pop idols.

3.3.4 Artist-leadership during Organisational Transformation

Strategic choices of expanding revenues in the areas of licensing and royalty (e.g. selling production and marketing rights of music in foreign countries; use of music for business purposes including social media broadcasting and karaoke bars), appearance fees (e.g. actual participation in TV shows or corporate events), sponsorship contributions (e.g. monetary contribution to music production), and advertising (e.g. all types of corporate endorsement activities) are clearly noticeable (Oh & Park, 2012, p. 383).

In the age of digitisation, entertainment companies have recognised how music has changed from end products to promotional products, and this can serve as a springboard for other ‘(un)related sectors’ such as apparel, food, films, and advertisement (Parc & Kim, 2020, p. 12). This strategy is also a tactic to create stronger organisational portfolios which can securely store more reliable revenue streams while also reducing the risks that come with it. With the success of the application of an idol system, artist-leaders have found business opportunities and the funding for such investment. For instance, diversification strategies such as stretching creative production into a wide range are normally a kind of management strategy. The following table one shows the detailed diversified business that the ‘Big Three’ are recently running.

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Table 1 Specifications of Diversification of 'Big Three' (Choi et al., 2019, p.79)

What we can learn from the above table is that the ‘Big Three’ are stretching their business model starting from the idol business. The management capabilities of training, producing, and managing idol artists were expanded to actors, MC (Master of Ceremonies), models, etc. It shows that celebrity-stars are still the fundamental elements of their business. Based on the idol production, the entertainment companies are getting more involved in media productions as well as distribution services throughout mergers and acquisitions. Besides, the company that started the fastest diversification and has been the most active is SM ENT, whilst YG ENT was not aggressive during the early stage of organisational growth but commenced the diversification in the late 2010s.
Korean entertainment companies achieved this by establishing subsidiaries that specialized in unique fields (Parc & Kim, 2020, p.12). For instance, in 2008, SM ENT established SM Entertainment USA, SM Brand Marketing, SM F&B (Food and Beverage) and SM Amusement (Karaoke Business). In the same vein, YG ENT made a partnership ‘YG KPLUS’ with model management company K-Plus and acquired Phoenix Holdings (media and advertisement company) & changed to YG PLUS in 2014. Also, YG ENT established YG Sports (Golfers management) in 2016, YG STUDIOPLEX (TV drama production company) in 2017. Finally, JYP ENT established JYP Foods (New York, NY, USA), and JYP Publishing in 2010. However, all the US business including JYP Foods were abolished in 2012 (Parc & Kim, 2020, p.12, see Appendix E).

In 2012, with the funds secured by the consequent success of idol groups such as TVXQ, SNSD, SHINee, and f(x), SM ENT acquired KOSDAQ-listed firm, BT&I. BT&I was the predecessor of SM C&C (Culture & Contents), a subsidiary that operates as a talent agency, television production company, theatrical production company and travel company. BT&I has since grown into another comprehensive entertainment company, acquired HunMedia (2013), and AM ENT and Wollim ENT (2014). As the business portfolio expanded, the size of the enterprise grew; the impact of M&A led SM Entertainment to almost double its annual sales (241.3 billion won) in 2012; operating profit soared to 60 billion won (Park, 2013). On the other hand, JYP ENT was eager to diversify their business as can be seen from the activities from 2008 to 2011. However, after the managerial and financial crisis of the
US business, now it maintains only a minimal diversification business (Choi et al., 2019). Therefore, it can be said that SM ENT, as a leading company among the ‘Big Three’, is on the established stage after tremendous struggles and long-term vision to go beyond SMEs. However, both YG and JYP ENT seem to be stuck in the transformational change stage. Even though both companies have grown enough in size after IPO, the recent crises such as the withdrawal of US operations for JYP ENT in the early 2010s and the controversial accusation on company’s scandal in the late 2010s has affected the diversification strategy slowing down the transformation. Both companies are concentration on artist management at the moment. This is visualised in the SOC map in the following figure seven.

![SOC Map](image)

**Figure 7 ‘Big Three’ on SOC model (Source: Author)**

The diversification strategies are one of the explicit structural change of the K-pop SMEs as it requires new divisions with new professionals. As the level of diversification increases, the organisational paradigm
has to revise along with the vision. As the organisational stage get mature, the diversification of entertainment companies is decided by the founder’s vision and business philosophy, and the diversification strategies of the ‘Big Three’ are distinct in speed and direction by the company and time. According to one of the top management staff at SM ENT, all new business projects were based on the founder’s visions and missions, and the role of executive managers was to fulfil the projects. Also, the top management staff at JYP ENT said that all the previous diversifications were the founder’s vision.

Since the innovation of the management system, JYP ENT moved to a new building in 2018 and provided an organic diet at the cafeteria. The building’s interior construction used eco-friendly materials to practice the business’s corporate philosophy of environment-friendly enterprises. He also added JYP is currently pursuing to share the philosophy of the founder of the company (Choi et al., 2019). This shows that even the recent diversification strategies and visionary projects are still driven by artist-leaders’ intention. Also, the key features are ‘the need for the artist, the owner’s vision, fandom marketing, and differentiated content planning ability’ (p.90).

The core asset of entertainment companies is still their artists and the image of artists is difficult to manage and especially their personal life. Also, it is difficult to assess the corporate value comparing to other manufacturing companies (Y. Kwon & Han, 2016). This makes it difficult for entertainment companies to manage controversial issues events (affairs and scandals, incidents, lawsuits, etc.) that could damage
their artists’ reputations and the value of their companies. Also, the image and direction of the artists can be consistent depending on the direction of their entertainment company, and the brand identity of the entertainment company may change or be influenced by the activities or actions of their artists, and the value may fluctuate (M. H. Kim & Kim, 2015). For instance, fans have blamed the large entertainment companies for building styles and concepts that do not ring true with the idols. Their argument is concerning the ill-treatment and wrongdoings of large organisations concerning new brand concepts for established artists which fail to understand the identity of certain idol groups.

While there was an acceleration in mergers and takeovers between industries in K-pop CCI, the struggles and the market failure of small-scale operations became the concerns of the government and policymakers. By addressing its drawbacks and improving existing advantages, the Korean music industry has evolved, realising and incorporating the changes induced by digitalisation and technological growth. All this makes market operation more dynamic and more creative, delivering excellent results (Parc & Kim, 2020). As the global music industry gets bigger and more integrated, entertainment companies have been expanding their business into the global marketplace.

Since K-pop brand is now accepted by global audience, there is a keen interest in Korean culture. Many K-pop SMEs concentrate on overseas business and marketing since the competition is so severe in the
domestic market. Most singer revenues come from advertising or concerts and broadcast while music sales competing programs have little impact on revenue. There are now some cases that are creating attention from domestic market by creating a big hit or release from overseas. For instance, K-pop idols such as BTS are K.A.R.D would be the cases which drew extensive interest from global fandom, and it activated and accelerated the local popularity. Thus, a hybrid strategy was needed for the domestic and global markets. For instance, the concepts of localisation and standardisation were popular approaches to international business in the K-pop industry.

Global music corporations have thus experienced limited access to the television and radio distribution networks and have struggled in the past to gain a foothold in the local Korean music market since the 1990s. But Korea is actively producing its videos for a global audience, as they are disseminated online via YouTube and fan blogs (Leung, 2012, p.34).

The music market in the creative industries has become globally accessible following the recent advent of new technologies and the development of social media platforms such as YouTube. This new technology encouraged the paradigm-shifting change under the emergence of a culturally hybrid ‘global and local market’ (Derbyshire, 2018). Overall, the shift to social media has played a major role in fostering the validation of this emerging business model, which transfers the vast amount of business revenues to music distributors, such as YouTube. That is to say, a hybrid form of global and local connection is essential for trans-media story-making and the interactive influence between producers and audiences.
3.4 Conclusion

Until the 1980s, Korean pop culture and CCI was not the centre of interest for the policymakers. Korean popular music was treated as only a part of the music genre as the industrial potential was ignored. However, in the 1990s, deregulation and weakened state control over the media allowed the emergence of creativity in Korean pop music. Newly appeared Seotaiji and Boys encouraged the extended pop music market with the increased young audience. Furthermore, the cultural hybridity of contemporary K-pop music allowed the growth of the artist management business in the market. Thus, in the 2000s, entrepreneurial opportunities such as the expansion of the market resulting from increased audience and diversity in the genre allowed the emergence of artistic entrepreneurs in the Korean music industry.

From the cultural-political aspect of Korean CCI, the studio system of star-making production which has been criticised and disappeared in the US was able to take root in the Korean popular music scene in the form of the idol system. Some critics refer to the K-pop idol system as strange, while others describe it as exceptional. However, under the idol system, the K-pop industry is no longer so vulnerable to technological changes. The reduction of traditional distribution channels such as record shops and other retail music stores and the effect of direct distribution throughout the new online platforms demand changes in the conventional value chain and business models.
Digitalisation and globalisation of the music industry provided entrepreneurial opportunities to the K-pop SMEs such as the ‘Big Three’. This all makes their entrepreneurship more dynamic and business activities more innovative which can produce an outstanding K-pop idol star. Therefore, the K-pop value chain is now heavily based on stardom, and more specifically the star-centred system of cultural production. The rapid organisational growth and transformational change of artist-led organisations occurred over a short period of time in the Korean context, and I assume the growth of popular culture in Korea has been a ‘bottom-up’ phenomenon led by charismatic artist-leaders (this will be discussed more in the following chapter five). The shrinking local market forced companies to take a closer look at the global market, and it also made SMEs choose globalisation and diversification for a strategic purpose. However, the vision and intention of artist-leaders were heavily embedded in the transformation change of artist-led organisations. Therefore, chapter six and seven will look at the symbolic dimension of the organisation change and leadership more closely.
CHAPTER FOUR. METHODOLOGY

As the theoretical framework necessitates an interdisciplinary approach, the methodological framework is also required to develop an interdisciplinary design. Furthermore, leaders are individuals who lead a group of so-called followers with visions and goals surrounded by dynamic organisational phenomena. In this vein, a range of contemporary approaches has been combined to draw the methodological map for this study. This interpretative case study employs qualitative and inductive approaches consisting of multi-dimensional phases of thematic, discourse and narrative analysis.

In this chapter, I will illustrate the details of the research methods I combined to analyse the complex process of artist management and SOC in the K-pop industry. First, I start by introducing the challenges of this study with the supporting groundings of choosing the inductive and multi-case analysis. Then, I will present the methodological dimension of the thematic, discourse and narrative levels. Finally, I will demonstrate the details of the examination involving collecting and conducting the analysis of narrative data.

4.1 Developing Methodological Paradigms

Even though traditional theories in leadership and organisational studies have provided basic directions and fundamental inspiration, there is still a methodological limitation to deductive reasoning. As the
cases of leadership and organisational change presented in this thesis are a new phenomenon, there is little existing academic investigation into this specific topic. The human experience is expressed in the stories, and the use of story has become popular in qualitative research. Therefore, I attempt to develop a research design that can analyse the various stories around the leaders and the organisations. My rationale for using a multiple case study of three artist-leaders of the ‘Big Three’ in the K-pop industry will be discussed in the following paragraphs. First, I will explain the reason why I chose the empirical cases of three artist-leaders for this study. Then, I will answer the reason why I chose the narrative approach I employed to analyse the stories for SOC.

4.1.1 Inductive Case Study

The dynamic diversification of organisational change of the chosen K-pop SMEs and the rapid changing quality of leadership in empirical data discourage the use of the deductive approach. Instead, the inductive approach can enhance the contextual understanding of human interaction in the complex trajectory of leadership transitions at different organisational stages. A case study can be beneficial when there are a few examples, but they are a unique phenomenon (Yin, 1981). The uniqueness of the lived experience of artist-leaders will first be conceptualised for empirical theorisation by conducting a case study. Furthermore, the commercialisation of culture and the cultural economy discourse in Korea can support a contextual theorisation by looking at real-life cases while drawing the theoretical foundations for the generalisation of knowledge.
A multiple case study can better evaluate the factors by investigating more than one company. The advantage of a multiple case study is to make it possible to understand the relevant cases specifically (Yin, 2012). A single study would be difficult to generalise and too much embedded in other factors which have no bearing on the research topic, hence fall outside the scope of the research. Therefore, to achieve a more precise understanding of the artist-leaders in the K-pop music industry, it is necessary to investigate the three major entertainment companies. There is, moreover, no existing research that uses an actual multiple case study of the three companies to support an analysis of the leadership literature.

Apart from SM ENT, until a decade ago, artist management agencies have been mostly small-size enterprises in the Korean music industry. Hence most case studies regarding entertainment companies focused only on the single case of SM ENT. However, the K-pop industry has expanded considerably while the other two leaders have achieved great success in the market by following a similar path. According to Forbes’s article in 2018, SM, YG, and JYP ENT (which are called the ‘Big Three’) are known to have occupied the K-pop music industry for the past two decades (Herman, 2018). These companies are mature enough to provide me with adequate data for multiple case study.

A case study of the major entertainment companies will be suitable as the dominance of the ‘Big Three’ shapes the hegemonic power and monopolistic control in the K-pop industry. Each of the three companies has a majority of successful K-pop artists and play a significant role as
a game-changer in the global music market. Furthermore, the multiple case study provides a great opportunity to examine the cases in terms of ‘fast-moving’ companies and the symbolic role of artist-leaders which spread out dominant meanings and values of K-pop. The use of more than one case will allow for shared factors to be identified in the transition from artist to entrepreneur to leader during the organisational growth stages. This will identify the successive ‘stages’ in a manageable time-frame. The important factors are the transitions between stages because all three companies have moved (and moved quite quickly) through these stages, from ‘artist’ to ‘entrepreneur/enterprise’ to ‘established business’.

4.1.2 Organisational Narratives and Stories

To investigate leaders, a more in-depth understanding of characters and behaviours is necessary. In this regard, the narrative approach allows historical commitment to the study of individual lives (Denning, 2006). Even though there are several definitions of what ‘narrative’ is, I am adopting the definition of ‘narrative’ as a device that makes sense of the social world, identifying the significance of people, time and places. Therefore, the empirical understanding of the real-life case in this study will be drawn from narrative data (e.g. biographical texts; stories told by leaders, other stakeholders and interviewers).

Stories create confidence not only in the leader, but also in the company’s future, and they create a broad view of the personality of the leader (Auvinen et al., 2013, p.508). Leadership stories are a bridge
between the past of the leader and the present and project their behaviour into ‘an uncertain and risky future’. Thus, I will investigate both everyday events and episodic events as they occur within a real-life setting (see chapter seven for a detailed description of episodic events).

Life stories often convey organisational elements as main or background events. For example, the human experience of organisations is the main source of narrative analysis in this study. Stories can be a discursive platform in which the leaders can share dreams of changes. Through storytelling behaviours, the leaders can learn the different experiences across the organisation (sense-making) and also demonstrate that staff are valued and trusted (sense-giving) (Thier, 2018).

Indeed, discursive approaches which provide more reflective understanding can project a different aspect of organisations referred to in organisation studies as defined visible entities (Clegg et al., 1996, p.7). This provides examples of success and failure from the perspectives of individual and organisational lives. For instance, stories about the success and failure of organisational experiences link the leaders with the organisation.

Chronologically, the story begins in the present as the participants attempt to make sense of the current situation. It then moves on to discuss the likely future trajectory of the process, and as part of this, it also looks backwards to the past. The overall structure contains a series of cause-and-effect relationships and patterns of practical reasoning (Stapleton & Wilson, 2017; 64).
Even though there are conceptual boundaries between the stories, this study avoids straightening out the categories clearly since they are related to one another. The conceptual process of the organisational narrative is fruitful when there are a complex series of events because the leaders make stories while making sense of the events into oral and written stories. Indeed, narratives can be a controlling device or a social integration driver’, so we can see a striking normative function expressed not abstractly, but rather specifically and paradigmatically (Gabriel, 2000, p.36). Furthermore, individual stories ‘sit within the context of ‘bigger’ or ‘broader’ narratives’ (Abbey, 2010, p.76). Therefore, stories in this thesis outline the theory, method and data which underpin the grand organisational narratives as projected in the following conceptual figure.

Figure 8 Conceptual Figure of Stories and Narratives (Source: Author)
4.1.3 Organisational Identity and Storytelling

In contrast, a narrative view of strategy stresses how language is used to construct meaning: consequently, it explores ways in which organizational stakeholders create a discourse of direction (whether about becoming, being, or having been) to understand and influence one another’s actions. Whereas authors of traditional strategy frameworks virtually ignore the role of language in strategic decision making, writers using a narrative approach assume that tellings of strategy fundamentally influence strategic choice and action, often in unconscious ways (Barry & Elmes, 1997, p.423).

Life-stories express ‘the storytellers’ identities, which are products of the relationship between life experiences and the organized stories of these experiences’ and it represents an internal model of ‘who I was, who I am (and why), and who I might become’ (Shamir & Eilam, 2005, p.402). From the sociological subject, ‘the classic sociological conception of the issue, identity is formed in the ‘interaction’ between self and society’ (Bolaria & Hier, 2006, p.250). Through discourse and narrative, identity is represented and analysed from its manifold guises in diverse contexts (Riessman, 2003). Organisational identity provides a cognitive frame for organisational members engaged in work practices (Nag et al., 2007). Through sense-giving storytelling, staff and artists can build organisational identity.

In contrast to formal practices, informal practices evolve through ‘interaction and are not written down’, and often take ‘the form of social rules’ (Martin, 2002, p.22). Nevertheless, as Brown (2006) suggested, multiple versions of identities can be problematic and ‘a sign of failure’. He also added that the storytelling about work may be the act of
constructing or making sense of their different social, collective, professional and organisational identities through discourse (Brown et al., 2015, p.271). In this respect, the collective identities of the different members are constituted in the organisation-centred discourse of participants, and researchers need to pay attention to the linguistic sites in which identity work is done.

The variety of stories which we encounter socially both contributes to and draws from the discourse, being connected sets of statements, concepts, terms and expressions which constitute a way of talking about or writing on a specific problem, framing how individuals comprehend and behave towards that problem (Watson, 1995). There are conflicts and changes in the personal identity of artist-leaders during the transitional periods of organisational change. It is worthwhile then to attempt to investigate the identity dynamic as it affects the discursive interpretation of reality in a social context.

Leaders are storytellers who use their own life-stories as a sense-giving behaviour for the organisation; their identity plays an essential role in building and justifying leadership power. At the same time, the narrative also acts as a powerful device for ‘fostering and developing organizational and group identities’ (Gabriel, 2015, p.284). As storytellers, artist-leaders need to consider that the meanings and values shared in the stories reflect organisation members’ beliefs not only about ‘who we are as an organization’ (cognitive dimension of identity) but also about ‘what we do as a collective’ (a complementary dimension) (Nag et al., 2007).
Storytelling is a critical skill of artists and leaders. Riessman illustrated storytelling as ‘a collaborative practice’ and ‘a relational activity’, which gathers and integrates ‘tellers and listeners/questioners’ (Kohler-Riessman, 2000). This collective communication of meanings and values can frame organisational culture including identity, vision and brand (see sub-chapter six and seven for more discussion).

Stories facilitate a more efficient exchange of highly contextual knowledge, and storytelling can share ‘the tacit, experience-based knowledge built on practice’ (Sole & Wilson, 2002, p.4). The discursive practice of artist-leaders as a compelling storyteller and informal aspect of management and leadership symbolically legitimise critical decisions and strategies that influence perceptions of the organisational members and other stakeholders (Gioia et al., 2008, p.365).

Furthermore, storytelling links diverse organisational members with diverse culture, thought and knowledge to resolve the formality and informality conflicts. The conflicts stimulate each other in different forms and contexts. Without the full support of staff, organisational change cannot be achieved or may only be imperfect and temporary, resulting in a high risk of returning to the old system. These implicit changes that are articulated by artist-leaders help to align organisational members and artists in a new system, brand, vision and organisational culture. Therefore, the stories of artist-leaders offer a broad range of narrative data in this interdisciplinary case study.
Throughout the sense-giving behaviours, leaders can accelerate a strategic change because the change involves ‘the constituting of a new reality in the minds of organizational members’ (Dunford, 2000, p.1208). Indeed, ‘strategy’ is ‘a construction that serves to make sense of the world, and which is reproduced by a variety of texts and practices’ and it has become ‘a discourse so well ingrained in management language that it is commonly accepted as a determinant of success and failure’ (Clegg et al., 1996, p.7). In this context, strategic change can be referred to as ‘the breakdown of shared meanings around an organizational identity and the subsequent establishment of a new, different shared organizational identity’ (Maitlis & Sonenshein, 2010, p.506).

More specifically, like storytelling, organisational story-making functions as a symbolic communication (e.g. sense-making and sense-giving) tool to create an organisational culture and to encourage a tight bond between artists, leaders and other staff. For instance, storytellers interpret the reality and the world they experience to give sense to other organisational members while making stories. For this, they make and share stories for strategic purposes, and it is true because strategies are ‘one of the most prominent, influential, and costly stories told in organizations (Barry & Elmes, 1997, p.430). They introduce other realities/perspectives – and just as the leader makes sense of the organisation, so people in the organisation make sense of the leader.

While charismatic visions encourage followers to move in specific directions, visionary leaders persuade followers to move along a
particular path by leading the organisation from the middle or from behind. The notion of leading in or from the middle can be especially relevant for CCI as it emphasises the creative insights of the leader, which can encourage interactive communication between managers and subordinates (Bilton, 2006). This interactive communication is a two-way process. Therefore, storytelling is one of the best means that artist-leaders can choose for change management, and case analysis of this thesis has proven that artist-leaders actively utilise sense-making behaviours.

4.2 Dimensions of Analytic Phases

As discussed in the previous sub-chapters, the sense-making process can be examined by looking at narratives, in particular how stories are made and told. However, individual language use can be very confusing as it contains the paradoxes and dilemmas of reality and individual reflections on the truth. Therefore, the overarching patterns or changes from the narratives covering the lives of artist-leaders will be analysed. Some outlines or thematic boundaries are necessary for systematic narrative analysis (Stake, 1980). To do this, an analytical framework must be established for thematic categorisation while conducting data collection.
An initial stage is to clarify the various stories of and about artist-leaders because different sources of data have different aspects of meanings according to how and by whom the stories were told. Then, the next process, de(re)contextualising data into basic plots, will be followed to analyse patterns of plots and narratives for analysis. Stories are not only a narrative data source for thematic analysis but also a communication tool (both as a skill and strategy) for discourse and narrative analyses. The latter approach will have to consider the theoretical concepts of organisational storytelling for SOC management with sense-making and sense-giving process. Thus, I have developed an analytical framework for triangulation (see table two) from the narrative perspective, and this will be explained in the following paragraphs.

<table>
<thead>
<tr>
<th>Triangulative dimensions</th>
<th>Objectives</th>
<th>Main narrative data sources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Thematic analysis</strong></td>
<td>‘what’ are the themes and images being presented in the stories</td>
<td>Biographical data, interview data</td>
</tr>
<tr>
<td><strong>Discourse analysis</strong></td>
<td>‘how’ are these stories being presented (use of language, metaphors, etc.)</td>
<td>Audio-visual data (speech events)</td>
</tr>
<tr>
<td><strong>Narrative analysis</strong></td>
<td>‘why’ do these stories matter, what underlying ‘plots’ and values do they reveal</td>
<td>Narrative interviews, supporting data</td>
</tr>
</tbody>
</table>

Table 2 Analytical Framework (Source: Author)

4.2.1 Thematic Analysis

Thematic analysis of the collected data was employed to conceptualise the overall methodological structure of this thesis. The purpose of the thematic analysis phase is to provide paradigmatic typologies or
categories from the narrative data. Some qualitative researchers suggested the more precise definition of narrative as ‘a particular type of discourse, the story, not simply to any prosaic discourse’ and this refers to ‘narrative as a story’ (Connelly & Clandinin, 1990). This particular definition was introduced by Polkinghorne more precisely as he claimed ‘narrative as a story’ is ‘the type of discourse composition that draws together diverse events, happenings, and actions of human lives into thematically unified goal-directed processes’ (Polkinghorne, 1995, p.5).

Whether it is prosaic text or stories is not clear all the time. For example, small stories are not developed enough to be described as narrative. Even though small stories were included in the previous phases of thematic and discourse analysis, it is still a great supporting data for the whole narrative analysis in this thesis. The narrative perspective on empirical data in the thesis will be widely used regardless of the forms of narrative either as prosaic discourse or story narrative. This is especially beneficial during this phase of thematic analysis. Nevertheless, in the later stage of the analysis, small stories have been collectively chosen as the plots and patterns can show the common feature in different stages in SOC.

The thematic approach is useful when theorising for an inductive purpose across several cases, such as in this thesis, as this approach attempts to find ‘common thematic elements across research participants and the events they report’ as Riessman stated. Riessman added that ‘A typology can be constructed to elaborate a developing
theory’ (2005, p.3). This analytic phase will draw the conceptual understanding of the themes; therefore, I collected a high volume of narrative data examined from the literature review to empirical cases to illustrate the conceptual groupings (see Appendix D for detailed information). This analysis uses narrative data collected from the biographical text of artist-leaders for the main coding process (see sub-chapter 4.3 to learn about the biographies).

The thematic categorisation will enumerate the biographical text of the three artist-leaders’ life stories. Thematic analysis is conducted mainly to answer the research question: Can an artist make a good leader? The thematic analysis focuses on ‘a text, “what” is said more than “how” it is said, the “told” rather than the “telling” (See table two for the methodological structure of this thesis). Also, this analysis phase has proposed the relevant issues when developing questions for in-person interviews. Therefore, the findings of the thematic analysis will offer the typical types of life stories of the artist-leaders, and my role as an author was more about detailing the content of the stories the interviewees were told rather than the context.

4.2.2 Discourse Analysis

In this phase, the textual analysis of narrative data (both prosaic discourse and stories) of artist-leaders is focused on building discourse, especially the dominant discourse. According to Gabriel, the author of ‘Storytelling in Organizations’, ‘the distinction between story and discourse, [is] where the story is the whole of the narrated events and
discourse is the way in which the author has presented them to us’ (Gabriel, 2000, p.9). Discursive understanding of leadership will be beneficial when especially ‘organisations are looking to move beyond individualistic notions of leadership to more inclusive and collective forms’ (Bolden & Gosling, 2006, p.2). Discourses are the contextual idea which significantly considers the role of artist-leaders as a storyteller.

In this regard, during this phase, discourse analysis will be conducted before the narrative analysis, as not only is discourse itself worth investigating, it also provides contextual knowledge for the next analytic phase - narrative analysis. Furthermore, I assume that there would be different discursive patterns at different organisational stages and that the discourses will alter over time. Another intriguing storytelling behaviours for building the orders of discourse is the use of metaphor. Using metaphors and a metaphoric expression is a common tool of storytelling and effective communication skill. Even though metaphors convey the ambiguity of the phenomenon, it is critical to place an important mark on the fact that metaphors draw attention to ‘the partiality and uncertainty of all understandings’ (Alvesson & Spicer, 2011; 48).

Furthermore, metaphors provide valuable interpretation systems to help reduce misunderstandings. Besides, metaphors help deal with ambiguity and interpret large amounts of information (Hill & Levenhagen 1995, p.1058). For example, the expression ‘Video killed the radio star’ is a famous metaphoric sentence often used in popular
culture discourse, which references the critical technology change and its impact on pop culture. Metaphors used in the artist-leaders’ speeches can suggest the organisational visions effectively without the need for detailed explanation or evidence.

As stated by Jay A. Conger, metaphors are most potent ‘when they invoke meanings or symbols that have deep cultural roots, and as a result, elicit stronger emotions’, telling stories using metaphoric expressions has been one of the effective ways to create the symbolic impression of the artist-leaders (Conger, 1991, p.41). This may reinforce the artistic impression regarding their use of language as well as attract the audience by making the narrative more imaginative and interesting.

However, it is not just a linguistic skill; it is also an influential tool that affects ‘human thought and behaviour’. The presentation of thoughts is full of metaphor which penetrates speech and language. (Axley, 1984, p.428). In this regard, metaphors provide helpful interpretive schemes to assist in ‘the reduction of equivocality’ and to cope with ‘ambiguity and in interpreting large amounts of data’ (Hill & Levenhagen 1995, p.1058). Therefore, a holistic understanding of storytelling as a social practice has to be considered with the metaphors in the narrative.

For these reasons, understanding metaphors in different organisational contexts will be essential. For instance, the conceptual figure of discursive change from one (Discourse A) to another (Discourse B) looks like as shown below. Furthermore, ‘metaphors’ in storytelling can
be a useful discursive marker as the metaphors can ‘help to communicate ideas about leadership, bring to the surface our deeply held cognitive assumptions about leadership, give rise to creative insights, and subject leadership to critical scrutiny’ (Alvesson & Spicer, 2011, p.48). As described in the following figure, the transition of discourses consists of changes in (i) meanings, (ii) metaphors and (iii) stories. These are interweaving so changing one of the elements cannot fully change discourses.

![Figure 9 Conceptual Map of Discourse Change (Source: Author)](image)

The strategic approach regarding the way of organising the elements can be critical when discursive change is required. For instance, when specific metaphors are used in storytelling, specific meanings can be strategically shared with the audience. While this can operate in natural conversation, the strategic intention can be embedded in certain situation such as episodic speech events. Storytelling has become a strategic skill in branding as many marketing campaigns are focused on telling the story of the business (Gabriel, 2000, p.135). In an organisational setting, the business reality is created and then lived by
organisational members. The leader’s ability to change corporate meaning and values during this process can be witnessed in discursive practices of artist-leaders in empirical cases of the ‘Big Three’. Therefore, I will investigate the meaning-making behaviours of artist-leaders as they take part in discursive practice (see sub-chapter 6.1 for more discussion).

Studying discursive practices involves paying attention not only to the production of meanings by participants as they employ in local actions the verbal, nonverbal, and interactional resources that they command, but it also requires attention to how employment of such resources reflects and creates the processes and meanings of the community in which the local action occurs (Young, 2008, p.2).

Discourse moves from one condition to another, and the power also moves along with the discursive change in dominant discourse. The power shift allows the leaders as well as organisational members and audiences to accept the episodic change as essential, which then creates another dominant discourse. This will be discussed in chapter six. In this vein, the hegemony of the ‘Big Three’ has been effectively introduced through the dominant metaphorical discourses used to describe cultural production in the K-pop industry in different timeframes. This will be discussed more in chapter 7.3.

The important role of discourse has been emphasised with a change in organisational settings. In this process of change, the discursive practice for change is carefully organised as a result of negotiation between a storyteller and other stakeholders and gatekeepers involved in producing certain discourse. Barrett et al. (1995) have conducted a
study on large-scale change and the role of discourse from a social constructionist perspective:

We contend here that discourse is the core of the change process. For it is through patterns of discourse that we form relational bonds with one another; that we create, transform, and maintain structure; and that we reinforce or challenge our beliefs. The very act of communicating is the process through which we constitute experience. Habituating this meaning over time provides the background of common experience that gives organizational members a context for their organizing behaviour (Barrett et al., 1995, p.535).

In this regard, leaders can strategically employ different corporate systems with a new or changed cognitive frame. Thus, a symbolic approach regarding organisational change is required as a collective identity can be conceptualised as a discursive construct and collective identities are instituted in the organisational discourses (Brown, 2006). Indeed, discursive construction conceptualises strategy providing political implications, which can redefine the work of participants (Clegg et al., 1996, p.8).

To conclude, while narrative analysis, which I will discuss soon, is more of the process of constructing meanings, discourses are more about intention. This intention of a storyteller with the languages and metaphors they use can create the collective identities between the teller and the audience. The stories sometimes are told and made solely by the storyteller; however, on other occasions, the stories are strategically told or retold by the storyteller. Specifically, chapter six will introduce the discursive role of artist-leaders which provides organisational
members with new meaning to support their identity construction in the
time of crisis and organisational change.

4.2.3 Narrative Analysis

From the description presented by Bruner (2009), narrative analysis is
distinct from the analysis of narrative. Riessman (2015) referred to
narrative analysis as ‘a family of approaches to diverse kinds of texts,
which have in common a storied form’. The function of narrative
analysis is beneficial when answering questions about how and why a
particular outcome came to be (Polkinghorne, 1995). In this regard, this
study adopts the methodological skills and theories in the narrative
analysis literature to understand the storytelling and re-telling role of
the leader and how their skill as a storyteller shapes the organisation’s
identity, vision and brand.

From a narrative perspective, the successful strategic story may depend
less on such tools as comprehensive scanning, objective planning, or
meticulous control/feedback systems and more on whether it stands out
from other organizational stories, is persuasive, and invokes retelling.
What the story revolves around, how it is put together, and the way it is
told all determine whether it becomes one worth listening to,
remembering, and acting upon (Barry & Elmes, 1997, p.433).

With no context which refers to ‘the commonsense notion of audience
and circumstances’, the motives of speakers cannot be understood
(O’connor, 2000, p.175). Yet, the context has wider implications, for
instance, knowing how speech contributes to goals and effects requires
the ability to trace the speech back and forth in time. Following this
logic, a narrative analysis will help us to decode not only the content of the story but also the context – understanding why and to whom the stories were being told - and thereby to ‘recontextualise’ the narrative, suggesting how this version of reality is being manipulated for a strategic purpose in the context of the organisation.

Different events are contributors to the creation of a plot. In a story, ‘events and actions are drawn together into an organized whole by means of a plot’ and ‘a plot is a type of conceptual scheme by which a contextual meaning of individual events can be displayed’ (Polkinghorne, 1995, p.7). Narratives include organising plots, and the narrative approach turns personal and organisational experiences into diverse themes throughout the sense-making process. The act of organising plots attempts to show a chain of consequence to connect events/outcomes to intentions/inputs/characters. Organising plots to compose a story is the building of relational significance among the independent events (Polkinghorne, 1995). This comprises both sense-making and sense-giving behaviours which can make meanings (meaning-making) by making stories (story-making) (refer to figure eight for the conceptual understating of story-making and storytelling).

Moreover, a narrative analysis will attempt to examine the developmental process in individuals as they pertain to their unique experience throughout the SOC. Narrative analysis is also useful when making a historical review of a significant figure, including significant life events, and can be used regardless of the time of the examination. This is useful for organisational studies with multiple complex practices,
since implementing effective strategies is deeply related to ‘the operationalisation of new representations and imaginaries (new discourses and narratives) in new ways of acting and being and new material arrangements’ (Fairclough, 2013, p. 366). Therefore, the narrative analysis gives powerful insights into the study of SOC.

From this narrative analysis, individual sense-making and sense-giving processes can be examined because the stories are consistent with how artist-leaders interpret the leadership and organisational crises as crisis-reflected reality and the strategic use of stories as breakthroughs. The sense-making process of effective leadership transitions during organisational change would be emplotted in the narratives: and, according to O’connor (2000), delivered through sense-making ‘dialogues across large expanses of time (linking the past, present, and future) and space (linking the organization, its parent company, its workers, and its competitors)’ (p. 176). From a similar perspective, sense-giving behaviours of artist-leaders create the specific form of storytelling behaviours that carry different stories that share visions and inspire organisational members to move in certain directions.
Artist-leaders organise stories to tell under their sense-making system constructed by historical, interactional and institutional meanings learnt from personal experience. The systematic study of personal experience and meaning provide windows into lives confronting the constraints of circumstances (Kohler-Riessman, 2000). I will, therefore, decontextualise the typical stories the artist-leaders refer to in their speeches into basic plots (see figure ten). This can clarify the story-making process of artist-leaders for a generalisation opportunity, and this will also provide validity as conceptual grounds for the next analytic phase of recontextualising the narratives with different contexts.

The decontextualised plots will be revisited and recontextualised to analyse the strategic use of emplotted narratives, which I named as ‘strategic narratives’, in the cultural, political and economic contexts. To put this easily, strategic narratives are concerned with both story-retelling and story-remaking within the organisational context as it related to organisational goals and redefinition of the organisation (Cowley, 1928). Therefore, the strategic narratives will be introduced
and analysed from the storytelling behaviours of artist-leaders around organisational vision and brands (referred to as ‘vision narrative and brand narrative’) in chapter seven.

Recontextualising narratives (story-retelling and -remaking) include organising the plots and overlaying narratives with the author’s interpretation of events such as causes and results. This causal relationship is what differentiates plots from stories since stories attach great importance to the continuity of time and the place of events. This will allow finding the plots artist-leaders normally follow and employ to create their strategic narratives.

4.3 Narrative Data Collection

This section will enumerate the multiple sources of narrative data examined in this thesis, from the literature review to the empirical study of the real-life cases. In conducting narrative analysis, scholars have reviewed a wide range of sources, such as written documents (personal journals, autobiographies, and biographies), and oral statements (recordings and interviews) (Polkinghorne, 1995). Data collection and analysis comprise an organic process because research should contribute personal understanding to build a narrative. The previously introduced conceptual framework and research design for narrative logic will be considered during the process of data collection and analysis. The sources of stories vary and can be emplotted in various forms of media.
4.3.1 Biographical Data Collection

Biographies and autobiographical essays (Ligon et al., 2008) which contain personal history are one of the most commonly used narrative description formats. This approach can be helpful because it engages in understanding ‘the concrete person and his or her life history and particular patterns of behavior, including as reflexively applied, self-understanding...’, and it allows researchers to obtain special knowledge about implicated psychological structures and mechanism by analysing individual biographies (Manicas & Secord, 1983, p.407). Biographical data includes the personal experiences conserving the speaker’s quality and vision as a leader. As leaders themselves are good storytellers and their stories will make the main body of the narratives in this study, this stage of analysis is crucial to the big picture of the research design.

Leaders are individuals who lead a group of people, so-called followers, with visions and goals. Therefore, this will offer a prominent methodological advantage regarding the study of individuals, in particular, leaders. Nevertheless, there are some weaknesses of biographical text. Biographies can be untrustworthy as the books are normally written not for academic purposes but for general readers. It may contain some exaggerated stories and even unreliable facts to make the stories more interesting.

However, to avoid the unreliable stories from devaluing the trustworthiness of the analysis, I cross-checked the stories with other sources I collected from speeches and interviews. Also, considering that
the methodological purpose of the biographical text is to construct the themes and concepts of leaders’ life, the voice of the author can still be valuable for analysis. The biographical text is the result of socially constructed life events and it also reflects the mythmaking behaviours of the author.

By organising the events of the data, the temporal and unfolding dimension of human experience along a before-after continuum can be analysed. For example, the organisational events also range from rather individual-centred events, such as stories about how the leaders became involved in entrepreneurial activities, to organisation-centred events, such as idol training systems and strategic marketing events. Also, the multiple timelines of the leaders and organisational events (e.g. debut and success of particular artists) will be provided along with the development of the K-pop music industry.

Therefore, the narrative analysis of the three biographical books will form the outline of the narratives for this research. The biography of S-M Lee, written by An and Gong in 2012, ‘Lee Soo Man: Report on a pioneer of the cultural industry in Korea’, contains substantial biographical data from early life until recent stories as conducting a leading role in SM ENT (An & Gong, 2012). In the early life stage, artistic career stories were mostly about how he became popular and changed his career path to start an artist management agency. After establishing the firm, most subsequent chapters introduce entrepreneurial stories about how he became a popular celebrity leader.
These person-oriented stories (artists, producers and managers) have helped to define his leadership.

Another biography, ‘Yang Hyun Suk Leadership’, talks about the subject’s personal history and thoughts toward music and artists (Y. H. Lee, 2015). Just like the previous biography, this book is not written by the leader. Therefore, it is an indirect voice with observational opinions, which can assist the subjective understanding of the leader. As research material, these books can provide an opportunity to understand how a leader is perceived or narrated by others. Unlike the other biographies, the book, ‘I am sorry’, is an autobiography. This is a collection of short essays written by J-Y Park (J. Park, 2008). Also, biographical text such as press interviews can be found in newspapers (online and offline).

4.3.2 Audio-visual Data Collection

Speech events are also a good source for investigating the meaning of individual events and the storytelling behaviours of the speaker (attitude, voice and language/non-verbal gestures). The consequence of narrative analysis is a retrospective explanation, which links past events together to account for the ‘How’ and ‘Why’ questions regarding present outcomes and phenomena. In this regard, to understand the leaders, the narratives of the biographical events need to be examined along with the personal narratives because notable events (e.g. turning point experiences) occur in this setting (Ligon et al., 2008).
Storytelling is an intentional activity of delivering a message, and there is always particularity about ‘who’ listens to the stories. Narrative analysis of the cases follows the trajectory of the lives of the artist-leaders to understand their developmental patterns because individual development occurs alongside organisational development. The ‘narrative’ illustrates the ‘sequence and consequence: events are selected, organised, connected, and evaluated as meaningful for a particular audience’ (Riessman, 2005, p.1). The ‘narrative’ for analysis should always resonate with a particular audience. Therefore, it is important to determine the form of speech event and the type of audience, for example, whether they are businessmen, students or the general public.

The multidimensional analysis of the audio-visual data consists of three levels. Firstly, I looked at the formation of speeches and talks, where the events have been placed and who the potential audiences are. Secondly, I closely examined the voice and language the leaders use during the speech events. This is done because the choice of language and tone of voice are deeply related to the intentions and emphasis of the stories shared in the speeches. Finally, and most significantly, I analysed the content of the speeches. This step includes the analysis of the structure of the speeches and the stories that the leaders have shared. This analysis of the speeches examines the competences of artist-leaders, such as critical knowledge, skills, and behaviours, that lead to effective management practices.
Since the leaders used to be popular artists, there are plenty of audio-visual forms of narrative data. TV shows and audition programs are also a source for direct voice and narrative data placed in a more natural setting that provides a better environment to listen to thoughts, personal experiences and life stories. However, since the producers edit the programs for their audience, it is necessary to interpret the actual intentions and meaning of the interviews. Official lectures and speeches under the formal setting are places where the organisational dimension of narrative data can be collected since these speeches generally cover strategies and managerial experience, including the vision of the organisation. They also contain personal thoughts about what makes an artist and organisation successful. They are a direct voice but less casual or less natural.

While a good source for narrative analysis, the lack of personal emotion and possible exaggeration should be considered. The major events for audio-visual analysis are official speeches. I chose the listed events for my main analysis because they have a specific audience with clear titles. Official speeches contain a structurally organised narrative setting. However, other short interviews and media speeches not listed below have also been included for analysis. Even though there are other events that may be included, I left them for partial citation, and I chose the listed speeches as main narrative data source. It was because other speeches are not long enough for analysis. Also, other speeches are repeating a similar topic and there is no big gap in between speeches which makes it difficult to analyse the differences.
The aim of audio-visual data collection is to investigate the different use of metaphors and stories at different time. Appendix A. shows the major speech events used for analysis in this thesis. Notably, there are many video clips I found from the YouTube and media archive webpages of broadcasting stations like SBS featuring speeches told by S-M Lee (five video clips) and J-Y Park (five video clips). Only one video clip of H-S Yang was available. It was because his personality is a bit shy, and he did not enjoy talking in front of the audience. Therefore, I had to attempt to fill in the gap by adding more extended data from other sources like news articles.

Furthermore, the previous interview data will be historically and comparatively organised, so the indirect voice of the leaders can be carefully revisited and categorised. Media interviews (newspapers, magazines and TV programmes) provide the secondary sources for this study because they contain the leaders’ various opinions and reactions, which are productive resources to assist in understanding different discourses. This data was mainly collected from the media archive in the congress library and the first field trip to Korea (September 2016).

4.3.3 Interview data collection

The complexity of understanding leadership in the K-pop context has made it impossible to determine the appropriate methodological choices without initial fieldwork to collect empirical data. Interviews with stakeholders and gatekeepers will enhance the rich content of stories. Stories of artist-leaders told by other characters such as artists compose
the missing pieces of narratives. During the first fieldwork, I realised the difficulty of finding appropriate interviewees and conducting fruitful interviews. Even though I went through the official channels in order to call and visit the three companies, they refused the interview or never responded. As I am told, the entertainment companies are hesitant to reveal about the company as other researchers have written negative comments about their companies. Therefore, most of the staff in large entertainment companies were not allowed to participate in any form of interviews except for the media interview. Also, they were very worried to talk about artist-leaders. Not only the employees but also other professionals admitted the difficulty of forthright opinions on the leaders. It was understandable considering the influence of the large entertainment companies over the market.

Thus, I had to make the names of interview participants anonymous not only to persuade the participant to join but also to elicit a responsive reaction and truthful interviews. For this reason, I have changed my contact strategy to be indirect and tried to make the best use of my network to find people who can refer to valuable potential interviewees. Most of the interviews conducted are with participants who were personally introduced to me. To find the appropriate interviewees, I met previous researchers who conducted similar studies. They gave me a handful of advice on designing the interview questions with the contact numbers of potential interviewees.

I decided to contact stakeholders or gatekeepers who have a casual or professional relationship with the leaders. Fourteen interviews with
artists and staff, former managers, industry experts, producers and journalists were conducted during the second field trip (September, 2017) and third field trip (January, 2018). Experts were selected from outside the organisations to eliminate the possibility of biased opinions. Appendix C. includes a full list of interviewees and their information. Also, the detailed categories and objectives for each interviewee are explained in Appendix B. The purpose of in-person interviews was to collect not only the stories about the leaders and artist-led organisations but also the mechanism of the idol system and the value creation system in the K-pop industry. On this basis, I have divided the interviewees into two main categories and three sub-categories of interviewees. Thus, I prepared main interview questions about their perceptions on artist-leaders and personal work experience with them in and outside the company according to different stakeholders.

In-depth face to face interviews with semi-structured questions were conducted. Before conducting interviews, five main questions were specifically prepared according to the profiles of interviewees, and another five sub-theme questions were set. In doing this, the primary analysis of the biography text was used (see Appendix D. for further details). The table in Appendix B shows the duration and date of the interviews. The total of ten questions has been expanded as interviews proceeded to build on promising responses emerging from the conversation. All the interviews were initiated with a ten to fifteen-minute introduction detailing the research and the purpose of the interview. This time was also spent to build rapport with interviewees.
The length of the interviews, excluding the time of introduction, ranged from thirty minutes to one hour and thirty minutes.

For ethical consideration, interviewee names and personal information have been deleted from the table. The list of interviewees was named in alphabetical order for anonymity. When the interview appointment was agreed, I provided an interview guide via email for a preview of the interview. It included a list of questions for interviewee to explain the specific intention of this study. During actual interview, I have asked more detailed questions. I started by asking questions such as a brief introduction about the participant and main experience related to entertainment production. Then, the main questions were about the characteristics and key issues in music production and artist management. Additionally, I asked their opinion on the nature of the artist and K-pop idols. Another topic was about working relationships and communication with creative and management teams. The last category of the questionnaire was about the artist-leaders and the positive and negative aspects of artist-leadership and the ‘Big Three’ hegemony. For gatekeepers, I designed the questions more focused on their observation on the idol production and artists management business.

4.4 Conducting Analysis

The focus is the life narrative of the three leaders as protagonists. The protagonist aspect of the analysis focusses on the heroic adventure of artist-leaders in narratives. The main sources for this are a direct voice
(autobiographical statements) and an indirect voice (biographical statements). Artists are cultural products, partners and employees, and artists or even stakeholders become protagonists while the leaders appear as one of the main characters (e.g. as a teacher, mentor, or even villain). Therefore, this needs to be a part of the analysis because it can explain certain characteristics and behaviours of leaders. For these reasons, this analysis will show not only the life narrative of the leader but how this is shaped by (and shaping of) the life narratives of others in the organisation. I will also revisit the literature and secondary data to categorise happenings and events to link with the research questions of this study.

4.4.1 Analysing Biographical Data

Some outlines or thematic boundaries are necessary for systematic narrative analysis (Stake, 1980). The developmental analysis of a narrative can be restructured by placing historical events in chronological order. Brockmeier (2017) considered life as events evolving over time. The idea of time-evolving development assumes that life moves from one step to another step. Indeed, most people will change over time as they encounter new experiences and gradually redefine their identity in the course of a career trajectory that is manifested in a narrative (J. B. Thompson, 1995). The biographical text includes personal experiences conserving the quality and vision as a leader. Therefore, the narrative analysis of the three biographical books will form the outlines of the thematic categorisation for this research.
This can help the readers to understand the context of the events and situations from the academic aspect.

Biographical data was coded (open coding) and analysed with a selective investigation of the coded words and sentences to construct the thematic analysis. For this purpose, the biographical text was repeatedly revisited in order to select relevant issues and topics most frequently mentioned as important. The small stories and events were categorised into thematic groups to reveal the perceptions of the appropriate image of leaders by focusing on narratives. Collected biographical data was transcribed and imported to NVivo11, and then coded under the nodes of the conceptual themes for thematic analysis. Different nodes were first created under the title of stories as they became the starting point of thematic categorisation.

To discover underlying meaning, I conducted initial coding and several selective coding processes of the interview data using NVivo 11. Throughout the node analysis, the biographical text was categorised into sub-themes, and the events under each theme were examined to identify relevant ideas. This analysis generated the essential topics and main issues presented in chapter five. For instance, in the chapter, themes in different organisational change stages categorise managerial and leadership crisis.

Appendix D, ‘Primary Thematic Analysis of Biographical Text’, shows the thematic coding map of the initial analysis of the biographical text. This, of course, changed as the research became more in-depth;
however, the initial themes have inspired the inductive development of further analytic ideas. It shows the initial themes and sub-themes which were analysed during the early stage of thematic analysis. I have extracted frequently recurring conceptual ideas. However, the framework only provides the grounds for the early stage of data analysis, as data-driven coding will be used for further analysis.

4.4.2 Analysing Audio-visual Data

By adopting the conceptual stages of organisational growth from chapter two, the collected biographical data from written and spoken narratives will be reorganised to understand the changes in the narrative of individual leaders and their stories. There are 11 speeches of the three artist-leaders (from the earliest speech in 2007 to the latest speech in 2020) in the list and most of them are public speeches. For the data analysis, the audio-visual data was collected and transcribed using the google voice typing programme. The programme can capture the sound of the videos and type in google docs automatically. Also, some videos are already equipped with an English transcript in the video. In this case, I used online software to download the text file of the script. Then, the transcription was moved to Microsoft word and stored for analysis. For some of the speeches in which the programmes did not work, I listened to the speech and transcribed myself providing English translation.

Even though I have revisited the transcripts of audio-visual data over and over to compare with the findings of the interview analysis, I finished the initial analysis before conducting the interviews. It helped
me build the conceptual idea of my research questions and important topics that I needed to crosscheck with the participants. For instance, I brought up the artist-leaders’ speeches during the interview to ask if the content of the speeches was shared with employees. The speeches are not only for the external audience but also for the internal audience. For instance, the purpose of choosing the academic conferences as the discursive place for speech events is not only to celebrate K-pop’s success in targeting global audience but also to interpret the success in the academic and managerial context.

At the same time, these speech events are also fascinating success stories which impress the domestic audience as the stories can stimulate the patriotism of the local audience. The visions shared in the speeches are shared in the firm and turned into some guidelines for internal circulation. The speech events were important organisational events, and the content of speeches were well acknowledged by organisational staff. Moreover, similar speeches were delivered by S-M Lee for the internal audience and J-Y Park often shared his visions in daily conversation. The public announcements repeated the same visionary projects and internal statements in order to make the abstract visions of artist-leaders clearer.

Coming back to the analysis, I translated all transcripts into English first. Then, I carefully read and annotated the transcripts by labelling and highlighting important topics, words, paragraphs, and stories. I labelled the paragraphs with my own keywords which I processed from my analysis of the biographies. Many of the topics were matched with the
conceptualised theme from the initial analysis. Finally, I recategorised the topics in chronological order to identify changes and patterns in the statement at different stages in the organisation’s development.

4.4.3 Analysing Interview Data

During the second field trip in Korea (10th ~ 29th September. 2017), I contacted more than 10 potential participants and through this was able to actually meet six of the fourteen participants. Participant A was a former music producer who used to work for another artist-leader who was once more successful than YG and JYP ENT. The interview was more about the K-pop music production and artist management business in the 1990s. Participant B was a former concert director who worked with J-Y Park. The interview was fruitful to learn about J-Y Park’s personality and decision-making style. Participant C was a Television producer/investor in SBS, who produced an audition program with JYP ENT. JYP and YG ENT often produced audition programme to recruit their idol trainees. It can help their idol trainees get exposed to media and created fandom even before debut. Participant D was an in-house brand designer of YG ENT. This interview gave me great insight into how H-S Yang works with the creative staff. Participant E was an administrative employee, the interview was one of the most critical interviews as it included the negative aspect of charismatic leadership and the unstructured decision-making system of artist-led organisations. The interview with participant F was about the observation of the comparison between the three companies. In this last interview with a researcher, I had the general view of an academic
expert on the K-pop industry. To conclude, the second field trip was very helpful for the thesis not only to shape the main research topics and interpretations but also to prepare the third research trip elaborating more in-depth interview questions.

The third field trip (3rd Jan 2018 ~ 27th Jan 2018) was conducted about four months later. I visited Korea after the initial analysis of the second interview data. Also, the interviewees from the second field trip handed me some contact numbers. I was able to make appointments with eight more participants this time, bringing the total to fourteen. Participant G was one of the significant participants. He was a former K-pop idol who is now a founder of the entertainment company. He also worked closely with S-M Lee in the 1990s. Participant H is a branding and marketing manager. I was able to make sense of today’s idol production and marketing. Participant I was a former music producer who runs a small entertainment company. He shared the knowledge about the organisational politics and strategic management of large companies compared to the management of a small company. Participant J was an artist managing team leader from one of the ‘Big Three’. The participant was a great example of the inner circle and creative staff. Throughout the interview, he showed his high loyalty to his artist-leader. Participant K was a former marketing staff. She also worked for one of the artist-leaders. Participant L was a team leader of a music streaming company that has an artist management division as well. This was not the typical management system in the artist management business, so it provided me with the chance to look at idol production from a different view. Participant M was a former marketing employee at one of the biggest
manager-led entertainment companies. Finally, participant N was a music business team leader of YG ENT. He gave me knowledge about the diversification and globalisation strategies of entertainment companies.

For the interview analysis, I listened to recordings carefully and transcribed them in Korean first. The interview data was recorded using two devices and then transcribed into Korean. The Korean transcripts were then translated into English for the coding process. This time, the interview data was not uploaded to NVivo 11, but instead printed out and analysed. It was because the transcripts were not suitable for mass analysis with a computer programme, and I had to read carefully to see the meanings between the lines. For this kind of close look, traditional notetaking and highlighting the noticeable lines and words can still be useful.

However, it should also be noted that the data will be in a state of flux since stakeholders have different interpretations of events. Therefore, the levels of narrative analysis from the perspective of stakeholders (e.g. interviewees in this thesis) will help drawing the basic plots from a variety of narrative sources. Existing biographical stories embedded in diverse data sources are written and spoken from the perspectives of a storyteller. More importantly, the leaders are themselves the authors of their own stories, and I go on to challenge and examine this version of themselves by comparing it with other stories told by colleagues and observers. Therefore, the stories are often edited and emphasise the intention, insights, and imagination of the storyteller. In this regard, the
interview transcripts, and the script of narrative data of speech events were analysed as I re-examine them back and forth.

4.5 Limitation of Method

The significance of stories as a data source and an interdisciplinary analytic basis has been noted. The strategic intention is not always obvious as it is implicit much of the time. Therefore, the social, cultural context of the leaders’ life and decision-making styles will be necessary for widespread applications of biographical data. Therefore, the analysis of biographical data should not make the concluding findings without reflecting also on the contextual evidence.

Another limitation of this study is that the case analysis of the three artist-leaders from the ‘Big Three’ has not been well-balanced. Even though other artist-leaders such as H-S Yang and J-Y Park have been investigated with all necessary means to collect sufficient narrative data for this study, the main framework was based on the narrative data of S-M Lee. The rather unbalanced narrative data set collected to analyse the stories can be further improved with other quantitative data sets. Therefore, the different behaviours of the individual artist-leaders will need to be revisited in future studies. Thus, the main discussion and the interpretation were collected from the stories of S-M Lee and SM ENT. This was not only necessary but also more convenient as his stories have clearly shown the distinctive path of narrative under the SOC framework. Moreover, his narrative data was more accessible as the speech events were officially published.
Moreover, the difficulty of the star interview has been one of the potential weaknesses of this thesis. As mentioned, actual interviews with the artist-leaders may not have been very useful since this thesis has attempted to draw upon a socially constructed perception of the leaders according to various stakeholders. Nevertheless, it is still noted that direct interviews with the artist-leaders may have contributed to a psychological understanding of their leadership. This could be addressed in future research either by direct interview or by developing a more comprehensive analytic form to examine the psychological dimension of the leaders. However, this study has instead focused on the individual and organisational understanding of artist-leaders in the Korean music industry.

Therefore, this study does not intend to extract general observations on artist-leadership in CCI, despite its potential as a future research topic. The significance of stories as a data source and an interdisciplinary analytic basis has been noted. The strategic intention is not always obvious as it is implicit much of the time. Narratives need to be interpreted in relation to other external and internal factors in order to reflect the cultural background of the stories. For future research, it would also be necessary to connect these narratives to other untold or omitted stories to verify the strategic purpose. Furthermore, the methodological framework that I have developed shows that there is a possibility of generalisation of the new qualitative paradigm of interdisciplinary leadership and organisational change studies in CCI under the terminology I came up with, SOC.
It is hoped that the findings may offer theoretical grounds for understanding artist-leadership in CCI. Still, the notion of leadership competence and the discussion around charismatic leadership can offer the theoretical groundings to analyse the role of leaders from artistic backgrounds in CCI. The growing importance of storytelling as an aspect of leadership seems a promising direction, as storytelling is a powerful motivator for behaviour change. The narrative approach employed as a methodological paradigm for this study conceptualises and contextualises the storied nature of human development and interprets oral and written narrative discourse. Nevertheless, this narrative approach is lacking the methodological evidence to measure or test its effectiveness.

4.6 Credibility and Validity

To increase its credibility, I combined the research methods, building on the multi-perspectives of the systemic narrative approach. The credibility of narrative data can be verified during the data collection. Furthermore, the diversity of narrative data collected has been analysed using multiple methodological tools. A variety of data forms including biographical text, audio-visual data such as speech events, and interview data have been collected from real-life cases and will enhance the validity of this study. For these reasons, as the author of this study, I interpreted the factual data by cross-checking the facts and the symbolic meaning to draw out the implications of storytelling for this research.
As well as triangulating the data types, triangulating multiple sources from different media platforms enhances the credibility and validity of the stories. During data collection, the intention of the editor or the author needs to be considered. The analytic dimensions of the narrative approach will enhance the credibility and validity of this study as the analysis progresses. This triangulation via multiple methods of data collection and analysis will compensate for the weaknesses of single narrative analysis and strengthen the internal validity of my findings.

4.7 Conclusion

The narrative approach will offer a prominent methodological approach regarding the study of individuals such as artist-leaders. This approach is useful for complex cases which are closely linked with real-life experiences. Given the fact that financial crises and business downfalls are challenging events for leaders, the stories of confronting and overcoming crisis help create the narrative logic. However, irrelevant happenings and events determined by the author will not be highlighted because they are not central to the plots to be included as backgrounds (Polkinghorne, 1995). Therefore, in this study, I attempt to look at the stories and the role of artist-leaders as a storyteller as it is influential in organisational politics from both explicit and implicit perspectives.

As I argued in the previous sub-chapter, certain discourses rise and fall in different times and places; therefore, the different discourses need to be strategically situated or located not only to create but also to effectively deliver the discourses. The overall results of the analytic
phases of the thematic, discourse and narrative approaches reflected within the sectors are roughly paralleled in the following chapters. Thematic analysis of narrative data such as in-depth-interview data will contribute to the contextual understanding of charismatic leadership of artist-leaders (Chapter five). Then, I will examine how discourse and narrative analysis contextualise different discourses (Chapter Six), and de(re)contextualise the storytelling and sense-making and sense-giving behaviours for organising SOC into strategic narratives (Chapter Seven).
CHAPTER FIVE. ARTIST-LEADERS DURING ENTREPRENEURIAL STAGE: GROWTH OF K-POP SMES

As chapter two has revealed, the characteristic aspects of charismatic leadership can be effective in leading the organisation in CCI, including both artists and management teams. Effective leadership in CCI requires technical expertise and creativity to manage creative people and projects (Cogliser & Brigham, 2004). However, it is not clear what the technical expertise and creativity are. In this sense, charismatic power can be referred to as the competence which controls artists as cultural products. Nevertheless, it is unclear what charisma is and how it works as leadership power. For this purpose, this chapter will explore the different styles of artist-leadership based on face-to-face interviews with stakeholders and gatekeepers.

Therefore, I will first focus on the early growth of charismatic power of the three artist-leaders (S-M Lee, H-S Yang and J-Y Park) as they describe the artist-leaders’ archetypes (sub-chapter 5.1.). In sub-chapter 5.2, I will examine how the artist-founders or entrepreneurs of the artist-led SMEs were able to show their leadership competence during the entrepreneurial stage by scrutinising the origin and impact of charismatic power in K-pop SMEs. Finally, the charismatic power of the artist-leader as a former celebrity-star and, in sub-chapter 5.3, the unique circumstances of entrepreneurial business in the K-pop industry will need to be investigated in terms of leadership structure and decision-making. Thus, the decision-making styles and the leader-
follower relationship will be examined from the perspective of dual leadership. This will explain how artist-leaders of artist management business in Korea emerged and grew rapidly in the Korean music industry.

5.1 Archetypes of Artist-Leaders and Leadership Competences

Leadership archetypes are personifications of conceptual leadership competences ‘summing up leaders’ traits and behaviours in situational contexts’ (Shaari et al., 2014, p.26). The archetypes reflect recurring patterns of behaviour and provide ‘bases for image generators to plan how CEOs can be capitalised beyond brand endorsers or spokespersons for a product or corporate marketing’ (2014, p.27). Moreover, the archetypes can be a signposting signature as well as a symbolic description of charismatic leaders as the definitions of perceived leadership competence (traits and behaviours) are complex and multi-layered.

Thus, the theoretical understanding of charisma and charismatic leadership from chapter two can link with the examination of leadership archetypes in this chapter. The following archetypes which have been combined mainly from the in-depth, semi-structured interview will suggest the metaphoric understanding of leadership competences respectively as artistic, creative, intuitive, and entrepreneurial competences. The use of specific text as metaphors plays a constitutive role in composing a leader’s perceptions of organisational reality and
this perception changes as the leader gets involved in organisational communication (see sub-chapter 4.1.3 for more).

5.1.1 Artist Archetype

The archetype of an ‘artist’ demonstrates that artist-leaders understand the cultural production and creative labour in the K-pop industry. In particular, organisational members see the artist-leaders as mentors who can give directions for their music production. Participant J and N claimed that artist-management business is to deal with people. In other words, artist-leaders know the difficulty of creative work and the way of creative people work. To specify, the interviewee said that ‘manager-leaders who have been working supporting role for artist management do not understand the artistic part of music producing even though they are expert in music marketing’ (Participant N, Jan. 2018).

*Artist-leaders focus more on the cultural aspects rather than the economic. They try to shape the culture of the business with the musical part as an essential factor. If a product does not sell well in other businesses, it can be dumped or sold at a discount, but people cannot* (Participant J, Jan. 2018).

Furthermore, the commonly stated, the artist archetype is related to artist-leaders’ artistic ability. For instance, a team manager from one of the ‘Big Three’ companies (Participant J, Jan. 2018) admitted that the role of an artist-leader is significant not only due to their artistic ability to produce the musical work of artists but also because the artist-leaders can identify and employ good producers. An investor working in one of
Korea’s leading TV channels, SBS, also added that J-Y Park was very experienced and well-known for his knowledge and practical skill, and these skills make J-Y Park unique (Participant C, Sep. 2017). As the music business team leader (participant N) pointed out, artist-leaders’ artistic skill learnt from the previous career is what makes them different from other leaders with no previous artistic professions. Their ability to create music makes them distinct and this makes an artist popular not always having access to several financial resources (Participant N, Jan. 2018).

Artist leaders are frequently challenged by top management executives and board members who prioritise stable revenue above artistic or innovative output. Cultural output in CCI, however, always has to confront the risky situation of uncertain revenue to deliver the artwork and artistic outcome. Therefore, it needs full support from the organisational members. Nevertheless, a music business team leader (Participant N, Jan. 2018) has pointed out that it is extremely hard to control the idol; in this respect, the followership of idol stars and artists makes the role of artist-leaders significant. According to Participant N, idol singers once trainees have faith in artist-leaders as a role-model.

*When idols grow up, there are some parts difficult to control. For example, when an artist got involved in an accident, only the leaders can take care of it. When you have been involved in music production from the start of artists’ career, you can build a close emotional connection with artists which can extend the exclusive contract deal with artists when an artist’s contract expires. If you do not have such a role, there are many cases...*
where the artist leaves the company and establishes their company or moves to another company (Participant N, Jan. 2018).

The strength of artist-leaders comes from their artistic experience, and this competence of sharing the same experience as an artist creates the emotional bond and trust. A leader who used to be a singer understands the artists, which provides an environment in which an artist can develop his or her creative ability (Participant J, Jan. 2018). This maybe is the reason why J-Y Park is still referred to as ‘producer’ by artists in JYP Ent. The close and tight emotional connection is established while working together. Artist-leaders do hold similar life experience and respect this creative working style. Therefore, artists like to work with artist-leaders. Thus, the emotional connection between artist-leaders and artists is also encouraged by the artistic competence of the leader. For this reason, the music business staff of YG Ent, participant N, emphasised, the company tries to provide an artist-friendly production environment to support music creation which is a part that can be treated as an unnecessary expense from a managerial or corporate capital management perspective.

\[ S-M \text{ Lee is leading the trend and producing a brand image while } \]
\[ H-S \text{ Yang believes that the creativity part of the artist is more important than the industrial section. What they have in common is that they understand how to read patterns and can retain an open mind. (Participant H, Jan. 2018). } \]
Therefore, the creative staff respect the production skills of the artist-leaders, and it makes the leaders powerful. Their ability to spot real talent, for example, is often stated with relation to the unique quality of artist-leaders. This thesis suggests that the artistic competence of artist-leaders which they obtained from an actual career can be the source of the expertise and creativity. Thus, the artist archetype shows that artists have a relatively low barrier to entering the artist management business because they hold the creative ability to produce music. This artistic competence can, therefore, contribute to enhancing the quality side of cultural production and the emotional bond with artists.

5.1.2 Creative person Archetype

In CCI, leaders tend to be considered as creative persons due to their past artistic careers. In the K-pop industry, artist-founders are often deeply involved with cultural production and even play a key role as a creative project member. The artist-leaders saw themselves as executive producers and played their role as artistic producers. Entrepreneurial behaviour such as establishing an enterprise is led by an artist-founder who is a successful and famous artist. The artistic entrepreneurs embrace creativity, which is a critical skill for effective leaders while dealing with the new and challenging business environment (Judge et al., 2002). Individuals who have undergone artistic experiences have demonstrated their creative abilities (Participant B, Sep. 2017).

*It takes skill and a certain period of training to practice the idea or to create something. The person who has been through the*
process seems to have competency. Artist-leaders are good at dealing with uncertainty because they got used to coping with the uncertain circumstances. I can consider this competence as an artistic nature. For example, the previous experience of success in the music industry can bring the trust of the public and its singers. This is strengths of artist-leaders in situations where artists must endure the nature of uncertainty, the uncertain scenarios of cultural products and risks in CCI (Participant B, Sep. 2017).

As participant B claimed, the music industry and artist management confront the challenge of uncertainty. The environmental settings of the creative sectors require the leaders to be adept at dealing with unpredictability. This ability to overcome unpredictability when recognising and developing talent is important in the organisational role as well. The artist-leaders’ affinity for uncertainty is stronger as they have got used to dealing with uncertain circumstances, and a person who has been through the process seems to possess greater artistic competence. As ‘trendsetters’, artist-leaders introduced the concept of idol groups and a new style of music. One founding member of a small and medium-sized artist managing company who oversees public relations and consumer marketing for idol groups said that creativity is seen as the ability to read trends. (Participant K, Jan. 2018).

When uncertainty is characteristic of the cultural market because it is a complex market, it is important to be sensitive to the flow of the market. I think it is not possible to analyse the trends of the music industry from a conventional business approach (Participant B, Sep. 2017).
The typical entrepreneurial activities of the artist emerge from the motivation of producing his or her album by working independently. Artists tend to be independent workers, and creativity also comes from the autonomy of creative work (Schlesinger, 2010). Therefore, they often remain isolated during their fully focussed moment of cultural production. Roy (1996) examined the personality factors which can distinguish artists from non-artists. He concurred that artists are more ‘independent’, reflected in the working style of artists. A former idol member, who founded his own artist management firm, stated that artists seem to work independently (Participant G, Jan. 2018). Therefore, it is important to respect and understand the independent working style to encourage the creative production of artists.

A former designer, Participant D, said H-S Yang was ‘a skilled and insightful leader’ because he was able to replicate the success (Participant D, Sep. 2017). It seems that the independent personality of the artists not only encourages the artists to be entrepreneurial but also works as an accelerating tool for the success of the entrepreneurial business. Independence is a fundamental entrepreneurial behaviour that plays an important part in fostering innovation (Wilson & Stokes, 2005). Moreover, the creative competence of artist-leaders which seek new opportunities is often applied to entrepreneurial behaviour.

*H-S Yang was responsible for almost all aspects of artist management related to the song, music video and album design.*

*I was shocked that H-S Yang was actively managing a lot of jobs, and he chose the design work among many design proposals. I thought he is a skilled and insightful leader because the artists*
he chose became successful, and he was able to repeat this success multiple times (Participant D, Sep. 2017).

The interviewee testified that S-M Lee always kept his word by saying: ‘When he declared a project, which seemed there was no possibility of realisation, such as business in China and Japan, it turned out to be highly successful in the end’ (Participant J. Jan. 2018). The long-term and repeated success of artist-led organisations have created a certain belief that the artists from the organisations are talented and worthy of their popularity.

To conclude, the innovativeness and creativity in cultural production can create a mysterious and exceptional image of the artist-leaders. Notably, artist-leaders are good at introducing new ideas and products to the market. In CCI, it is not difficult to see creative artists commence their businesses by turning their creative ideas into goods and services. The experience of an artistic career and entrepreneurial activities, such as opening a self-employed business and starting a new venture company, may contribute to the emergence and effectiveness of artist-leaders. Even the most innovative idea cannot come into the real world without the assistance of many people.

5.1.3 Pioneer Archetype

Artist-leaders do not afraid of new stuff and sometimes this can even be treated as creative or artistic. A former concert director who used to work closely with artist-leaders has asserted that the uncertain rules of
the music market increase the unpredictability of success; however, artist-leaders, who are creative and artistic, keep presenting new and unique ideas (Participant B, Sep. 2017).

*For creative and artistic people, there is a higher chance of presenting something special. However, it is impossible to foresee the consumers’ response anyway, no matter how much imagination or creative sense they have. Nevertheless, artist leaders who can promote their brands are more likely to have practical prospects in an unpredictable market* (Participant B, Sep. 2017).

Even though artist-leaders can come up with new concepts and brands of artists and sometimes the new ideas can be unacceptable in the market. It requires them to be persuasive as new things are not always welcomed by the audience. As can be found from the interview with participant G, being a pioneer can be difficult without believers and followers. Thus, artist-leaders’ persuasive skills will act here. For example, S-M Lee was characterised as a very persuasive person (Participant G, Sep. 2018). Also, one management staff member (Participant J) said that there was considerable loyalty to S-M Lee, the artist-leader of SM ENT, because of his persuasive words.

*As a business person, he or she will find it difficult to understand foreign music and the recent trend. I think this makes artist-leaders different from the general business managers. Also, they have a strength in persuasiveness. When we introduce new things, they are good at persuading staffs to act and follow the new ideas* (Participant G, Jan. 2018).
As the artists have experience in the cultural market, they tend to notice the point where artistic value meets customer desire. The act of a pioneering image has been pointed out by interviewees with relation to music production and artist management. A former idol member said that, unlike business managers, S-M Lee has a deep understanding of pop music, so SM ENT was able to introduce a new genre of music and concepts (Participant G, Sep. 2018).

*S-M Lee first introduced the black music and R&B genre with strong hip-hop elements to Korea. H-S Yang and J-Y Park also brought new genres of music such as disco. They pioneered change in the music industry by introducing American pop music that was new to the country (Participant G, Jan. 2018).*

Leader’s artistic competence has strengths in situations where artists must endure the uncertain nature of artistic work, the uncertain scenarios of cultural products and risks in CCI. For example, the accumulated effect of previous experiences of idol production and the successful cases in the music industry can win the trust of the public and of the singers (Participant B, Sep. 2017). This common sense of trust and belief shared by audience encourage the smooth debut and can be a great advantage for the organisations to produce and manage artists and albums.

*Whenever J-Y Park attended at the working group meeting, the program planning and composition proceeded mainly by J-Y Park’ opinion. I could see the charisma of persuasive logic from his talk. For example, even though the purpose of the TV show was for adult contestants, he claimed that it should be an*
audition for teenagers and students, so they agreed to change the massive part of the show. It could be very costly and a lot of work. But he successfully persuaded us. In a typical enterprise, there are not many leaders has excellent practical knowledge like J-Y Park (Participant C, Sep. 2017).

While this trust can be the foundation of the emotional bond between leaders and artists as discussed in sub-chapter 5.1.1 Artist Archetype, Pioneer Archetype is more related to the trust between leaders and audience. To conclude, it is necessary to remember that the pioneering image of artist-leaders attract the audience so they can trust and follow. In other words, the pioneering quality of the artist-leaders can give reasons to follow and endure the fear of failure.

To be effective in terms of the leader-follower relationship, organisations need to be small to allow the followers to directly observe and mimic the behaviours of their leaders. This belief, if shared by the audience, can be a great advantage for the organisations in producing and managing artists and albums. In this regard, especially during the entrepreneurial stage, the leaders show the pioneer archetype, and this help persuades the audience and organisational members that newly introduced ideas of music or performance are not strange but intriguing.

5.1.4 Prophet Archetype

Charismatic leaders offer a prophetic picture or vision of the future (Conger et al., 1997). Also, the theory of charismatic leadership can also
be useful, as leaders ‘perform miracles or predict future events’ (Yukl, 1993, p.367). In this respect, archetypes can be ‘a starting point in developing brands for organisational leaders that match the vision and missions of organisations’ (Shaari et al., 2014, p.27). In this respect, the prophet archetype can create an intuitive image of artist-leaders which can be effective to the followers with intrinsic motivation (especially creative staff).

In the case of SM ENT, because S-M Lee was a singer himself, he seems profoundly proficient and has a foresight that the public will like some music in the future. And because he studied a lot, he has a lot of knowledge other than the general experience, so I think that he can take care of other management parts as well (Participant J, Jan. 2018).

Artist-leaders can see market trends through industrial knowledge or other pragmatic knowledge. As participant B (a former concert director) pointed out, the prophet-like ability to see or read the trend has made artist-leaders, not like other non-artistic leaders. Styhre and Sundgren (2005) argued knowledge is a mixture of know-how and technology. An artist managing team leader (Participant J) has pointed out that the S-M Lee was a successful leader not only because of his artistic career but also his experienced knowledge about whether the people are going to like their artists or not. Therefore, for K-pop SMEs, the intuitive competence that helps anticipate the star quality of the teenager will be important. The prophet-like ability to recognise real talent is one of the complex qualities of the artist-leaders, which has been proven in many successful cases throughout audition programmes.
For instance, when they talk about the casting process, they often emphasise their intuitive competence in recognising the real talent and future stars. At the press interview of K-pop Star, SBS TV audition programme, J-Y Park said that talent and self-discipline are the key factors of a star, I know the audience sometimes disagrees with my decisions, but he will have to stick with his choice. He also said “We dropped people no matter how good they were at singing. And what we were looking at was that they did not have any habits. We also dropped people who were not singing in their own voice, a voice we have not heard before” (Asiaeconomy, 2011). For some participants, the audience did not feel attracted after watching the first round of auditions while the artist-leaders saw something. Later, the participants surprised the audience and finally became the show’s eventual winner. In this regard, artist-leaders show reliable insight and self-confidence, especially in the artist management business.

To summarise, the mythical process to spot the real talent becomes the leadership competence of artist-leaders and get even more mysterious with the repeated success. Therefore, the prophet archetype allows artist-leaders to survive as leaders in the organisation. This can be deduced from the language used by the leaders in their speeches (see sub-chapter 6.2.2 to find out more). This notion also raises the attention on the discussion about the intuitive competence of artist-leaders as the prophetic decisions will never be logical (see sub-chapter 5.3.1 intuitive decision-making for more discussion).
5.1.5 Summary

In this sub-chapter, I chose to employ the concept of archetypes to demonstrate the symbolic role of charismatic leadership. Empirical findings of the interview data suggest that artist-leaders can be described by their followers using several archetypical terms, and this tendency implies that the archetypes are a useful way of describing the symbolic roles of artist-leaders. The metaphoric expression told by the interviewees construct the symbolic description of artist-leaders. The symbolic role was thematically categorised as archetypes. Even though there is some overlapping leadership competence, four archetypes were categorised. These archetypes of artist-leaders explain that there are certain values which makes them different from leaders with no artistic backgrounds in the K-pop industry.

In Korean entertainment companies, a leader with a previous career as a professional artist has a positive impact on managing creative and cultural products. The interview analysis suggests that the creative skills of artist-leaders make them artist as well as a leader. Not only do artists have a lower barrier to entering the music market, but they are also plugged into a network of creative people. As a music business is well-known for high-risk and high-return business, one super-hit artist can overturn all the unstable financial vulnerability of K-pop SMEs. The innovative and entrepreneurial behaviours with a persuasive word of artist-leaders effectively contributed to building the charismatic image among the loyal followers.
5.2 Charisma-driven Leadership in K-Pop SMEs

In this sub-chapter, I will extend the examination of artist-leadership concerning the theories of charismatic power and authority. Then, I will attempt to revisit the conventional idea on the managerial skills of leaders forms the perspective of K-pop SMEs. This will also help understand the unique picture of artist-leadership of the three leaders: S-M Lee, H-S Yang and J-Y Park.

In the K-pop industry, artist-leaders, who founded small artist management businesses, enacted charismatic leadership, and their power over followers and audience was so enormous that small artist-led labels (K-pop SMEs) created a hegemonic power that remapped the music business ecology with the idol system. Charismatic power beyond the legal and formal authority structure of a group or organisation is a significant factor, and it is first necessary to examine the way individual leaders use their personal power and charisma to persuade their followers.

This sub-chapter will attempt to demonstrate how the artist-leaders’ charismatic power allows them to operate not only as inspiring entrepreneurs but as persuasive leaders. During the entrepreneurial stage, the artist-leader plays a dominant role by recruiting followers who are attracted to the leaders’ charisma. Thus, the following sub-chapters will investigate the power structure of K-pop SMEs and then will investigate the quality of charisma as both power and authority. Sub-chapter 5.2.1 will look into the source of charismatic power while
sub-chapter 5.2.2 will revisit the charisma as an authority. Finally, sub-
chapter 5.2.3 will argue that the mysterious elements of charismatic leaders in the K-pop industry can compensate for the lack of managerial competence during the entrepreneurial stage in ‘the Big Three’.

5.2.1 Charisma as Power of Artist-Leaders

Until the early 90s, music label profits were highly reliant on album sales, so the hit song makers held great power as the revenue sources of music label were simple. Compared to before, idols were able to diversify the revenues sources as they can act in various field including performing, acting, and starring in TV shows (e.g. reality programmes). Main reasons why many idol trainees and artists eager to join the ‘Big Three’ is because of the artist-leaders’ charismatic power such as the human network power, branding power, and promoting power. Such leaders’ expert power (earned through knowledge or skill), which comes from their experience and professionalism, has not only internal influence but also an external one.

_ I think big companies like SM, YG and JYP know how to manufacture successful idols. This is due to their experience of being a pop star. They have connections because they have been successful in the industry for a long time (Participant I, Jan. 2018)._

The symbolic role of artist-leaders consists of networking with key players, building public relations, and, most importantly, identifying the correct position (brand image positioning) of the contracted artists in
the market. It was obvious that the artist management business had been under the control of popular songwriters and producers. During the early stage of entrepreneurial business, artist-leaders were deeply involved in actual music production while building connections and favourable relationship with music producers and creative professionals who can be an asset for music production.

The power of the human network of the artist-leader was the key factor for the successful marketing of K-pop idol groups and contracted celebrities. A former concert director said ‘a common feature of an artist’s manager is the network. The advantage is that you can use your existing network’ (Participant B, Sep. 2017). The network artist-leaders already held with other music composers and producers is a powerful factor when entering the artist management business in the Korean music industry. The power and knowledge which come from the network are commonly witnessed among successful leaders in the music industry. For these reasons, many artists seek to make a management contract with the ‘Big Three’ companies as a participant I pointed out (Participant I, Jan. 2018).

*I think artist-leaders can easily promote and disseminate their products. Also, there are a lot of idol trainees and artists eager to join the companies, which is a significant advantage in the casting part of the idol system (Participant I, Jan. 2018).*

Audiences often say that they can recognise which company new artists are from through symbolic behavioural signatures (e.g. singing and dancing styles). This is often quoted as brand images or colours of the
artist-leaders. Audiences can recognise a specific organisation where the new artists were developed because of the symbolic image of different artists in different organisations. Knowledge gained from the experience plays an important role when the artist-leaders give instructions to idol trainees and artists. Also, the personal brand which comes from the artistic and entrepreneurial competence of artist-leaders is shared with followers and stakeholders effectively throughout the symbolic communication in charismatic leadership.

To conclude, in the entrepreneurial stage, cultural consumers seem to consider the leaders as an artist who still has artistic competence, producing artistic work such as the cultural production of idol groups. This view is correct because the leader and top management teams create a long-term strategy for the contracted idol trainees by analysing their potential talent and skills. This will be more discussed in chapter six with relation to the symbolic aspect of charismatic power. In this regard, the norms regarding charisma will be revisited in the following sub-chapters.

5.2.2 Charisma as Authority: Celebrity Appeal of Artist-Leader

Terms such as charisma and charismatic authority are often found in celebrity studies. The attempt to understand charisma will be important for this study; however, the terminology, charisma, is unclear and is referred to differently in different studies as argued in chapter 2.3.2. For instance, the different types of authority are not a matter of choice; instead, the process of evolving construction of charisma will be more
significant. When organisations efficiently perform their business under a strict hierarchy of positions, it may be necessary for a leader to have official authority over the members of the organisation.

The unique quality of artist-leaders comes from their knowledge and experience as a former star. Therefore, they have know-how and know-who to be successful. The unique relationship with artists can be mainly found in artist-led organisations. What SM is doing well is creating brand power, so-called bargaining power, and teenagers’ purchasing power has become great (Participant E, Sep. 2017).

The reputation of the celebrity-star is an intangible asset which can be converted to intangible capital: brand (Fillis & Rentschler, 2005). In this regard, celebrities such as artists were considered as a brand (human brands) (Centeno & Wang, 2017). This is also why the gossip columns and celebrity life get more attention from the audience. The celebrity brand is also projected on cultural products so it can work as both human brands and product brands in the self-employed stage (Lunardo et al., 2015). Therefore, the celebrity brand is linking the personal value of artist-leaders with the organisational value of SMEs. The brand is projected as a social and cultural role-model, and it can be activated through ‘power of persuasion through ideas, cultures, and interpersonal politics’ (Centeno & Wang, 2017, p.137). This brand is valuable also from the perspective of their organisation.

_H-S Yang and S-M Lee can manage and handle artists because of their symbolic characters. I think the influence of the producer is more powerful than the influence of capital. Moreover,_
entertainment companies which lack the music producing skills cannot produce successful idols as they hardly catch nor lead the market trend of the K-pop industry. Their music producing skill makes them different and this makes an artist successful not necessarily having access to much capital and media channels (Participant N, Jan. 2018).

The symbolic role of artist-leaders in K-pop music entertainment companies such as establishing organisational brand value has been considered significantly important organisational strategies as the companies cannot force successful artists to stay with the companies forever. Artist-leaders have their brand power as a singer. When a singer sets up an agency, there is a favourable advantage of exposure to the media. This becomes obvious that the new artists need attention, and this is exceedingly difficult for manager-leaders or other non-artist-led organisations.

For example, there have been some intensive attempts to establish subsidiary artist management companies by media companies such as LOEN ENT28. However, the idol groups came out of the media conglomerates were not as successful as the ones from ‘the Big Three’. As it can be found in the following interview, the media company did not expect a high revenue from its artist management subsidiaries and acquisitions. I assume that some part of the reason is that the top management team in the large media companies not only lack

28 LOEN Entertainment (now Kakao M) (owned by SK Telecom in 2009, now owned by Kakao) has one of the biggest music streaming services, Melon.
understanding about the artists but also, they do not take the artist management seriously. Rather realistically, the media conglomerates seek to associate the organisation’s brand image with celebrity.

*Artist management is a very small part of management for LOEN... since LOEN started from Music distribution company and grew up to Melon music streaming platform, the CEO did not get involved in artist management. Another business was a more critical business for us (Participant L, Jan. 2018).*

One of the interviewees, who worked closely to J-Y Park said that some individual managers with no background, they struggle very much until they prove their ability by making a couple of successful artists (Participant B, Sep. 2017). This is how existing players such as singers take up advantageous positions when entering an artist management business, as they do not need to work so hard to overcome barriers. This can be an example of celebrity appeal which artist-leaders hold towards the audience. The cultural perspective of authority is related to celebrity appeal as a source of charisma.

The notion of charisma from the political sphere to star or celebrity studies is not always interchangeable, because the star’s status depends upon artist-leaders with no institutional political power. Instead, the artistic and creative commercial career of artist-leaders as a celebrity-star contributes to their fame and reputation. The fame of a celebrity is mostly personal value which often makes the individual ‘superhuman and exceptional characteristic’; and, in this sense, charisma can be a foundation of celebrity (Krieken, 2012, p.70). Thus, the charisma of a
celebrity is similar to the leadership value which differentiates them from non-leaders.

Musical creativity is highly ‘genre-specific’, but the creativity of celebrity-stars is ‘charisma-oriented’ and ‘persona-specific’. Furthermore, in this system, the moral role and the social meanings of the symbolic figure are more related to the public, so the celebrity-stars are required to be more moral and ethical. Also, the star image can be valuable in a commercial advertisement. The brand personality of an artist-leader is embedded in personal brand, and the human brand identities are legitimised through ‘embodiment of stakeholders’ shared vision, dominant cultural ideology, and social moral imperatives’ (Centeno & Wang, 2017, p.137). In this respect, the contextual understanding of artistic creativity in this thesis refers to the mixture of musical creativity and the personal value of celebrity-stars adding to the economic value of creativity.

In CCI, position (formal) power endorsed by the bureaucratic structure with an organisational hierarchy based on a job title or rank would not be as influential as in other industries because of the loose structure of the creative organisations. Also, while Weber argued that charisma was distinct from rational bureaucratic power they converge in this idea of the ‘human brand’; thus, the artist-leader’s personal charisma gives him organisational authority regardless of their formal positions inside the entertainment companies. Therefore, charismatic authority allowing more controlling power over the organisation despite the uncertain environment of CCI would make leaders more effective.
I think SM ENT has a brand value at organisation level while YG ENT has a brand value of artists. So, they were worried that the dependence on individual artists was too strong. In this case, the impact will be great if the artists leave the company. Therefore, YG ENT is trying to strengthen their company’s brand value apart from the brand value of the artists. For example, YG ENT has created an independent label by collaborating with a fashion brand. Through these strategies, they can develop other filed of business apart from artist management. This will also allow generating stable profits for the company (Participant F, Sep. 2017).

Furthermore, the intensive idol system in the K-pop industry has been introduced by a powerful leader, who exercises high power reflecting charismatic personal appeals as a source of artistic intuition. The symbolic meaning of a celebrity or a star seems to play a critical role in the power construction process. The charismatic authority, for example, makes them rightful leaders regardless of their organisational position. All three artist-leaders from ‘the Big Three’ currently do not hold hierarchical positions. Ironically, the organisational position is not the main source of leadership power for artist-leaders.

To conclude, charisma is a source of authority in making decisions. The intuitive decisions are, in turn, more likely to be effective in an uncertain industry, so the charismatic authority is further reinforced as an effective strategy. This symbolic communication of charisma will get the attention as more empirical evidence is unveiled in the narrative analysis chapters (chapter six and seven).
Managerial competence might be less important in comparison with creativity-innovation-related personality factors during the entrepreneurial stage. Furthermore, there has been less chance to enhance managerial competence in the creative sector (Bilton, 1999). Intuitive leaders who have been successful in the past must engage in the business aspects of artist management. As discussed earlier, leadership competences become motivational factors of the charismatic leader because they are related to the visible behaviour enacted by these individuals.

In the K-pop industry, managerial competence has been treated less significant compared to the artistic competence of the charismatic artist-leaders. This idea of managerial competence has also been somewhat neglected when applied to the K-pop industry because artist-leaders cannot abandon personal values and beliefs rooted in the artistic and entrepreneurial competences. Meanwhile, when the creative projects are task-oriented and need to be handled efficiently during the entrepreneurial stage, a founder often takes a leadership role by organising the projects. This was because the K-pop SMEs typically consist of a small group of managers and artists (such as idol groups and contracted artists) working on a team basis for projects (e.g. albums and concerts).

Also, their decisions were final as the decision-making structure was simple in the past and the leaders in the artist agencies had the full
authority (Participant F, Sep. 2017). Artist-leaders have chosen the important decisions about the idols. For instance, they often decide the nicknames of idol members directing the detailed choreography and vocal skills. J-Y Park, for example, used to choose the detailed concept of albums for their idol bands such as Wonder Girls. He even video-recorded the main choreography of their song ‘Tell me’, which went viral on YouTube (JYP Entertainment, 2008).

Creative and even administrative staff enter the K-pop industry because they like music and performances, and they admire the artist-leaders and their work (Participant M, Jan. 2018). However, as one of the former administrative staff admitted, the motivation was not encouraged as effectively as it was for creative staff. In this vein, as long as the artistic entrepreneur holds the stronger charismatic power over the senior managers in the entrepreneurial business, the lacking managerial competences of the leaders was not the biggest problem.

As participant M, online marketing team leader testified, creative staff held a high enthusiasm for the artistic and creative aspect of the music business. Here, the charismatic and symbolic role of artist-leaders intervenes by attracting a talented and skilled workforce with strong intrinsic motivation.

*I have loved music since I was young, and I thought it was fun to do things related to music. I think that the people who are currently working in the entertainment business like music and singers. The entertainment company at that time was not as developed as it is now. This area has a high turnover rate.*
People are always scarce. This is because the work is done on a project-by-project basis without job security. Although the new entertainment business has developed a lot, they have not been developed much in terms of job quality. You have to work long hours with a low wage (Participant M, Jan. 2018).

To conclude, the intrinsically motivated organisational members such as idols and creative staff would not question the decisions of the founders until the decisions appear to become problematic. Nevertheless, as the organisation becomes larger and more complex, the role of the administrative team is increasingly critical to the creative team requiring them to work together effectively and sometimes support the administrative team. In the current environment, the marketing department is becoming more critical for the business, and a rising group of managerial managers are being superimposed on the previous artistic managers.

5.2.4 Summary

In K-pop SMEs, position power secured as the official bureaucratic authority is not as powerful as informal charismatic power. The charismatic leaders can acquire formal power and authority based on the referent values of personal distinctiveness or exceptionality. For instance, the human network of artist-leaders can become the source of power in CCI. During the early entrepreneurial stage, employees are most highly motivated by the charismatic power and celebrity appeal of artist-leaders. The followers are more loyal to the artist-leaders due to
the charisma they hold not because of the organisational position. Like this thesis argues, during the corporatisation of cultural production, even when an artistic, entrepreneurial business adopts a systemised structure with dual leadership, the charismatic power is still considered more important than managerial competence.

5.3 Structural Understanding of K-pop SMEs

The organisational maps of different divisions and communicational channels used to be far simpler for SMEs in the K-pop industry. When an organisation is formed because of entrepreneurial activities, the leading role of the entrepreneur is critical. In the early entrepreneurial stage, the stage is often congested with critical and risky decision-making choices. As previous sub-chapters said, the strong leadership was secured by the organisational members in the ‘Big Three’, as the leader is a founder as well as an executive artistic (creative) director or producer. However, the organisational structure in the K-pop SMEs was hard to systemise into an elaborate hierarchy of creative and administrative roles. Therefore,

The charismatic power and authority which have been the main factor for the emergence and rapid growth of the idol system may not be as effective as before. However, the tight relations within the top management executives so-called the inner circle can be negatively politicised. This is a term describing the group of top executives who are mostly drawn from creative teams (e.g. artist directing team, music producers, former artists, artist managers).
Even the key members of the inner circle who receive the high trust of the artist-leader can often clash with top management staff because of the power games among higher-level decision-makers. Therefore, the sub-chapter 5.3.1 will investigate the intuitive decision-making structure in CCI as the entrepreneurial aspect of K-pop SMEs is highly unstable and complex. Then, sub-chapter 5.3.2 will look into the structural efficiency of dual leadership. Finally, the organisational crisis regarding the inner circle and organisational politics will be scrutinised in sub-chapter 5.3.3 and 5.3.4.

5.3.1 Artist-leader’s Intuitive Decision-making

As covered in Chapter three, uncertainty is a typical characteristic of CCI, and this has a noticeable impact on the decision-making process. Given the importance of intuition and a highly unpredictable business environment, it will be necessary to examine how individual decision-making works in CCI. As a former artist, the artist-leader hold intuitive competence in decision-making in complex organisational situations in CCI. Taking into account that many critical, unexpected events occur in organisational settings, the leader needs to make various decisions without enough data or time. When there is insufficient data for analysis, the intuitive part of the decision-making process takes a significant role when linking the points of facts.

environment, intuition will influence decision-making as ‘the ability to anticipate results and to see broader pictures based on empirical observations is a highly useful skill’, and it goes beyond formal decision-making (Styhre & Sundgren, 2005, p.122). The French philosopher, Henri Bergson, as cited by Styhre and Sundgren (2005), said that intuition is part of ‘creative thinking’, and the faculty of intuition is ‘the ability to think about change and movement’ between points of ‘facts’ (p.123). As the artist-leaders have to deal with many different decisions all the time with relation to their artists, it is important to be reactive and creative. This will be interpreted as being intuitive.

In the past, S-M Lee confirmed the cover photo of the album. In some ways, he is like a father. He used to choose all kinds of things, from the pictures to what clothes the artists wear. Now, the other top staff deal with the details. But S-M Lee still makes important choices, such as choosing the song title (Participant J, Jan. 2018).

Cultural production involves the transformation of the artistic value into creative products for commercial purposes. This process is a creative work turning artistic values and identity of artistic entrepreneurs into an ‘artistic brand’. Thus, the artistic brand created from the personal values of artist-leaders can be a basis of cultural and creative business. A case which requires artist-leaders to be immediate and creative, as Papadakis (2006) has mentioned, is critical decision-making regarding artistic brands. In this case, intuitive competence is often more influential, as brand loyalty toward popular stars can be fast-moving.
Compared to non-artist-leaders, artist-leaders react promptly to the market. As mentioned in sub-chapter 5.1, this is because artist-leaders hold entrepreneurial competence as being reactive, and risk-taking. This makes them more responsive to the trend in the music industry. In this respect, conventional leadership theories may have underestimated the importance of intuitive decisions while focusing on the rational and formal decision-making system.

For these reasons, the artistic and entrepreneurial competence at the beginning seems to be highly reliant on the intuition of artist-leaders. Under this structure, if the artist-leader provided the overall direction, others could adapt to many scenarios. For instance, as claimed in sub-chapter 5.1.4, an intuitive skill such as talent recognition and knowing who or what will be successful (trend reading) allows artist-leaders to recognise who will be successful in the Korean music industry.

SM, YG and even JYP ENT can see market trends that cannot be seen through the business knowledge and strategic approaches. It is an artist's nature. It seems that intrinsic motivation requires that there be a common artist's desire to enjoy and convey it to others through creative activities. This is what makes artist-leaders different from other non-artist-leaders, and the artist-managers seem to be a fast manager in reading the market. (Participant B, Sep. 2017).

Intuitive decisions can be criticised as not being strategic and rather being instinctive, but I argue that intuitive decisions are in reality embedded in a knowledge of the creative process and market for K-pop.
Intuition, developed through long artistic, creative personal development with a knowledgeable and professional experience of the complex, uncertain creative sector allows the intuition to be embedded in an understanding of creativity (Andersen & Kragh, 2013). Therefore, intuition can be put into the structural framework of SOC as the artist-leaders develops from the phase of an entrepreneur to a corporate leader. This is the dual leadership and the symbolic communicative role of artist-leaders with their organisation.

A further reason for trusting in intuitive/individual decisions is that they may also be strategically effective, particularly in unstable markets (such as the music industry). Therefore, a specified procedural analysis of decision-making styles in cultural production will be useful to clarify the decision-making process. I take intuition as an important component in the decision-making process on the creative output. Intuition draws on experiences and emotional faculties and works better in CCI. For artist-leaders, intuitive decision-making can be a solution for a highly politicised event in organisations since they are dealing with creative and sensitive artists (see inner circle issue and organisational politics in the following sub-chapters).

The rather irrational but effective interpretation of artist-leaders' decisions is devoted to creating an extraordinary image that can be translated as a mysterious figure, symbolise the artist-leaders' heroic image. For instance, one of the members of managers worked close to S-M Lee has said that the inner circle and the board members do not always believe in or support the intuitive decisions of S-M Lee.
However, they have certain beliefs that there will be hidden meanings or visionary purposes. This worries can be removed when the intuitive idea comes true like the case of BOA. Idol production is time-consuming and there is high risk due to the company has to invest a high amount of money as well (Participant J, Jan 2018).

I claim that the intuitive decision-making process is the distinctive aspect of leadership in CCI because the characteristic value learned from the artistic vocation of the leader’s past profession makes him a potent decision-maker who is trusted and even worshipped by creative staff. This is why the charismatic direction of leaders is significant during the early stages of an organisation, specifically the entrepreneurial stage. (see mythical storytelling behaviours in chapter six).

5.3.2 Dual Leadership and Symbolic Power of Artist-leaders

The typical response of the artist-leader after the initial success of the business was to find somebody who can run the company. Of course, in the days when there was no CEO, it would have been necessary to make decisions on their own, but this was difficult after the company has grown. The dual organisational structure and leadership can be an example. Professional management is necessary to help manage the rapid growth of K-pop SMEs. Organisations require professional management because the entrepreneurial business outgrows the competence of the entrepreneur or founder (Boeker & Karichalil, 2002).
However, being strategic and adapting professional management in the entertainment business does not mean abandoning the role of intuitiveness and creativity of artist-leaders. This makes professional management in the ‘Big Three’ looks different. Therefore, for important organisational decisions, the leaders have been final decision-makers. For example, according to Participant F (a researcher who interviewed administrative staff of SM and YG ENT), in the case of critical decision making for the enterprise, S-M Lee makes the decision (Participant F, Sep. 2017). As a charismatic decision-maker in the past, the artist-leaders have had reliable insights, especially in the artist management business.

Therefore, dual leadership in artist-led entertainment companies was not established in the normal way because the symbolic power of artist-leaders overwhelmed the CEOs. It was obvious that the founding artists had a powerful role with the many decision-making issues. The power balance of the top executive’s managers and leaders seems to lean too highly on the artist-leaders and their relationship with the leader is very political (Participant F, Sep. 2017). A former employee of SM ENT said ‘S-M Lee and the top executives design the specific strategies according to their will, and S-M Lee is still a great force in management’ (Participant E, Sep. 2017). The power balance of the top executive's managers and leaders seems to lean heavily on the artist-leaders. This is because the creative and intuitive competence of artist-leaders is still respected and in a good place.
The main role for artist-leaders under dual management is to take care of artists and cultural production, and the role needs to be successfully conducted for organisational growth. In this so-called dual leadership, interestingly, the implicit power of founder-leaders stays strong regardless of the organisational position. Furthermore, it seems this informal system of an inner circle would have been considered as one of the effective strategies in the entrepreneurial stage.

*Under the dual leaders, big directions used to be determined by the founders mainly because the current corporate image has been made by the founders. The heads of affiliated companies mainly focus on making decisions, making reports to the founders, and the founders set organisational directions (Participant N, Jan. 2018).*

In the K-pop SMEs, the CEOs were appointed inside the organisations among the managers who worked closely with artist-leaders. The CEOs have tended to be a family member or a staff member who has been working with them for a long time. For instance, the CEO of SM ENT, Young-min Kim, started working as an ordinary employee in 1999 and has been working closely with S-M Lee after being appointed CEO in 2005. Wook Jung, the CEO of JYP ENT, joined the company in 2003 and was appointed CEO in 2007. For YG ENT, Min-suk Yang is the artist-leader’s younger brother and has been working with him since the start of the company. For these reasons, artist-leaders could maintain strong charismatic power throughout the entrepreneurial stage along with successful organisational growth. For instance, H-S Yang
described that having a family member as the CEO of the company was emotionally and practically useful, saying:

“YG had been a small music label, but now it is better-organised and has a lot of good staff members. I also have my own younger brother, Min-suk Yang (CEO) right beside me. I believe that every area of business must be led by the person who has the best capabilities in that field. As we have a lot of brilliant talents in my company, I am in charge of the music as well as fashion and restaurant business, for which I have the biggest interest, and Min-suk Yang and other experts are sharing different responsibilities. Plus, we do draw a clear line between each one’s area of expertise” (YG LIFE, 2015c).

Even though it is inevitable to strategically change the organisation as the organisation grows, the effort of being creative and intuitive on individual and organisational levels will be significantly necessary. The founding member of a small and medium-sized artist managing company as well as a former member of a K-pop idol group (Participant G) mentioned that the collaboration with a business partner such as a CEO is significant; “Whether you are one of the co-representatives or an executive producer, it is important to find somebody with the managerial ability you can trust”. Therefore, artist-leaders can entrust the administrative part of the company and have a reliable relationship.

*The role of the leader is symbolic, and the symbolic role is more important than the actual role. For example, J-Y Park was important to be considered acting active for maintaining the organisation. The fact was not important because the symbolic*
meaning was to show the creative staff, and most of the creative production is planned by the creative team. (Participant B, Sep. 2017)

Even though the artist-leaders can be excluded from major decision-making meetings, the symbolic role of their brand image which is deeply connected to an organisational brand cannot be neglected. For example, even though the leaders often assert that they have delegated decision-making roles to achieve the efficient management of their companies, it seems that the leaders not only hold the most significant power in the companies but also continue to make critical decisions. At the same time, the role of dual leadership and an inner circle of key managers can be effective in legitimating the informal leadership. Otherwise, the informal structure of dual leadership can be fragile and vulnerable as there is not much formal authority power of the artist-leaders.

5.3.3 Crisis in K-pop SMEs: Facing the Limits of Intuitive Decisions

Although artist management is a core asset, its central importance the company continues to decrease. Also, the strong power of charismatic leaders can be challenged as the power of artist get stronger. The contract for the idol agreement is the maximum seven years period, and it gets hard to control the idols and artists as they become established stars. This becomes the risk of artist management, so the K-pop SMEs will need to confront the uncertain circumstances to stabilise the income as well as to maximise the revenue. For this reason, the business
diversification strategy cannot but to seek other business fields that can generate fixed sales. For instance, one music business team leader pointed out that the revenue growth of artist management has reached its limit, and as a result, the company has diversified its business, and YG ENT has made cosmetics, model agencies, and character businesses (Participant N, Jan. 2018).

Nowadays, companies have a lot of partnerships with media firms such as communication companies and portal companies. For instance, SM ENT is trying to do a distribution business while swapping equity shares in partnership with SK planet\(^\text{29}\) (H. Choi, 2017). YG ENT is co-operating with NAVER Music to develop a distribution platform business. Therefore, the artist management companies are transforming the business from A&R (Artist and Repertoire) based company to established media corporations. Compared to the past, A&R, management, online marketing, management support team and many departments are intertwined, so they need various roles, and managing a sophisticated singer across these divisions seems to be a challenging task. As a result, strong charismatic power and authority can only become weaker along with organisational growth.

Too strong and coercive leadership can lead the organisation into irrational decision-making structure, weakening leadership, lowered sense of belonging from administrative staffs. This is

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\(^{29}\) South Korea’s major mobile operator SK Telecom has joined hands with leading entertainment company SM ENT to mix its advanced wireless technology and services with Korea’s winning brand of hallyu, or Korean Wave.
because not only are more creative staff in CCI than in other industries but also because their products depend upon an innovative process for production and sales. In this context, creativity between organisational members may be more critical than ever to adapt to the new environment of transformation (Participant N, Jan. 2018).

A former administrative staff (Participant J) of the ‘Big Three’ admitted that it is hard to communicate with artists because of the independent way of working and making decisions. Even the executive administrative managers can barely meet the leaders because the creative executives hold strong power surrounding the leaders (Participant J, Jan. 2018). Artists and creative people tend to be rather independent compared to other administrative staff within the organisation. One of the participants, a creative team designer, mentioned when interviewed that there was a lack of communication in a creative project regarding the final decision on visual design work. He said ‘the leader was not a designer and had no background, but he always made the final decision. I could not agree with his intuitive and somehow unprofessional decision-making style’ (Participant D, Sep. 2017).

As discussed, in a highly political form of top management without outsiders, the founder-leader and some key founding members hold strong power over the whole organisation. As it can be seen from the dual leadership from the early stage of organisations in the K-pop industry, the artist-founders seem to realise that they lack managerial competence and find the one to take care of the administrative role. (see
Furthermore, managerial strategies often must consist of economic market analyses, and it seems that the analyses are not always correct and logical, as J-Y Park has admitted in the interview on the news programme in 2015 (JTBC News, 2015), the intuitive decision-making of artist-leaders soon faces limitations and there has been an effort to change this system. He insisted that there is a limitation on individual and intuitive decision-making as an organisation grows.

In the past, it was possible to do business with intuition. However, the music industry changes rapidly. The intuitive character is not as effective as before when new things come out. Intuitive leaders who have been successful in the past must engage in new business philosophy, new strategic needs, and new technology. Success in terms of planning capability would be challenging. Artist-leaders may appear as a symbol with a nominal value only (Participant N, Jan. 2018).

The administrative part of the organisation also plays a role in establishing strategic planning beyond the field of artist management. In this case, despite the lack of knowledge or understanding of the administrative field, the leaders have a significant impact on decision making, which can increase the real risk and put restrictions and pressures on the administrative staffs who are involved.

It was impossible to talk to J-Y Park in a casual manner, and there were limited communication channels to reach him... ...He was not interested in actual management, but he forced his employees to realise what he was thinking and instructed every
Acknowledging the strong charismatic leadership of artist-leaders under the dual leadership, it is arguable whether they can be effective when it comes to leading administrative teams and strategic management in different business areas. Participant D has said that H-S Yang has a strong sense of selecting music and artists, he was doubtful whether this will continue to be used effectively in the future. (Participant D, Sep. 2017). Even if an external management expert is recruited, it is difficult to have a voice when members of the inner circle become obstructive, and this can result in inefficient decisions which can be a great risk for the business. Therefore, entertainment companies realised the necessity of systematic and strategic management in the K-pop music industry (Participant F, Sep. 2017).

Here, conflict occurs between traditional artist-management expertise (‘the insider’ who has been closely working with artist-leaders in creative teams) and managerial expertise (‘newcomers’ who have recently joined the organisation and have more knowledge about normative management than artist management).

5.3.4 Crisis in K-pop SMEs: Inner circle and Organisational politics

During the early growth of artist management business, the firms were all rather small and have been ruled by a few elites. There are always experts next to the leader. In entertainment companies like SM, there is
a creative team whose members have great trust and respect for the leaders, and this makes the leaders play a great role in the business. This was a huge asset securing strong leadership (Participant F, Sep. 2017). As both artist-leaders and creative staff have artistic and creative production career experience in CCI, they also have high intrinsic motivation. For instance, in the actual process of the idol system, idols have a high level of intrinsic motivation needed to pass the competitive selection process.

The inner circles of entrepreneurial members who have worked since the early 1990s are quite a tight-knit group. There is a gap in communication between administrative staff and artist management experts in the creative production side of the business. The tight inner circle of creative staff may once have been a positive factor allowing direct communication with creative teams. This makes the artist-leaders develop a close and interactive relationship with the creative staff and artists of their company.

However, the loyal followers from the entrepreneurial stage who believed in the charismatic leaders become a liability in the new leadership stage, as the organisational politics of old members can block the internal communication between creative and administrative staffs and between the leader and new organisational members. This inner circle can also result in a lack of interaction with other key members in administrative divisions. One another thing obvious among the organisations was that they have quite a communicative dispute
between administrative teams and creative teams which can be inefficient regarding organisational communication.

There was a tendency to ignore communication between creative teams and administrative team members. There is a basic consciousness shared by creative teams that administrative staffs do not know the field. For example, when making great decisions, administrative team file an analysis report and, in many cases, the report was ignored by creative teams. Communication efficiency is poor (Participant E, Sep. 2017).

Participant E, a former staff of SM ENT has mentioned the emotional conflict and miss-communication problems. The tension between creative staff and administrative staff often comes from misunderstanding, which is highlighted by the following statement from the former staff member of SM ENT: ‘There is a basic consciousness shared by creative teams that administrative staff do not know the field. In many cases, creative teams ignore our reports while depending heavily on outsourced consulting.’ (Participant E, Sep. 2017).

A music business team leader added:

I think it is natural to have a conflict between administrative and creative teams. But I think we can solve these problems well by communicating effectively. We need to exchange opinions on various issues with each other, but we are busy. I think leaders can carry out a mediating role to allow for better communication (Participant N, Jan. 2018).
The miscommunication between creative staff and administrative staff creates disharmony in divisional cultures. For this reason, cooperation between project teams, senior managers, the CEO and artist-leaders are essential. Moreover, the inner circle is mostly drawn from the creative teams, so the divisions between administrative and creative staff are an extension of the ‘inner circle’ problem. The administrative staff is often considered as ‘back-office’ staff who normally support the creative staff.

*The top executive managers of the organisations played a very important role; however, most of them are the former low-ranked managers who have been closely worked with the artists for a long time, so there are experts in artist management. However, I do not see them as experts in strategic management. After the brand strategy team came into existence and after working together with the design team in 2013, it became an efficient system as we joined the concept building. It was not systematically well equipped for the size of the company.* (Participant D, Sep. 2017).

The power of creative divisions of the company, artist management or A&R team, is dominant in most of the artist management-based organisations. There may be a team that manages advertising, casting, training or fans, or there may be a brand marketing team. The brand marketing team deals with matters such as intellectual property rights of the artist, and the management team is ultimately responsible for the sales that are generated by the artist, so the divisions are organically linked to each other.
Many people are interested in getting a job in the creative industry, but there is less than a year of tenure for most of the employees. Compared with other fields, there is little sense of accomplishment in entertainment companies (Participant E, Sep. 2017).

Most small firms in CCI in Korea have a lower level of income than in other industries. Apart from motivational monetary rewards, there is a sense of accomplishment for creative staff in entertainment companies. Furthermore, because the ‘creative’ divisions hold the power, there is relatively little scope or incentive for the admin divisions to adopt a more creative approach in their own work. In this regard, administrative team leaders should be able to understand artists and creative staffs with the rather creative but independent way of working such as a high standard of confidentiality. Conversely, lower-ranked staff such as team managers and divisional managers seem to have limited influence. There can be an organisational decision structure which blocks various opinions from being discussed at the top table of senior managers.

From what I heard, even the general manager in SM ENT cannot meet the artist-leader easily. S-M Lee holds the final decision-making power of the top executive directors. The organisational structure seems to be vertical, and S-M Lee exercises almost full power, which is not likely to change easily (Participant F, Sep. 2017).

Furthermore, there is a lack of communication channels. Thus, the administrative staffs have to talk with the managers of artists, which
slow down the immediate direct response from the artists. Since the artist has a manager next to him, he often hears the manager, so he often has to persuade the other departments to communicate with the manager when he asks for cooperation.

There are some parts that I cannot understand how the creative team is working. We need to exchange different opinions on various issues with each other, but it is not always easy. The working environment in this business just does not allow to have enough time to share the ideas. I hope that there will be a place to discuss difficult decisions, and I think that applying this idea sharing flexibly can be the role of the leader (Participant N, Jan. 2018).

To conclude, decisions are made within a closed and tight-knit group of top executive managers. This is partly because of the importance of confidentiality in the artist management business. The communication between top management members is sensitive and discreet when dealing with the core value creation, and they tend to lean on the executives from creative teams and the decisions of artist-leaders. The inner circle and organisational politics can jeopardise communication between the creative and administrative teams. It is important to note that the limited communication across departments weakens the collaborative environment of the teams and may destroy the integrated strategies which can also obstruct collaborative cultural production. For this reason, the cooperation of teams and the decision-making of top management executives and CEOs with artist-leaders is essential and this is precisely what the ‘inner circle’ effect prevents from happening.
5.3.5 Summary

Charismatic leaders arouse followers’ motives to accomplish the leader’s ideals and values, so the followers emulate the leader’s vision or mission. Charismatic power of artists (celebrity-stars) was critical here because leadership competence (trait-driven behaviours) serve as the motivation for the follower to act under the vision and mission of their leader. Furthermore, organisational politics in the ‘Big Three’ and the inner circle of creative staff work closely with the artist-leaders to maintain strong charismatic leadership because charismatic role modelling allows the top executives in the inner circle to deliver values and goals to employees outside the circle who lack direct interaction with the leaders. In this case, strong charisma can sometimes jeopardise organisational creativity by imposing one-way communication.

Therefore, the artists and creative staffs must try accepting the business plans and strategies suggested by the administrative staffs from the brand strategic division. The interviewees who used to work for the administrative team admitted that the power of creative staff and artist is too sturdy to communicate in level. The communicative role of artist-leaders here becomes critical because as a person who has both experiences, they are the one who can come up with the mutual understanding and improve the communication with artists. However, this could be improved by enhancing communications between organisational members.
5.4 Conclusion

This chapter has examined the emergence of artist-leaders in the 1990s with the growth of the K-pop industry. Interview analysis on archetypical metaphors such as artist, creative person, pioneer, and prophet offered the symbolic understanding of artist-leaders to conceptualise charismatic leadership of the K-pop SMEs. In this respect, through the archetypes, artist-leaders can establish their own personal leadership brand and link this with the corporate brands. Additionally, such mythical roles of artist-leaders as a prophet or magician recognising invisible talent and star-quality for commercial success enhance their charisma, which comes from their experience and knowledge of how the Korean music industry functions.

Even though this chapter has revealed the symbolic side of artist-leadership, it still lacks the communicative perspective of the symbolic leadership due to the limitations of a purely intuitive, individualistic approach to decision-making as the company grows bigger and more complex. This examination will, therefore, lead to a deeper investigation of the charismatic leadership of artist-leaders in professional management in K-pop SMEs. As the business becomes diverse and complicated, the artist-leader can be challenged by the multiple jobs because of a lack of knowledge of the other fields of

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30 Cf. the mythical role of artist-leaders will continue to be discussed in chapter six and seven with relation to the mythical storytelling behaviours.
expertise. For instance, the artist-leaders have to worry about various aspects of the business other than artist management.

However, the symbolic power of leadership cannot always be in effect as the more administrative staff and new professionals will be less intrinsically motivated because of the inner circle issues and organisational politics. Moreover, the celebrity appeal and the charismatic power would not be shared effectively enough in a large-scale multi-divisional organisation. In the process of formalising the organisation, without the full support of organisational members, it is unlikely that SOC can be effectively established in corporate culture.

Finally, dual leadership in the ‘Big Thee’ remains as important during the latter stage of SOC because of the strong and symbolic role of artist-leaders who have dominant power over brands and visions of their organisations. For these reasons, the next chapters will focus on the symbolic communication of artist-leaders during the transformational stage. That is to say, on the one hand, dual leadership remains important, on the other hand, it becomes less effective as the organisation grows in size and complexity. Therefore, it is necessary to explore beyond the scope of charismatic leadership and K-pop SMEs focussing on the storytelling behaviours of artist-leaders in the context of SOC.
CHAPTER SIX. ARTIST-LEADERS’ STORYTELLING AND ENTREPRENEURIAL STORIES

As previously stated in the theoretical review, the transition from entrepreneur to a corporate leader is not so clear cut, but it can be better understood when looking at the symbolic side of leadership. However, organisational change literature lacks coverage of implicit change (e.g. changes in leadership competences, the symbolic role of the leader and identity and vision change), and focuses instead on explicit change (e.g. organisation size, structure, strategy and performance). The entrepreneurial stage is differing from the established stage as symbolic communication is more focused on the personality of the individual artist-leader not on organisational vision.

The artist-leaders as a storyteller communicate realities and offer organisational members a sense of imagination in translating an environment. Furthermore, the role as a storyteller encourages the performance of the artistic role of artist-leaders when developing the organisational brand. The storytelling behaviours, however, have not been investigated carefully, and the symbolic meaning has not been emphasised enough. In this regard, in the entrepreneurial stage, artist-leaders seem to apply their leadership competence to create discourses around their organisation. Therefore, this chapter will investigate the stories and the storytelling behaviours of artist-leaders for symbolic communication focused on the entrepreneurial stage of strategic organisational change (SOC).
The individualistic and entrepreneurial organisational story, while it is effective in delaying the leadership crisis predicted by Greiner, nevertheless does not prepare the organisation for the next stage in SOC. When the individual story can no longer cover the new members of the organisation and cannot adapt to a changing culture and structure, SOC becomes ‘traumatic’. Thus, just as the charismatic leader must adapt, so too must the leader’s approach to storytelling.

Therefore, I argue that the SOC consists of a traumatic period of transformation. As discussed in chapter four, the discursive interpretation of reality can be worth investigating to analyse the identity of artist-leaders when attempting to examine the emotional state of the leaders as they go through organisational crises such as managerial or leadership crisis. In this regard, the following sub-chapters will focus on the changing roles and identities of artist-leaders as they transit and transform along with the organisation.

Sub-chapter 6.1 will analyse the episodic speech events performed by artist-leaders which carry the discursive meanings of managerial metaphors. This symbolic expression will help to understand the dominant discourses of artist-led organisations. Then, sub-chapter 6.2 will add the demonstration of the symbolic communication focussed on the entrepreneurial stage to examine the sense-making behaviours of charismatic artist-leaders. Finally, sub-chapter 6.3 will indicate the limitation of such leader-centric branding as the K-pop SMEs need to go through a transformational change.
6.1 Persona-based Discourses: K-pop Metaphors Told by Artist-Leaders

During the turbulent time of neoliberal cultural policymaking throughout the 2000s, the landscape of the K-pop industries became entrepreneurially oriented introducing the systemised idol production. Furthermore, the traumatic technological transformation of digital music has encouraged the rapid growth of the Korean music industry. From a perspective of brand management, new metaphors emerged as a ‘narrative carrier’ framing the K-pop discourse. As stated, storytelling is a highly symbolic and interactive act which can be a communicative process of socially constructing meanings in collaboration with organisational members. For instance, meaning-making through introducing technical terms for a creative and cultural work not only increases the professionalism of organisational identity in practice but also the informal aspect of managerial discourse in the K-pop business\(^{31}\).

Nonetheless, by using rhetoric, success and failure stories are used to persuade the validity of the emergence of artist-leaders and the idol system. This thesis suggests that some discursive patterns and changes are revealed in the stories of artist-leaders regarding ‘Idol system’, ‘Celebrity’ and ‘Hallyu’\(^{32}\). Discursive power is the ability to introduce, amplify, and share certain topics in media space, and the topics become the agendas (Jungherr et al., 2019). The commonly spoken topics by

\(^{31}\) refer to sub-chapter 4.1.2 for theoretical groundings.

\(^{32}\) For the definition of ‘Hallyu’, please refer to sub-chapter 3.1.2.
artist-leaders became the agenda in the news coverage and the main agenda affecting the political body when establishing the cultural policies over time. In chapter six, I attempt to have a close look at the discursive level of entrepreneurial stories shared by artist-leaders during the entrepreneurial stage. Therefore, the following paragraphs will develop an argument about how new meanings are presented in entrepreneurial stories for sense-giving leadership behaviours.

6.1.1 System-discourse in Artist-Leaders’ Storytelling Behaviours

The emergence of the idol system in the late 1990s shifted the whole structure of the music industry by investing bigger funding into the small Korean music market. During the emerging time, the idol culture was a small part of Korean popular music culture, which was underestimated as a genre of teen culture. However, with the frequent success cases, the idol system received the attention of K-pop SMEs in the early 1990s. In a short while, managerial discourse became dominant in the music industries. Many of the stories told by S-M Lee emphasised the managerial aspects of the artist management business, and it seems he intends to link their business with international trade by working closely with (Lee, 2011; 2016). He also attempted to define the cultural business as one of the key sectors for economic development.

“I can explain the concept of SM’s Culture Technology, ‘CT’ is basically our artist development system. Usually, we need the following stages before an artist’s debut. These are ‘Casting’, ‘Training’, ‘Producing’ and ‘Marketing’ and these four stages
are core Culture Technology for the last 20 years... SM ENT and I see culture as a type of technology. But culture technology is much more exquisite and complex than information technology. Whenever a new technology solution or system is launched in the field of information technology, it can be explained through a manual or a book within three months. However, this is not the case with culture technology. SM ENT is a company which possesses much more complex culture technology than information technology” (S. Lee, 2011).

For instance, as S-M Lee mentioned above, managerial metaphors like ‘Culture Technology: CT’ were used to refer to the stepwise idol production stages; ‘Casting’, ‘Training’, ‘Producing’ and ‘Marketing’, are a factory-gearer concept which reframed the artistic and mythic discourse of ‘idols’ into professionally organised production. With other fast-followers of the idol system, such as J-Y Park and H-S Yang, many K-pop SMEs in the Korean music industry have created ‘business-like’ K-pop metaphors. Also, J-Y Park described idol production as a ‘System’ (J. Park, 2007). In this speech to a conference at Harvard University Park spoke of a system that includes know-how, managing skills and especially an artist training system. At the press conference of ‘K-pop Star’, an audition competition in SBS (one of the main TV channels), H-S Yang also referred to YG ENT’s idol production as ‘System’. H-S Yang said he would open everything about YG’s idol selection know-how in the programme, and he added that opening YG ENT’s idol production system would not cause any problem as other companies like SM and JYP ENT had their own value (Ko, 2011). He showed very high confidence in YG’s system. In this
discourse, the metaphoric meaning of factory is more ‘quality’ controlled production. The K-pop metaphor, ‘system’, is thereby enforcing the idol production as more high-quality products which can enhance the experience of the audience.

According to Shim (2013), Korean pop culture has been well digested by Asian sentiments, so it has been able to be embraced by the audience in Asia without much resistance (D. Shim, 2013). Increased funding under the well-established system and investment, as well as validation and noteworthiness ensured by the institutionalised system of artist management, are the advantageous features of the organisational change brought about by the artist-leaders. This discursive meaning of idol system (system-discourse) claims that creativity can be achieved within the idol system, so the K-pop SMEs can build the best image of stars.

As discussed in sub-chapter 3.2, the idol system became widespread because the Fordist idea of a star system encouraged the mass production of artists. For example, stories about strategic management in music production have become optimistic in system-discourse with the positive image of commercial artists.

“Well.. in order to achieve this goal, the most important thing for SM to create and produce good music and good artists and through the good content we create not only will they contribute to the speeding up of the development of new media but will also be able to create an unprecedented business model that transcends time and space” (S. Lee, 2011).
The major problem that the music industry confronted was the collapse of the recording market, which was in decline in 2001 and reached its nadir in 2004 (see sub-chapter 3.2.1 for more). Artist-leaders with exceptional storytelling behaviours have proven to be a blessing in disguise that enables them to turn a crisis into an opportunity. For instance, the slogan, ‘Culture First, Economy Next’, is a favourite quote which S-M Lee returns to several times, a metaphoric expression stressing the importance of culture as capital in the global economy (Lee, 2007; 2018).

The slogan ‘Culture First, Economy Next’ (see sub-chapter 7.1.2 for more) is another good example of metaphoric expressions that artist-leaders employed to impose the economic importance of culture for the society (Lee, 2016b). For instance, this area is now considered to offer a high return on investment. With the high level of investment, the high quality of the cultural content was made possible in the Korean CCI. The ‘System-discourse’ told and shared by the ‘Big Three’ has been supported by the media and the government, and it was considered to refer to the creative production of stars who are now the key element of the development of the K-pop industry.

“What I set forth was the idea of ‘Culture first Economy next’. I believe that if the culture of a country becomes known to form people first then the economy of that country will thrive through those people. The same dream which I shared with fellow employees and staff members is no longer just a dream now our dream has finally become a reality” (S. Lee, 2011).
“When I started SM ENT here 20 years ago, I had a dream to make Korean culture expand to the global market and lead the world’s culture industry. When everyone was saying the economy first and culture next, I said culture first economy next. Everyone thought at the time cultural expansion followed economic development there is economy first culture following next, but I thought differently. Culture expansion will create economic growth and make the country stronger, that is culture first economy next” (S. Lee, 2016b).

With the repeated success of K-pop idol groups from the ‘Big Three’, SM Entertainment, JYP Entertainment, and YG Entertainment survived after suffering a major economic blow, into the post-IMF period (2001~2004) (Ubonrat and Shin, 2007). Also, it is significant to note that the hegemonic power of the artist-led K-pop SMEs was established with the emerged discourse of the ‘Big Three’. The systemised production of fame and reputation in Korean media and the culture of high celebrity endorsement enhanced the power of the ‘Big Three’ (Agrawal & Kamakura, 1995; J. M. Kang, 2017; Turnbull, 2017). Therefore, with their discursive power dominating the recent K-pop discourses, artist-leaders have successfully introduced the idol system and their symbolic importance in the entrepreneurial competences of the Korean popular culture industries.

To conclude, the ‘Big Three’ as a discursive agent in ‘System-discourse’ have enjoyed a higher status of fame, imposing ‘hegemonic power’ over smaller talent agencies and music labels. This was hegemonic in both artist management business sectors and the broad context of Korean CCI. Even though there has been continuous criticism of the factory-
like system of the K-pop industry, it has often been overwhelmed by the counter-discourse about the trans-media branding of idols (see ‘celebrity-discourse’ in sub-chapter 6.1.2 for more).

6.1.2 Celebrity-discourse in Artist-Leaders’ Storytelling Behaviours

I assume that the dominant notions and stories ‘Celebrity-discourse’ in the idol system and K-pop industry has been around the identification of idols. The idol system has developed the value-creation model from a specific music genre to a star-centric value chain with the discursive support of Celebrity-discourse. Furthermore, ‘Celebrity-discourse’ in the K-pop context is noticeable when it comes to the power of ‘celebrity endorsement’, as the idol system is one of the main pools of ‘talent’ in Korean Television (Turnbull, 2017). As discussed in chapter three, the digitalisation and globalisation of the music industries have brought new concepts of stars in popular culture. Therefore, it becomes more important to conceptualise the image of stars from a broader perspective.

“Our final product is not music but human beings as soon as I change my model towards human; the most important thing was to find the right talents. So first my crucial thing was, of course, they have to sing and dance well and act well and have to be attractive and have a star quality but I wanted to find a global appeal to our every artist so I could expand my market outside of Asia so we travelled to nine different countries doing auditions” (J. Park, 2009).
In the recent K-pop industry, the artist created by the idol system acts in various roles, from singer to actor or actress, and is called a ‘multi-entertainer’. The ‘talent’ and ‘potentiality’ described by the artist-leaders in their main stories include their potential for a career in acting and as entertainers. For instance, one of the interviewees, a former concert director, said the ‘Big Three’ entertainment companies have connections with TV entertainment or musical programs. The mythical mixture of star quality often includes the ‘Appearance’ (also often cited as ‘Visual’ for male idols) or ‘Kki’ referring to a special temperament. The casual meaning of the word ‘Kki’ is difficult to translate, but it can be interpreted as an informal word for ‘talent’, according to the Standard Korean Language Dictionary (National Institute of the Korean Language, 1999).

“I had no choice but to change our business model. Now when everything is turning digital where I should go? So, my thought was what’s the most analogue thing in the world is a human being. So, no matter what happens on the way, how we distribute music the fact that a star we need a star would never change. So, I got all my employees in the auditorium and said okay from today we don’t make music we make stars” (J. Park, 2009).

Stars have become something ‘more than just labour by recognising and consolidating their status as capital’ (McDonald, 2010, p. 111). Indeed, artist brands were framed as ‘more than artists’ by K-pop entertainment companies with the support of ‘Celebrity-discourse’. Not only artistic creativity such as musical talent but also the potential possibility of a celebrity proves to be one of the components of idols, something often
emphasised by the artist-leaders. For example, entertainers or idols can more easily get the spotlight and debut successfully (Participant F, Sep. 2017). All the artist-leaders assumed that vocal skills cannot make the great star. They emphasise the talent of potential stars.

For instance, the idol branding strategies have extended a genre-centric concept of a ‘singer’ into a multi-talent idea of an ‘entertainer’ (Romano, 2018). S-M Lee said the idols do not need to be defined as singers. He said the idols are ‘singing entertainer’ (Lee, 1999). In the TV programme, ‘K-pop Star’, J-Y Park and H-S Yang often made comments about the collective idea of ‘talent’ and ‘star’ during the selection phase of contestants. They said the detailed criteria are different, but they all agree the talent is the uniqueness and attractiveness which accompany with singing and dancing skill (Park, 2011).

The notion of ‘celebrity-stars’ in K-pop discourse in the unregulated and informal business environment has been supported by the ‘exclusive contracts’ between artists and entertainment management companies. There has been much criticism of such prolonged and exclusive agreements, which have been called ‘slave contracts’ (Y. Kim, 2013; SeoulBeats, 2011). Most contracts have been written and edited by companies or managers causing the vulnerable position of idols with low protection for their rights as artists, including intellectual rights. S-M Lee also asserted that the contractual freedom of the company was a key factor because it was necessary to lock them into a long-tem
contract to build the entertainer brand as it can be found from the following statement (S. Chen, 2016a).

“The U.S. couldn’t establish a management system like ours. Picking trainees, signing a long-term contract, and teaching trainees for a long period, this just can’t happen in the U.S. U.S. agencies are hired as sub-contractors after an artist has grown and gained popularity on their own. As a result, the agencies only play roles of sub-contractors, and can’t make long-term investments in singer-hopefuls. However, in Korea and Japan, whose cultural industries developed later, agencies were free to make such contracts” (S-M Lee’s interview cited by Chen, 2016a, p.36).

Therefore, the exclusive contract between the K-pop SMEs and idols encourages the entertainment companies to diversify the revenue sources by creating multiple brands of their artist. For instance, the term ‘entertainer’ has also become one of the standard terms used to describe the multi-brands of celebrity-stars in the Korean popular culture industry. Thus, the positive image of ‘talented’ idol and commercial stars spread the idea of ‘more than an artist’. On the contrary, the dark side of ‘more than an artist’ raises important identity questions. When the market no longer defines an authentic identity of artists, identity conflicts can occur and affect artists as it is unclear whether they are musicians or actors/actresses. Moreover, the social norm of idol stars is a collective idea.
BTS - IDOL

[Verse 1: RM, J-Hope]
You can call me artist (artist)
You can call me idol (idol)
No matter what you call me
I don’t care
I’m proud of it (proud it)
I’m free (free)
No more irony (irony)
Cuz I was always just me...

As expressed in a lyric quoted above from the recent BTS song, ‘IDOL’, even the idols struggle with identifying who they are (Genius Lyrics, 2018). These days, the artist created by the idol system acts in various roles, from singer to actor or actress, and is known as a ‘multi-entertainer’. The negative metaphors such as ‘factory’ referring to the idol system and ‘robots’ referring to idols which were often used by the media could be switched into more positive and managerial metaphors such as system and artist. In this regard, ‘entertainer’ has become one of the positive metaphors in the K-pop industry as it implies the multi-brands of the idol. Under this discourse, the singing skills which have been one of the weaknesses of the idol can be as critical as it used to be. In this entrepreneurial environment, the role of a leader is to help build the identity of the idols at both emotional and educational level.

To conclude, during the entrepreneurial stage, the entrepreneurial and artistic competence was useful in branding the new concept of celebrity-stars in the cultural production of idol system and the Celebrity-discourse has emphasised the celebrity value of idols over their artistic
identity. To sustain the idol system, therefore, it is necessary for idols to be detached from the personal brand of artist-leaders in the established stage (to see more, read sub-chapter 7.2.1). While identity confusion increases, it is more necessary to decrease centralised control by allowing autonomy to foster organisational creativity (see sub-chapter 6.3.3 for more discussion).

6.1.3 Hallyu-discourse in Artist-Leaders’ Storytelling Behaviours

Allied to the notion of Hallyu selling Korea abroad is the rather more worrying nationalistic sentiment that the nation is finally asserting itself within Asia, attaining a position of dominance it has long deserved. Alongside jingoistic language that accompanies Hallyu, such as Korean ‘Hallyu Stars Storm Asia’ and Korean Hallyu ‘Conquering Asia’, there have been assertions that historically Korea has always been a huge influence within Asia; a notion embedded in the term Hallyu as if this wave flows far back into history (J. Kim, 2007, p.54).

In recent neoliberal capitalist discourses, culture has become a crucial element of ‘national identity’ and ‘nation branding’. That is to say, cultural products can also become a symbol of local identity and a vehicle for global promotion. (UNESCO, 2013). For example, Korean popular culture was one of the prominent means of promoting the Korean economy and ‘nation branding’ in the 2000s. While there have been a variety of different perspectives, such as the cultural nationalist and post-colonialist perspectives, my focus is on the changing meanings of Hallyu around K-pop discourse.

The global recognition of K-pop used to be a means of affirming its ‘collective national identity and nationalism’ (Yoon, 2017, p.4). Artist-
leaders contribute to the introduction of government policy through the delivery of discourses centred on the viewpoint of cultural nationalism. (Won, 2015, p.19). Apart from the *Hallyu* discourse of the state policies, I focus on ‘Hallyu-discourse’ around the narratives of artist-leaders. From the stories of artist-leaders, the discussion on *Hallyu* has drawn attention in different speeches. Even though all the leaders have expressed diverse views on the *Hallyu*, these discussions have raised questions around how to define *Hallyu* and anticipate the future of *Hallyu*.

It seems that the terminology, *Hallyu*, is defined differently and considered to have various meanings by individual artist-leaders. Even though there are several stories regarding the origin of the word *Hallyu*, it is argued that *Hallyu* first appeared in 1999 in a Chinese newspaper and journalists who coined the term used it in an article about a H.O.T. concert in Beijing to address the sudden surge of the Korean pop culture (Kim, 2012; Cho, 2005, p.173). For that reason, S-M Lee confidently cited himself as a pioneer of *Hallyu* during his speech at Stanford University, 2011. S-M Lee has deliberately introduced himself and his speeches into the *Hallyu* story (and vice versa, made *Hallyu* central to his own life-story); thereby it is implying that the two are closely associated.

“Today I would like to talk about the rise of Korean Wave which is known also as a Hallyu and SM ENT’s globalisation strategies which led to a new Korean Wave, ‘Shin Hallyu’. As a result of our great success, SM ENT’s unique business strategy has been benchmarked by numerous companies worldwide, and I’m going to explain some of
the critical components of this strategy. By sharing some of my passion today, I hope I can make this as an exciting and memorable experience for you as it is for me...You’ve just witnessed the creation of an unbelievable social phenomenon called the Korean Wave, and now we call it the new Korean Wave. In February 2000, SM ENT’s group called H.O.T. first held her concert in Beijing; this was where the original Korean Wave began a truly exciting moment, which I will never forget” (S. Lee, 2011).

“With ‘CT’ being our basis, we have been producing and spreading our creative contents, which is called ‘Hallyu – Korean Wave’, and ‘K-pop’ not only in the domestic market and Asia but also all around the world” (S. Lee, 2016a).

The managerial metaphors such as ‘Shin hallyu’ were commonly found as a positive term that the media and the government often quote in the past decade, used to persuade the global and local audience and the media in particular. The discursive power of artist-leaders introduces and disseminates the relevant topics by suggesting the scope of business-oriented discourse for the idol industry among gatekeepers. Thus, it could be argued that his storytelling behaviour was active in the creation and development of Hallyu-discourse. It almost always appears as an essential topic in his speeches. This Hallyu-discourse on the global and domestic market can be easily found, as it is stated in his speech conducted in 2011.

“There are three phases of CT. The first phase of culture technology is the export of cultural content. The second phase of CT is market expansion through collaboration with local companies and artists; this will eventually integrate Asia as one
marketplace. The third and last phase of culture technology is to establish joint ventures in each market and pass on Korea’s CT. The final goal of the third phase and the ‘Hallyu’ which has been attempted by SM is to build a strong and reliable globalised market and share the enormous added value created” (S. Lee, 2011).

The Korean celebrity industry and its export orientation boomed in the 2000s with the neoliberal economy-boosting cultural policy, and ‘Korean nationalist enjoyment of Hallyu and local celebrity culture’ required ‘Hallyu stars’ to be good ‘Korean patriots’ (Fedorenko, 2017, p.500). Indeed, according to Olga Fedorenko (2017), in a postcolonial frame, Hallyu stars were ‘subaltern’ celebrities to resolve ‘the traumas of the colonial past’ and assert ‘regional hegemony’ (Fedorenko, 2017, p.501). In this vein, artist-leaders seem to utilise the term Hallyu to draw heroic metaphors in the entrepreneurial stage with concepts such as ‘patriot’ and ‘domination’ (YG LIFE, 2015b). These metaphors can be easily found from the speeches of artist-leaders in various context as it can be seen in the following statement of H-S Yang (2015). The Hallyu stories contribute to organisational brands not only to impress a substantial economic success in foreign countries but also to build the image of Korea with high soft power.

“...as we are not in the war now; I think the one who promotes Korea in the world or who earns a lot of foreign money is a patriot of our times. Of course, I didn’t begin my music career to be a patriot, but I think the role I can play in my current circumstances with my current status is to promote Korea’s
music and culture widely throughout the world. I have this kind of ambition to be the world’s No.1, not the No.1 only in Korea, and PSY and BIGBANG are playing such a role well enough, I believe” (H-S Yang’s interview cited in YG LIFE, 2015b).

In this vein, leaders are considered patriots representing Korea in the global market. H-S Yang has even admitted ‘It is clear that my dream is not the accumulation of wealth or expansion of the business. As I have been asked that question a lot recently, I have thought about what my dream is, and nowadays, I think I want to be a patriot’ (YG LIFE, 2015b). Furthermore, according to Yoon (2017), global K-pop is a cultural practice that implies ‘postcolonial legacies and struggles’ and ‘national idols’ can be interpreted as ‘Korea’s postcolonial desire for generating national signifiers to ensure its identity as a nation-state that developed through struggles to overcome colonial legacy’ (Yoon, 2017, p.10).

“Initially, Europe was dominating the world culture; however, as America’s economy grew stronger, its cultural influence also increased in Hollywood was established. Where’s Asia’s Hollywood or where will the next Hollywood be created; everyone will agree that it is China. Our ultimate goal is to accomplish the third phase of culture technology in the most significant emerging market in the world: China” (S. Lee, 2011).

On the contrary, as Hallyu-discourse was enforced, rejection of and hostility towards Korea emerged, seeking assurances for ‘the coexistence of cultures’ against the pursuit of cultural imperialism. In
this vein, ‘anti-'Hallyu’ has increased, criticising the nationalist approach of Hallyu and provoking ‘a backlash among different Asian countries’ (S. J. Lee, 2011, p.90). For instance, Zhang Guoli, one of China’s leading actors in television, described Hallyu as a ‘cultural invasion’ and stimulated his fellow workers to promote domestic productions (Osnos, 2005). Moreover, at the state level, foreign government bodies in Asia (especially those of Japan and China) often criticised Korean popular culture for becoming too dominant in their regions (L. Chen, 2017; J. Y. Kim & Lee, 2012; Park, 2014).

Thus, it sometimes gives a significant impact on strategic modifications concerning global expansion in K-pop SMEs. For instance, the recent controversial conflict between Korea and China regarding the deployment of the US missile defence system, ‘THAAD’(Terminal High-Altitude Area Defense), in Korea despite China’s repeated protests and warnings, became ‘a backlash’, making idol stars and entertainment companies ‘hostages of regional nationalisms and geopolitical rivalries’ (Fedorenko, 2017, p.511). The geographical expansion of K-pop seems to be a critical theme in the stories of artist-leaders

Such nationalist compensation, however, was not only the reason as the K-pop SMEs were neither a non-profit organisation nor a government or state agency. As a commercial entity, the artist-led organisations need the global expansion. J-Y Park once said that the global success of Korean cultural product was not only because of the quality of products but also because of the small domestic market. He added that the low
population of South Korea made the companies look outside of the Korean market. (J. Park, 2007). S-M Lee also added for Korea’s current comparatively small population the nationalistic discourse.

“Korea would have a population of 45 million, Japan 130 million and China 1.3 billion if these three countries were to hold an equal share of ownership in a joint venture company the company will make a considerable profit and Korea would undoubtedly become the wealthiest country among the three because Korea’s population is the smallest” (S. Lee, 2011).

I assume this pioneering idea is also shared by other artist-leaders. The difference is that S-M Lee was more into the Asian market, especially China and Japan while J-Y Park was concentrating on the US market. For instance, the global success story of BOA from SM ENT was often interpreted as a symbolic device from a cultural nationalist perspective. Her popularity in the Japanese music industry was praised in the Korean media because of the propensity of the Japanese market to reject Korean music and popular culture (Y. Kim, 2013, p.63).

“Looking back at the past century, Korea mainly was a victim. Korea was mainly a victim of international conflicts; we were never the aggressors. So we’re there if we travel if you go to China like nobody ever got really beat up by Korea you know if I go to Japan nobody ever really got beat up by Koreans, so it was kind of easier compared to Japan to go into China so being the victim of past in the international nations really in some way help” (J. Park, 2007).
Artists and entertainment companies were considered heroic winners or patriotic conquerors in K-pop discourse in the early and mid-2000s in the narratives of S-M Lee and H-S Yang, who followed (YG ENT) and even led (SM ENT) the nationalist Hallyu-discourse. That is to say, the entrepreneurial storytelling of the artist-leaders often carries symbolic expressions such as ‘the first Asian, the domination of Asian countries’, and ‘expansion to the US and Western markets’ as it is shown in J-Y Park’s speech at Harvard University. He celebrated the establishment of US branch office in New York City and made the event both iconic and historic moment by telling that “We are in the process of opening a record label in Manhattan end of April. This is ‘the first Asian record label’ in the United States” (Park, 2007). ‘Hallyu-discourse’ in storytelling on ‘Asian’ and ‘global domination’ has been referred to as the nationalistic voice. In this respect, the international success stories are often referred to as nationalistic battles.

However, as it is evident that the emphasis on global expansion in the strategies and narratives of artist-leaders is not merely market-driven. That is to say, the international performance of idols and artists had significant for both economic and nationalistic purposes. The international expansion strategies of K-pop SMEs meant not only inevitable managerial strategies overcoming the limitation of the local market but also the nationalistic promotion for the local audience. In this sense, globally famous idols are considered patriots in some ways. Thus, I argue that the hybridity of global K-pop has linked global consumption with a local audience in the domestic market.
Nevertheless, a possible ‘breakout’ strategy for K-pop SMEs can involve the removal of nationalist framing to highlight the managerial aspect of Hallyu-celebrity. For instance, J-Y Park warned Hallyu was becoming dominant in K-pop discourse. J-Y Park (2007) agrees with the importance of Hallyu discussion in the Korean music industry; nevertheless, he tried not to link it with national identity as he seems to be afraid of K-pop being too Korean. There are repeated concerns regarding this matter in Park’s speeches.

“So, to sum it up, past and future, past; we were spreading our contents songs and artists, future; I think we should spread out system which is labels or academies, territory; it was only mainly in Asia, but now I think he should go further like the US and through that the whole world may be; creators were Korean it was made by Korean performed by Korean but now I think we can make it together. An international team who likes the same stuff who likes hip-hop. We can all get together and make something together, come up with something together, so and the business model was one way, but now basically instead of just spreading out our stuff, I think it should be more interactive, making something together, creating something together, sharing with the whole world. Till now we called it Hallyu and it kind of makes sense because it was made by Korean, performed by Korean, and made in Korea; but now, if we gonna take it to the next level, I think you shouldn’t have a name like Hallyu just my humble opinion” (Park 2007).

Furthermore, J-Y Park even suggested taking the ‘Korean’ identity and nationalism out of cultural production. In his opinion, this transnational
collaborative approach to cultural production can overcome the reluctance of a foreign audience to accept the aggressive importing of Korean culture. He also expressed his advice not to use Hallyu for that reason. He resists the overtly nationalistic identification of Hallyu. This attempt to tone down the nationalist rhetoric contrasts with the approach of S M Lee which is quoted in the following statement (J. Park, 2007).

“Ten years after H.O.T.’s first concert in Beijing, our artists have expanded throughout Asia and are performing large-scale shows all over Asia including Hong Kong, Taiwan, Thailand, the Philippines, Malaysia and Singapore and more. Then it should come as no surprise that what was once considered a strictly Asian phenomenon is now poised to spread throughout the entire globe. A dream only by oneself is merely a dream; however, if we all dream together, there’s the beginning of a whole new future for the global success of Korean pop culture” (S. Lee, 2011).

However, to reach global audiences, Korean national identity must interact with non-Korean values and identities. I am arguing that, even though the Korean national identity has the advantage of dealing with the regional government, Hallyu-discourse has also become controversial during the transformational change. While the Hallyu policies have created the shining image of Korean popular culture and the cultural industry policies, the international tension regarding ‘anti-Hallyu’ was emerging (L. Chen, 2016). Moreover, Koreans used to see the rest of Asia through a ‘narrowly framed and mono-coloured window’, which makes Hallyu-discourse problematic rather than
harmonising (Won, 2015, p. 21). Moreover, the leaders avoid the Hallyu to resist accusations of ‘cultural imperialism’. This is because artist-leaders focus more on global K-pop music and the international branding of idol stars rather than Hallyu-discourse, which can be limited by geographical barriers or political controversy.

6.1.4 Summary

K-pop idol system was the driving force behind the emergence of the charismatic artist-leaders and the unique environment of K-pop discourses. In this sub-chapter, I focus on the discursive meanings of idol system in the K-pop discourses embedded and residing in the entrepreneurial stories told by artist-leaders. Major K-pop discourse and the storytelling of artist-leaders are connected, making specific narratives while confronting organisational crises. Therefore, before the discussion on strategic narratives in chapter seven, as I introduced in the methodology chapter, this chapter will focus on the discursive level of sense-giving behaviours.

To summarise, the K-pop managerial metaphors in artist-leaders’ discourse have framed the legitimacy of the artist-led organisations while compensating the limitations of the uncertainty of creative and cultural business during the digitalisation and globalisation of music industries. Understanding the transformation of the K-pop industry can begin by exploring the political economy of music. K-pop discourse such as System-discourse, Hallyu-discourse and Celebrity-discourse
are embedded within a contested set of developments in the political economy of the music industry in the context of contemporary Korea.

The so-called business-mindset, based on corporate values such as making profits from cultural production by expanding markets, was widely shared in the speeches and interviews of artist-leaders, with no resistance during the entrepreneurial period with the active storytelling behaviours of artist-leaders. The commercial concept of culture and cultural commodities seem to be quite commonly accepted and shared by artist-leaders. For example, the most apparent reason for the organisational expansion was not only the small size and dynamic changes of the domestic music market along with the digitalisation in the music industry. This, therefore, can be considered as both crisis and opportunity. In the next paragraphs, I will extend the discussion about the storytelling behaviours of artist-leaders by focussing on the leader-follower communicative perspective.

6.2 Leader-centric Symbolic Communication during Entrepreneurial Stage

The relationship between leaders and artists in the Korean music industry is very complicated. This is distinctive when it comes to the idol system. It is not just leader-follower, employer-employee, and manager-artist. As previously argued, leaders deliver core values and persuade organisational members to follow corporate purposes. For followers, such as employees, the impact was enormous.
In such a case, the founder of the organisation creates the culture by telling the story of themselves and the organisation, fitting this into the account of his or her own life. For example, as S-M Lee majored in computer science in the US, he often points out the importance of technology and systems. Likewise, H-S Yang, a former member of a hip-hop group, emphasises the artistic talent of artists in skills such as rapping and hip-hop dance. In this regard, symbolic power and communication will be examined further in this chapter through an investigation into the storytelling behaviours of artist-leaders.

6.2.1 Personal Brand of Artist-leaders and Managing Emotion

As noted in sub-chapter 5.2.2, having been a ‘celebrity star’ in the Korean music industry provided artist-leaders with the symbolic power of strong charisma. This charisma also allowed the artist-leaders brand-building position and the advantageous position in the market the branding highly relied on the personal competence of artist-leaders in the case of the ‘Big Three’. The controlling power over the media and artist has been a major component in the charismatic power of artist-leaders and can be called ‘personal branding power’. Such talent and creativity of the idol trainees need to be more than mere possibility to become a source of fame or popularity of an idol star. According to participant B, the brand power of artist-leaders increases the possibility of success in the K-pop industry.

There is a greater possibility of delivering something special to talented and artistic people. However, no matter how creative or artistic they are, it is also impossible to foresee customer reactions.
Nevertheless, artist-leaders who can establish their brand are more likely to take advantage in an uncertain market (Participant B, Sep. 2017).

The role of artist-leaders regarding brand management is also changing as businesses shift from delivering goods and services to developing environments that allow specific ‘lifestyles that are lived through brands’ (Mumby, 2016, p.888); in other words, everyday storytelling for sense-making constructs the individual identities of organisational members as well as meanings in organisational life. The relationship between artist branding and organisational branding was one of the major concerns shared by H-S Yang, so they try to build a stable profit structure and the brand value of the organisation. H-S Yang once described his brand planning of artists as consistency as follows.

“A consistent image can create stars with high added value. Physical appearance, hairstyle, costume, dance, music, marketing, music video and even interviews should be closely related to a single image. We’re making such singers with a consistent image here. When I pick potential singers, I set out the direction where they should go within a year” (J. Park, 2007).

One of the reasons why artist-leaders can have a significant influence on the branding process is their storytelling behaviour. Personal stories can show one’s own competence and dedication to problems and awareness and reluctance to be susceptible to others (Sole and Wilson, 2002, p.3). Personal stories about being an extraordinary figure can be easily found. For instance, the entrepreneur, S-M Lee, was a ‘maverick’ who comes up with weird or unusual ideas’ (Moss, 2011, p.150). An
interviewee who worked in the marketing division of one of the biggest artist management agencies emphasised the importance of branding in the music industry. He said that artist-leaders play an essential role in branding artists and albums to acquire the audience’s attention.

Furthermore, it seems significant to emphasise trans-media storytelling through songs and albums using the brand-centric view. In this respect, branding with diverse media channels can be the goal of maintaining the specific brands of artists and idols. In Korea, TV shows are one of the vital promotion lines to introduce new songs and one of the best ways to interact with the audience. Therefore, it can be a critical advantage for artist-leaders to be on TV shows. Artist-leaders can be an attractive symbol linking new debut of idols with the media content of TV shows as the audience will take a close look at the new idols from the major companies.

Keeping a company small can be an effective way of maintaining its competitiveness, revealing the brand’s unique colours, and keeping it differentiated. However, while the artist-led K-pop SMEs pursued growth, it became more difficult to maintain the unique brand of the companies. Moreover, the strong brand image was not possible to sustain across the organisational structure as they extend the brand of the artist and idols into different media forms. The stories of artist-leaders were filling in the missing space by displaying the brand colours. In this respect, the discursive role of artist-leaders, not only as a storyteller but also as a brand-builder, has been significant. For these reasons, in the K-pop industry, the entertainer-centred value chain
developed with the idol system providing the brands with charismatic power over idols.

The charismatic leadership of ‘self-romanticism and self-mythologizing’ socially constructed in the entrepreneurial stage can incur the narcissistic dynamics of leadership (Collinson, Smolović Jones and Grint, 2018, p.1641). For instance, entrepreneurial stories of long hours of idol training with intensive education of languages, cultural knowledge and artistic skills such as dancing and song writing have created the strong charismatic power of artist-leaders as artistic and creative entrepreneurs. The overuse of ‘I’ during the entrepreneurial stage seems to imply that individuals with higher narcissism tend to use ‘more first-person singular pronouns and fewer first-person plural pronouns’ (Raskin and Shaw, 1988, p.393). For instance, in a recent speech given in 2016, S-M Lee used the first-person singular pronoun to emphasise his heroic role in the strategic planning of the organisation. After the screen display of the organisational history of SM ENT, he opened his speech using ‘I’. This voice of the storyteller (a first-person narrative) is an excellent example of early entrepreneurial behaviours of artist-leaders.

“I am a producer at SM. Have you seen the path that I just walked out from? It was the path that SM has taken since the establishment of ‘SM Productions’ in 1989, which was the prior label to SM ENT. For an extended period, over two decades, SM has kept its own Culture Technology in other words ‘CT’ as its producing technology” (S. Lee, 2016a).
In this respect, S-M Lee seems to identify the organisation with himself because of the repetitive use of ‘I’. First-person narratives provide meaningful information about the self-development of identities (Atkinson, 2007). The strong voices of artist-leaders in speaking events can take place as a sense-giving behaviour because they often emphasise that they are the most influential leaders of organisations by using such expressions as ‘I decided’ or ‘I planned’, which can be seen in the storytelling behaviour of J-Y Park’s 2007 panel lecture in Harvard University (J. Park, 2007). This plot makes it seem as if there is a causal connection between the leadership, the company and the success of idol groups. In this respect, brand-building using the identity of individual leaders may distinguish the organisation from others in the K-pop industry, which makes not only the artistic and entrepreneurial competences but also the charismatic power of artist-leaders more valuable not only at the entrepreneurial stage.

6.2.2 Heroic Storytelling and Charisma

Mythmaking storytelling and heroic stories make artist-leaders an extraordinary figure, which can be an effective tool of empowering leadership during the early stage of artist-leadership. In this regard, charismatic leadership in entrepreneurial stories can be represented or defined as a set of perceived behaviours that set them apart from ordinary men, and the charisma they possess is considered to have ‘supernatural, superhuman or at least superficially exceptional qualities’ (Dyer, 1991, p.58). The role of myths in entrepreneurial stories is to support stability and unity in the organisation and to justify the power
of leadership (Smith & Vecchio, 2007), which can be a useful tool for establishing charisma-driven power during the entrepreneurial stage. For instance, symbols can be embedded in myths to carry ‘powerful intellectual and emotional messages’, and the messages can be more real than truth (Bolman and Deal, 2017, p.236). This mythical storytelling implies that the artist-leaders are different from others and enforce the mysterious image of a charismatic leader.

In the case of SM ENT, media relationships are tight because the company has a long history of involving the media business, and as the data is accumulated based on the S-M Lee’s relationship with the media, the branding of SM is consolidated (Participant H, Jan. 2018). In this context, the role of a leader can be plotted to create an image of the idol group. Thus, during the training period, idol stories become a unique type of media source and artist management companies try to diversify and publicise these stories across various business fields.

“When I said I would expand my career and business in the US, even the board members of my own record label were against using any money to start a business, a music business, in America. So I actually couldn’t use any penny of even my company’s money so I borrow a room at my close friend’s house and open up a garage at his apartment. I put up a studio in his garage. There’s a little bit of space left when his car comes in. So that’s precisely how I started sending out demo CDs, and that was it. Nobody actually could have believed I could have done this even my company people didn’t believe in me, so that’s how it was” (J. Park, 2007).
Sense-giving process of story-making as a ‘mythic’ storytelling approach combines two archetypal stories; the underdog who ‘beats the odds’ (literally starting in a ‘garage’) and the ‘heroic conquerer’ who takes over the world. For instance, the title of J-Y Park’s interview conducted by Chosunilbo in 2007 was titled as ‘Park Jin-young Has Ambitions to Conquer the World’ (Chosunilbo, 2007). In this article, he was described as heroic conqueror. This plot implies the typical plots of entrepreneurial storytelling as their struggles have finally paid off. Above heroic plot in J-Y Park’s global success story recalls times of hardship which mythologise his struggles.

These archetypal cases of heroic plots can be found not only in the stories of artist-leaders but also in artists’ stories. A typical example is the ‘beating the odds’ journey of J-Y Park in the US, where he fixed a significant problem despite the odds being stacked against him. This heroic plot can be used in the storytelling of risk-taking behaviours and creative endeavours to indicate an openness to a new experience. The plot of ‘The Quest’ is about a hero achieving an overarching goal at the end of new experiences. Also, ‘Voyage and Return’ refers to a journey to a new environment such as a global project, which can be found in the entrepreneurial stories of global expansion (Booker, 2004; Conklin, 2017; Ffion, 2015).

As some leadership theorists have claimed, charismatic leaders are risk-takers, are observed by followers as the leaders displaying self-sacrifice with a strong sense of mission (Bass, 1998; Jay Conger & Kanungo, 1998; House & Aditya, 1997; B Shamir et al., 1993). Risk-taking
behaviour is also one of the common features of an entrepreneur as well. Thus, the heroic plots are enforcing the charismatic image of artist-leaders by implying the struggling journey of artistic work.

The life stories of artist-leaders set them as a kind of a prophet or visionary anticipating the future from the ‘dream-come-true’ stories. This is used to inspire and enhance the intrinsic motivation of organisational members. For instance, widely shared stories about the ‘Big Three’ focus on the leaders and ‘how the leader met a certain artist’ and ‘what they have done to make a debut’. The biographical texts of artist-leaders always have stories of early casting and training experience of certain idols.

“After I became the artist, I was fortunate to have six number-one albums, and later I became a music producer. I started making music. I had produced a record for the famous ‘RAIN’. He was elected as one of the 100 most influential people in the world by Time Magazine last year, so that’s what I did. I’ll just turn thirty-two years and is there something more fun to do and I was trying to go outside Korea and I had to start over. Anyway, I just wanted to pick the most robust country in the world as far as the music scene, and I crossed over to the US” (J. Park, 2007).

Above story of J-Y Park was mostly about his spirit of challenge and successful backgrounds. This plot of the risk-taking behaviours contributes to the extraordinariness of his story. Also, he was mythising the achievement in the domestic music market. He emphasised that he made RAIN famous through hard training (J. Park, 2007). The story
about successful artists trained and produced by the artist-leaders also helps to create the mythic image of the artist-leader. Moreover, the idol stars meet the leader at an early age, and they spend a significant amount of time together. Indeed, brand-building was one of the significant factors of the ‘Big Three’ for strategic purposes.

“Five years ago, I was trying to enter the U.S. market. But I was worried a lot, and my investors were worried that I was not able to start with my business funds when I was going to the U.S., and I thought it would be hard to get into the U.S. if I were not recognised for my skills. So, I started by going over there and writing and selling to American singers. Luckily, in 11 months, I have now had three songs on my Billboard 10 album. It was a dream for me” (Park, 2008).

The early struggling stories such as starting a business in a small office were followed by dramatic storytelling. At the 60th Anniversary of Korea ‘60 Days Consecutive Lecture’, J-Y Park gave a lecture. He told the story of his lonely and solo challenge toward the US market (Park, 2008). The lack of resources could help create an exceptional image of the leader. Also, ‘overcoming challenges’ stories such as starting a business with few people and unknown artists still being developed in a small start-up is a typical plot during the entrepreneurial stage.

In speech events, artist-leaders often show movie clips of success stories to give the impression that they have dramatically grown as a big and successful business in contrast to these humble origins. These events are explained concerning the ‘heroic’ action of the individual artist-leaders. This can be commonly found from the speech events by
J-Y Park and S-M Lee. In S-M Lee’s episodic speech, he started the speech by showing a short video about the history of SM ENT. The JYP 2.0 event held in 2018 also commenced by showing the organisational history of JYP ENT (JYP Entertainment, 2018).

A heroic image of leaders can be progressively exaggerated as followers promote mythic perceptions of the leader. In these stores, artist-leaders are playing more than a music producer or instructor. They not only shape the celebrity image of the future idol stars but also contribute to the artistic identities of the idols while making idols’ dreams come true. For instance, Lee gave a speech titled ‘Don’t Try to Cut Your Ears’ at the 2010 Harvard Asia Business Conference. Here Lee spoke of ‘the need for more systemized education programs to nourish up and coming talent, which will lead to creativity and increased competitiveness’ (S-M Lee's statement cited by TheKoreaTimes, 2010).

The stories are describing the tight emotional relationship with the idol trainee. This romance of leadership may also stem from a common interest in leaders whose charismatic appeal generates followers comparable to the fandom of a pop star (Morris et al., 2005). The intended use of a life story tends to create an entrepreneurial image of artist-leaders. In these plots, the leader is packaged as a heroic being because of the fiction containing truth. Artist-leaders have planned such persona-based visions in the early stage of organisations and are still on the way to making these plans come to fruition.
Finally, these widespread stories cited in the media can amplify the heroic role of artist-leaders decorating the entrepreneurial stage as mythical, which refers to the story’s ability to connect with deep-rooted collective cultural values (refer to sub-chapter 2.4.3 about the role of myths in story-making). Heroic storytelling would form ‘a social contagion phenomenon’ which develops the idea that a leader is ‘superhuman’ and ‘extraordinary’ (Jay Conger & Kanungo, 1998). The discursive role of artist-leaders makes them the leader of the industry to spread the notions of heroic leadership in the CCI sector.

In this regard, artist-leaders are often invited as a keynote speaker. For instance, J-Y Park gave a keynote address at the Music International Trade Fair, MIDEM, a meeting of music industry businessmen. He was one of the speakers, such as Google's Vice President, Myspace’s Chief Vice President, and Nokia's Executive Director. According to the spokesman of JYP ENT, he talked before some 800 music officials from across the world about his experience in the developing and globalisation of Korean pop stars and his potential ambitions to shift to the US and Europe. He was also interviewed by foreign news channels from France, the UK, US, Germany, China, Japan, Finland, Sweden, and the Netherlands. In fact, the media has relatively positive coverage of the global strategies and the star management system of Korean entertainment companies (Park, 2009). Therefore, the discourses of artist-leaders are not only consumed in the local media but also shared by the global media.
To conclude, particularly in the case of entrepreneurial stories, the inspirational stories of early exploration of idols. In the stories of the ‘Big Three’, the heroic figure manifests in many forms, such as heroic tales. For instance, stories about the idol candidates who struggled to show and prove their talents merge into ‘encounter with saviours’ stories, and this becomes the primary source of mythical storytelling of artist-leaders’ entrepreneurial stories. However, it should be noted that this plot can often be irrational for people with extrinsic motivation as these followers are not easily fascinated by intangible goals. Therefore, the entrepreneurial storytelling can miss the tangible goals which can be constructed as organisational missions and visions. This will be discussed in the next chapter.

6.2.3 Creating Emotional Bond with Entrepreneurial Stories

Creating such informal and emotional bonds between artists and leader can encourage the development of solidarity. Charismatic power over followers applies not only to organisational staff but also to artists (successful idols) and idol trainees. The emotional bond between leaders and artists (idols) can be described as the best in everyday storytelling as the artists are motivated by charismatic power. According to a former idol member, who is running his own firm, ‘an essential factor is how much you care for the artists’. He said that artists should be friends rather than products (Participant G, Jan. 2018). This develops a strong bond and understanding which sees the stars stay in the organisation on a long contract. The leaders approach the parents of
talented children to convince them and to persuade them to become artists.

The relationship between leaders and artists in the Korean music industry is very complicated. This is distinct when it comes to the Idol system. A first distinctive feature of the relationship is that the leaders cast, train, and make a star. As a charismatic leader, he or she needs to listen to new opinions, look at the trainee as an artist, and continue to provide support and trust even if the artists do not succeed. Idols meet the leader at a very early age and spend a lot of their time together. The relationship between artist-leaders and idol stars is often expressed in the personal stories of ‘Parenting’ or ‘Brotherhood’. The following statement shows the family as a symbolic metaphor for K-pop SMEs.

“I want to be his closest elder brother, but at the same time, I want to be the person who puts the greatest sense of burden on him. I think popular singers should have a great sense of responsibility and the label’s role is to make him practice self-control and follow the rules strictly. Of course, I have big affection and respect for all my artists, but I still believe that I should keep some distance from them. That applies to the relationship between a child and parents, too” (H-S Yang interviewed by Um Dongjin, 2015).

As described, the emotional bond between an artist-leader and their artists often refers to the family bond, similar to a parent-child relationship as noted above. This is expressed in the words of H-S Yang, the artist-leader of YG Entertainment (Um Dongjin, 2015). Also, SM
artists refer to S-M Lee as ‘father’. For instance, BOA, a famous female singer from SM Entertainment, started her training at the age of eleven, and many other idol trainees start their practice at a similar age. BOA has been with the same company for over twenty years. S-M Lee persuaded young BOA’s parents that he would take care of her like a father.

The symbolism of family is embedded not only in the personal life stories but also in the symbolic brands of the organisations (e.g. SM ‘Town’ for SM ENT, YG ‘Family’ for YG ENT and JYP ‘Nation’ for JYP ENT). In this culture, charismatic leadership works well because the informal structure of small start-ups requires the guidance of a charismatic figure, similar to a ‘father-child’ relationship. This strong bond and understanding mean that the stars stay in the organisations while keeping the contract and renewing it over time. It could be seen as a teacher-student or father-child relationship.

In this regard, idol groups from a particular company may benefit from organisational brands when making their debut on TV shows, and the personal brands of artist-leaders are embedded in the organisational brand. The myth of the family can also be seen in the way the Motown label promoted the brand of ‘a large loving family’ as a means to embrace its talent; likewise, H-S Yang similarly used as an organisational ‘YG family’ to embrace the creativity in the K-Pop sector (Kim, 2018, p.200). This symbolic branding of ‘family’ was effective during the entrepreneurial stage of K-pop SMEs.
6.2.4 Summary

As previously examined, storytelling behaviour can be a useful marketing tool for branding artists and artist-leaders by spreading the personal stories of leaders and idols to introduce and create images of potential stars. Entrepreneurial stories of how artist-leaders were already very talented in the embryo stage locate artist-leaders in an advantageous position, and this becomes a foundation of effective leadership over their stakeholders. In this context, mythical storytelling is particularly useful to describe the fateful consequences of being an authoritative figure such as a charismatic leader.

At the entrepreneurial stage, organisational brand rests upon the personal values of artist-leaders, and this is sometimes described as the ‘colours’ of different companies. For these reasons, the symbolic role of artist-leaders as a storyteller for brand-building idols is still crucial for organisations. Therefore, artist-leaders are not only acting the role of a heroic and influential figure for the idols and trainees but also holding control of the process and final selection decisions for a debut and critical decisions of career paths during the entrepreneurial stage.

Finally, for a mythical and heroic storytelling purpose, the organisational brand relies on the life stories of the artist-leaders in the entrepreneurial stage. Therefore, artist-leaders attempt to make themselves ‘unique’ and ‘special’ by emphasising their past or present career as an artist. Thus, the parent-child relationship and the use of archetypal plots (Quest and Return) are a part of the ‘mythic’
storytelling. Family roles reinforce archetypes, and thereby have a mythic function. This seems to imply that they are better leaders because they were once artists themselves.

This critical part of cultural production is suited well with the heroic image of artist-leaders and their mythical storytelling behaviours which have been active during the entrepreneurial stage of K-pop SMEs. As a result, the individual artistic brand of artist-leaders is attached deeply with the organisational brand and identity. Therefore, in the following sub-chapters, I will explain the distinctiveness of decision-making structure and the implicit power of the inner circle in the top management of K-pop SMEs testified from the various interviewees.

6.3 Limitation of Entrepreneurial Stories during Formalisation

Artist-leaders can produce their own frame by interpreting or translating the meaning in the stories. The symbolic role of artist-leaders is as a negotiator between the idol stars and the organisation. It seems the inner circle and symbolic presentation of CEOs under strong charismatic leadership has been successful in the entrepreneurial stage. Moreover, the power balance of the top executives and leaders seems to lean too heavily on the artist-leaders. Then, the so-called ‘inner circle’ issue arises. While there might be tremendous changes in leadership and organisational level, the inner circle and idol stars will still be loyal as long as the dark side of charismatic leadership does not become dominant.
The formalised and complex organisational structure with new organisational members needs more than strong leadership. This will be important to note the organisational politics of artist-led organisation to understand the clear picture of organisational crises in the organisations. Therefore, this sub-chapter will investigate the managerial and leadership crises of artist-led K-pop SMEs, which requires the symbolic communication level of transformational change.

6.3.1 Managing Top Management: Inner Circle and New Professionals

As mentioned in previous chapter five, negative organisational politics can emerge as the inner circle remains untouched and uncontrolled. Many participants have mentioned that the top executive member relations remind them of how politics works in Korea. Also, they added that connections and lines, which are a typical term in politics and business in Korea, are essential. Furthermore, the following testimonies demonstrate the widely shared criticisms of the negative side of organisational politics. There is a higher level of decision-making power concentrated among artist management staff, who can be defined as the creative team.

‘The core divisions, such as the A&R division, are the same as in the past. Typically, the employees do not work for a long time at the agency. For the people who have been with the company for a long time and in high-ranking positions, politics is strong. The in-house culture does not appreciate administrative employees. Information is shared only by inner circles. This is based on SM’s pride. S-M Lee was like a god, as it can be seen
The existence of an inner circle has been testified multiple times by the interviewees, even though there are no ‘stated criteria for membership and no formal reporting of its members or activities’ (Mooney and Amason, 2009, p.36). Most strategic and vital decisions are made within the circle. The negative side of organisational politics, such as the close-knit inner circle can limit organisational creativity in terms of brand strategy.

*It is an inevitable change that a company grows and grows in size, but it is nonetheless important for artist-leaders to play a role in providing the overall direction. I think that the reason for the lack of influence is why NCT, the new idol from SM Entertainment, is not successful. I think it is losing a colour because there are many players in decision-making (Participant K, Jan. 2018).*

As shown in the previous interviews, the inner circle and organisational politics have limited effective communication between the creative and administrative teams. Also, the charismatic leader rightly delegates some responsibilities, and the leadership power is ‘split’, and the organisation is losing ‘colour’. The decision-making structure and in a disorganised, unsystematic and un-strategic way of management style can result in confusion.

*No matter how well you plan, you can do nothing if the artist managing team does not cooperate. Moreover, there are few*
chances given to administrative employees. The entertainment business still has a pyramid structure’ (Participant M, Jan. 2018).

Furthermore, as discussed in sub-chapter 2.3.3, charismatic leaders can be overconfident. When it is significant to build emotional relationships and to communicate meaningful appeal, the imaginative and mythical aspects are important in stabilising the charismatic leadership and entrepreneurial image of artist-led SMEs. The interview participants have emphasised that S-M Lee is still wielding great power over the company (Participant M, 2018).

6.3.2 Managing the Subordinates: Creative VS Administrative Staff Conflict

As explained in the previous sub-chapter, there is a gap in communication between administrative staff and artist managing experts who are focused on creative production (creative staff). The power of creative divisions of the company, artist management or A&R (Artist and Repertoire) team is strong because they are dealing with the core products, the artists and cultural products. As stated in the previous chapters, the core value of entertainment companies comes from the artists and their activities such as performance and music production and the artists are central to the business, and there are administrative divisions around these valuable artists. Thus, the critical decisions are more related to the creative and cultural production of artists and the creative staff are very confident about the decisions. For this reason, decision-making structure is neither well-balanced nor organised in the
entrepreneurial star-ups. An artist management team leader gave the following example:

‘The decision can be made by the team manager or the divisional manager\(^{33}\), but the manager of the team seems to be leading and making practical daily decisions. However, there are some important decisions about brand marketing need divisional cooperation. So, for example, if we need to create a new calendar for 2018, they will have to cooperate on the calendar because we should include the image of stars in the product, then we should take a picture of them. If we need to take pictures and include images, we will have to schedule a meeting and organically communicate with each other’ (Participant J, Jan. 2018).

In the entertainment business, careful communication is essential because it is a business dealing with the emotions of people. I believe that leaders of the business division should be able to understand artists and improve communication with artists. One of the interviewees was of a similar opinion: ‘It seems that the distinction between the creative team and the administrative team is clear, and because the artist is a core asset of the company, it seems to be secretive, closed, and confidential

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\(^{33}\) Team managers are normally the managers who work closely with the artists. They handle from daily schedules to the private issues of the artist. They need to have high credibility from the artists while taking care of major and minor matters around the artists. On the other hand, divisional managers are dealing with macro business such as marketing and branding. They often have higher hierarchical rank than the team managers in the company. However, the relationship between a team manager and a divisional manager is more complex as the divisional manager needs to communicate well with the team leader to approach the artists.
in the management of the artist, including business know-how’ (Participant F, Sep. 2017).

As discussed in chapter five, for the communicative aspect, it is challenging for organisations to diffuse organisational values to include new staff who lack relevant knowledge and experience of the sector. At the same time, the artists and creative staff must accept the business plans and strategies suggested by the administrative staff members from the strategic division. When communication of decision-making structure is not integrated, it leads to a problematic situation where there is a lack of loyalty and emotional bonding. This is further evidence of how artist-leaders’ artistic competence can gradually become liabilities, which can lead to internal conflict or ‘crisis’ in the organisation, as Greiner (1972) notes.

As discussed in Chapter Five, charismatic leadership was mainly rooted in a set of artistic, intuitive, and entrepreneurial competences rather than managerial competences. During the entrepreneurial stage, artistic competences have been considered relatively important among the leadership competences because of the cultural and artistic values in CCI. In the music industry, it is essential for producers to create a different and/or better product, because each audience has a different taste in music. Artists are uncontrollable because of their highly creative and unconventional means of artistic work.

Collaboration with administrative members has become critical as most companies have opened strategic business teams within the
organisation in the ‘Big Three’. For instance, diversification strategies such as mergers and acquisitions have evoked an intra-organisational relationship, which can cause conflict and miscommunication among different occupational identities such as administrative staff and creative staff. Intra-organisational relationships in K-pop companies have become increasingly important due to the complex divisional functions and the dual structure between organisational members. Furthermore, the most critical decisions, such as diversification strategies, will require approval from members of the board and a CEO in the established stage.

The mis- or under-communication, which can slow down or even block transformation, can be improved with aligned meanings and values among organisational members. As the reliability of general office departments is low, there is a lack of initiative in expanding the business from the strategic management teams. Therefore, even though high confidentiality and effective decision-making are possible regarding artist management and brand strategies, normative management and other divisional projects may be isolated from the top management decisions. In this sense, artist-leaders must be careful of allowing too much complacency from themselves as well as top executives in the creative divisions.

To conclude, charismatic leadership may place more enormous pressure on the employees, reducing their creativity by imposing coercive powers. Thus, the leadership further exposes the waning power of charisma-oriented motivation. I will discuss this issue of motivational
power shift from charisma-driven leadership to vision-driven leadership based on symbolic communication in the following chapter.

6.3.3 Organisational Creativity and Flexibility for Transformational Change

In CCI, most of the work is fundamentally project-based, and separate creative teams often conduct music production and artist management. In addition to the institutionalised part of the idol system, such as idol training, there is still a big part of the flexibility in the idol system. Heterogeneity of membership can support the processing of complex information and considering multiple possibilities in parallel. Therefore, from the perspective of fostering creativity, diversity in top management can be beneficial. This will be even more necessary for top management in CCI because, in many cases such as creative projects for brand extension, it will be necessary to stimulate creative and unorthodox thinking while testing underlying assumptions.

Apart from the matter of diversity in organisational membership, flexible management is highly vital for cultural production. In particular, artist management in the idol system requires the concept of flexibility rather than highly controlled factory-like production (please refer to sub-chapter 6.1.1 for more discussion around the factory-like production system). The need for the organisation to be more flexible and the greater autonomy of the artists became more vital as both the market environment becomes more complex (and the internal management structure larger and more complicated too), and the artists themselves mature and demand more control.
Unlike conventional artist management, the idol system concentrates on the training side (pre-production side). Because of this long preparation, idols preserve a particular artistic identity shared by artist-leaders and retain certain habits from the training and casting process (Participant C, Sep. 2017). The traditional top-down branding was relatively effective as it was considered innovative in the 1990s and the early 2000s because there has been a small number of popular music artists in the field. This means that over time the traditional branding power of artist-leaders declines; instead, artist-leaders are encouraged to stimulate the self-learning and self-formation of artistic identity by fostering both autonomy and creativity.

Not only the emotional bond (see Chapter Four), but also the artistic identity associated with the leader’s personal brand prevent the stars from quickly moving to other companies. It might become more uncertain as the idols mature and demand greater autonomy over how they are perceived and marketed. The confusion around artistic identity can be found more easily as they become established and this has encouraged the recurring questions about the identity of idols in the recent discourse of the K-pop industry (see ‘celebrity-discourse’ in sub-chapter 6.1.2 to find out more).

Furthermore, in the transformed large-scale structure, this can be a solution for securing flexibility in creative work and fostering creativity in the organisation. As I pointed out in sub-chapter 6.3, the loss of creativity and flexibility can be improved with the symbolic management of artist-leaders. Thus, supported by the empowered
organisational members, top management level leadership aligned with organisational vision will effectively support the network of creative people within the organisation. The meaning of ‘creativity’ in this idol system does not mean the inherent ‘gift’, but rather the ‘skills’ which can be learned. Functional and symbolic change of creativity is not only inevitable but also necessary and legitimate in the complex environment.

Strategic decisions are both objective and symbolic, so some organisational members are loyal and intrinsically ready to listen to the opinions of artist-leaders, and others are not. For example, there are decision-making structure rules such as ‘a majority voting system’ in JYP ENT. However, even though such a system exists, organisational politics will be more influential as some of the executives will vote for the artist-leaders anyway. This is why it is necessary to take a look at the decoupled implicit power relations in top management.

Even though artist-leaders do generally not intervene in managerial decisions, they do intervene when they consider a decision to be critical to the organisation’s future. However, this can cause the leaders’ decisions to be too irresistible. The wrongful or arbitrary decision can cause a fundamental effect on organisational performance. This makes the K-pop SMEs vulnerable to being too reliant on artist-leaders. When it comes to the leadership absence, the K-pop SMEs entered into a

34 J-Y Park has invented the voting system (so-called a creative meeting) to avoid him being arbitrary or assertive. The important decisions in the company are decided by the voting of seventeen members in total. Park has asserted that this system can solve the problematic decisions he might have made.
troublesome period. Due to the personal brand of artist-leaders and ‘branding power’, K-pop SMEs can be vulnerable to the absence of a charismatic leader. There have been several troublesome cases of leadership absence in the history of the K-pop industry.

For instance, Ho-Yeon Lee, the manager-leader of DSP Entertainment, developed cancer, while Seung-sung Hong, the manager-leader of CUBE Entertainment, had Lou Gehrig's disease and the company started to plummet when there is no charismatic leader within the organisation. As leaders with absolute charisma collapsed, their power was split and they were ruined by the organisational politics losing the network and broadcast management. However, when a charismatic leader is continuing to have a powerful influence, it is unlikely that you continue to be unsuccessful (Participant M, Jan. 2018). A former marketing staff said that an artist should be a leader. He thinks it was important for the artist-leaders to get involved in every part. But as the organisation gets bigger, I think it is harder to control artists as well as the organisation. There is so much work going on now that nobody can control.

As it can be found from the empirical cases of the downfall of JYP Ent, the role of a charismatic leader in times of their absence can be traumatic. Physical absence in the local market can weaken the development of solidarity within the home country. Abrupt organisational expansion can cause structural issues such as the risk of dispersion and absence of leadership in decision-making. One of the reasons why artist-leaders should be in place in top management is to
communicate with artists. For example, the international expansion of JYP ENT in the late 2000s was a ‘backfire’ evident from the significant downsizing of JYP ENT that resulted in the withdrawal of the US branch (2013) and the decline in popularity of the idol girl group, ‘Wonder Girls’ (Jackson, 2013).

*The US marketing team had almost no activity, and the CEO removed the US marketing division saying it was not productive.*

*At that time, there was no organisational structure in SM ENT. S-M Lee was on the run for the tax evasion charges (Participant K, Jan. 2018).*

According to former marketing staff at SM ENT, K-pop SMEs could face a complicated and risky situation as they had an unstructured structure while relying too heavily on the decision-making role of artist-leaders (Participant K, Jan. 2018). S-M Lee had a few years of absence from management due to a criminal charge of corruption (Koreaboo, 2018). This is one of the proofs of leader-centric branding which can be vulnerable as the organisation gets more prominent. Another example of this risk is the organisation can be affected by the scandal of leaders which is fatal as occurred to YG ENT (see chapter 1.1 for the recent scandal of H-S Yang and the negative impact).

35 Lee supposedly escaped the nation in 2002 after becoming the main suspect in an inquiry into corruption. In May 2003, Lee transferred to Korea and was detained instantly. He rejected all charges but a comprehensive inquiry of his operations by the Public Prosecutor was set out. In September 2004 he was found guilty and convicted to two years’ imprisonment and three years’ probation. Lee was then named in the unique forgiveness list in February 2007 for the 4th anniversary of the inauguration of President Moo-Hyun Roh and finally pardoned (Koreaboo, 2018).
Furthermore, the most critical decisions, such as organisational change and diversification strategies, will require approval from members of the board and the CEO. A team leader of an artist management company stated that artist-leaders determine big decisions, and they signify the current corporate brands (Participant J, Jan. 2018). While the structural changes have been established for formal management, the implicit changes remain less effective. Nevertheless, to be able to reshape the leadership, artist-leaders must realise the necessity of change and recognise that the artistic competences they hold do not fit in the established stage.

6.3.4 Summary

Even though top executives have joined in imposing the strategic changes to formal management, the artist-leaders are considered to be organisational leaders owing to their symbolic role. The board of directors and CEOs need to acknowledge that they need artist-leaders to facilitate the change. There are still areas of uncertainty, such as when M&A (Merger and Acquisition) or collaboration with other companies is required. In this sense, it is a complicated job to discover the symbolic leadership role and its impact on structural change, as informal and implicit leadership is often intangible and taken for granted.

Being strategic and adapting strategic management in the entertainment business does not mean abandoning the creativity of artist-leaders, as the use of creativity in stories can change with new or reframed meanings. In this vein, even though I have made clear that the artistic
and entrepreneurial competences of artist-leaders may be weakened during the transformational change, creative value is reframed for strategic purposes. Even though it is inevitable that the organisation will change as it grows strategically, the effort of being creative and intuitive on individual and organisational levels is crucial.

6.4 Conclusion

As discussed in this chapter, stories can be effective when delivering human experience and knowledge. Heroic stories are popular in constructing media discourse, which is also a useful branding tool for artist-led K-pop SMEs. For instance, meaning-making behaviour is based on the perceptual lens of individuals. With the discursive metaphors, the entrepreneurial meanings created by artist-leaders were then adopted and constructed the frames of K-pop SMEs. Therefore, the lack of managerial competence was hidden. During the entrepreneurial stage, artist-leaders with the persuasive metaphors around managerial discourses were able to develop the extraordinary shape of their image as a leader rather than an artist. That is to say, the significant meaning of the artists’ brand and the discursive role of celebrity-stars becomes apparent when looking at the entrepreneurial emergence of artist management and music production in the Korean music industry. Moreover, myths can excessively idealise their leaders, thus ignoring adverse elements and exaggerating notable aspects of leadership.

Furthermore, artistic production and marketing strategies of the idol groups is where leaders play a significant discursive role because the
production and marketing of idol groups focus on a specific organisational process undertaken by the leaders. Artist-leaders’ life-stories often link with projects that the organisations are planning. For instance, heroic plots in ‘Overcoming challenges’ and ‘Dream-come-true’ stories which were told during the entrepreneurial stage often include mythic storytelling of the individual intuitiveness and artistic competences of artist-leaders. Consequently, their mythical storytelling unquestionably brings out the instructions of their leaders.

Moreover, another purpose of symbolic communication in this stage is to tell stories to create innovative and creative images while making sense of the entrepreneurial environment. This is basically for stronger leadership power rather than organisational change. In this stage, the artistic identity of the leader has an important symbolic function - it builds trust with young artists and idols, and also inspires some loyalty - a crucial factor given the high cost of developing a K-pop idol and the significant loss if that idol then defects to another company or sets up their own independent business.

Finally, it should be noted that there are various limitations to entrepreneurial storytelling. First of all, as discussed in 6.1, entrepreneurial storytelling is rather nationalistic and domineering, both concerning other Asian markets (Hallyu) and artists and subordinates (celebrity of the artist-leader himself, and idol system meaning that the artist has less autonomy and must conform to the leader’s template). Second, in 6.2 we see the highly individualised, heroic and self-aggrandising nature of the storytelling, it places the artist-leader at the
centre of the story and again squeezes out other actors – this links to the limitations of charismatic leadership. And then in 6.3, we see how the entrepreneurial storytelling mythologises the ‘inner circle’ of ‘creative’ staff and leads to organisational divisions and hierarchies which can, in the end, damage the organisational culture. These limitations reflect back to the crisis in leadership – at a certain point in the SOC process, the entrepreneurial storytelling which was at first a great asset becomes a liability.

To conclude, the empirical case study of three artist-led companies and their artist-leaders suggests that K-pop SMEs transform to a large and established company as the entrepreneurial organisation become more mature and strategic; and as the artist-leadership changes from the charismatic style to the organisational and visionary style; and as the storytelling behaviours change from the entrepreneurial and individual approach to organisational approach with a collective vision. For instance, establishing an organisational identity within the organisational discourse can be an essential way of developing organisational communication. In other words, artist-leaders need to modify their storytelling behaviours under the organisational setting. This is the point when a new approach to storytelling is needed, a shift away from the individual entrepreneur’s personal story built around his charismatic leadership, and towards a more collective, organisational storytelling which describes a collective vision of the organisation. In this respect, the next chapter will examine the new strategic modification of storytelling as symbolic communication in an
established stage which I named a ‘strategic narrative’, as it is more dynamic and strategically formulated.
CHAPTER SEVEN. TRANSFORMING ORGANISATION AND LEADERSHIP: GROWING BEYOND K-POP SMES

Power of stories is more than mere storytelling (how we tell or what to tell), and it is also about telling ‘who we are and who we want to be’. This can directly affect reality such as organisational performance. At the micro-level, their personal stories (from the past) continue to inspire confidence in the next generation of idol groups. However, at the macro level, leaders are reinventing themselves as part of the overall transformation of vision and values to manage organisational change. This is a new stage in the strategic organisational change (SOC) process, where the organisation is larger, more complicated and can no longer conform to a single individual (charismatic, heroic) vision. As I have claimed regarding the old and traditional stories about heroic figures in chapter six, mythical storytelling would have lost their power and the heroic plot may need to be recontextualised as the K-pop SMEs chose to grow.

Therefore, old stories are no longer convincing or relevant to the larger organisation, a new shared vision is needed. But rather than throwing out the old stories and start again, I argue that the old stories (e.g. entrepreneurial stories) are reframed as sagas in terms of organisational vision instead of personal vision. This illustrates the surprising adaptability and versatility of the artist-leaders themselves and shows that the artistic competence of storytelling continues to have power and relevance in the changed organisation.

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Furthermore, the narrative data transcripts of episodic speech events performed by artist-leaders will be analysed to see how the typical heroic plots were recontextualised while the leaders make sense of the changes in the leadership style and symbolic communication. Thus, even though the forms of events can be diverse, this thesis focuses on the speech events of artist-leaders during the transformational change of artist-led organisations between the entrepreneurial and established stage. Strategic narratives are the recontextualising process involving both story-making and sense-making under the leadership of artist-leaders. Thus, it can be examined by linking the basic plots with the recontextualised context of stories.

Therefore, sub-chapter 7.1 will focus on the symbolic change of the artist-leaders while making sense of need for change by investigating the recontextualising process of the organisational saga. This includes the examination of the sense-giving process, in which the singular and individualistic heroic plots merge into more organisation-centric stories. Then, sub-chapter 7.2 will look into the episodic storytelling (re-telling recontextualised sagas) in the established stage of artist-leaders in episodic events. Finally, sub-chapter 7.3 will overview the symbolic communication during the established stage by focusing on the vision narrative which reframes the past, present and the future of the artist-led organisations.
7.1 Re-making Stories: Organisational Sagas

The heroic plot discussed in the previous chapter may not be as compelling once the organisation grows because, while this storytelling behaviour gives strength to the individual leaders, on the other hand, it can weaken the organisational brand by emphasising the power of artist-leaders over the corporate value. Therefore, the following chapter will draw on the narrative data from the interviews to show how the mythical and heroic image of artist-leaders begins to lose its motivational charismatic power as followers become distant due to the organisational transformation into the established stage.

As discussed in the theoretical review of this study, sense-making behaviours within organisations are deeply related to storytelling. It can be found that not only sense-making contributes to storytelling but also making stories contribute to the sense-making and sense-giving process of organisational narratives (Weick and Quinn, 1999; Weick, 2011; see sub-chapter 2.4). For example, at an organisational level, leaders can make sense of crises and change and pressure the organisation to adopt the meanings around a vision or strategic direction and identity change focusing on the implications of the vision for the way members understand themselves by giving sense to organisational members.
7.1.1 Confronting ‘Real’ Leadership Crisis

A complex dual organisational structure has developed in CCI which requires the two-dimensional decision-making of an artist-leader and CEO (and top management). The duality in leadership and communication structure developed in K-pop SMEs is a good example of the dilemma of formality and informality. However, during formalisation of K-pop SMEs, even though artist-leaders have been hiding behind the CEO in the shadow of dual leadership, the dark side of charismatic leadership and less motivated followers trigger the artist-leaders to change the style of leadership. This is the ‘real’ leadership crisis mentioned in Chapter two.

In chapter five, I have argued that the strong charismatic leadership of artist-leaders was possible due to the distinctive context of the decision-making system and dual leadership; however, it cannot fully explain why the same leadership can be effective as an organisation grow beyond SMEs. One marketing team leader, when interviewed for this research, argued that among K-pop SMEs, online marketing is less important than traditional marketing. However, as the importance of online marketing has grown, the role of a marketing strategy and planning team that can induce buzz marketing or viral marketing becomes essential. This is one example of many reasons why K-pop SMEs recruit new professionals and set up new divisions (Participant L, Jan. 2018).
Artist-leaders often stress that they are not involved in management. Their typical organisational positions are the executive producer. The functional role and corporate position of the so-called executive producer seem mysterious and ambiguous in most cases of the Big Three. This uncertainty persists because of the unofficial roles in the new corporate structure. For instance, organisational members often refer to them as ‘Chairman’, ‘Boss’ or sometimes ‘Brother’. This represents that the official position in the organisation is not so important for the members.

What is certain is that artist-leaders play a significant role. The ‘Big Three’ are still profoundly affected by the artist-leaders even after significant SOC, as the subjective sense of identity formation can give clues on the timing of leadership change and transformational organisational change. In this sense, the symbolic (‘storytelling’ again) function of the leader is more important than their contribution to leading and running the firm.

“YG may seem like a company owned by only one person. However, I don’t make music myself but create the right combination between a singer and producer for best collaboration. My job is to recognise people’s talent. Such a job is now producing deliverables, making YG into a tree that bears big fruits” (H-S Yang’s interview cited in YG LIFE, 2015a).

However, the symbolic role may cause a leadership crisis and also causes psychological stress. For instance, in the case of H-S Yang, it seems that he set up a realistic strategy by separating administrative
management and artist management (Participant B, Sep. 2017). This pattern of storytelling is also discovered in the stories of other artist-leaders. It is at least evident that the leaders admit the limitations of their managerial competences and acknowledge the need for role and identity change to empower (or appoint) the CEO or top management at some point.

The need for a strategic approach during organisational change brings about leadership challenges, requiring artist-leaders to shift from charismatic leadership to the role of an established leader. Change is especially likely to be resisted when the scope is broad enough to call transformational. This stage of transformational change is similar to phase five of Greiner’s model (1994). The effort of the artist-leaders to overcome the crises can be found in the organisational growth and the structural change of the organisation (e.g. dual leadership, see 5.4.4. for more discussion).

Nevertheless, when it comes to major decisions, artist-leaders are making noise because they are not only the biggest stockholder but also a symbolic leader. A former concert director described J-Y Park as ‘a coercive character’, saying ‘Park was not interested in actual management, but as far as music production and idol training, he forced his employees to realise what he was thinking and instructed every detail in performance’ (Participant B, Sep. 2017). What is more important here, however, is that they all say that they do not have full power over the organisation.
To conclude, even though the managerial crisis was smoothly avoided and dealt with through strong charismatic leadership, it became clear that the challenges had not been fully overcome as the organisation approached the transformational change beyond K-pop SMEs. A more strategic perspective is required, as ‘branding power’ is not always effective for different groups of organisational members. Indeed, for strategic brand-building, artist-leaders need to adjust themselves for the decoupled conceptual understanding of non-creative professionals.

The role of artist-leaders changes during SOC and the transition involves potentially substantial shifts in behaviour across the array of actions needed for role-making, as well as the nature and patterns of relations with others (Hoang and Gimeno, 2010, p. 43). In this regard, I assume there is a symbolic meaning behind the personal stories about the career choice. It implies the managerial competence and professional management are now considered more seriously. The psychologically stressful period of complex functions between artistic identity and corporate leadership identity is found in the narratives of artist-leaders. Therefore, the following paragraphs will look into the sense-making behaviours of artist-leaders while confronting the identity negotiation between the artistic role and the managerial role as a corporate leader.

7.1.2 Reshaping Leadership: Leadership Change by Sense-making

As argued earlier in chapter four, the artistic identity of artist-leaders comes from leaders’ knowledge and experience as they were
themselves once a celebrity-star. This is clearer when the identity of artist-leaders has been closely connected with the identity of artists or idols. The unique relationship with artists can be mainly found in artist-led organisations during the entrepreneurial stage (for more discussion, refer to chapter six for ‘leader-centric communication’ and ‘persona-based discourses’ of artist-leaders). For instance, the pre-production process of idol groups is quite challenging and unpredictable. During this period, strong charismatic leadership may work well, allowing somewhat limited decision-making to be effective. However, it soon confronts the intransigence of governance in the organisation.

What is evident in the ‘Big Three’ is that charismatic leadership is no longer sufficient to lead as the organisation approaches a time for a change. As previously noted, artist-leaders are often balanced by more traditional, bureaucratic leaders such as a chief executive or operating officer (similar to Steve Jobs and John Scully respectively at Apple). Without realising the need for change, organisational change will never be accomplished. It involves the process of sense-making in leadership crises and change and is the first step in the strategic process of organisational transformation.

More importantly, the artistic identity of artist-leaders faces the issue of ‘situational identity’ in a more formalised internal environment as external environment, and internal communication requires changes. As an organisation matures, artist-leaders confront identity challenges either as an artist or a producer or an organisational director. The differing patterns of identity change can be observed from the
occupational shift in a professional career path. For instance, both S-M Lee and H-S Yang chose not to perform on the stage as singers, while J-Y Park kept on performing. Although J-Y Park did not stop his artistic career as a performing artist, he tried hard to separate his artistic career from his role as a leader managing a firm, stating that he was able to pursue two roles by concentrating on one at a time (J-Y Park’s interview with JTBC, 2015).

The pattern of representing their visionary and professional identity became more natural as the artist-leaders appeared more on the public speeches or media interviews. For episodic events, all three artist-leaders identified themselves as executive producers getting involved in music production. For instance, H-S Yang has been officially titled as a Chief Executive producer until he resigned on the 14th of June 2019 due to the drug scandal allegations on YG ENT and Seungri, a member of BigBang (see sub-chapter 1.1 for more) (The Straits Times, 2019). Moreover, S-M Lee has officially named himself as a Chief Executive producer even though many staff and idols call him a chairman according to interviews with former staff and an idol member. This implicates that the self-identification process between artistic career and the role as a leader was comprehended by the limit of the official position as an executive producer.

“Most companies that usually do creative work rely on the leader’s intuition at the beginning. That is an instinct to sense or feel this is it. But I thought if it keeps relying on one person’s intuition, the company cannot stabilize, so the time to change the system comes at any moment” (J-Y Park, interview in JTBC, 2015).
However, the case of J-Y Park is slightly different as he continued performing as an artist. Instead, he had to make the clear separation between the roles. He insisted that limitations on individual and intuitive decision-making increase as an organisation grows. Park has given himself the title of ‘Chief Creative Officer (CCO)’ and decided to drastically change the decision-making system of top management in early 2014. He used to make all the important decisions, including the title track, choreography, and music videos of the songs himself but decided to take a step back when picking the title track of the album.

As J-Y Park admitted in an interview on a news programme in 2015, the intuitive decision-making of artist-leaders is soon to face limitations and there has been an effort to change this system (J-Y Park’s interview with JTBC, 2015). Since 2014, JYP ENT started to hold a ‘music selection committee’ with a total of fifteen people from each division, which reduces the artist-leader’s authority to one-fifteenth. Since then, more than thirty titles have reached number one on the charts (Yoo, 2018).

“Three years ago, I started thinking about the decision-making system, so now I’m going to make this system so that my voice should be one of many voices in the firm. It’s been a while that the company has been struggling to change so many trials, and error have been happening. But now the new system is quite stabilised, but when the result is not good, I have to change the system again. This is the first time in three years now so far, this year, I think the results are getting a little bit better out of the
system. I do not even get my song released if I get below 80 points in the committee, too” (Park, 2015).

The CCO seems similar to the Chief Executive Producer role that the other two leaders refer to in their job title. However, J-Y Park likely tends to stress the creative and artistic quality of his role while repeatedly mentioning the importance of separation between the strategic management role and his career as an established artist as well as the artistic role of cultural production. Here, what can be assumed is that his continuous artistic career is balanced by his intention to keep these roles separate.

Wook Jung, CEO of JYP ENT, commented: ‘The recent success of JYP’s artists was sparked by the establishment of the system through internal reform and the change in the role of the producer, J-Y Park’ (E. Lee, 2018). Therefore, artist-leaders often mention they try to stay away from organisational strategies that are less relevant to artist management by trusting the top executives. It seems they have understood the limitations of their managerial skills and the necessity of having a CEO.

To conclude, when charismatic power is high during the entrepreneurial stage, the celebrity-star image of the artist-leader and their participation in production was to be perceived as a role-model by loyal followers; however, in the established stage, the artist branding and motivating organisational members demand a more communicative approach. In this regard, the symbolic communication around strategic change
management of artist-leaders is contributing to organisational transformation.

Even though replacing the leader or appointing a new CEO would not be the answer, the organisation will eventually be forced to undergo a transformational change by changing either leaders or the style of leadership into a new shape to fit in a larger and established organisation. As charismatic leadership becomes weak and faded, a different version of the symbolic communication was required. In the established stage, vision-driven leadership can be an answer to organisational communication.

7.1.3 From Heroic Plots to Organisational Sagas

Mythical storytelling can distract the transformational change of K-pop SMEs, as the dark side of entrepreneurialism may enclose members of the inner circle within their underlying myths and their self-efficacy views, such that they cannot ‘take on board new ideas and new people, to delegate tasks or to confront the need for strategic change’ (Bilton, 2010, p.7). The heroic plots which have been useful to create the mythical image of leaders in the entrepreneurial stage will no longer be effective as the organisation changes because of decreasing charismatic power. Not only because of reducing charismatic power but also because the singular heroic vision is no longer fit for purpose in a more complex organisation. Thus, I am employing the terminology of ‘organisational sagas’ to extend the strategic change of heroic plots and mythic storytelling in the established stage.
A saga typically explores the key events (e.g., the organization’s founding, critical incidents, etc.) that helped to shape the character of the organization, and describes how the guiding idea was followed and fulfilled by the actions of its members. In so doing, a saga provides a connection between history and purposes or values, and it serves as an important means of maintaining an image of distinctiveness about the organization (Smith and Vecchio, 2007, p.498).

Organisational sagas are lengthy corporate histories containing several organisational stories and they can be introduced by a leader under certain intentions. They differ from organisational stories which focus on ‘a single event sequence’, while an organisational saga (or the biography of a company founder or leader) recapitulates years of events (Clark, 1972; Martin, 2002). Clark (1972) stated that a saga begins as a strong intention, proposed by a person with vision, and is executed as manifested in organisational practices. A saga is not one small story about the leader’s personal life, but it has to be related to the organisational practice. For instance, at the JYP 2.0 speech event, J-Y Park connected his initial goal at the start of the firm. He said he just wanted to help the people with talent. Then, he continued that the twenty years of business has changed the company bigger than himself. Finally, his story smoothly led to the organisational vision.

“It has been over 20 years since I started this company. Back then it was not really an industry. It was just more about my passion love for the music and trying to help other guys who have talent. But more and more I started building this career. It became a company and now it is actually bigger than me bigger than us. It's influencing all the kids around the globe so first I want to show you a quick journey of JYP entertainment with the video that are prepared.... ...Actually we’re moving into this new building in two weeks and we're not trying to
make this just a change of our venue but this into a great opportunity
to take the next big step that is necessary so today is the first day that
we're announcing the new vision, the new step our company's willing
to take and we're calling it JYP 2.0” (J-Y Park’s speech recorded by
JYP Entertainment, 2018).

Organisational sagas in the storytelling of artist-leaders suggest that
organisational members build normative bonds inside and outside the
organisation by offering powerful historical stories (Smith & Vecchio,
2007). Indeed, while entrepreneurial stories focus on shaping a
‘superhuman’ image to strengthen the celebrity-brand and charismatic
power, organisational stories need to link the entrepreneurial stories
with organisational visions for brand extension in a large-scale and
established organisation.

As can be found from the statement of J-Y Park, artist-leaders seem to
conceptualise and officialise the organisational visions in public as they
get involved in the big projects such as the global expansion strategies.
J-Y Park announced more openly about JYP ENT’s ambitions. J-Y
Park's speeches and interviews were increased around 2007 when he
started his business in the US. The following statement was the answer
to the question about the main business of JYP USA.

“It's simple. We're going to develop global stars who can attract U.S.
customers. There are currently three Korean and two Chinese trainees
getting lessons in dance, English and vocals. JYP USA is a company
that creates added value by investing in stars rather than music. We
aim at nurturing high-quality stars who can meet the global standard”
(J. Park, 2007).
An organisational saga also makes ‘links across internal divisions and organizational boundaries as internal and external groups share their common belief’ as well as ‘a foundation for trust and for extreme loyalty’ (Clark, 1972, p.183). As it can be seen from the S-M Lee’s story of ‘CT’, heroic plots have helped highlight the importance in the narrative of a singular hero; however, the dark side of these plots becomes evident precisely because of this singularity. Thus, a singular worldview can result in stereotypical negativity rather than a straightforward visionary view.

I have chosen the case of S-M Lee to explain the practical implications of turning founding personal stories of SM ENT into a saga directed for a strategic purpose in a narrative set to link with the main points in the speech. For instance, the same story or metaphor (such as SM Lee’s CT story) could be part of the ‘charismatic’ or heroic story in the entrepreneurial stage – and then be repurposed, redirected, and ‘recontextualised’ in the mature organisation as a visionary narrative around which different members of the organisation (with different views and needs) can coalesce. This is what I earlier referred to as ‘re-contextualising’ the story.

While presenting the concept of ‘culture technology’, Lee extended the single heroic plot to the organisational level by stating ‘SM ENT and I’, rather than the first-person ‘I’. This is how ‘re-contextualising’ or repurposing the narrative works, in order to move from a heroic entrepreneurial individual story to a strategic, organisational story. For instance, a one-dimensional story about Walt Disney shows the
discursive struggle of key members of the organisation, so the stories about the legend must be ‘scattered and fragmented into a multiplicity of local stories’ (Boje, 1995, p.1028). Stories and metaphors embedded in this strategic narrative will fabricate specific discursive context.

“I am a producer at SM Entertainment. Have you seen the path that I just walked out from? It was the path that SM has taken since the establishment of ‘SM Productions’ in 1989 which was the prior label to SM Entertainment. For a long period, over two decades, SM has kept its own Culture Technology in other words ‘CT’ as its own producing technology. With ‘CT’ being our basis, we have been producing and spreading our own creative contents, which is called ‘Hallyu – Korean Wave’, and ‘K-pop’ not only in the domestic market and Asia but also all around the world. I can explain the concept of SM’s Culture Technology, ‘CT’ very easily through our artist development system. Normally, we need the following staged before an artist debut. These are ‘Casting’, ‘Training’, ‘Producing’ and ‘Marketing’ which is also called ‘Management’. These are the four core Culture Technology for the last 20 years” (Lee, 2016).

The changes of language can be significant in the story-making of organisational sagas. For instance, S-M Lee’s ‘CT’ story which appears in 2011 has become the source of organisational sagas when reappeared in his 2016 speech (for more discussion and the speech transcript, see sub-chapter 7.3). Also, 2016’s speech is more stressing the role of the firm rather than himself. He kept referring to SM ENT and ‘we’ (Lee, 2016). And he is trying to emphasise the 20 years of the long and constant ‘management’ technology (Lee, 2016). If the sense of
collective identity resides in the meaning of 'we-ness' associated with actual or imagined values, collective identities can appear in a variety of settings (Snow and Corrigall-Brown, 2015). When the collective identity is absorbed into a story, the story of ‘CT’ can become a saga of SM ENT. The collective identity that emphasises ‘we-ness’ encourages internal communication at the same time.

Therefore, storytelling behaviours such as mythical storytelling can be redirected to the restructuring narrative for strategic purpose as an organisational saga during the established stage. However, even though I have discussed the risk of mythologisation using heroic plots for charismatic leaders as an organisation approaches transformational change, I am not claiming to abandon entrepreneurial stories and heroic plots. Indeed, the entrepreneurial stories have already become a part of the grand narrative of the ‘Big Three’.

For these reasons, the monological style of the heroic plot in entrepreneurial stories has to be expanded into multiple dimensions of stories to create the organisational narratives. Therefore, it is necessary to apply the modification of stories by adding or replacing the main stories to create a broader narrative. This is a process of making organisational sagas from entrepreneurial stories about the heroic leader. Accordingly, while charismatic leaders are heroic figures who can draw the strongly stated purpose (in the entrepreneurial level), the leadership stories in vision communication describe the strategic reasons and context which reframe that purpose (in the established level). Therefore, while the surprising image of a heroic figure may fade; in the
established stage, the mythical metaphor becomes a widely accepted notion which can even draw the normative image in organisational sagas.

7.1.4 Empowering Top Management for Decentralised Power

Newcomers and administrative staff, who are less intrinsically motivated organisational members, need to make sense of the visionary role of artist-leaders. The personal charismatic vision which used to be highly motivational during the entrepreneurial stage need more than the leader-centric vision communication. In the established stage, the artist-leader can once again inspire the followers by providing a vision based on strategic understanding. For instance, S-M Lee gave a speech at WKF 2019 (World Knowledge Forum). He spent most of the time explaining the future vision of SM ENT. This can be more effective than vision or mission statement as the vision can be communicated and shared more effectively when delivered in a sentence and particularly in speeches (Lee, 2019).

According to some of the interviewees, there seems to be a lack of motivational leadership for the administrative staff, and one former staff commented that there is no organisational culture at all. One interviewee described his time in the creative team as quite isolated and deficient because of the lack of communication and the arbitrary decision-making of leaders (Participant D, Sep. 2017). When the organisational culture is well established and the core values are shared among the top executives and creative teams in the organisation, it can
be referred to as a strategically integrated visionary style of leadership. Therefore, the empowering process can also be performed as episodic speech events.

The case of SM ENT shows how the number of appearances by the company’s CEO increases at international events. Although he repeats most of the ideas S-M Lee came up with. Sung-Su Lee is turning the stories into more of an organisation-centric saga, and this means the empowerment of leadership with vision-sharing. For instance, in the recent speech, Sung-Su Lee, CEO of SM Entertainment reframed S-M Lee’s ‘CT’ story with the new metaphoric term, ‘culture creation’. He appeared at another international event, and gave a keynote speech to the global music market event, MU: CON Online 2020 (H. Kang, 2020).

“It first begins with ‘culture creation’. ‘Culture creation’ is about talent search, training of aspiring singers and producing of music. In SM, for example, we find talented singers through various kinds of auditions and sign contracts with only a selected few. Then they become our trainees and prepare for their debuts for several years under our systematic program. Training periods differ, depending on artists. Some debut after only one or two years of training but some undergo seven to eight years of training before they debut. During those periods, they hone their singing skill, choreography, acting and even behaviour” (Speech by Sung-Su Lee, CEO of SM ENT, cited by TheKoreaTimes, 2020).
Well-empowered top management managers can work as a catalyst for transformational change. An example can be found from the corporate presentations of a multinational conglomerate such as Samsung or Apple. For instance, Samsung (2019) held an episodic event titled ‘Samsung Galaxy Unpacked 2019: The Next Galaxy’. Samsung President CEO, DJ Koh, conducted the opening speech. The event included diverse presentations by professionals such as Senior Director of US Marketing Mobile, Pooja Vig, Director of US Product Strategy and Marketing Mobile Computing, Hassan Anjum, and more. This presentation structure symbolically implies that the company’s culture respects top and middle managers, their roles and values.

Empowerment of top and middle managers can help tighten the bundle of loosened communicational channels. In terms of the distribution of power in top management, stories about other organisational members of the organisation should receive more attention. For instance, at the recent speech events of S-M Lee, he praised one of K-pop idol groups while explaining the organisational achievement. He congratulated the idol group, EXO, and introduced how EXO acted to enhance the nation branding of Korea. J-Y Park and H-S Yang also often tell stories about their artists (World Knowledge Forum, 2020). However, the empirical findings are not showing many examples of this narrative in the ‘Big Three’ case for other organisational members such as administrative staff.

“We debated on what was the exact opposite to the general knowledge of the world – culture coming after the economy’s expansion – and this was back in 1997. We’ve created a national brand – a Korean
brand – through cultural power. Chanyeol, who is a member of EXO, is one of the main characters that elevated our brand’s stature. Thanks to EXO’s great success, Korea has witnessed another million-seller artist. Which has also made the music industry much more vigorous.

EXO is one of the main answer to the recent K-Pop fever that is sweeping the world. This influence is causing foreigners to be more interested in this country – where Chanyeol was born. They are becoming curious in its food and products. Also, they say many of the fans abroad are starting to learn Korean” (S-M Lee’s speech uploaded by World Knowledge Forum, 2020).

As the charismatic power declines, the need for delegation of power increases. Even though the artist-leaders need to be more formal and risk-averse during the established stage, creative teams with artists need to be able to appreciate the room for creativity and autonomy. This can be achieved by empowering managers to take on entrepreneurial risk-taking, an approach sometimes referred to as ‘intrapreneurship’. Intrapreneurship is fostered by the vision communication aligned with corporate visions (see sub-chapter 2.4.2 for ‘intrapreneurship’). This intrapreneurial empowerment will allow autonomy of artists while tying up the organisational membership under the broad brand identity. Artists can maintain their independence of music production with this affiliate label, the artists can organise management rights, negotiate deals, and produce music under their own supervision rather than the organisation.

To conclude, the discursive role of artist-leaders in symbolic communication can be used to empower the top management executives. Back in the days when there was no CEO, it would have
been necessary for leaders to make decisions on their own, but this became difficult after the company had grown. When the organisational vision is aligned with the vision of organisational members, they will be encouraged to act out corresponding behaviours that are in line with the professed vision. As a result of the vision alignment, not only the artist-leaders but also the middle-managers have to be able to share the organisational vision for symbolic communication in the established large-scale CCI organisations.

7.1.5 Summary

To summarise, the contextual understanding of the speeches with organisational sagas reveals the discursive role of strategic intent, and the sagas disclose the following findings. First, they are collective and organisational rather than individual and heroic. Secondly, at the same time they also ‘recontextualise’ the existing stories; the heroic charismatic stories from the entrepreneurial stage are recovered and reframed concerning a new set of meanings. Thirdly, the organisational saga is thus a collection of stories not one story; it includes different stories from the past and perhaps also – as in the David Boje’s Walt Disney example – different stories from different people in the organisation. Finally, the sense-making function of the organisational saga is achieved by gathering all the pre-existing stories within an overarching ‘sense-giving’ framework.

Therefore, the negative side of entrepreneurialism and the downfall of charismatic power which was illustrated in Chapter Six also limits the
discursive power of stories, so the artist-leaders make a strategic transformation of storytelling behaviours. The organisational saga helps make sense of organisational change because the organisational saga draws together stories from past, present, and future. Thus, the organisational members including the leader can make connections between what is happening now and the company’s entrepreneurial past and its future strategy. This, in turn, connects to organisational culture.

To conclude, transformational change usually involves an implicit value change in the identities and culture of organisational members (see chapter 2.3. for symbolic communication for more discussion). Therefore, while entrepreneurial stories have been more focussed on the meaning-making and brand-building for external stakeholders, organisational sagas concentrate on both external and internal communication for newly joined members and existing loyal followers. Moreover, organisational sagas must therefore not disturb the construction of the normative aspect of an organisational brand while artist-leaders embed the strategic intention in episodic speech events to spread new and clearer visions for brand extension. For this reason, the following sub-chapter will discuss the sense-giving function of retelling the sagas in episodic events for strategic purpose.

7.2 Episodic Storytelling for Organisation-Centric Branding

As argued in theoretical review, the controlling power of charismatic artist-leaders becomes weak as the charismatic leadership becomes less effective. In addition to the mediating role between organisational
members, including artists, creative staff and administrative staff, the artist-leaders must also perform a more symbolic role through the organisational stages of transformational change. As I explained in chapter two while introducing the framework of SOC, this phase requires not only organisational change at the transformational level but also the leadership change of the artist-leaders themselves. In this vein, this subchapter will analyse the storytelling behaviours of artist-leaders and their grand narratives focusing on symbolic communication of visions and brands. Therefore, while the previous section looked at the way organisational sagas function by integrating and combining and recontextualising other stories, by connecting old entrepreneurial stories with present strategic challenges, this section looks at the content of the organisational saga – in particular a shift towards organisational ‘brand’ and ‘vision’ rather than the heroic charismatic individual.

The main idea of the narrative events has to be more about visions and brands of the organisation rather than heroic tales and success stories. Subchapter 7.2.1 is looking at how artist-leaders retell the old entrepreneurial stories to transform the personal brand into the organisation-centric brand. Here, the unique colour of their artist-leaders as the personal brand of K-pop SMEs needs to expand into a more organisation-centric brand in their stories. Then, subchapter 7.2.2 will investigate the episodic events as discursive space where artist-leaders symbolically communicate with an audience. The organisational saga is constructed around ‘milestones’ and ‘speech events’; specific moments of intervention where sense-making is needed. Finally, subchapter 7.2.3 will have a close look at the
metaphors in the stories of artist-leaders as the K-pop entertainment companies. This narrative is strategically used to re-draw and re-vision the organisational future as an established firm in the K-pop CCI.

7.2.1 Brand Narrative and Emerging Idol Stories

Previously the conventional idol production was carefully directed under the desired direction following strict guidelines produced by a top-down, Fordist approach. The Fordist approach in the K-pop industry conceived idols as cultural products while exempting their personal identity when creating brand images. Audiences often say that they can recognise which company new artists are from through symbolic behavioural signatures (e.g. singing and dancing styles). An interviewee who worked in the marketing division of one of the biggest artist management agencies emphasised the importance of branding in the music industry. He said that artist-leaders play an essential role in branding artists and albums to acquire the audience’s attention (Participant M, 2018). However, this idol branding needs modification as the idol becomes established. The established idols need to develop their own brands.

However, the dark side of this brand-building (its top-down, controlling nature) makes it increasingly difficult to manage the established idols because not only the top-down branding but also excessive corporate control become too homogenous, artificial and undifferentiated. As the value chain of the traditional record industry has been transformed, conventional concepts regarding musical artists and celebrity-stars have
changed as mentioned in sub-chapter 6.1.2. From the aspect of sustainability, the established idol groups feel very exhausted with the high control of celebrity images which require the idols to hide their true identity.

Without the full support of the idols, new concepts can only be a delicate but very uncomfortable fit. Moreover, fans are demanding more. Rather than pre-designed images of idol stars, fans want to interact with the idols more as true individuals with a unique personality. For these reasons, there are cases where the brand management has failed to create attractive images of the established idols while imposing artificial brands without connecting these brands with the idols’ real will and opinions. Brand extension is also necessary as the existing organisational brand can be too interrelated with the personal brand of the artist-leaders, limiting the diversification of business.

From the brand narrative perspective, the extension of the idol system can solve the problem of leaning on just a few successful artists, which can be unstable for organisational management. As the decentralisation of power becomes noticeable, the established idols’ participation in cultural production is considered to be essential. For instance, corporate downsizing through setting up subsidiary sub-labels is apparent as one of the strategies of empowerment allowing independence to creative teams and artists. In the case of YG, there has been an effort to maintain artists’ brand and autonomy while creating independent labels.

*Because of the intense colour of YG, it is reluctant to invest artists in the retail industry. So, we have to consider how to invest. It can be in*
spin-off by creating a separate brand. I think it is in the process of establishing a brand. There is also a part where the brand image of the company that produces the contents has a limitation on the distribution business (Participant M, Jan. 2018).

Music producers and popular artists in the ‘Big Three’ who are large enough to set up an independent business are establishing their own sub-labels to secure autonomy in music production to allow artistic creativity and intrapreneurship, but they are still subsidiaries which share the organisational brand with artist-leaders. For example, a music business staff member said that an established artist such as PSY\(^\text{36}\) seemed to be motivated to come to YG ENT because he could have his own music label, PSYG (2016~2018), with a measure of independence (Participant N, 2018). In this structure, artists can maintain their independence while enjoying the hegemonic power of their mother companies.

*I think the brand strategy team, or the brand planning team and the design team should work together to plan the branding of an artist or an album, but it was often decided by a small number of the elite, not by the cooperative teamwork. So, I used to submit and produce the design work which Hyun-suk Yang might like. Now it seems to be more flexible when it comes to decision*

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\(^{36}\)PSY (Jae-sang Park), is a South Korean singer, rapper, songwriter, and record producer. Jae-sang Park is known for his humorous videos and stage performances, and for his global hit song ‘Gangnam Style’. The YouTube video clip of ‘Gangnam Style’ has reached the most viewed for several years making the global sensation of his music and unique ‘horse dancing’. He joined YG ENT in 2010 and left in 2018. After leaving YG, he established his own label, P-Nation, in 2019.
I call this storytelling process ‘brand narrative’. The brand narrative encompasses all forms of brand stories, but these stories are strategically told and shared by artist-leaders. Artist-leaders, who are skilled storytellers and closely identified with the underlying values and ideals, are well-placed to mediate these formal, corporate statements into an inclusive ‘human’ language or ‘discourse’ which communicates to the majority of the workforce.

Here, strategic centralisation alongside operational decentralisation is the key as the brand is extended to cover more products and activities, the brand values need to be more diverse. For instance, SM ENT’s new idol girl band, AESPA was not only newly debuted artists but also extend the brand narrative of the organisation. According to S-M Lee, AESPA is “a group of completely new and innovative concepts that transcend the ‘real world’ and ‘virtual world’, a projection of the future world centred on celebrities and avatars” (SM ENTERTAINMENT, 2020). S-M Lee attempted to draw the innovative image of K-pop entertainment companies by drawing the broader narrative combining the new idol girl band, AESPA, with the future vision of SM ENT.

“It would be good to create a world view with innovative and powerful storytelling from the planning stage, and how to create and convey a story and how to enter the world view in the future content. I think that is the game. Rather than a worldview interpreted as a symbol and metaphor, we created storytelling
content with a whole new, very attractive character and story, and this story is an important element of expressing artists and music. I think it’s the key to success. When AESPA is released to the world, their music and lyrics will experience new entertainment through all IP (intellectual property rights), visuals, performances, including video content including music videos, as well as fascinating stories. I’m sure it will be done” (SM ENTERTAINMENT, 2020).

The individual pursuit of flexibility drives charismatic leadership towards a more collective/flexible approach and away from the dominant role played by artist-leaders. Thus, it is evident that the personal brand of artist-leaders can be either understated or denied as the brand identity is extended. Even though the personal brand of the artist-leader in effect eventually becomes the organisational brand in a grand narrative, the organisational brand needs other components beyond the personal brand (SM Entertainment, 2020). As explained above, the storytelling behaviour of S-M Lee around the debut story of AESPA suggests the brand narrative can move beyond the personal brand of artist-leaders.

The brand extension is needed to develop new products and services using the existing corporate brands. As discussed in Chapter Four, the artist-centred value chain is promoted by trans-media storytelling around the media platforms such as radio, TV channels, film industries, and these media platforms become stable and predictable through the transmedia value chain. A music business team leader with one of the ‘Big Three’ said that ‘K-pop SMEs are in the process of establishing a
new brand using spin-off strategies’ (Participant M, Jan. 2018). For this purpose, major entertainment companies also have an ‘umbrella brand’ which facilitates the unification of individual characteristic artist brands under one organisational brand.

7.2.2 Episodic events for discursive change

It is also feasible that in an established organisation a saga may be launched in the middle of a crisis during a period of decline, or at times the organisation faces a need for a significant shift (Smith and Vecchio, 2007). For instance, from a Korean nationalist purpose, episodic events such as public lectures or official announcements are also good media sources as symbolic resources for publicising Korean national branding (see sub-chapter 6.1.3 for Hallyu-discourse for further discussion). Compared to continuous events, episodic events are historical milestones for organisations (Fog et al., 2010). Here, ‘milestones’ are the ‘discursive mark’, which can be assumed as the symbolic strategic moment of transformational change. As it deals with long-term and future-oriented organisational brands, artist-leaders in these stories become a change-maker.

In the early stage of K-pop SMEs, artist-leaders tended to choose American academic conferences as a place for the public speech as they can draw attention from the press as well as the public. Most significant speech events took place in the US in a formal setting such as conferences and award ceremonies which raised global awareness of K-pop and artist-leaders. Furthermore, speech events took place for
graduate students at Harvard, Stanford and MIT university (Park, 2007; Lee, 2011; OMONA, 2012). J-Y Park was invited to the *Hallyu* conference organised by the John F. Kennedy School of Government at Harvard University in 2007. Also, S-M Lee was invited by Stanford University in 2011. Even though it was not as official as the other two companies, in 2012, H-S Yang also gave a lecture for the students from the Sloan Business School, Massachusetts Institute of Technology. H-S Yang introduced his business philosophy as ‘Familism’ (Kim, 2012).

“YG Entertainment’s management philosophy is ‘familism’. We try to produce high-quality content through the agency’s self-production system through the deep musical bond between the artists and agency... ...YG was able to become a ‘trend leader’ in Korea’s domestic music market through its bold investments as well as focus on innovations in music, fashion, music videos and various other fields” (H-S Yang’s speech cited by Kim, 2012).

It seems that the audience considers them as a leader of the organisation since the artist-leaders are still invited to the events and given a public platform. Also, the leaders represent organisational achievements as individual accomplishments. The rather grandiose style suggests that this is as much about ‘how’ he expresses his argument as ‘what’ he is arguing, in other words, it is perhaps about branding as much as strategy. As can be found from the following statements, artist-leaders attend or organise the speech events not only to promote their company but also to brand themselves.

“It was basically about introducing Korea, introducing Korean culture, Korean songs and dramas. Hopefully, I think it could
change into something like sharing; you know, mutual understanding through cultural sharing. Basically, just having fun or making something together, that type of stuff, and then it might change public perception of international relationships. I think that could happen and by that people can really affect the policymakers when there’s any tensions or conflict to come up with the peaceful solution and we’ll be all cool” (J. Park, 2007).

In addition to the episodic events described above, multiple forums, including ‘big meetings and small, memos and newspapers, formal and informal interaction’, can be effective for ‘spreading the word’ (Kotter, 1996, p.90). Therefore, small and incremental changes can be continuous in the organisational narrative, while episodic change events relate to transformational change. Furthermore, S-M Lee explained this by suggesting the term ‘Culture Technology’ as a unique talent production system and while introducing the brand strategy of a ‘pre-debut system’ (S. Lee, 2016a). This strategy expanded the branding of idol trainees and marketized the pre-debut system.

“Some of our trainees are first introduced to the public as ‘SM Rookies’ which is a pre-debut team. ‘SM Rookies’ already attracted a solid amount of fandom through various promotional activities including ‘Rookies Show’, which is a concert production that takes place at SMTOWN Theatre, where we are right at this moment. Even before their actual debut, the trainees can learn professional stage performance skills and kick off their career with strong allies called Fans” (S. Lee, 2016a).
The strategic intention behind this story-making behaviour is that the consistent and ideological plots have been determined with new changes introduced in the episodic event. This helps the sense-making process of the audience regardless of whether it was truly planned long before or not. In story-making, people such as organisational members and leaders are involved in a ‘dynamic process of incremental refinement of their stories of new events as well as on-going reinterpretations of culturally sacred storylines’ (Boje, 1991, p.106). Indeed, episodic events are crucial in shaping and determining a company’s future during the transformational change. The ‘Big Three’ attend or organise public speech events when they need to announce a new vision or project. This includes the introduction of new K-pop idol groups. For instance, SM ENT introduced NCT\textsuperscript{37} (2016) and AESPA\textsuperscript{38} (2020), and JYP ENT did so for the NiZi project\textsuperscript{39} in JYP 2.0 speech in 2018.

To conclude, episodic events such as speeches and presentations are adequate symbolic resources for spreading out new discourses and narratives. These events are one of the few places where leaders can express their thoughts and visions. For instance, award acceptance

\textsuperscript{37} NCT (Neo Culture Technology) is a boy band of SM Entertainment. The group first debuted the rotational sub-unit NCT U on April 9, 2016 with the singles ‘The 7th Sense’ and ‘Without You’. Please refer to sub-chapter 7.3.1 and 7.3.3 for more.

\textsuperscript{38} AESPA is SM Entertainment’s girl band debuted on November 17\textsuperscript{th}, 2020. The group consists of four members: Karina and Winter of Korea, Giselle of Japan, and Ningning of China. Please refer to sub-chapter 7.2.1 for more.

\textsuperscript{39} Nizi Project is the idol survival reality show planned by JYP and Japan's Sony Music Entertainment. NiziU consists of nine winners of the project. Their pre-debut track ‘Make You Happy’ produced by J-Y Park reached No. 1 on Japan's Oricon music chart on December 2020.
speeches and conference talks are excellent opportunities for artist-leaders to communicate with the global audience. At the same time, at the operational level, previous success stories of the ‘Big Three’ can continue to give audiences and gatekeepers opportunities to raise interest in newly presented idol groups.

7.2.3 Branding Organisational Culture in New Paradigm

During the entrepreneurial stage, when delivering a vision, it was not clear whether the artist-leaders’ vision was for the organisational members or themselves. This can be assumed by the strong personal voice of the leaders when introducing the vision. Artist-leaders’ personal vision was identical with the organisational vision in the early stages of entrepreneurship. Artist-leaders seem to identify with an organisation. This can be assumed by the personal and robust voice of the leaders when introducing the visionary plans. In this context, in the entrepreneurial stage, the vision is more akin to charisma. However, there has been a blur between personal visions and organisational vision during the transformational change.

Nevertheless, artist-leaders are still important, not as a personal brand, but as a symbolic figure accelerating the strategic narrative changes. For example, the common understanding of artistic creativity under the traditional value chain of the record industry is different from that of the star-centred system. From the perspective of brand narrative, K-pop idols are celebrity-stars rather than musical artists, the ‘talents’ of idols represent the fame of celebrity rather than ‘artistic creativity’. In this
regard, the celebrity endorsement of large Korean conglomerates for promotional purposes is one of the distinctive phenomena in Asian media (to find out more, see chapter 6.1.2 for ‘celebrity-discourse’).

Formalised organisational structures involve developing an established version of personal vision into organisational visions with espoused values in strategic change. For instance, this was examined with the discussion on how S-M Lee uses ‘we’ rather than ‘I’ and references the label ‘SMTOWN’ rather than his own name. As covered in the theoretical review in chapter two, establishing a collaborative organisational culture is considered a key factor for active collaboration between departments and teams.

“I am happier now more than ever so because you know I know I’m much more passionate and happier when producing great music and artists. From day one, I’ve built great artists and great music that I love I really love what I do, and I will continue to love every minute of it” (S. Lee, 2011).

“We had a historic concert at Madison Square Garden last October. It was a monumental moment since it was the first time for Asian artists to perform at the Madison Square Garden which is the dream stage worldwide and the mecca for pop music culture. Videos and photos of SMTOWN new year concert attracted more than 100 million views on our Facebook page” (S. Lee, 2016a).

As discussed in chapter six regarding ‘system-discourse’, the mass production in the idol system, which has been criticised, has become
the core value in the artistic and entrepreneurial competences of artist-leaders. However, it was not enough for the transformational change of K-pop SMEs. Furthermore, the organisational brand narrative provides a shared narrative with some common values and features, whilst at the same time allowing space for the individual artists to express their own values and identities. It is a ‘loose-tight’ model – tightly defined core values, but loose in allowing these values to be embodied and reflected in different ways by the artists. By re-telling entrepreneurial stories in their episodic speeches, artist-leaders build a certain organisational brand in a narrative set in the form of a saga. For instance, S-M Lee integrated his personal dream with organisational purpose in a speech given in 2016.

“If you have enjoyed SM’s music and performance during the time that a fan of our first idol group grew to become a mother of two children, you will experience a more profound and broad world through various music, contents and a new culture that SM and SM’s celebrities will make from now on. Listening, Viewing, Enjoying, and Interacting together to create SM’s New Culture Technology!... We will accomplish the world’s ‘greatest blooming of culture’” (S. Lee, 2016a).

To conclude, the strategic narrative can be referred to as the process of reframing meanings so it can be embedded and shared in various implicit values as individual identity and organisational culture in a new paradigm. A saga is often embellished through retelling and rewriting so the saga can produce unity and common beliefs in terms of emotional bond to a long-term narrative for strategic change. In this sense, story-
making behaviours of artist-leaders implicate the culture of the organisation in its narratives. However, this study argues that in this particular context, not only in the early stage but also in established stage, the characters of a leader can be translated into the culture of a large organisation.

7.2.4 Summary

The organisational vision is often shared in a formal shape such as a vision or mission statement in the established stage. This vision or mission statement can also be a mark for assessing the maturity of organisational change. For instance, the vision statement is also established in the entrepreneurial stage; however, as the decision-making structure and the board of directors are established, the strategic vision is the result of a collective managerial decision by top management not solely by the artist-leaders. In this respect, this thesis argues that the symbolic role of artist-leaders is influential when building brands not only for idols but also for the organisation. In an organisational setting, however, the vision statement is shifting from leader-centric to organisation-centric.

Furthermore, organisations now have a much more diverse business, which makes artist-leaders extend their persona-based brands into organisation-based brands. In recent brand narratives of artist-leaders, rather than promoting artists (see sub-chapter 7.2 for more), the focus has shifted to promoting the companies. The power of artist-leaders has been dramatically influential because of their personal brands, so they
no longer need to spend so much effort promoting their artists. The substantial value of celebrity brands of artist-leaders is a crucial promotional competence because the media channels compete with each other for access to these new artists from the ‘Big Three’.

However, the power of storytelling is diminished because the celebrity brands become less influential as their control over the diversified productions diminishes. Vision is essential for both staff and artists in the organisation, and storytelling is a useful tool for sharing this vision. The inconsistency of divisional corporate cultures can also be enhanced and improved if artist-leaders are able to provide reasonable motives to change and adapt vision-aligned values for different organisational members. In this regard, reframing organisational brands by altering meanings in organisational visions will contribute to the organisation’s ability to adapt to changing situations. Therefore, the following paragraphs will visit the vision-centric communication which not only carries the new metaphoric expressions and reframed value and meanings in organisational visions during the established stage.

7.3 Reframing Past, Present and Future

As claimed in this study, during the entrepreneurial stage, the charismatic vision was shared without such struggles as the charismatic power is already strong enough and the communication was rather straightforward because of the simple structure with a few top managers. However, in the established stage, the vision reframes the value to align the different groups of an organisation. The role of sense-giver can be
bounded due to the different groups of organisational members with new structure and divisions within the organisation. The tacit and taken-for-granted dimension to knowledge can be troublesome, as practices and mental frameworks must be unlearned; a dimension we do not fully understand, but that shapes our entire perspective. Therefore, in this stage, artist-leaders need to revisit their old entrepreneurial stories to reframe the meanings and values in new metaphors and new perspectives. This also includes stories about the change against the risks and challenges such as the industrial environment.

In this sub-chapter, I will explore the vision-driven leadership for newly aligned visions during the organisational transformation of the artist-led organisations. During the established stage, it is critical to conceptualise the collective identities of organisational members rather than the discourse construction such as sense-giving behaviours. The purpose of re-visualising is to offer new meanings and values when developing the collective identity in a narrative setting. This sense-giving process of organisational change can be more effective when a new discourse concerning the change has been successfully delivered and shared as a result of the discursive practice of leaders. Also, vision narrative during the established stage needs the symbolic role of artist-leaders aligning the organisational visions with the individual values and beliefs of organisational members in their storytelling. Therefore, re-aligning the existing meanings by reframing into a broader narrative will be carried out.
7.3.1 Re-telling Stories for New meanings and Values

The strong charismatic leadership worked during the entrepreneurial stage of SOC as long as the followers within the inner circle were under control. However, the inner circle confronts the organisational politics and the leadership power reach its limit. As discussed, K-pop SMEs confront the complicated communication channels and chaos of the political environment within the inner circle (see sub-chapter 6.3.2 for more). It becomes more difficult to share the vision and achieve organisational alignment. During this transformational time, a new way of motivational leadership and a more effective way of communication is needed. For example, the leaders represented organisational achievements as individual accomplishments, such as success stories of international tours or global awareness. This was an excellent example of the role of artist-leaders with retelling the discursive metaphor in speech event to reframe the entrepreneurial stories.

The preparation for moving to another phase of organisational growth comes with psychological tensions, and the transitional process affects the psychological state of the leader and staff. At this level, the role of a leader is critical to place the system in the right direction. The leader should be able to make sure whether the organisation is adapting effectively across its various functions. The ‘resistance to change’ triggered by emotional stress including fear or anxiety means that the organisational members realise existing frames may no longer apply.
Vision narrative is ideological, so it seems to capture ‘what you stand for and why you exist’, which represent the core values and purposes of the organisation (Collins and Porras, 1996, p.9). For instance, S-M Lee’s favourite quote, ‘Culture first, Economy next’, is that of an outsider challenging the received ideas which underestimated the economic value of CCI (see sub-chapter 6.1.1 for System-discourse). The catchphrase has become not only a frequently quoted narrating device to introduce his early vision but also a discursive tool to link his personal vision with the broader vision of the organisation as well as the different divisions within the organisation. As mentioned in sub-chapter 6.1.1, by stressing the importance of ‘culture’ for the economy, S-M Lee attempts to legitimate not only the creative production system of the idols but also the social benefit that SM ENT holds. Also, in this narrative, the development of SM ENT is linked with the development of Korean popular culture in the global market.

“When I entered the foreign markets in 1997, I declared ‘Culture First, Economy Next.’ I thought that if a good culture is ahead and it is loved by neighbouring countries and spread around the world, it will lead to economic power. Indeed, K-pop is creating greater added value and economic growth effects through its impact on the primary and secondary industries and convergence with similar industries. The success of Korea’s cultural content industry has led to the rapid growth of various Korean industries worldwide and the shift to high added value, which describes the economic activity of one component as the ‘spillover effect’” (S-M Lee cited in L. Kim, 2018).
At the same time, S-M Lee attempted to suggest not only the organisational vision but also the future blueprint of CCI and economic aspect of cultural policies at the state level. At the Korea-Vietnam Business Cooperation Seminar 2018, S-M Lee brought up the catchphrase again to emphasise the economic growth of Korean industries originated from the K-pop boom. He also named this phenomenon a ‘spillover effect’ (Kim, 2018). The strategic intention is that SM ENT is leading the K-pop CCI sectors to the global level, and this will be beneficial for the sake of the state as well.

“The term CT is meant to distinguish culture technology from information technology… I wrote the preceding quote 14 years ago when I was launching in Asia in the past. Europe and America followed the idea of the economy first culture next. As the economies became stronger and as they became world-leading countries, the culture spread out and became known to the rest of the world. However, I believe that that could change.” (S. Lee, 2011).

“Let me tell you the secret that made a dream come true the secret is CT, which stands for Culture Technology. I’m an engineer. I studied computer engineering, and my thesis was a robotic system with computer vision 31 years ago. So, I defined at the early stage of SM ENT and developments in the IT industry such as the internet, mobile, and social network and media services CT and IT together created the explosive synergy around the world. The term CT that is culture technology is a concept that integrates different strategies of promoting cultural
contents through systemised processes that nurture and export culture” (S. Lee, 2016a).

To illustrate, speeches given in 2011 and 2016 above show how S-M Lee has developed his metaphoric terms around ‘Culture Technology’ as he has linked the idol system as a flourishing mechanism as ‘systemised processes that nurture and export culture’ (S. Lee, 2016a). While the CT from the year 2011 was adopted to explain the stepwise system of idol production, the 2016 version of CT has been broadened to encompass the visionary future of the company. By adding a new layer of stories, the strategic narrative can unfold new meanings.

“SM ENT’s contents and artists are leading the spread of Korean pop culture, which is attracting mass attention not only in Asia but also in the global markets. This global growth and popularity of SM contents remind me of the time when I first planned overseas expansion” (Lee, 2016).

S-M Lee said that industrialisation and systemisation have become the cornerstone of K-pop globalisation, which allows us to plan and invest in long-term plans (D.-G. Lee, 2021). For example, ‘Localisation’ is often used in the vision narrative of artist-leaders. S-M Lee used ‘Hallyu Localisation’ while J-Y Park used ‘Globalisation by Localisation’ (Lee, 2016; Park, 2018). Globalism, in the visions of artist-leaders, is another typical quality. Furthermore, the global rise of K-pop fandom requires the artist-leaders to communicate with a global audience. For instance, S-M Lee encouraged the audience to share the global vision by stating ‘a whole new future for the global success of Korean pop culture’ (S.
Lee, 2011). As can be found from the following statement, the ‘globalisation’ and ‘localisation’ seem to become the common strategy of K-pop entertainment companies.

“SM will achieve the true definition of “Hallyu Localisation”. This is because we believe that the final stage of the “three stages of Hallyu” is possible from 2016. From the first stage where we only exported cultural products of Hallyu, we advanced to the second stage where we expanded the market through cooperating with local companies and artist. SM will be able to achieve the third stage as SM establishes joint ventures with local companies and hands down and transfers SM’s culture Technology to the local market. Hence, SM’s new artist group, NCT can actualise “Hallyu Localisation” (S. Lee, 2016).

“The speed of manufacturing contents will be enhanced dramatically and actually that’s the biggest reason of our company’s success within the past one year and we believe this structure will take us to the next level the second theme globalisation by localisation I know it kind of sounds weird the first K-pop was exporting Korean contents overseas Korean stars Korean music Korean dramas and it was pretty popular the second stage was blending in foreign talents within the Korean artists… … I believe the next step of K-pop will be developing and producing and releasing foreign talents” (J-Y Park’s speech recorded by JYP Entertainment, 2018).

Artist-leaders should put the values or goals of organisational members into consideration during the vision formulation and implementation to provoke the group membership of organisational members. Facing
resistance to change is part of the process of giving sense to organisational members, as different groups of identities and experiences collide when confronting growth and change. Overcoming resistance to change is an essential step in SOC. Rational arguments are therefore insufficient to make change; it is also necessary to persuade us of an emotional or intuitive element to our tacit understanding (Sole & Wilson, 2002). This makes storytelling useful to change the collective identities of organisational members confronting resistance to change.

Visions can be organisational symbols that align the various meanings and values, integrating the core ideology of the organisation. A good example of strategic change was the replacement of ‘brand logos’, which transformed the vision and brand of SM ENT. The official website of SM ENT released a press article introducing ‘New Corporate Identity’, explaining ‘SM has prepared a new brand system and identity to flexibly cope with various contents such as entertainment, new media and lifestyle as well as music according to the idea of producer Lee S-M, who prepared A.I. (Artificial Intelligence) for the upcoming world’ (SM ENTERTAINMENT, 2017). Therefore, the vision must be clearly articulated in order to be aligned with both the organisational culture and individual values of organisational members.
The logo above was not just symbolic change but also the explicit change of visual image. The role of the new logo, externally, was to introduce new metaphors such as A.I. as a linking word between the importance of cultural products and the lifestyle in modern society. The leader creates a shared organisational vision and brand identity. This allows a less hierarchical managerial approach and allows those working for the organisation to express themselves creatively under the umbrella of a collective branded identity. However, in this paragraph, I stress the role of a new symbolic corporate identity from the perspective of internal communication.

This can reassure the strategic intentions of the organisation and share it with other organisational members. In this vein, it is crucial to understand corporate identity, because compelling visions seem to be ‘grounded in sensible values as well as analytically sound thinking, and the values have to be ones that resonate deeply with the executives on the guiding coalition’ (Kotter, 1996, p.82). For example, the artistic production and marketing strategies of the idol groups are where the artist-leaders play a major role because the production and marketing
of idol groups focus on a specific organisational process usually undertaken by the artist-leaders.

To conclude, reframing of a vision in a new context is a ‘symbolic change process’, which will give the organisation new meanings and values to provide the members with reasons to follow and achieve organisational goals (see sub-chapter 2.4.3 for a detailed discussion of the symbolic process of reframing). The direct communication is insufficient to reach the complex lines of the organisational hierarchy. The bureaucratic structure also blocks the organisational communication. In this case, the new visions can be implemented by introducing new symbols, logos and slogans.

The research findings suggest that, during the transformational change, the shifting meanings and values in different paradigms can be difficult to be aligned within the various groups of organisational members. Nevertheless, SM ENT took advantage of the speech events for the discursive change by re-telling entrepreneurial stories. However, the other two companies have a lack of story lines for the vision narrative change. Therefore, at this stage, we can assume that, especially from the perspective of symbolic change, JYP ENT and YG ENT are taking a slower phase. Next paragraphs will look into whether they are taking another route.
7.3.2 Sharing Aligned Vision Narrative

As discussed in the previous sub-chapter, vision formulation can be a result of the sense-making process of leaders and organisational members, including top management. Leaders who embrace a vision to be shared by the entire organisation are identified by followers as more trustworthy and vibrant, and as possessing ‘more expertise than those leaders who fail to articulate a vision’ (Carsten and Bligh, 2008, p.279). Indeed, it is much more than ‘let the people know’. The formulated vision must be shared to articulate the vision alignment, and the vision narrative will be critical to this sense-giving process. For example, one artist management team leader admitted that he is loyal to S-M Lee. He said, ‘We are proud that we will always make the best artists. I think that if everyone dreams the same, it seems to be a reality’ (Participant M, Jan. 2018). An interesting fact is that he used the same language S-M Lee often cites in his speeches, ‘When everyone dreams the same, it seems to be a reality’ (Lee, 2016). Through storytelling, the vision can be effectively shared within the organisation.

As covered in the previous sub-chapter 7.3.1, vision creation and implementation are critical for a smooth transition between entrepreneurial and established stages. For instance, while changing the logo of the company which I started in the previous sub-chapter 7.3.1, S-M Lee attended an international conference not only to announce but also to introduce the visionary change of the company. As can be seen in the following speech, S-M Lee often talks about the future of the company relating to the future of the industry and even society.
Therefore, it is important to define a vision for the future as it can provide ‘the image of future’ and articulate the values, purposes and identity of the organisation (Mumford et al., 2002).

“K-Pop has now become a word that symbolises the collection of ‘our music’. If so, what would the future look like? I would like to claim that the future will be the world of A.I. and celebrities. The public is always interested in celebrities; they want to know everything about them. With the development of digital platforms, the daily life of celebrities has become a content on its own which everyone in the world can enjoy. I believe this sort of contents will be much more diversified in the future. The relationship between celebrities and business entities will grow more and more as well. Big data and advanced robots will also assume a major role within the world of celebrities. Especially with A.I. technology because its advanced communication robot – or chatbot – will become avatars that will infiltrate deeper into our daily lives” (S-M Lee’s speech recorded by World Knowledge Forum, 2020).

To be able to form an aligned vision in the established stage, it should seep into ‘the very bloodstream of the work’, and ‘social norms and shared values’ need to be rooted in organisational members (Kotter, 1996, p.14). However, artist-leaders provide a vision - a ‘dream’ of what the firm can be - and a mythic identity which can inspire trust and loyalty from other artists - but it is up to other top executives (the CEO or head of operations or head of marketing) to turn this vision into a reality. For instance, S-M Lee introduced the newly suggested visionary term, ‘SM CULTURE UNIVERSE (SMCU)’, during his keynote
speech in the ‘World Cultural Industry Forum’ (WCIF 2020). This was also introduced and constantly supported by Sung-su Lee, the CEO of SM ENT at is Korea’s global start-up festival, ‘COMEUP’ 2020 (GLOBAL STARTUP FESTIVAL COMEUP, 2020).

“I have mentioned SMCU (SM CULTURE UNIVERSE) in the vision, which is the basic value of the world of entertainment in the future, but it will soon open the start of entertainment in the future. We will showcase a new girl group, AESPA, for the first SMCU project” (GLOBAL STARTUP FESTIVAL COMEUP, 2020).

As explained in chapter two, vision must be shared with organisational members to integrate the followers who have a different level of motivation and trust. Instead, artist-leaders extend the discursive role in symbolic communication into strategic stories so that alignment of vision can be accomplished (Mumby, 2016). For instance, SM ENT projected the aligned vision narrative in the storytelling event of one of their artists. Siwon, a member of ‘Super Junior’, attend the ‘2020 KOREA-WORLD CHINESE ENTREPRENEURS BUSINESS WEEK’ to talk about the vision and values of SM ENT. He extended the S-M Lee’s vision in his talk and introduced the SMCU (SM Culture Universe). He said, “SMCU is not simply a storyline that is interpreted as a symbol or metaphor, but through storytelling contents that include attractive characters and stories through the artists’ music” (Koreaboo, 2020).
During the established stage, it becomes important for artist-leaders to prompt the cohesion of organisational members to share the organisational vision to establish the collective identity among organisational members. In certain circumstances, the symbolic role is more important than the actual role; for example, even though most of the creative production is planned by the creative team, people think that the artist-leaders have been involved in the idol training. This is partly true because of the organisational brand established by the artist-leaders during the trainees’ idol training which was originally structured by the artist-leaders. (Participant B, Sep. 2017). Thus, the symbolic role of the artist-leader as a storyteller is greatly concerned with communication with consumers in drawing the brand narrative because it becomes more collective.

The shared visions and values become an umbrella idea in which creativity and productivity can be balanced. For instance, different divisions can align the different cultures by sharing organisational vision. It is rather sharing and articulating values by stimulating the individual values of followers. Therefore, the vision can be used to align the organisational members toward a specific direction under the organisational vision.

This is deeply related to the discussion about ‘collective identities’ of organisational members. For example, the shape of the future S-M Lee described becomes the guidelines for organisational members as the speech is shared within the organisation. This is sometimes shared by internal speech events such as a seminar or company announcement or
as a documented booklet (Participant J, 2018). If the framing works as
the leader intended, the different groups of organisational members will
be able to understand the direction they are heading in. Therefore, a
shared vision can align organisational members as they undergo
transformational change.

However, it should be noted that the visions rooted in his or her own
ideology should be decoupled to install organisational ideology into
vision. This can maintain the existing lines of communication which are
an unrestricted informal flow of information between creative staff and
artists. Sharing a vision is not just sharing information. In this respect,
the collective identity of the different groups of organisational members
needs to be aligned during their engagement in the implementation of
the organisational vision. Therefore, the episodic events such as
conference where the leaders express the company’s vision and goals
enhance the collective identity of their organisational members. This
whole process also creates organisational identity in the strategic

The degree of cohesiveness for a leader-member relationship can be
directly proportional to the level of support for the leadership. However,
the newly formalised organisation with organisational members who
have less intrinsic motivation to follow renders charisma invalid and the
charismatic power sporadic. Therefore, as a solution to the weakened
charismatic power of leaders over followers, the symbolic power of
vision-centric strategies can offer an alternative resolution to the issues
of miscommunication. Limited communication across departments
weakens the collaborative environment of the teams and may destroy the integrated strategies which can also obstruct collaborative cultural production.

When companies choose to grow their business, efficient communication between founder-leader and other managing staff is getting more important because successful change cannot be accomplished without smooth communication between members of the organisation. However, when the organisational structure got extended with more top management executives who deal with administrative divisions, it becomes more difficult to maintain the symbolic communication in top management. For instance, even the executives outside the inner circle can barely meet the leaders (Participant B and E). In this regard, decisions are made within the closed and trustworthy group of top executives because of the importance of confidentiality in the artist management business.

With regard to this, multiple claims have been made by an interviewee, a former administrative staff member: ‘The low-ranked staff like team managers and divisional managers seem to be kept away from making decisions’, ‘The closest teams to the artist management team or top management members can plan what they want’ (Participant E, Sep. 2017). Therefore, artist-leaders need to highlight a sense of crisis in the inner circle and its dominant coalition. The symbolic communication I explained in this sub-chapter can improve this situation. According to the research findings, among the ‘Big Three’, vision-centric strategies have been implemented mainly by SM ENT as the firm went through
both structural and symbolic change in various ways with new vision narratives that are re-told and shared in episodic speech events.

It seems personal values from different staff will not be easily matched with organisational visions. The storytelling skills of SM ENT are combined with the more empowering and strategic sense-giving languages and stories. First, the speech event took place along with other symbolic changes such as corporate identity. Second, the new values such as ‘A.I.’ and ‘Virtual reality’ are reframing the organisational brands of SM ENT. A lack of creativity, dissatisfaction amongst the creative labour force and a lack of communication are the potential challenges faced by an organisation as it grows in the K-pop music industry. This could be improved by enhancing communication between the creative and administrative divisions.

7.3.3 Re-Visioning with New Metaphoric Expression

As repeatedly stated in this study, strategic change involves organisational change and leadership transformation, and it involves not only changes in structures but also in the organisational vision. While becoming less reliant on the quality of charisma, it is necessary to develop and validate a clear organisational mission or vision. Re-visioning is one of the features of the visionary leader, and the leader is liable to recreate the vision in the transition. However, this term is more than the concept of expanding brands as the existing brand identity is interwoven with the personal identity of artist-leaders. For instance, stories about ‘how the leader met with a certain managerial staff’ and
‘how top executives work and make decisions for artists and even about other business’ can be shared more widely to redraw the complex identities across different groups of staff within the organisation.

The organisational vision which has emerged from the personal dream of the founder will not be realistic as the organisation gets bigger. Thus, as SMEs become large-scale, established organisations, the vision needs to be revisited and reorganised. For instance, J-Y Park has announced the new visionary projects in the JYP 2.0 speech in 2018. He explained the structural change of artist management team and a new way of working. This so-called experiment has been conducted to stabilise the idol management system (JYP Entertainment, 2018).

‘I think it was around 2015 or 2016. I started to realise that our company start to grow too big. The process of manufacturing content wasn't fast enough compared to the artists and the growth that our company was generating. That was my biggest problem two years ago. So, I started our experiment. My first experiment was I created a special task force to handle just one artist, which means they had their own marketing person; they had their own promotional person; they had their own management person. Everything was being handled inside that taskforce. The artist that I put in that task team was ‘TWICE’... ...Actually, the result was amazing everything was so much faster, and it is efficient. The communication between the person in charge and the artist was much better than before. We finally came to a conclusion we’re trying to make four little companies inside this one big company so now JYP will be a company combined of four labels” (J-Y Park’s speech recorded by JYP Entertainment, 2018).
In this vein, re-visioning is key to successful change, as it allows subordinates to make sense of the meanings and values behind the newly formulated or amended vision. The visions introduced in the transformational stage of SOC are broader in scope; these visions often include the organisation acting on a global stage in the K-pop context. This is possible because commercial business in the CCI can be treated not as mere products. For instance, the managerial metaphor, ‘CT’, S-M Lee quoted in his 2011 speech has retold and re-visioned as ‘NCT’ in his speech in 2016 (Lee, 2016). Moreover, artist-leaders often come up with a new concept or ideas for their storytelling. In particular, these behaviours become more obvious when they are at the episodic speech events where they are sharing newly amended visions or the introduction of new brands. The following statement is about the storytelling of S-M Lee attempting to ‘brand’ the strategic model of NCT.

“From ‘CT’ to ‘NCT’, namely the evolution to ‘New Culture Technology’, what could be the keyword behind this? The answer is ‘Interactive’! This is SM’s desire to communicate and ‘interact’ with all of you. Therefore today, along with a new keyword ‘Interactive’, I would like to introduce our five new projects and a new group based on SM’s very own ‘New Culture Technology’.... ...I would like to introduce the completion of SM’s New Culture Technology, the new artist group, ‘NCT’! You just saw what the completion of SM’s New Culture Technology will be the new artist group ‘NCT’s teaser video and performance. SM’s new artist group ‘NCT’ is the abbreviation of ‘Neo culture Technology’, and the most important keywords
that explain this team are ‘Openness’ and ‘Expandability’. Starting from ‘Seoul’, the place where K-pop originated individual teams that are based on each city in the world will debut in order. NCT will have no restrictions on the new addition of members; they will perform their artist career as the whole world is their performing grounds” (S. Lee, 2016).

Therefore, without the vision narrative, the symbolic change may not be possible. This proactive process can involve re-visioning, an essential stage in the process of reframing strategy. This re-visioning is carried out by top-managers and artist-leaders; however, this time the new vision carries organisational values and purpose. This is why visions in the entrepreneurial stage have to be changed to reframe the new order in a transformed organisational setting. In terms of practical management, the vision at this stage must be professionally designed to be able to convey the brand and a clear picture of the future of the organisation.

As stated in sub-chapter 7.2.2, the espoused values, which have only been supportive during the entrepreneurial stage, can become more significant to enhance the reputations or images of organisations as an organisation matures. For instance, espoused values are expressed and attributed to an organisation by its top executives in statements such as the firms’ annual reports or vision statements. Thus, visionary leaders must encapsulate the vision or mission in a statement, and often include the textualised corporate or organisational identity and brands.
It should be noted that the inner circle is a block to diversity in top management because it prevents efficient communication between areas of expertise and locks out the administrative staff from actual influence at the top of the organisation. Most importantly, there is a problem of formality adopted in management and bureaucratic systems increasing the degree of rigidity in the organisation. However, the power of leadership inevitably appears decentralised regarding organisational structure because of the dual system.

As noted in sub-chapter 2.2, organisational democracy can encourage coherence and diversity while implementing visions. The democratic environment rooted in organisational visions providing the shared and visible directions for top management, and the middle managers, as well as executives in the top management, can bridge the symbolic communication within the large organisation. It seems the vision dramatically influences employees in the established organisation.

What has been shared in implicit conversation within the inner circle should be explicitly shared in the articulated symbolic communication such as vision statement. With no clear vision statement, symbolic change can be incomplete in terms of vision communication. The vision statement is one of the common strategic actions, and it also expresses the ‘core ideology’ (Schwenk, 1997). Corporate visions statements are often too obviously a restatement of managerial goals, rather than translating these goals into values and aims which the ordinary employees can understand and identify with. Therefore, even though it is essential to make the vision or mission statement in the text, it is more
important to share the vision. As it can be found from the vision statements of the ‘Big Three’, they seem to rather be inspired by artist-leaders and provide the audience as well as organisational members long and detailed stories as well as the key statements.

By the vision statement, the founders created the current corporate image and major directions into more explicit and visible form. They play a mediating role in communicating the vision statement with the audience. The brand vision of YG ENT is ‘Create Experience, Evoke Inspiration’. YG ENT is introducing its brand by using metaphors such as ‘New’ and ‘Creative’. As for JYP ENT, their vision statement was ‘A company that leads the global entertainment industry by combining technology with discovery and cultivation, content planning, production, distribution, and management on the global market stage’; however, this has been removed from the official website of JYP ENT. Instead, the new vision statement was added under the main slogan, ‘Leader in Entertainment’. As follows, the company’s description is including a series of statements containing the visions and philosophies of JYP ENT.

... With the lead of Park Jin Young as Asia’s most prominent producer in the entertainment industry, JYP has discovered and produced some of the most popular and successful K-pop artists such as god, Rain, Wonder Girls, 2PM, 2AM, miss A, GOT7, DAY6, TWICE, Stray Kids, and ITZY who represent K-pop. Also, we have introduced, popularized, and lead K-pop’s dominance by expanding the activities of our artists to the global music industry through the network of our oversea subsidiaries such as
JYP Japan, JYP China, and JYP Thailand. JYP not only focuses on ordinary business-like planning and creating music and videos contents, finding, and managing artists, conducting online, mobile and overseas business but also strives to scout creative talents and develop them to be suitable for the entertainment industry. ‘Think Brilliant’, ‘Act Efficient’, ‘How Can I Improve the System?’ and ‘Leader in Entertainment’ are the values taught and recognized by the talents of JYP. JYP is a company that respects the law and social norms. Based on these beliefs, we will strive to be an exemplary model of the entertainment industry and to uphold the company’s name and value (JYP Entertainment, official website).

Furthermore, the vision statement selected by SM ENT, such as ‘Asia’s No.1 Entertainment Group’, is an attempt to integrate or at least align the different cultures of insiders and outsiders under one symbolic visionary image. With no specific vision or mission statement, visions may remain unclear, even for the leaders. The longer version of the vision statement of SM ENT is ‘As a company that produces the best in cultural content and entertainers by using state-of-the-art culture technologies, SM ENT aims to touch the people’s hearts and promote Korean culture in every corner of the world to contribute to national economic growth and more affluent life for everyone’ (JYP Entertainment, Official Website). Even though SM ENT included the symbolic aspect of the organisation by stating such words as ‘people’, ‘life’ in the vision statement, the other two statements miss the ‘human’ elements of cultural products and media companies (SM Entertainment, official website).
As previously argued, vision narrative can provide organisational members with the ideological values and purposes of the organisational future, and this future has to be envisioned by reflecting employees’ values and experiences (see sub-chapter 2.2.4 for more). In this respect, vision narrative of artist-leaders in the K-pop discourses is strategically offering conceptual metaphors like ‘Creativity’, ‘Happy’ and ‘Joy’, which not only provide the audience with ‘futuristic positivity’ but also an umbrella cognitive concept which aligns the personal values of different groups.

This becomes a metaphorical vocabulary for organisational visions as the organisation grows. In the later stages, it becomes a symbol of the company which can often be found in the vision statement (see the discussion on ‘Creative person Archetype’ in sub-chapter 5.1). Moreover, the metaphoric meaning of ‘creativity’ in an idol system is symbolically situated as a creative image of idols framed by artist-leaders as mentioned in the previous sub-chapter 6.1. Also, ‘creativity’ as a metaphor used to emphasise the welfare of organisational staff. In a recent speech event, JYP 2.0, J-Y Park emphasised the welfare of employees in the company. Park stressed that ‘the mental and physical well-being of his employees was of the utmost importance’ promoting the importance of ‘work-life balance’ (Fujio, 2018).

In order to do this, the company aims to reduce the overall hour that an employee can work each week in compliance with the South Korean rule. Psychiatrists may also be handpicked to consult the performers and staff (Fujio, 2019). When compared with the more ‘human’ and
therefore inclusive, engaging, and shareable stories provided by the artist-leader, once again the artist-leader plays a crucial mediating role, humanising and sharing the central strategic vision. This shows that artist-leaders have realised that importance of administrative staff as well as the organisational vision for all the members of their organisation.

“The last theme is ‘Creativity from Happiness’ especially in the creative business I don’t believe working hours give you great results. It’s all about brilliant ideas. I need my artists my producers my musicians and my employees to come up with brilliant ideas. If my employees are tired and exhausted how can they come up with great ideas. So, the last theme but the most important theme is trying to take care of our employees make them in the best condition they can ever be. So, in order to do this first its ‘work-life balance’... ‘healthy lifestyle’, I really believe this has a direct effect on the ideas that the employees generate on the top floor of a new building we have a restaurant that serves organic food everything” (J-Y Park’s speech recorded by JYP Entertainment, 2018).

To conclude, creating a vision is not just a strategic exercise in assessing environmental opportunities and organisational capabilities, but the whole process of making sense of the past, present and future, not only for artist-leaders but also for all the members of the organisation. For instance, the grand narrative, ‘SMCU’, is also supporting the organisational transformation. Also, JYP ENT announced new visions of JYP 2.0 although this was was not as transformative as the re- visioning of SM ENT. The JYP 2.0 was mainly supported by J-Y Park
while SM ENT strategically planned the multiple storytellers including CEO and one of the artists. This could make JYP ENT’s vision statement less effective when it comes to the transformational change of Strategic Organisational Change (SOC). Artist-led K-pop SMEs have articulated the new vision to align the organisational values while creating organisational identities. Finally, when it comes to vision and brand narrative, it has been harder to uncover detailed empirical evidence about YG ENT. This is because YG ENT is recently undergoing controversial legal and moral disputes due to the drug scandal and the replacement of CEO as I quoted in sub-chapter 7.1.2.

7.3.4 Summary

To summarise, while the entrepreneurial stage has been the discursive place for artist-leaders to spread out new meanings and values for mainly external stakeholders, the established stage is the place to redefine the existing meanings and reframe the changing paradigm for internal stakeholders. The latter also involves a change in the leadership style of charismatic artist-leaders. Strategic change requires the process of transformation confronting ‘resistance to change’ which arose inside the leader first and then among the organisational members as fear for change. What is evident from stories told by artist-leaders is that artist-leaders struggle to situate personal identity when organisations go through transformational change.

Therefore, reframing the existing legacy into new meanings will be a way for these organisations to move beyond their origins as K-pop
SMEs. The entrepreneurial stories of heroic plots and mythmaking can turn into a good source of story-making during organisational transformation. Furthermore, while re-making the stories, artist-leaders seem to make sense of their new roles as visionary leaders. Therefore, by looking closely at corporate narratives around branding and visions, both the conflicts in identity and the changing patterns of storytelling behaviours can be examined. This is the symbolic side of leadership change which accompanies the transformation of the organisation.

Without the full support of organisational members, transformational change is impossible. SOC in the K-pop industry incurred challenges of identity and vision, demanding that the artist-leaders inspire and organise an increased workforce with different backgrounds within the expanded divisions of the organisation. Strategies for change for SOC devised by top executives and artist-leaders must be delivered to stakeholders in and outside the organisation.

Finally, during the transformational change in SOC, strategic narratives with metaphoric texts or expressions must shift the leader-centric heroic plots into organisation-centric sagas using vision. Nevertheless, according to the evidence from several interviews (sub-chapter 6.3.2), there is a low level of trust towards artist-leaders among professional managers. In this vein, while everyday storytelling can develop organisational identity incrementally, the episodic events can provide the organisation with new visions and branding during the moments of leadership crisis with the chance to reframe the organisation’s values and identity for organisational transformation.
As explained earlier, I assume the changes in K-pop discourses made by artist-leaders have been facilitating the meaning-making for K-pop SMEs to grow as large-scale organisations. Therefore, the episodic events are critical not only to reconstructing the new and reshaped organisational reality to change meanings or values with brand narrative, but also to align the organisational vision with new directions and goals in strategic narratives.

7.4 Conclusion

Even though the pragmatic role of a leader has diminished with dual leadership, the symbolic meaning and discursive power are still significant, as leaders are symbolically involved in managing and leading an organisation. Also, strategic changes in the mission or vision statement often fail to capture the values and thoughts of organisational members. This chapter argues that brand and vision narrative represents the critical mechanism behind the transformational changes. Thus, I have categorised the three main processes of organisational transformation from the findings of the narrative data. Firstly, artist-leaders have re-shaped their leadership acknowledging the limitation of charismatic power. Then, they drew the future of an organisation to align the different groups of organisational members. Thirdly, the heroic image of charismatic leaders which has been deeply constructed during the entrepreneurial stage will need to be washed out for future organisation-centred visions.
As K-pop SMEs approach the transformational change to a new organisational paradigm, it is inevitable to awaken the need for leadership and organizational change. K-pop SMEs need to overcome resistance to change raised by less motivated followers such as new professionals and administrative staff. This time, the leaders also need to reshape the style of leadership as the previous charismatic power will not be as influential as before due to the complexity of the formalised organisational system. The incremental change of everyday storytelling will not be enough either. In this vein, even though it is harder to play the role of a maverick outsider as the organisation becomes more established, the discursive competence of artist-leaders needs to be enacted and enhanced to make and tell stories strategically.

Therefore, strategically aligned vision narrative needs to be shared while re-conceptualising the brands of the organisation. When confronting leadership crisis and change, stories about individual sacrifice for a challenging new course can be useful as a ‘turn-around’ plot to strategically reframe the organisation with brand and vision narrative. Rather than heroic plots, the strategic narrative with strategic intention can be symbolically rearranged and reorganised as leaders experience the need for a change of self, as organisational change inevitably requires transformational change.

In this vein, the stories retold by artist-leaders symbolically become a strategic narrative carrying shared new meanings and values as the organisation metamorphoses into its established stage. Establishing harmonised top management can facilitate communication. What artist-
leaders who are celebrity-leaders say can be influential not only to followers but also to gatekeepers. Therefore, this study argues that episodic events can be intentionally planned to build either a vision of the future or extended brands. In this sense, even though structural reorganisation or new divisional functions can explain the strategic changes, the anxiety or fear for the new environment needs personal sense-making about the change.

To conclude, organisational sagas are effective in three different dimensions – first, they connect together and recontextualise other discourses and narratives from the organisation, including the ‘heroic’ plots of the past – and in doing so they also ensure the continuing legitimacy and role of the artist-leader in the new post-charismatic, strategic organisation. This is the sense-making function of the organisational saga. Secondly, organisational sagas relate to brand, culture, and strategic alignment – they provide a shared set of meanings around which the organisation can coalesce and cohere, and link this into a corporate/organisational vision, not an individual story. This is the sense-giving function of organisational sagas. Finally, they are spread across the organisation, not just contained in the personal charisma of the artist-leader, reflecting the changing nature of leadership and the changing structure of the organisation, from one leader to a senior leadership team, with different tasks and responsibilities – but framed within a shared set of values, meanings and a shared strategic vision.
CHAPTER EIGHT. CONCLUSION

8.1 Introduction

In this concluding chapter, I will summarise the main arguments and implications for strategic organisational change (SOC) derived from the narrative analysis of the three organisations. Thus, the summary of the thesis will be reported under the SOC framework. Then, I will revisit the research questions I have raised in chapter one. Also, I will add the implications of this study for both entrepreneurial firms and fast-growing SMEs in need of organisational transformation in CCI. After that, I will conclude this thesis by suggesting further research directions and limitation of this study.

8.2 Summarising Strategic Organisational Change Framework

Organisational change in creative organisations in CCI has not drawn as much attention as other industrial sectors in the field of organisation studies. Nevertheless, the previous theories I reviewed in chapter two regarding stepwise models can be a starting point. In relation to stepwise modelling of the SOC framework, I have suggested the broader concepts of two major stages: entrepreneurial stage and established stage. By doing so, the transition from SMEs to a large organisation can well be defined and recognised. For this, I had to deal with the conventional argument of the managerial stage where the
organisation faces a fundamental crisis while growing. The following sub-chapters will, therefore, summarise the different findings of change and crisis at different stages under the framework of SOC.

8.2.1 Strategic Organisation Change during Entrepreneurial Stage

In this study, the contextual understanding of leadership was carried out by revisiting various leadership theories. There is no single theory or framework which can evaluate or define leadership as the nature of a leader is always contextual and there is no great leader in all situations. The artist-leaders who have been successful artists with music producing skills held charismatic leadership competences, and this resulted in their accumulation of charismatic authority over the cultural and creative sectors in Korea. This authority was assumed to be highly symbolic, implicit and personal (sub-chapter 5.2). This understanding was based on an examination of behavioural changes of leaders in different organisational contexts. Thus, in CCI, the symbolic role of leaders can be critical. The artist-leaders of the ‘Big Three’ were the perfect example of such power being accumulated by their previous artistic careers and their professional knowledge and skills in creative and cultural production.

During the entrepreneurial stage, the charismatic power of artist-leaders was persuasive for a while because the loyal followers perceived the leaders as role-models and the personal visions of artist-leaders could become the visions of followers with no difficulty (chapter two). The trait-driven behavioural changes which I defined as competence can be
more useful to understand the complex dynamics of leadership change rather than focusing on a purely trait-based approach. A leader must also change as an organisation becomes large with diverse kinds of followers. In relation to the competence model, I also revisited the motivational relationship in leadership to include the perspective of follower-centric leadership. The leader-centric approach of trait-theories has not fully explained leadership as it is one-sided and fails to consider the motivated behaviours of followers.

During this phase, nevertheless, the symbolic communication concentrates on enhancing the charismatic power which I have described as leader-centric symbolic communication. The leader-centric sense-giving behaviours often appear during the entrepreneurial stage and created positive meanings and values for organisations operating the idol system. By telling stories, the meanings and values of the emerging K-pop artist management business were legitimised in the field of Korean CCI. Moreover, the leader-centric sense-giving behaviours in personal storytelling were effectively motivating by appealing to their emotions. This highly emotional communication contributed to the tight bond with idols who were highly motivated. For instance, I explored the stories stressing the parent-child relationship between artist-leaders and idols.

Also, typical stories of the artist-leaders during the entrepreneurial stage were plotted as a leader-centric narrative such as ‘Dream-come-true’ stories or ‘Overcoming challenges’ stories (see sub-chapter 6.2 for more). Therefore, charismatic leaders who have control over idol stars
have been considered to be powerful and unbeatable, and even mythic and heroic. As the stories of artist-leaders are retold by various stakeholders, the charismatic leader can use the symbolic role in communication (chapter six) to override any lack of managerial competences.

The storytelling behaviours of artist-leaders have been active throughout the entrepreneurial stage to create and enforce the charismatic value of the leaders. As evident from the mythical stories from the entrepreneurial stage I analysed in chapter six, managerial functions of such symbols, metaphors and stories have effectively enforced not only the charismatic power of the leaders but also the organisational brand of the ‘Big Three’.

Myths and heroic plots were the main behavioural features during the process. The underlying myths within the organisation context can delay the SOC while referring back to the legendary success of the past. Indeed, the cases of Korean artist management companies provide a distinctive model of SOC since they reveal a combination of rapid growth and strong leadership as well as the sustained power of charismatic leadership as the organisation undergoes diverse changes in structure, communication and the character of the organisation.

8.2.2 Strategic Organisational Change during Transformational Change

Considering the limitation of charismatic leaders that I have demonstrated in chapter two and five, the difficulty of leadership
change drives the leaders to reshape their style of leadership away from charisma-driven power and communication and towards a more persuasive style. This thesis has focused on visionary leadership as an alternative form of post-charismatic leadership. Thus, chapter two has looked into previous academic literature on visionary leadership.

Visionary leadership has sometimes been used as one of the elements of charismatic leadership; in other cases, it has been seen as distinct, because it is more persuasive and inclusive. I have followed the latter interpretation of visionary leadership as a more adaptive form of leadership compared to charismatic leadership. To achieve this, vision-driven leadership reveals changes in symbolic communication. This is an important phase in organisational transformation for SMEs that are led by charismatic artist-leaders in CCI. Symbolic resources such as organisational sagas and episodic storytelling are recognised to be used for this process.

Even though charismatic leadership reveals its limitation and dark side in the later stages of organisational change, at first during the entrepreneurial stage, the charisma of artist-leaders can be a magic potion to handle almost all managerial challenges regarding leadership. This irony is similar to the paradox of leadership which has to deal with change. As Kotter (1996) warned, leaders with past success can be overconfident during organisational change. Moreover, leaders with high charisma such as artist-leaders can be more susceptible to this crisis and more likely to underestimate the urgency of leadership change. Thus, even though the ‘initial’ leadership crisis has been prevented as
the organisation approaches the moment of organisational change, the ‘real’ leadership crisis eventually arises. This is a paradigm-shifting moment with I referred to as transformational (sub-chapter 2.2).

Even though the visionary leadership style operates in a subtle, implicit way, I attempt to stress the importance of organisational visions and vision-driven communication in the leader-follower relationship. Such symbolic communication is even more critical for the organisational transformation in CCI. Compared to other industrial sectors, CCI need to maintain creativity and flexibility despite the bigger size of business as the creative and cultural production is still the core asset for branding and vision (sub-chapter 6.3).

Furthermore, as SMEs undergo SOC; whilst charismatic leadership recedes, organisational visions become increasingly important as part of the transformed leadership during the revolutionary transition. In this regard, creative organisations need to adapt to the rapidly changing external environment with shifts in technology and consumer culture while integrating internal organisational values in their organisational visions. This symbolic approach should be especially important in CCI as the organisations communicate both internally and externally. Thus, the organisational transformation from charismatic leadership to visionary leadership are also revealed through the narrative analysis of the symbolic side of organisational communication. As discussed in previous paragraphs, this thesis emphasises the importance of symbolic communication for organisational management of CCI regardless of the stages of SOC.
As appeared in the case analysis, artist-leaders also changed especially their mode of communication as the entrepreneurial organisation transitions to a large-scale organisation. When the organisation is led by leaders with artistic professional backgrounds, the symbolic role of the leader is fundamental throughout the organisational life cycle. As symbolic communication, stories are the driving factors of sense-making and sense-giving in an organisational setting. As revealed in sub-chapter 2.4, sense-making and -giving behaviours are especially prominent when leaders confront an organisational crisis. Artist-leaders not only hold the most significant power in companies but also make critical decisions. It is understandable that in the early stages, a leader can draw up the vision for their business. As the organisational cycle of growth develops, the pure role of the intuitive and creative image of artist-leaders changes.

The case analysis demonstrated these problems of miscommunication and the dark side of charismatic leadership in the experiences of several interviewees (see sub-chapter 6.3 for interview testimonies). The persuasive quality of artist-leaders was not always effective. The interesting fact is that the testimony was mainly from the administrative staff while the creative staff tried to defend and understand the leadership even if they did not agree with the decisions. This suggests that the strong belief and emotional bond accumulated during the entrepreneurial stage while working closely with the artist-leaders continues to have an impact on the creative staff even in the established stage. At this stage, it becomes more important to have an aligned
corporate culture, because the top-down branding and leader-centric communication diminish the organisational flexibility.

The leader-centric communication with the heroic plots, indeed, is not as effective during the established stage. Instead, in the established stage, the sense-giving behaviours are more engaged in organisation-centric communication. With the support of metaphors and symbols, the mythic story-making was successfully used as a managerial tool by charismatic leaders. However, the charisma-driven power and the entrepreneurial symbolic communication based on heroic and mythical storytelling behaviours are not the best forms in this later stage. In this regard, episodic events were proved to be active in recontextualising and reconnecting the organisational vision.

8.2.3 Strategic Organisational Change during Established Stage

During the paradigm-shifting moment, as stated above, organisational visions must be revisited and amended. However, without a strategic approach to symbolic communication, organisational change and leadership change cannot be accomplished. Symbolic communication is even more important during the established stage as the transformational change can be achieved with less confrontation or resistance from internal organisational members and external stakeholders. In the established stage, organisational members including the leader suffer from drastic organisational change. Chapter seven of this thesis explains the details of such changes in storytelling and vision-driven communication during the established stage.
I suggested the vision-driven communication will fit better in the established stage as the communication can be improved once the implicit visions are articulated. First of all, this is a process of reframing the corporate culture. Second, the process needs to redefine the new meanings and values for both new and existing organisational members. Last and most important, leaders need to make sense of leadership change.

As claimed in sub-chapter 7.3, leadership crisis requires artist-leaders to reshape their leadership, and this includes the sense-making behaviours of the leader himself. The challenge here is to maintain the consistent organisational vision through the transformations brought about by SOC. Thus, the vision-centric sense-giving process will have to persuade organisational members to accept the necessary changes in the organisation.

The symbolic role in SOC is critical in this stage to conceptualise the discursive construct and collective identities of organisational members so that the organisational vision can be articulated explicitly rather than implicitly. For these reasons, leaders often articulate organisational change in the form of vision statements which embed organisational identity. The case analysis of the ‘Big Three’ shows that the organisations formulated vision statements as organisations matured. For instance, the new meanings about the artistic brand of idols have brought the new perception of idols, which is beyond the scope of cultural products.
Therefore, the stories need to conceptualise the collective identities of organisational members in this process despite the negative side of entrepreneurialism and the downfall of charismatic power. The empirical cases of this thesis suggest that the different patterns of identity change of the leaders are shown in their individual struggles between artistic identity and corporate leadership identity.

From the perspective of a strategic narrative, introduced in chapter seven, both storytelling and story-making behaviours need to focus on implementing and articulating organisational vision rather than the personal value of artist-leaders. For instance, this thesis’s observation is that re-visioning is one of the visionary behaviours of artist-leaders in the established stage to give a sense of new changes. As mentioned in sub-chapter 2.4, the discursive competence of artist-leaders in such story-making and storytelling behaviours are used to articulate the new organisational visions in the established stage. Thus, while the storytelling behaviours in entrepreneurial stage focussed on ‘how to tell and what to tell’, in the established stage, stories in the strategic narrative are focused more on ‘who we are and who we want to be’. For instance, ‘global success stories’ can be a good example of story-making behaviours as part of an organisational saga (see sub-chapter 7.1 for more).

In this respect, more strategic and managerial stories rather than mythic or heroic storytelling are required by interweaving individual stories with organisation-centric stories such as organisational sagas. Most of these stories are designed to share the new visions (with new meanings
and values) and to articulate the redefined organisational purpose. The strategic narrative in the established stage seems to create an interactive brand with the audience so that brand narrative can be established under organisation-centric communication rather than leader-centric communication. Thus, the new meanings and values are formulated in organisational visions so they can help organisational members and audiences to make sense of the past, present and future of the organisation (an example was introduced in sub-chapter 7.3).

As claimed in sub-chapter 7.3, charismatic leadership cannot present new visions during the established stage as vision-driven leadership can do. As explained, the charismatic visions are highly personal and based on personal stories of artist-leaders which combine well with leader-centric communication. However, in the established stage, the broader concept of vision in the new organisational environment should be not only straightforward and articulated explicitly but also more organisation-centric in their meanings and values. In this stage, the personal stories of leaders are less shared and neither their personal nor heroic visions are influential. For instance, leaders, at least explicitly, deny getting involved in managerial decisions (sub-chapter 7.1). Thus, it is necessary to make organisational stories into more multidimensional sagas avoiding the heroic plot by including organisational members in the stories by restructuring the narrative (through both storytelling and story-making) for a strategic purpose.

Moreover, at the top management level, the empowerment and decentralisation of leadership are more efficient in vision-driven
leadership. The distributed power is more explicit as more ranks in organisation positions will be required within the organisational hierarchy and bureaucracy (chapter two). Indeed, the sole effort of artist-leaders cannot change the organisation without the support of top management executives. The empowered middle-managers can be critical for SOC as well. The empowerment is achieved not only with the structural change. The symbolic aspect of such empowerment and decentralisation is also required to reframe the discursive environment and this includes the changes in stories. Otherwise, the dual leadership and top management can become weak as the multiple identities can be misaligned and disorganised from the perspective of symbolic communication.

To summarise, new organisational visions are shared among organisational members and through symbolic communication. In this process, leaders cannot rely on their charismatic power to take the symbolic role mediating the reframed values and meanings. They need to move beyond their charismatic power and revisit their leadership to reshape it into a more visionary form. That is to say, charismatic leaders are negligent at sense-making (understanding / analysing the crisis, providing a new vision) – but once the vision is clear (once ‘sense-making’ is complete) they are good at ‘sense-giving’ (e.g. communicating the new vision to workers).

Therefore, as explained in sub-chapter 2.3, the artist-leaders need to re-establish the sense-making and giving process to set up the new values in the organisational culture of a large established organisation. This
vision-driven symbolic communication of sense-making and -giving behaviours are evidence of visionary leaders. The following table indicates the summarised findings of this thesis as projected on the SOC framework.
<table>
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<th>Transformational change</th>
<th>Established Stage</th>
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<td></td>
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<td>Incremental Change</td>
<td>Drastic Change (against high resistance)</td>
<td>Incremental Change</td>
</tr>
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<td>Main crisis</td>
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<td>Evolutionary (change) Stage for managerial crisis</td>
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</tr>
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Table 3 SOC Stages with Findings (Source: Author)
8.3 Responding to Research Questions

8.3.1 Responding to RQA: Can an artist make a good leader?

As I set out in chapter two, artist-founders of the ‘Big Three’ are charismatic leaders. The new order of the music industry after the development of online technology has driven the diversification of business models in the artist management business (chapter three). With all the risks of unpredictable markets, followers are highly reliant on the personal artistic competences of leaders. This is even more obvious in CCI because of the high level of business uncertainty. The uncertainty of cultural products was considered to more controllable by charismatic artist-leaders. For instance, creative and cultural production in the Korean music industry is highly dependent on artist-leaders who have a symbolic value, which supports their ability to produce hit songs and to find talented artists. The uncertainty of the star-making business was somehow controllable under the creative intuition of the artist-leader.

The entertainment companies which started as artist-led initiatives have a faster decision-making process due to a rigidly centralised system and the intuition-based decisions of artist-leaders. To capitalise on this, a more advanced value structure taking advantage of the idol system as a core business model was required. Thus, the star-centred business or idol system, in the digital era in Korean CCI has driven the growth of K-pop SMEs led by charismatic artist-leaders (chapter three). Consequently, artists within the context of the entrepreneurial stage of
SMEs can make a good leader. It is for this reason that charismatic leadership has been successful in the field of artist management in the K-pop industry.

The artistic competence of artist-leaders is also treated as an entrepreneurial competence as well. Entrepreneurial behaviours are commonly enacted by artists in CCI as a form of creative and cultural production which is highly commercial as well as creative (chapter two and chapter five). For instance, the embryonic stage can explain the entrepreneurial environment of small firms in CCI led by leaders who hold core talent or technology (e.g. music producing abilities) even before they emerge as formal organisations.

Moreover, the rise of K-pop industry was accelerated by entrepreneurial start-ups with rapid growth. As stated in chapter three, CCI in Korea has enjoyed the flourishing moment taking advantages of governmental support. Since the 1990s, economy-boosting policies have turned their attention to the cultural sectors. Moreover, the artist-leaders’ successful businesses drew the attention of policymakers and other industry leaders (including the so-called Chaebols). Even though there has been less emphasis on the artistic aspect of idols, the celebrity endorsement and celebrity-discourse around idols enabled the explosive commercial success of K-pop artist-management SMEs (sub-chapter 6.1).

Also, artist-leaders, who used to be celebrity-stars, has a symbolic power over their audience, which can be referred to as ‘celebrity appeal’ (see chapter four for more). Being a celebrity is an active discursive
advantage in symbolic communication not only for followers within an organisation but also for other stakeholders such as the audience outside the organisation.

Due to the charismatic power of the leadership, not only does the followership of artists and audience become significantly active in CCI, but the leader’s controlling power over the gatekeepers also increases. For instance, the archetypes such as ‘artist’, ‘creative person’, ‘pioneer’ and ‘prophet’ have been widespread to describe the artist-leaders in mythological expression (to find more, see chapter five). Furthermore, these archetypes of artist-leaders have made them like a hero and mythical figures with the entrepreneurial stories which were spread by multiple voices.

The discursive environment of the stories told by artist-leaders can not only become the discursive practice that imposes leadership power on the audience (mainly for external stakeholders such as gatekeepers) but also provides ideological narratives. Therefore, together with the celebrity-discourse discussed in sub-chapter 6.1, charismatic leaders were able to defend and sustain the success of their business, despite the pessimistic critique of K-pop as a form of commercialised popular culture responsible for killing diversity and a mere standardisation of music genre under the neoliberal cultural policy of Korea in the 1990s.

Therefore, the relationship between the leaders, artists and an organisation will provide a critical foundation for the narrative understating of the leadership. For instance, the largest and oldest
company of the ‘Big Three’, SM ENT, created a new artist-centred value chain and changed the map of the music industry by making artist management central.

Furthermore, the artistic competences of artist-leaders have created tight emotional bonds with their artists and creative staff, and the symbolic communication with other top executives and administrative staff have maintained their charismatic power within the organisation. For instance, early creative staff have high respect for artist-leaders resulting in high intrinsic motivation (chapter five).

To conclude, these leadership competences are effective motivational factors which make the lack of managerial competence of artist-leaders less problematic. This was another symbolic role of artist-leaders resulting from the charisma of artist-leaders. Therefore, this study argues charismatic power coming from the previous career of artist-leaders was a key factor of strong leadership motivation for followers such as organisational staff and artists.

8.3.2 Responding to RQ B: How does the artist-leader change over time along with the organisation?

During the entrepreneurial stage, I have argued that artist-leaders in K-pop CCI were able to maintain charismatic power for an extended time because of their leadership competences driven by the experience and knowledge obtained by being celebrity-stars in the field. As I have argued in the introduction (chapter one), the emergence of artist-leaders
with strong charismatic leadership was the driving force in the K-pop industry and the growth of the idol system. For instance, the visible creative role of the company’s founder enabled a stronger leadership role with internal stakeholders, and stronger negotiating power with external gatekeepers.

A certain cult of the great leader may have been perpetrated by the common belief that leadership meant motivating staff to do what they would otherwise not do, potentially through inspirational, emotionally loaded visions. In CCI, artist-founders seem to play a more significant role than that of other sectors because of the charismatic power of the artist-leaders, which has been a critical factor in the success of cultural products.

However, the charismatic leadership can become problematic in the context of the established stage of the organisation. The organisational hierarchy of Korean entertainment companies used to be leader-centric and straightforward with a horizontal structure. There were few vertical levels with individual functional divisions and creative teams working only for artists in the entrepreneurial stage. However, sooner or later, formalisation was needed to attract investors to verify the lines of revenue and accountability.

The issues of leadership crisis arise during the transformational change. In this case, charismatic leaders have no choice but to undergo a transformational change at the level of organisation and leadership. Here, the moment when the leadership is required to change can be
called the transformational crisis of charismatic leadership. While employing formal management, the symbolic communication of charismatic leadership can become rusty over time. Moreover, as a counterbalance to highly formal and rigid organisational systems and structures, creativity, and flexibility decrease. This is especially problematic in CCI as the core business is still mainly based on cultural and creative production (sub-chapter 2.2).

In CCI, organisational creativity is still very important, and creative and cultural production is based on the autonomy of artists and creative staff (sub-chapter 6.3). Indeed, leadership change or development during the expansion of the organisation from entrepreneurial enterprises to large and established companies involves various modifications of the functional role of the leader.

As companies grow, the areas where the leader’s decision-making is needed expand, hence there is an increasing need for flexibility in listening to different opinions. This is because there is a unique organisational membership of different groups with diverse identities within an organisation. However, the formalisation of organisation and the dark side of charismatic leadership can easily jeopardise organisational creativity when the coercive and one-sided decisions are made with a lack of communication. The managerial decisions in this stage become more complex and critical as a more formalised and multi-layered organisational map with more diverse organisational members will lead to the lack of communication and more potential conflicts between the divisions. For instance, the organisational politics
of the inner circle will have to be restructured under the dual leadership to harmonise both creative and administrative division.

Not only has the creativity and music production of artist-leaders become rusty and out-dated, but their organisational position has also become more decentralised. Indeed, organisational creativity and flexibility are the critical features for organisations in CCI so that they need to be carefully managed to sustain them during the transition in the SOC. This reshaping leadership process is inevitable as meanings and values cannot effectively be shared in the large-scale organisation not only because of the size but also because of the different characters of organisational members. This can be fatal for established organisations as miscommunication blocks or slows down the transformation which may diminish the organisational creativity or flexibility (sub-chapter 6.3). An example of this is the problematic relationship between creative and administrative staff.

The process of making sense of the crisis and the strategic response was relatively straightforward and flexible. Here, the distinction between creative and administrative characters of organisational members becomes vital (chapter two). The theoretical review also demonstrated that motivational influence is not consistent because the different organisational members have a different level of intrinsic and extrinsic motivations for organisational performance. This, again, supports the need for transformational change with diverse organisational members requiring a different form of leadership (for this, vision-driven leadership emerges).
To summarise, organisational growth in CCI under strong charismatic power can be stable for a specified period, while artists are much more vulnerable to destabilising factors (loss of reputation, scandal, changes in fan base). The dark side of charismatic leadership was discussed in chapter 2.3, and it was evident the negative aspect of charismatic leadership and its power become problematic as formality and rigidity of the organisation get noticeably established. Moreover, in the top management level, the empowerment and decentralisation of leadership are more efficient under vision-driven leadership. The distributed power is more explicit as more ranks in organisational positions are required across the organisational hierarchy and bureaucracy (chapter two).

SOC is critical because both the leader and organisational members must endure significant changes in many aspects; the organisational structure or managerial strategies, as well as the core value of the organisation, including visions, core product or even, organisational culture, can be affected. The dark side of charismatic leadership makes the previous power and competences insufficient in large-scale organisations. Moreover, there do seem to be limitations of a purely intuitive, individualistic approach to decision-making as a company grows more extensive and more complex.
8.3.3 Responding to RQ C: To what extent does artist-leaders’ leadership continue to be effective in large-scale organisations?

During the entrepreneurial stage, as discussed in chapter six, stories told by leaders can be shared with different stakeholders while enhancing the mysterious charismatic power. In this respect, storytelling and sharing meaning and value is a very effective approach to the symbolic management of artist-leaders. As discussed throughout this thesis, mainly in chapter two, four and five, artist-leaders are charismatic leaders who hold discursive competence with skilful storytelling behaviours. They are good storytellers who can communicate with the internal stakeholders as well as external stakeholders.

Changes at the leadership level are required to overcome the problems of old and traditional leadership. By telling stories in their speeches, the artist-leaders build certain organisational brands because celebrity power as a storyteller also strengthens and facilitates the discursive power of sharing stories with organisational members as well as the public. This leadership change or development during the transition of the organisation from entrepreneurial enterprises to established organisations can be tracked by looking at the changes in competences of artist-leaders.

Thus, the strategic change should be carried out with recognition of the external and internal factors that make the organisation move beyond K-pop SMEs. As discussed in Chapter Six, vision-driven leadership in established stage has become one of the alternative agents of
maintaining symbolic leadership power while motivating organisational members to make sense of organisational values and purposes.

There are symbolic reasons for artist-leaders maintaining leadership power as the organisation transforms into a large-scale established company. Organisational changes in strategies and brands have been nurtured through the stories told by artist-leaders. This allows the symbolic power of leadership to remain steady and strong even though the leaders are not actively involved in actual management, neither formal management nor creative production.

Without the aligned divisional culture under the grand organisational vision, the transformational change cannot be established (see sub-chapter 7.2 for more). Organisational vision for transformational change must be shared with other organisational members in aligned meanings and values. Otherwise, the vision alignment will not be achieved, risking low followership for the core group of people within the organisation. This will become a potential cause of inter-organisational conflict, which may eventually destroy the established organisational brand.

In this regard, vision-driven leadership involving the symbolic communication of artist-leaders is crucial as it provides a needed sense of direction for both highly loyal followers and new managers and employees. For instance, system-discourse with the managerial metaphors has turned the artistic image of artist-leaders into an
innovative image. Furthermore, the idol brand strategy of ‘multi-entertainer’ which was the core star-centred value creation in the idol system diversified the star value into a commodity in Korean CCI (sub-chapter 3.3.1).

Moreover, K-pop as a metaphor for neoliberal culture and economy provided with the positive meanings of a factory-like system so artist-leaders can build the metaphorical construction of the idol-system. For instance, in the recent speech event held by JYP ENT on June 21, 2019, J-Y Park has announced the corporate vision titled ‘JYP 2.0’ while introducing ‘JYP Music Factory’ (Koreaboo, 2019). Moreover, the western criticism on the factory-like production of the idol system fails to apply the same argument when it comes to the recent massive success of ‘BTS’.

For K-pop SMEs, direct communication and efficiency in decision-making were uncomplicated during the entrepreneurial stage. But during the transformation from entrepreneurial to an established organisation, they confront implicit changes including value, vision, organisational culture, and leadership. Moreover, it becomes harder to reconcile an overall organisational brand with the various artist brands as these become more numerous and complex.

40 BTS is an idol boy band (also known as Bangtan Boys). Seven members including Jin, Suga, J-Hope, RM, Jimin, V and Jungkook are making a historical movement in the global music market making the record-breaking impact. BTS which was formed in 2010 under BigHit ENT have recently released their seventh album, Map of the soul.
At this time, the artist-leader’s symbolic power is still intact, and it can accelerate the transformation by providing reasons for the change and organisational members to implement new visions (meanings and values) under the new structure. To summarise, entrepreneurial stories are retold by artist-leaders as organisational stories to establish a collaborative corporate culture in the reframed paradigm of the organisation. This can align the diverse values of different organisational members (sub-chapter 7.2.3). Therefore, the implicit transition of K-pop SMEs rests on the new meanings and values by reframing the organisation.

8.4 Implications of Findings

Some cultural-political considerations regarding the implications of this study have been made. They include the managerial implications as well as the cultural-political aspect. First, the complexity and uncertainty of cultural production and artistic creativity in CCI, organisational change and leadership in CCI do not follow the conventional leadership paradigms. It is much more complicated. Despite the structural system being more and more formalised as the organisation grows, the importance of the power of charismatic leadership remains secure for a while.

The charismatic power of artist-leaders was one of the key features regardless of hierarchical positions in the organisation. The intuitive decision-making style of artist-leaders was respected and encouraged due to the distinctiveness of the commodification process of music.
production and artist management in CCI. The leaders influence both the
followers inside the organisation and the wider external creative
sectors. Artistic branding in the K-pop business, therefore, not only
relies on the intuition of artist-leaders but also originated from the
artistic creativity of the leaders.

As I mentioned, the functional differences increase, especially between
creative and administrative teams. The organisational combination of
creative and administrative staff is also changing as the number of
employees grows. Monetary benefits to the stakeholders and investors
may have to be considered in the decision-making process so that
charismatic leadership cannot be as effective as it was before. In
addition to these changes, the company may find other markets to
maintain stable profits, launching new divisions which will eventually
decentralise or distribute the power of leadership to different top
executives.

Moreover, strong charismatic power for organisational performance
can be a hindrance rather than a solution for K-pop SMEs during the
transformational change. Whether intentionally or not, artist-leaders
must be careful of becoming abusive with their power. Also, artist-
leaders need to keep in mind that their supervisory skills can be
ineffective for new senior executives who are less reliant on charisma-
driven followership. This seems to be the same for administrative staff
as well. Because of its symbolic significance, there is a significant
impact when the power delegation failed in case of the absence of a
charismatic leader.
Most importantly, SOC cannot be accomplished by changing the organisational structure alone. Organisational change requires implicit changes such as leadership, organisational culture, knowledge (both explicit and tacit), attitude and other aspects to move from one stage to the next. This symbolic power can be underestimated as it is more implicit and intangible, but it can be communicated effectively through storytelling behaviours.

The importance of a story is one of the significant findings of this study as the research questions concern leaders as well as artists, with both groups being good storytellers. This not only introduces organisational directions but also displays the ability to plan and consider the future with purpose and meaning. Delivering an indirect voice using metaphors and metaphoric expressions can be more effective than using direct expressions because the metaphoric language allows the listeners to imagine the hidden meaning of the expression. The artist-leaders often quote and create metaphors and metaphorical expressions in their stories. This is the point to make about managerial implication.

The next insight involves highlighting the need for understanding the cultural politics of the Korean music industry. As discussed in chapter three, investment and focus on the star-making function of the artist management business has stimulated cultural production which commodifies idol stars in the K-pop industry. As discussed in chapter three, recent cultural policy discourse of cultural commodification and the emergence of entrepreneurial artist management business have encouraged organisational growth. This even created the hegemonic
power of the ‘Big Three’ in the cases of the K-pop industries as a result of the explosive growth of celebrity business with governmental support (chapter 3.2).

The significant meaning of the artists’ brand and the discursive role of celebrity-stars becomes clear when looking at the entrepreneurial emergence of artist management and music production in the Korean music industry. It, therefore, seems more appropriate to describe it as the ‘celebrity industry or star industry’ rather than the popular music industry, as the idol system prioritises brand-image making and so-called ‘concept building’ over musical talent or individuality. Even though not all artists have to be considered as stars of popular music, some of the diverse concepts of stars, stardom and celebrity reviewed in this study serve to illuminate some interesting perspectives which contribute to the developing and changing discourse on artists, artist-leaders, idols and celebrity-stars.

Competition is high, and the passion for global expansion has triggered a rapid improvement in quality in the Korean music industry. In CCI, the globalisation and digitalisation of music industry from the traditional recording industries have shaped the recent commercialised music production led by the developing artist management businesses. As the Korean music market adapted to American pop music, a greater emphasis was placed on the popular appeal and quality of the songs and singers. Moreover, while global media conglomerates focused on vertical integration to control media distribution, the Korean case shows a more production-centric approach to integration.
Rather than the corporate model, integrating vertically along the value chain, the K-pop business has integrated horizontally through expansion into other markets and media. That is, the creative and cultural production of the artist management business grew rapidly while diversifying horizontally and expanding their business, and this was accelerated with the idol system of K-pop SMEs (sub-chapter 3.2.2).

Furthermore, the global K-pop idols were more than just a cultural commodity. They were not only cultural products for exportation but also sources of national pride and successive symbols of Korean soft power. For instance, Hallyu was coined as an important terminology in Korean CCI not only for cultural policy but also for the discursive role of the K-pop industry and idols in the globalised popular culture industries. Although Hallyu-discourse has been used with different purpose by the different artist-leaders\(^41\), the discursive influence has built the symbolic role of artist-leaders in Korean CCI. More significantly, artist-leaders have benefitted from this positive image of global idols in their entrepreneurial stories, and this has also reinforced the heroic image of artist-leaders. They were often quoted as a patriot.

As a further discussion, the last implication of this study is that the discursive role of artist-leaders under the dominant power relations in Korean CCI has contributed to the shape of the K-pop industry. During

\(^41\) While S-M Lee and H-S Yang has enthusiastically utilised Hallyu in their stories, J-Y Park relatively had the critical view on the term (see more discussion in sub-chapter 6.1.3).
the historical shifts of economic and commercial success, the ‘Big Three’ acquired hegemonic power over the K-pop discourse. The commercial and creative production process of media content in the K-pop context has developed a distinctive character associated with the iconic idol culture. Idol management know-how is concentrated within the ‘Big Three’. The repeated success of new idols debuted from the ‘Big Three’ was hard to explain without the mythical role of artist-leaders (chapter five). This tendency was highly noticeable until the early 2010s when the hegemonic power dominated the K-pop industry (sub-chapter 3.2.2).

In the Korean music industry, entrepreneurial SMEs like the ‘Big Three’ entertainment companies led to the creation of K-pop discourses, introducing the idol system and holding dominant power over the industry. This has been accompanied by changes in the socio-political environment, in the new hegemonic power of famous artists (now as celebrities) and their transition into artist-leaders (formerly artistic entrepreneurs) with strong charismatic power. Even though this hegemony seems to be challenged and be destabilised by the other SMEs in the market such as Bighit ENT, they are still taking the dominant role in the K-pop industry. While benefiting from charismatic power and dual leadership, artist-leaders have been able to extend the entrepreneurial stage in pursuing growth. The hegemonic power of the ‘Big Three’ with the charismatic artist-leaders have successfully decreased the uncertainty while pursuing rapid growth. This was also possible because the political economy of the music industry and artist
management business valued entrepreneurialism as a new management and leadership style as the emerging industry evolves (chapter three).

To summarise, the symbolic role of charisma as a personal brand enabled the early success of idol singers; however, later, vision-driven leadership seems to be significant for the communication of implicit changes in building broader organisational brands. Therefore, the symbolic role is as important as the formal power in complex CCI business environment.

There is some limitation of this research which need to be clarified. Firstly, this study, as declared in the first chapter, is not attempting to provide general findings of CCI from either a global or regional aspect. This is because of the uniqueness of Korean CCI concerning the deregulated media and the economy-boosting cultural discourse regarding popular culture have been enormous in facilitating the entrepreneurial emergence of artist management businesses. Even though the K-pop industry was highly affected by the American discourses of popular culture and its neo-liberal view on the commercialisation of popular culture, it is too soon to generalise the findings of this study to apply to all CCI.

Therefore, this study does not intend to extract general observations on artist-leadership in CCI, despite its potential as a future research topic. For this reason, future research could combine these theoretical findings with a quantitative method to improve the limitation of qualitative research. For example, the actual revenue figures during the
transformational change of the SMEs could be further studied using a mixed-methods approach.
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## APPENDICES

**Appendix A. Major Speech Events for Audio-Visual Analysis**

<table>
<thead>
<tr>
<th>Date</th>
<th>Narrator</th>
<th>Form</th>
<th>Detail</th>
<th>Language</th>
<th>Length</th>
</tr>
</thead>
<tbody>
<tr>
<td>16th February 2007</td>
<td>J-Y Park</td>
<td>Presentation</td>
<td>A panel presenter at Harvard University conference</td>
<td>English</td>
<td>0:38:59</td>
</tr>
<tr>
<td>11th September 2008</td>
<td>J-Y Park</td>
<td>Lecture</td>
<td>Finale speech for 60th anniversary of independence</td>
<td>Korean</td>
<td>1:11:29</td>
</tr>
<tr>
<td>17th January 2009</td>
<td>J-Y Park</td>
<td>Conversation</td>
<td>Music business conference by MidemNet 2009</td>
<td>English</td>
<td>0:07:46</td>
</tr>
<tr>
<td>19th April 2011</td>
<td>S-M Lee</td>
<td>Lecture</td>
<td>Place: at Stanford Graduate School of Business; Title: Korean Entertainment Agency Taking Its Acts Globally</td>
<td>Korean with English interpretation</td>
<td>1:01:08</td>
</tr>
<tr>
<td>30th April 2012</td>
<td>J-Y Park</td>
<td>Lecture and interview conversation</td>
<td>41st episode of Healing Camp from SBS (Seoul Broadcasting System) about life</td>
<td>Korean</td>
<td>1:39:00</td>
</tr>
<tr>
<td>4th June 2012</td>
<td>S-M Lee</td>
<td>Award acceptance speech</td>
<td>2012 Culture Award Honoree by the Korean Society</td>
<td>English</td>
<td>0:07:00</td>
</tr>
<tr>
<td>1st December 2014</td>
<td>H-S Yang</td>
<td>Lecture</td>
<td>160th episode of Healing Camp from SBS (Seoul Broadcasting System) talking about life and entrepreneurship</td>
<td>Korean</td>
<td>1:12:54</td>
</tr>
<tr>
<td>27th October 2016</td>
<td>S-M Lee</td>
<td>Award acceptance speech</td>
<td>Asia Society Asia Game Changer Award 2016</td>
<td>English</td>
<td>0:06:17</td>
</tr>
<tr>
<td>21st June 2018</td>
<td>J-Y Park</td>
<td>Presentation</td>
<td>‘JYP 2.0’ speech at Sparklabs Demoday event</td>
<td>English</td>
<td>0:24:51</td>
</tr>
</tbody>
</table>
## Appendix B. Categories of Individual Interviewees and Objectives

<table>
<thead>
<tr>
<th>Categories</th>
<th>Numbers</th>
<th>Work experience with artist-leaders</th>
<th>Objectives</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stakeholders</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Artistic and current staff</td>
<td>G, J</td>
<td>M, N</td>
<td>G, J, N</td>
<td>A recent observation on artist-leaders, Organisational culture in Big 3 companies</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>M</td>
<td>Stories about the leaders, Stories told by the leaders</td>
</tr>
<tr>
<td>Former managers and staff</td>
<td>A, B, D</td>
<td>E, K</td>
<td>B, D, E, K</td>
<td>Observation on artist-leaders from both inside and outside perspective, work experience within Big 3 companies</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>A</td>
<td>Stories about the leaders, Stories told by the leaders, Changes in leadership vision, power, and storytelling</td>
</tr>
<tr>
<td><strong>Gatekeepers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experts (researchers and journalists)</td>
<td>B, C, F, H, I, K, L</td>
<td>B, C</td>
<td>F, H, I, L</td>
<td>Observation and opinion on artist-leaders and Big 3 companies’ business</td>
</tr>
</tbody>
</table>
Appendix C. Profiles of Interviewees

<table>
<thead>
<tr>
<th>Date</th>
<th>Duration</th>
<th>Profiles of Interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>A 14. Sep. 2017</td>
<td>1.30h.</td>
<td>Former producer (used to work for another artist-leader who was once more successful than YG and JYP ENT)</td>
</tr>
<tr>
<td>B 19. Sep. 2017</td>
<td>1h.</td>
<td>Former Concert directing manager, researcher (used to work with JYP ENT)</td>
</tr>
<tr>
<td>C 22. Sep. 2017</td>
<td>1h.</td>
<td>SBS (Seoul Broadcasting System: main TV channel) Content invest division team leader (created an audition program with JYP)</td>
</tr>
<tr>
<td>D 25. Sep. 2017</td>
<td>1h.</td>
<td>Designer (Former YG ENT design team leader)</td>
</tr>
<tr>
<td>E 25. Sep. 2017</td>
<td>30h.</td>
<td>Former SM ENT Employee (Administration Team)</td>
</tr>
<tr>
<td>F 26. Sep. 2017</td>
<td>1h.</td>
<td>Creative industry researcher (interviewed SM and YG ENT Managing staff)</td>
</tr>
<tr>
<td>G 06. Jan. 2018</td>
<td>1h.</td>
<td>Former idol group member, CEO</td>
</tr>
<tr>
<td>H 18. Jan. 2018</td>
<td>1h.</td>
<td>Former content creator, branding and marketing manager</td>
</tr>
<tr>
<td>I 18. Jan. 2018</td>
<td>1.30h.</td>
<td>Former music composer, CEO of a small entertainment company, researcher</td>
</tr>
<tr>
<td>K 20. Jan. 2018</td>
<td>1.30h.</td>
<td>Former marketing staff (BIG 3 ENT), researcher</td>
</tr>
<tr>
<td>L 21. Jan. 2018</td>
<td>30m.</td>
<td>Media platform team leader (Large media company employee)</td>
</tr>
<tr>
<td>M 23. Jan. 2018</td>
<td>1.30h.</td>
<td>Online marketing team leader (former Entertainment company marketing team leader)</td>
</tr>
</tbody>
</table>
### Appendix D. Primary Thematic Analysis of Biographical Text

<table>
<thead>
<tr>
<th>Themes</th>
<th>Sub-themes</th>
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<tbody>
<tr>
<td><strong>K-pop and Idol system: a socio-cultural perspective</strong></td>
<td>K-pop idol system: the driving force behind organisational growth</td>
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<tr>
<td></td>
<td>Socio-cultural background of the idol system and the K-pop industry</td>
</tr>
<tr>
<td></td>
<td>Globalisation and Korean-ness</td>
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<tr>
<td><strong>Creative production: media value chain and artist management</strong></td>
<td>Artist managing agencies VS media companies</td>
</tr>
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<td></td>
<td>Small, medium-sized artist management agencies and the idol system</td>
</tr>
<tr>
<td><strong>Art of artist management</strong></td>
<td>The distinctiveness of artist management: managing creative artists</td>
</tr>
<tr>
<td></td>
<td>Traditional marketing in the music industry</td>
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<tr>
<td></td>
<td>Charismatic leadership of artist-leaders</td>
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<td></td>
<td>Differences between artist-leader and manager-leaders</td>
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<tr>
<td><strong>Competence of the artist-leader</strong></td>
<td>Music production skills and independence</td>
</tr>
<tr>
<td></td>
<td>Emotional sympathy from the artistic experience</td>
</tr>
<tr>
<td></td>
<td>Leader competence as a pioneer: challenging and persuasive</td>
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<tr>
<td></td>
<td>Creativity skills for cultural production</td>
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<td></td>
<td>Leader competence as a storyteller: S-M Lee</td>
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<td><strong>Organisational characters in an artist management company</strong></td>
<td>Dual leadership and dual management</td>
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<td>Organisational key players: managerial partners</td>
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<td></td>
<td>Decision-making structure and organisational divisions</td>
</tr>
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<td></td>
<td>Critical decision-making in the top management</td>
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<td><strong>Changes and challenges</strong></td>
<td>Industrial change and challenges: uncertainty</td>
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<tr>
<td></td>
<td>Socio-cultural change and challenges: customer change</td>
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<td>Leadership challenge</td>
</tr>
<tr>
<td></td>
<td>Challenges on creative labour: motivation</td>
</tr>
<tr>
<td><strong>Challenges during organisational growth</strong></td>
<td>The end of charisma: the negative side of storytelling</td>
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<td></td>
<td>Inner circle: the balance of power</td>
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<tr>
<td></td>
<td>Risk of dispersion and absence of leadership</td>
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<td></td>
<td>Instable decision-making and organisational structure</td>
</tr>
<tr>
<td></td>
<td>Decision-making challenges of the artist-leaders</td>
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<tr>
<td></td>
<td>Artist managing issues during organisational growth</td>
</tr>
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<td></td>
<td>Visionary role of artist-leaders during the transitional period</td>
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<tr>
<td></td>
<td>Creative vs Administrative</td>
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<td><strong>Organisational change management and leadership</strong></td>
<td>Cultivating key organisational members and empowerment</td>
</tr>
<tr>
<td></td>
<td>Maximising profits using the image of artists</td>
</tr>
<tr>
<td></td>
<td>Sub-labels and the autonomy of artists: branding</td>
</tr>
<tr>
<td></td>
<td>Related diversification strategies: stretching the creative production chain</td>
</tr>
<tr>
<td></td>
<td>Branding development strategy</td>
</tr>
</tbody>
</table>
### Appendix E. Timeline of ‘Big Three’

<table>
<thead>
<tr>
<th>Year</th>
<th>SM Entertainment</th>
<th>YG Entertainment</th>
<th>JYP Entertainment</th>
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</thead>
<tbody>
<tr>
<td>1989</td>
<td>Established SM Studio</td>
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<tr>
<td>1990</td>
<td>Hyun Jin-young Debut</td>
<td></td>
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<tr>
<td>1995</td>
<td>Founded SM Entertainment Co. Hae-ik Jung was appointed as CEO</td>
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<tr>
<td>1996</td>
<td>H.O.T. Debut Established ‘Hyun agency’</td>
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<tr>
<td>1997</td>
<td>S.E.S. Debut Changed company names to ‘MF agency’ JINUSEAN Debut</td>
<td></td>
<td>Founded as ‘Tae-Hong Planning Corporation’</td>
</tr>
<tr>
<td>1998</td>
<td>Kyung-wook Kim was appointed as CEO Established ‘Yang Goon Entertainment’ TTYM Debut</td>
<td></td>
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<tr>
<td>1999</td>
<td>Fly to the Sky Debut Hip-hop Magazine ‘The BOUNCE’ Launch YG FAMILY Project Album ‘Familienium’</td>
<td></td>
<td>Produced g.o.d.’s 1st Album Chapter 1 of SidusHQ</td>
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<tr>
<td>2000</td>
<td>BoA Debut</td>
<td></td>
<td></td>
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<tr>
<td>2001</td>
<td>Listed on KOSDAQ SM Entertainment JAPAN Company name change to YG Entertainment Min-suck Yang was appointed as CEO</td>
<td></td>
<td>Co-founded JYP Entertainment with Seung-sung Hong (CEO)</td>
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<tr>
<td>2002</td>
<td></td>
<td>Han Debut, Noel Debut, Byul Debut</td>
<td></td>
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<tr>
<td>2003</td>
<td>LEXY Debut SETEN Debut</td>
<td></td>
<td></td>
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<tr>
<td>2004</td>
<td>TVXQ Debut YG FAMILY One Concert ‘We Are One: No. 1’</td>
<td></td>
<td>Signed contract with g.o.d.</td>
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<tr>
<td>2005</td>
<td>Young-min Kim was appointed as CEO Super Junior Debut</td>
<td>YG UNDERGROUND</td>
<td></td>
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<tr>
<td>2007</td>
<td>SNSD (Girl’s Generation) Debut YG JAPAN, SETEN Chinese Album ‘Must Listen’</td>
<td></td>
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<tr>
<td>2008</td>
<td>SM Entertainment USA SM Brand Marketing, SM F&amp;B, SM Amusement (Karaoke Business) SHINee Debut</td>
<td>BIGBANG Japanese Mini Album, BIGBANG 2008 Japan Tour ‘Stand Up’</td>
<td>Wook Jung was appointed as CEO JYP Entertainment China JYP Entertainment USA 2PM, 2AM Debut</td>
</tr>
<tr>
<td>2009</td>
<td>f(x) Debut 2NE1 Digital Single ‘Fire’ Contract with established artist ‘Psy’</td>
<td></td>
<td>Established joint TV drama production company Holym JYP Entertainment Japan</td>
</tr>
<tr>
<td>2010</td>
<td>SPEECH: ‘Don’t try to cut your ears’ (Aisa Business Conference) S-M Lee resigned from the board of directors</td>
<td>Moved into a new building PSY 5th Album ‘PSYFIVE’</td>
<td>JYP Entertainment merged with listed J.Tune Entertainment (Back-door listing) JYP Entertainment Thailand Founded JYP Publishing JYP Foods Miss A Debut</td>
</tr>
<tr>
<td>Year</td>
<td>Event</td>
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<td>------</td>
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</tbody>
</table>
| 2012 | Acquired SM C&C (Culture & Contents)  
S.M. Entertainment Beijing  
EXO Debut  
YG USA & YG ASIA  
Founded fashion brand ‘Nona9on’ with Samsung  
LEEHI Debut  
PSY 6th Album ‘PSY 6 (Six Rules), Part.1’  
PSY Syndrome, ‘Gangnam Style’  
SPEECH: Healing Camp (SBS)  
Closed all US operations  
15& Debut |
| 2013 | SM C&C acquired Hoon Media  
Publicly listed JYP Entertainment merged with non-listed JYP |
| 2014 | HOON Media & Woolim Label Acquisition (SM C&C)  
Red Velvet Debut  
SPEECH: Healing Camp (SBS)  
Partnership ‘YG KPLUS’ with Acquired YG PLUS  
AKMU (Akdong Musician) Debut  
WINNER Debut  
Go17 Debut |
| 2015 | SM Mobile Communications  
Opened SMTOWN@coexartium  
Partnership with ESTeem  
Established YG Sports  
Formed subsidiary Studio J  
Formed HIGHGRND (independent sub-label)  
Formed The Black Label (independent sub-label)  
ikon Debut  
CL Debut (Unit)  
Day6 Debut  
Twice Debut |
| 2016 | NCT DREAM Debut (Unit)  
NCT 127 Debut (Unit)  
NCT U Debut (Unit)  
NCT 127 Debut (Unit)  
NCT U Debut (Unit)  
Formed PSYG (independent sub-label)  
Signed the first-generation idol group ‘Sechs Kies’  
BLACKPINK Debut  
Partnership with China Music Corporation  
Established Beijing Xin Sheng Entertainment Co. Ltd.  
with Tencent Music Entertainment |
| 2017 | Merger & Acquisition of SK M&C (SM C&C)  
Acquired Mystic Entertainment  
Jointly established YG STUDIOPLEX  
JYP Entertainment Hong Kong |
| 2018 | Acquisition of Million Market  
Acquisition of Keyeast & FNC  
JENNIE Single Album ‘SOLO’  
SPEECH: JYP 2.0  
Stray Kids Debut |
| 2019 | SuperM Debut (Unit)  
BAEKHYUN Debut (Unit)  
CHEN Debut (Unit)  
Buming Sun gate  
Bo-Kyung Hwang was appointed as CEO  |
| 2020 | SPEECH: ‘The entertainment world of the future’  
SPEECH by Sung-su Lee: CULTURE TECHNOLOGY: Shining in the new normal  
Established ‘Beyond LIVE Corporation (BLC)’ with JYP Entertainment  
BLACKPINK 1st Album ‘THE ALBUM’  
TREASURE Debut  
NiziU Debut |

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