

Behind the Magic: The Case of The Walt Disney Company

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Abstract

This case aims to promote discussion on the distinct culture and various characteristics of The Walt Disney Company. Every day The Walt Disney Company works to fulfill their mission to “entertain, inform, and inspire people around the globe,” while simultaneously maintaining the values and standards that are recognized throughout the world. For many people, working for Disney is a dream come true. Providing current information on this globally recognized company’s corporate culture, organization structure, motivation strategies, and their strategies for finding the right fit based on personality, this case provides valuable insight for those studying Organizational Behavior, as The Walt Disney Company’s iconic customer service, unique company culture, and distinct company organization are key parts of what add up to make Disney the worldwide media conglomerate it is today.

The Walt Disney Company was founded in 1923 by Walt Disney, and his brother Roy. Though the company was founded in 1923, it was not until 1928 that cartoon star, Mickey Mouse, was first seen in *Steamboat Willie* (D23, n.d.). From there, the company grew, releasing more films, and on July 17, 1955, Disneyland opened in California. The Walt Disney Company continued to flourish and grow to become what we know today, opening a total of six resorts and 12 parks, debuting numerous Broadway shows, and acquiring companies such as Pixar, Marvel, and 21st Century Fox (D23, n.d.). The Walt Disney Company has a long-standing reputation for impeccable customer service and magic-making. Organizational behavior is defined as “a field of study that investigates

the impact that individuals, groups, and structure have on behavior within organizations for the purpose of applying such knowledge toward improving an organization’s effectiveness” (Robbins & Judge, 2019, p. 10). This case study affords those studying Organizational Behavior the opportunity to examine the Walt Disney Company’s commitment to the creation of magic through various theories discussed in personality, organizational structure, and culture topics.

Finding the Right Fit

Personality plays a key role in whether or not an employee will be successful at any company, and The Walt Disney Company is no exception. Personalities are generally

something that require assessment by an employer, as having an understanding of an employee's personality allows a manager or employer to determine whether the candidate will be a good fit in the company, what kind of projects they should be assigned, and what their performance will be like (Nash, 2016). Disney uses a repetitive personality test in the web-based interview portion of their hiring process, wherein the prospective cast member (Disney's term for employee) has approximately 50 seconds to answer each of a series of multiple-choice questions. This group of questions pertains to how the prospective cast member feels about various scenarios regarding their personality. For the next section of the personality test, prospective cast members have approximately 20 seconds to answer questions on a scale from strongly agree to strongly disagree (The Walt Disney Company, 2019).

Organizational Structure

According to the textbook entitled *Organizational Behavior*, organizational structure is defined as "the way in which job tasks are formally divided, grouped, or coordinated" (Robbins & Judge, 2019, p. 509). In Disney's case, they utilize an organizational structure that allows the company to capitalize on the assets of their various divisions. The Walt Disney Company has what is called a cooperative multidivisional (M-form) organizational structure (Williams, Walt Disney Company's Organizational Structure for Synergistic Diversification, 2019). This kind of corporate structure is common amongst diversified companies like Disney, which engages in entertainment, communications, retail, and more. The cooperative M-form allows for related constrained diversification, meaning that, according to Alex Williams, "interdivisional benefits are a priority in diversifying the business, and in

implementing The Walt Disney Company's generic strategy for competitive advantage and intensive strategies for growth" (Williams, Walt Disney Company's Organizational Structure for Synergistic Diversification, 2019). After looking at The Walt Disney Company's organizational structure, it can be concluded that a mechanistic model best describes the company. A mechanistic model is defined in *Organizational Behavior* as "a structure characterized by extensive departmentalization, high formalization, a limited information network, and centralization" (Robbins & Judge, 2019, p. 526). The key item that classifies Disney as using a mechanistic model is the centralization aspect. While the departments in the company work together, it is the company's centralization that allows the cooperation between departments.

Organizational Culture

Organizational culture is defined in *Organizational Behavior* as "a system of shared meaning held by an organization's members that distinguishes the organization from others" (Robbins & Judge, 2019, p. 545). Within The Walt Disney Company, they have their own set of characteristics that define the company's organizational culture. These characteristics are: innovation, decency, quality, community, storytelling, and optimism (Williams, Disney's Organizational Culture for Excellent Entertainment (Analysis), 2019). At The Walt Disney Company, cast members are encouraged to be innovative, which is a large part of the adaptability characteristic mentioned above (Williams, Disney's Organizational Culture for Excellent Entertainment (Analysis), 2019). Disney also places emphasis on quality in all aspects of its business, including the skills of their cast members, working to help fulfill the company's competitive and growth strategies

(Williams, Disney's Organizational Culture for Excellent Entertainment (Analysis), 2019).

As a family-oriented business, Disney stresses the importance of decency within its culture. In Disney's case, this means keeping their products and behaviors family friendly. For example, various parts of the company, like the human resource training and development programs and management strategies, motivate cast members to incorporate decency into their behaviors (Williams, Disney's Organizational Culture for Excellent Entertainment (Analysis), 2019). The company also has a community mindset, which is exemplified by the programs that the company has in place to motivate cast members to "view themselves as members of an entertainment company that works toward excellent performance" (Williams, Disney's Organizational Culture for Excellent Entertainment (Analysis), 2019).

Storytelling is also a key characteristic in the culture of The Walt Disney Company. In their case, the organizational culture encourages cast members to utilize their own personal experiences to make the entertainment products produced by the company more memorable and relatable to customers (Williams, Disney's Organizational Culture for Excellent Entertainment (Analysis), 2019). Lastly, Disney places emphasis on optimism in their company. By placing emphasis here, the company is also placing significance on virtues such as hope and happiness (Williams, Disney's Organizational Culture for Excellent Entertainment (Analysis), 2019).

Motivation

One may wonder how The Walt Disney Company keeps its cast members motivated to deliver high levels of customer service despite the demands of their jobs. The Walt

Disney Company uses a combination of intrinsic and extrinsic motivation factors to motivate its cast members. Intrinsically, Disney focuses on the usage of recognition, encouragement, and appreciation. These factors come in the form of the #castcompliment social media program, wherein guests (Disney's term for customers) can recognize a cast member for a job well done via Twitter. These compliments are then added to the mentioned cast member's formal record (Clayton, 2020). cast members are also consistently reminded that they matter to the company and that their roles are important. Extrinsically, motivation comes in the familiar forms of multiple health care options in medical, behavioral health, vision, dental, prescription drug coverage, and life insurance. The company also offers employee benefits including educational reimbursement, paid time off, childcare centers, and special extras, like complimentary theme park admissions and employee discounts (Nash, Chapter 8: Motivation Concept Application, 2016). In addition to these, The Walt Disney Company offers an award recognition program called the Legacy Award, which is considered to be the most prestigious award presented by Disney (Clayton, 2020).

Conclusion

In conclusion, The Walt Disney Company is a strong organization for those studying organizational behavior to examine. The Walt Disney Company takes a unique approach to organizational structure, organizational culture, motivation techniques, and the use of personality tests, all of which make it a unique case study. From Disney, we can learn a great deal about what motivation techniques can be most valuable, whether or not personality tests should be utilized despite their lack of scientific validity, and how they have created and maintained their company culture. For

these reasons, it would be wise for those studying Organizational Behavior to take a closer look at The Walt Disney Company.

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