It’s a Big World After All:
A Global Look at The Walt Disney Company’s Organizational Culture

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The Walt Disney Company (Disney) began as a simple cartoon studio in the early 1920s but has since evolved into a multi-billion dollar transnational media corporation (TNMC). It is safe to say that Disney is meeting, perhaps exceeding, one of its stated goals of being “among the most admired companies in the world” (The Walt Disney Company, n.d.-a), but to understand why Disney would propose such a lofty goal, it is important to understand Disney’s organizational culture. Utilizing Edgar Schein’s (1990) Organizational Culture Theory, this study will examine how Disney texts (i.e., annual reports, TV shows, and movies) can be used to identify the artifacts, values, and underlying assumptions of Disney’s corporate culture, and in turn, provide a better understanding of how Disney became a company that strives “to make people happy” (Rasmus, 2012) and uphold its responsibilities as a global corporate citizen.

Background on Disney

Although some may view Disney’s primary target audience as children, the company excels because it is able to provide entertainment for every member of the family. Disney operates through five business segments: Disney Media Networks, such as Disney/ABC Television Groups and ESPN; Walt Disney Parks and Resorts, including 11 theme parks and 44 resorts in North America, Europe, and Asia; The Walt Disney Studios that encompasses movies, music and theatre; Disney Consumer Products, the world’s largest licensor; and Disney Interactive that includes digital platforms. (The Walt Disney Company, n.d.-b).

Much of Disney’s success stems from its corporate culture and organizational leadership. Strategic vision begins with a 10-member board of directors who are all global industry leaders, is embraced by an executive leadership team that is respected around the world, and carried out
by cast members (i.e., employees) who are all integral parts of Disney’s products. As their website states, the strategic direction for the company “focuses on generating the best creative content possible, fostering innovation and utilizing the latest technology, while expanding into new markets around the world” (The Walt Disney Company, n.d.-c). These strategies resulted in an 8% revenue increase for Disney, up from $3.8 billion in 2013 to $4.8 billion in 2014 (The Walt Disney Company, 2014).

The culture at Disney began with its founder, Walt Disney. He used his enthusiastic personal style as a model to create traditional values, nostalgia for the past, and visions for the future that were reflected in his creations; however, his sometimes harsh management style was rumored to contradict that public image (Croce, 1991). These were also the early days, when Disney was much smaller, and therefore, its organizational culture was much easier to manipulate by one person. Organizational culture is “the result of a complex group learning process that is only partially influenced by leader behavior” (Schein, 2004), and as the company grew and developed a beloved brand that outgrew its founder, its organizational culture began to match that brand. Employees who worked for Walt Disney often reported that as the company grew, his leadership style changed from a family-centered environment where everyone’s voice was heard to distant and corporate focused (Gabler, 2007). Perhaps this was because Disney’s ultimate goal was quality service and as Brinkoetter (1993) reports, Walt Disney adamantly believed that “the culture, environment, and performance of people lie at the heart of quality service” (p. 3).

While the company has continued to excel even after its beloved founder’s death, much of the company’s current culture stems from his influence. From the onset, Walt Disney knew his greatest asset was his people – the people who were willing to do anything he asked and
spend countless hours working overtime without pay because of their deep desire to see the company succeed (Gabler, 2007). As a testament to this, Walt Disney invested $40 million to help fund the California Institute of the Arts from which many Disney employees originated (Wise, 2014). Once the company attracts the right people to its team, they immerse employees in an extensive orientation and training program (Martinez, 1992) because current leadership understands in order to take a strategic plan from paper to production requires employees who are knowledgeable and motivated (Brinkoetter, 1993).

To understand how Disney maintained its positive brand during the journey from a small cartoon studio to a global corporation requires a careful analysis of its training program and expectations. Michelle Neely Martinez (1992) describes the training program at Walt Disney World as an in-depth look into the company that includes its history, traditions, current operations, and vision for the future. The company believes that in order for employees to “buy-in” to the Disney culture, they have to understand its history, its founder, and its beliefs, and then be willing to reinforce the image through their actions and service to customers. Staff members, also known as cast members, exist to live out the Disney brand.

The language that is still utilized by Disney, originated from its founder. Walt Disney had a background in the arts, which is how the terms backstage, onstage, cast members, and audience came to be a part of the Disney vocabulary. When an employee is on a break, outside of the public’s eye, they are known to be backstage. When they are on the clock and/or in the public eye, the employee is now onstage. Cast members are never referred to as staff or employees, and those who visit the parks or shop in the stores are not customers, they are the audience. All of these words are an important component of the Disney culture and serve as just one tool to emotionally hook their employees. When employees are told over and over again that they are
actors and not merely “garbage collectors” or “security guards” in the theme park, they begin to believe this and further appreciate the culture and production that is Disney.

While motivation is important to the Disney philosophy, policies and priorities are also important keys to their success. With more than 30,000 employees, strict corporate policies keep everyone grounded and in line with the brand; thus, the dress code includes no dangling earrings or mustaches, and the saying, *it’s not my job*, is strictly forbidden (Martinez, 1992). In addition, cast members are to put four priorities above all else (and in this order) – safety, courtesy, show, and efficiency (Brinkoetter, 1993).

Values produced from within the corporate structure provide but one element of the complexities involved with identifying The Walt Disney Company’s culture. A holistic view of the company’s identity must include several divisions that are integrated into markets across the globe, texts that are produced and distributed by Disney in the form of media, and a company history that spans more than 90 years. To see how each of these elements contributes to the Disney culture, we must take a critical view that examines the organization through proven theoretical approaches to organizational culture.

**Theoretical Framework**

Schein (1990) introduced organizational culture theory as an analytical approach to the uncovering and definition of specific organizational cultures. Heavily reliant upon the belief systems of individuals within a specific organization, Schein’s organizational culture theory suggests the use of interviews and surveys to collect data that will later be used to identify patterns on a group level. By asking individuals within an organization to identify their specific beliefs about the organization, Schein theorizes that all aspects of the organizational culture can be categorized into three primary areas of understanding, which are defined as artifacts, values,
and underlying assumptions. These three attributes are particularly telling for TNMCs like Disney. Not only will they help outsiders and insiders better understand the company’s identity and culture, they will also help create a clearer picture of how these cultural influences shape Disney’s corporate policies across the globe.

Schein (1990) identifies organizational artifacts as feelings and observations noted by those who are new to an organizational culture. Unfortunately, these same traits are difficult to understand unless members within the organization explain them. These explanations provide the second tier of organizational culture known as values. Realized in the form of espoused goals, ideals, and moral principles, organizational values provide the most concrete understanding of organizational culture because they are spoken in the words of its members. Cultural values provide a record of the behaviors that have been “ingrained in the ways organizations develop and structure themselves” (Gimenez, 2002, p. 325), but they can be difficult to identify among new organizational members who have only experienced values in the form of direction, not experience. Regardless, these new members are contributors to the organizational culture from the moment they are hired through daily interactions and broadcasting that illustrates Watson’s (1997) belief that speaking and writing “are not simply reporting or communicating about the organization, they are shaping it” (p. 227). Within media organizations, this means that a newcomer can shape corporate identity in the form of editorial choices, news stories, environmental decisions, government policies, and personnel decisions. Each of these factors can contribute to the media that is produced for the public, and, in turn, produce a catalog of texts that reflect how the corporation determines its personal responsibility, guilt, and credit for realities that exist around the globe (Bülow, 2011).
Schein’s third and final dimension of organizational culture involves underlying assumptions that are present and quite strong, but hidden beneath the surface and difficult to identify. Over time, the touted values within an organizational culture are taken for granted, and gradually move from being considered the organization’s official value system to underlying assumptions that seamlessly fit into the company’s overall culture (Schein, 1990). These assumptions produce a “cognitive system based in the historical experience of the group and shared among group members” (Everett, 1990, p. 235).

While Schein defined cultural identity as the internal belief systems of all types of groups, Deslandes (2011) sharpened the focus to examine the cultures of media organizations. The differentiator being that Deslandes viewed cultural identity as a fluctuating reality that is determined by the perceptions of external actors. This perspective is particularly relevant to Disney’s global reach into hundreds of media markets. Internal processes and beliefs may be espoused and formalized into specific practices, but the uniformed approach that originates in the West has the potential to be at odds with local cultures that may have opposing belief systems and alternate viewpoints from the organization (Gimenez, 2002). An organization’s cultural belief system is responsible for shaping the way an organization determines its fundamental mission, perceives its environment, and responds to that environment (Küng, 2000), but those beliefs may not be aligned with people and governments who are being exposed to those beliefs in foreign markets.

As the Internet and media expansion continue to connect people around the world, organizational culture theory has evolved into a two-way symmetrical relationship that seeks “mutually beneficial communication between the organization and its publics” (Wakefield, 2008, p. 146). Organizational cultures have traditionally been viewed as being malleable from within,
but today’s rapidly accelerating level of interconnectedness has given a voice to those outside the organization. For example, small public relations disasters that were once limited in reach to small, specific regions can become a global story, rallying activists to apply pressure through messaging over the Web.

Much of Disney’s success stems from its corporate culture and organizational leadership on global issues that demand sensitivity to economic, social, and environmental issues. It is virtually impossible for a company as large as Disney to not have a few public relations disasters (e.g., injuries at its theme parks, bankruptcy of Euro Disney, insensitivity to stories adopted from other cultures) on its record, but the company has learned how to balance those issues by creating texts (i.e., films, TV shows, strategic communications for a global audience) that are driven by an organizational culture that emulates the optimistic vision of the company’s founder, Walt Disney, who simply wanted to make people happy.

**Literature Review**

The Walt Disney Company’s journey from one man’s vision for an animation studio to the global media behemoth that it is today is the result of an accumulated learning process that has occurred during the past 90 years. Behavioral patterns began with Walt Disney, but the organization’s culture can only be defined by patterns that are continually passed along to newcomers in the form of basic assumptions that teach the correct way to perceive and solve problems related to internal integration and external adaptation (Schein, 1990). To better identify the assumptions that remain within Disney’s organizational culture, we will use organizational culture theorists and texts produced by Disney (e.g., movies, TV shows) to illuminate its artifacts and values, as well as the hidden assumptions and global perceptions that have resulted from Disney’s organizational culture.
Artifacts/Structures

Cultural artifacts include the “observed behavior and the physical structures of an occupation” (Schein, 2003, p. 171), but they are often difficult to decipher without any accompanying explanation provided by organizational members (Schein, 1990). In Disney’s case, the company’s earliest identity is most often associated with its founder, Walt Disney, whose well-known persona as an optimist who encouraged his employees to dream big (Gabler, 2007) helps solidify the often-elusive segment of an organization’s cultural artifacts.

In the early years of the company, Disney was viewed as a laid back leader who made sure that every voice was heard (Gabler, 2007). His “powerful sense of mission” (Gabler, 2007, para 6) made him a pioneer of formalized corporate cultures that relied on the “initiation and coaching of employees into enthusiastic participation with the organization’s values, and also the treatment of customers as welcome guests into that distinctive world” (Croce, 1991, p. 96).

Disney films were able to suspend the audience’s disbelief in an entirely new medium. These early films not only found a synergy between artistry and technology, they also laid the early groundwork for Disney’s long history of introducing audiences to new worlds that were unlike their own. Disney’s unique worlds were first introduced with animated films that humanized animals, such as Mickey Mouse in Fantasia (Disney, 1940a), Dumbo (Disney, 1941), and Bambi (Disney, 1942). Each of these stories began with characters in an unpleasant or tragic situation, but as the stories progressed, the characters learned that better worlds awaited them. For Mickey Mouse, it was a wizard’s spell that brought his world to life, while Dumbo learned to use his disadvantage as an asset that allowed him to soar above the world and see it from an entirely new perspective. Disney also co-opted popular fairy tales such as Snow White and the Seven Dwarves (Disney, 1937), Cinderella (Disney, 1950), and Peter Pan (Disney, 1953) to
create alternate worlds within the human world, but these stories all had the same underlying theme that a better world awaits those who dare to dream.

Disney’s animated brand eventually met the real world in the form of Disney theme parks (e.g. Disney World, Disneyland, Tokyo Disneyland, Disney Cruises), where cultural artifacts that attempt to avoid anything ugly or unpleasant can be observed in an “environment carefully controlled to preserve the illusion of entering into Disney’s cartoon and movie world” (Croce, 1991, p. 95). Cultural artifacts that are usually difficult to understand and limited to members of an organization are pushed to the forefront of Disney culture in the form of productions and imaginary worlds that are meant to be experienced as a facet of its founder’s imagination.

The presence of cultural artifacts in Disney theme parks is no accident. “Disney theme parks and films, along with other such mass-media institutions, teach their viewers the common codes of the national community” (Croce, 1991, p. 95), as understood by Walt Disney. As a strong believer in culture, environment, and performance as being the key to quality service, Disney transformed the employee-employer relationship into a stage production of cast members that are never on the clock, but rather, on stage (Brinkoetter, 1993). Martinez (1992) describes this as the “Disney Look of wholesome entertainment, sparkling cleanliness, and friendly employees” (para 9). This same description could be said of Pinocchio, who is told by a fairy that he can become a real boy if he can prove himself “brave, truthful, and unselfish … choose between right and wrong … be a good boy” and let his conscience be his guide (Disney, 1940).

Recruitment, selection, training, job descriptions, and organizational design are all dependent on an organization’s ability to align present functioning with cultural artifacts (Schein, 1990). From strict dress codes to cultural immersion and orientation processes that cover past
tradiations, present operations, and visions for the future, these artifacts of idealized societies illustrate the early days of the Walt Disney Company’s cultural evolution (Martinez, 1992). When combined, each characteristic allowed visitors to be whisked away to a world reminiscent of Peter Pan’s “Never Land,” where children can have adventures in faraway places and never grow up (Disney, 1953).

Drawing a line from Walt Disney to the current observable data of media, products, and theme parks, the Walt Disney Company has used significant learning experiences to stabilize its culture in a way that promotes creative content, innovation, and technology on a global scale (Walt Disney Company, n.d.-c, para. 1). However, these artifacts must be assigned a certain level of meaning before they can be translated into cultural values. For members within most organizations, these values would be defined as professed “non-negotiable principles and ideologies” (Schein, 2003, p. 171), but media organizations fall into a different category that use media content to invite cultural change in the form of audience response and expectations.

Values and Beliefs

The values and belief systems of an organization are those most observable because they are intentionally espoused and circulated within an organization (Schein, 1990). Films are able to provide subtle clues, but corporate documents provide the clearest pictures of goals that an organization recognizes as its own.

Disney’s professed cultural values are most evident within its strategic philanthropy, or citizenship as Disney calls it. Disney is very vocal about its commitment to giving back to the community, as seen in this description of citizenship from its 2013 Disney Citizenship Performance Summary: “we strive to conduct our business and create our products in an ethical manner and promote the happiness and well-being of kids and families by inspiring them to join
us in creating a brighter tomorrow” (The Walt Disney Company, 2013, p. 6). This formalized statement supports Schein’s (1990, 2003) understanding of internal value systems being reliant on internal learning and integration to influence external environments, but it fails to recognize the reciprocity of external forces also having a role in shaping the value system. This reality is particularly important for Disney’s survival in a global media market that requires integration with government regulations, cultural expectations, and the behaviors of cast members in satellite offices across the globe, who are asked to find a balance between standardized corporate cultures and local beliefs that may “exercise a greater influence on the nature of a company’s day-to-day discourse and genres, than external factors such as market conditions and the formal organizational structure” (Gimenez, 2002, p. 324).

By producing such a large amount of content on a global scale, the espoused values of media companies like Disney are observed by external audiences in the form of media content. Contrary to Schein’s (1990, 2003) limited views of defining culture through internal processes, Deslandes (2011) theorizes that audiences are a critical component in the definition of a mass media culture. Without an audience, mass media is “nothing more than content attached to a medium, messages written on a container, like ordinary correspondence through letters or an exchange of videos between friends” (p. 32). By this rationale, the viewing audience is the controlling force in determining Disney’s value system.

Viewing audiences are exposed to Disney values in the form of films and TV shows that the company sanctions for production, as well as the cast members in the theme parks, and corporate texts such as annual reports and Disney’s citizenship report, which recognize the integrity of Disney’s people and the quality of the company’s entertainment experiences. This can result in conflicts between internal efforts to be more culturally aware, and outside
perceptions of films such as *Aladdin* (Clements, 1992). The tale of a young Middle Eastern boy who befriends a genie and flies on a magic carpet was filled with stereotypes that were not always embraced by viewers from the Middle East (Wingfield & Karaman, 1995); however, the artifacts of Disney’s internal values can be found in one of the film’s most popular songs, “A Whole New World,” which recognizes a new world filled with fantastic points of view, wonder, and “a hundred thousand things to see.” Although the film’s characters sing “A Whole New World” while riding on a magic carpet, the lyrics convey Walt Disney’s intent to open up people to new worlds, as well as corporate goals of producing content for globalized audiences.

Everett’s (1990) functionalist perspective argues that Disney’s culture would be rooted in capitalistic processes and “mechanisms to capture certain goals” (p. 238), such as increased viewership and profitability. It may also be assumed that Disney aligns this functionalistic perspective with the artifacts of inspiring younger viewers to create products such as animated features and theme parks that appeal to children and adults alike (Jöckel & Döbler, 2006). In the words of Bob Chapek, president of Disney Consumer Products, “Everything we do is about trying to align our organization, its resources, and its efforts to cater to what the consumer ultimately wants” (Lisanti, 2012, p. 50).

Media organizations rely on an audience’s reaction to specific creative media products to motivate and shape strategic plans (Küng, 2000) that utilize shared learning experiences to “survive in its external environment and … organize itself internally” (Schein, 2003, p. 171). This ongoing process of audiences and mass media companies modifying each other is particularly complex for global companies, but a process that must be observed in the search for underlying assumptions that exist within both parties.

**Internal Assumptions**
As values become realized in the form of media products that appear as entertainment on the surface, they become less obvious and more engrained in deeper levels of organizational culture that are “unconscious taken for granted shared assumptions which drive the actual day-to-day-behavior of members of the occupation” (Schein, 2003, p. 172).

In the early years, Walt Disney influenced assumed behaviors with a focus on the Disney brand as being greater than any individual, and went so far as removing the names of all animators from the credits of each production because he did not feel as though they were worthy of the credit (Wise, 2014). This same idea was prevalent years later when Pixar co-founder John Lasseter “described the culture of the studio, during the era in which he was employed there, as stifling and restrictive” (p. 154). It is common for leaders to attempt to steer organizational culture with their own assumptions, but the same could be said for all members and parts of an organization (Schein, 1990). Processes of recruitment, training, and organizational design are put in place to create a unified voice among organizations that reinforces organizational stability, but if assumptions are defined by Schein as being understood and rarely spoken, an alternative approach to understanding cultural assumptions would require audience assumptions as well.

**Multinational Assumptions**

Schein’s (1990, 2003) focus on the unspoken, internal assumptions of an organization has a narrow view that does not consider the multitude of texts provided by media organizations, nor does it consider the existence of assumptions in the form of perceptions embodied by external, multinational audiences with varying cultures and beliefs.

Media company cultures are “constantly caught up in an identity dynamic; the way they are perceived by the public will determine how they continuously redefine themselves”
Deslandes’ media-focused views of organizational culture recognize the importance of internal controls touted by Schein (1990), but also adds relevance to Disney’s need to understand the symbiotic relationship between internal and external assumptions. This relationship had its most relevant era during the early days of Disney, which were still mostly rooted in the United States and driven by the company’s founder. Today, Disney’s global reach demands Gimenez’s (2002) more complex view of multicultural audiences and their ability to shape an organization’s “globally-adopted identity” (p. 324). Each time Disney has to alter a policy to fit local customs or create a separate web presence to fit local needs (Bülow, 2011), it fractures the established values, ideals, and histories that are critical to Schein’s understanding of cultural assumptions. Rather than view this process as a zeroing out of Disney’s accumulation of assumptions, multicultural settings and audiences can be viewed as contributors to an organization’s future values and assumptions (Bülow, 2011; Everett, 1990; Küng, 2000; Wakefield, 2008).

The complexities of integrating external assumptions into Disney’s culture are not limited to its audience. Cast members who work in foreign offices also provide a divergent view of company culture that includes a hybrid of local customs and corporate assumptions. The resulting adaptation is reliant upon “organizational and environmental change programs that produce and maintain stability in the organization/environment relationship” (Everett, 1990, p. 235). This produces two frames of thought, whereas ethnocentric corporations strive to create a uniform, global culture, and geocentric corporations encourage cultural diversity (Gimenez, 2002).

Initiatives toward cultural diversity can also backfire, as observed with Cheng’s (2007) critical analysis of the animated film Mulan. In Disney’s attempt to tell a centuries-old story
from Chinese culture, the film’s Disneyfication (Artz, 2005) was viewed as a Western corporation telling children what they should “like and dislike, desire and fear, love and hate” (p. 125). Disney adopted the story with hopes of informing Western audiences about Chinese culture, but Chinese audiences found it to be filled with “colonizing messages that continue to advocate white, Anglo-Saxon, middle-class, Protestant, heterosexual, patriarchal American superiority” (Cheng, 2007, p. 128). Each of these criticisms can be viewed as external assumptions that are added to the analytical process that is necessary to identify a media company’s culture.

Texts such as the film Mulan, as well as Disney’s citizenship report, its theme parks, and countless other media offer subtle examples of Disney’s assumptions, but ultimately assumptions are nebulous and rarely tangible. Instead of viewing assumptions, values, and artifacts as the three columns of an organizational culture, Wakefield (2008) recognizes the complexities associated with media cultures by proposing a symmetrical model in which “individuals, organizations, and publics should use communication to adjust their ideas and behavior to those of others rather than to try to control how others think and behave” (p. 146). By assuming that both Disney and its audience have respective assumptions, Wakefield proposes an approach that has more validity for Disney, whose survival is dependent upon audience participation. Rather than control all processes from within, organizational culture must recognize and adapt to its external environment.

**Conclusion**

While much of Disney’s current culture and policies can be traced, in some way, back to its original founder, the company has had to change and grow with the times, and adapt to new ways and ideas from a whole new era of cast members. Over time, new leadership and
employees have brought in new beliefs and assumptions, but just as individuals will often avoid change, so too do companies. Thus, while Disney is a global leader in the field, it is also true the company has room for growth. The insensitivity that Chinese cultures felt when viewing the movie *Mulan* and Arab impressions of *Aladdin* are just a few examples of ways that Disney has missed the mark when trying to align its organizational culture with external expectations.

Just as organizational culture theory transitioned from Shein’s (1990) internal focus and toward a two-way interaction between global audiences and organizations, Disney is learning to use external cultures to shape its internal values and its efforts of global citizenship. Organizational cultures like Disney used to be primarily defined by internal artifacts and assumptions, but are now cyclical, and equally bound to the assumptions of organizational members and audiences alike.

Like many of the characters in Disney movies, previous definitions of organizational cultures have entered an exciting new world, but for Disney to benefit from this new world, the company must actively seek out feedback and monitor expectations of individuals from diverse backgrounds and nationalities. This is certainly true for Disney’s espoused efforts regarding global citizenship, but there is still a potential for these internal efforts to become disconnected from Disney’s media products. Multinational media companies no longer have the luxury of defining their culture from within, and for Disney to remain relevant, it must recognize that audiences are equal partners in the developmental cycle of its organizational culture.
References


