

Business Ethics and Corporate responsibility

Disney

By Masuk Ali 2021839



Introduction

Business Ethics and Corporate Responsibility.

The purpose of the presentation is to critically evaluate and recommend appropriate ways of analysing the culture and external context of Disney in order to determine future strategy to better plan for future cultural change.



Corporate Responsibility and Organisational Culture



Corporate Social Responsibility as Ethics Driven

Social or stakeholder CSR that is viewed as ethics-driven is concerned with the wrongness or rightness of specific actions independently of any stakeholder obligation. Justice based ethics will lead an organisation to systematically favour decisions that champion fairness and equality for all.

(Hooley et al, 2012).



Organisational Culture

“A pattern of shared values and beliefs that help individuals understand organisational functioning and thus provide them with the norms for behaviour in the organisation”

(Buttle, 2010).

Cultural Web

- **Stories**- how an organisation understands and explains itself
- **Rituals and Routines**- the norms and practises that are accepted
- **Symbols**- physical artifacts that are representation of culture
- **Organisational structures**- formal structures such as hierarchy and informal routes of influence and power
- **Power Structures**- The systems and people who have power to get things done
- **Control Systems**- how are thing controlled by the organisation.

(Mindtools, 2022 and Leadership Centre, 2022).



Advantages of Applying the Cultural Web to an Organisation



- It provides a full assessment of organisational culture
- It helps in the recognition of organisational strengths and weaknesses
- It helps in determining the organisations course of action to achieve goals
- It aids in forming strategies for future positive change.

(Think Insights, 2022).



The iconic Disney logo, featuring the word "Disney" in its signature script font. The letter "D" is large and stylized, with a yellow circular shape partially visible behind it.

Routines and Rituals

Impeccable cleanliness and orderly structured since 1955- cast members take requisite steps before open times

Employee shuttle service daily- ensure cast members are at workstations on time

Costume library- ensure all staff are dressed the same throughout all the theme parks

Magical customer experience- Mickey logos, ambient music, pump smells throughout the parks.

Cast member interactions- understand individual needs.

Stories

Once in a lifetime
experience for every
customer

Atmosphere of the happiest
place on earth

Loyal fan base. Disney
always try creating a magical
and memorable visit



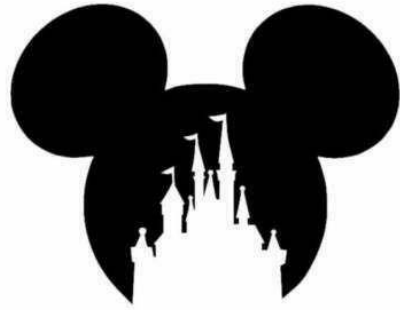
Disney Employees

- 80% of Disney employees feel proud to work for Disney
- Workers are not paid sufficiently

The interaction strategy is designed to achieve the following:

- To make guests happy
- Increase customer retention
- Spread positivity by word of mouth
 - Increase brand loyalty

(Forbes, 2020: Goertzen, 2018 and Jean, 2015).



Symbols



- **Disney mission statement**- entertain people, inform and inspire customers around the world via fantasy storytelling and iconic branding .
- **The Disney signature**- Mickey Mouse ears in the dot of the 'l'. distinctive recognisable logo along with the decorative fairy-tale castle with the backdrop of a shooting star.
- **The castle logo**- symbol for fairy-tale which is the component of storytelling and make believe
- **Disney characters**- Mickey Mouse and Donald Duck have a long history of being licenced on merchandise



Control Systems

- **Gender pay gap report 2020**- median gender pay gap of 11.6% between men and women (more men in senior roles)
- **Employee pay gap**- CEO paid \$65.7 million, 1,424 times than median cast member salary
- **Worker abuse in factories globally**- Disney subcontract so refuse responsibility but have monitoring in place
- **Cast Member pay**- Wages are 68% lower than the national average
- **Restaurant workers**- tips earned go direct to management
- **Disney failed to pay employees properly for overtime**- back pay to 16,000 workers to the amount of \$3.8 million

(Investopedia, 2022: Jobs with Justice, 2017: The Nation, 2020: The Walt Disney Company UK, 2020)



Power Structure

Disney Leadership Team

- **Board of directors**- renowned knowledge and perspective from industries globally
- **CEOs**- make good judgements and decisions that are of quality to elevate productivity and support corporate strategy.
- **Cast Member autonomy**- simple 'four-word priority filter'
 1. **Safety**- Protection for all from unnecessary dangers and injury
 2. **Courtesy**- Be welcoming, kind and respectful to guests
 3. **Show**- creating an immersive environment that demonstrates happiness, free from distractions
 4. **Efficiency**- completion of tasks with minimal expense and waste



(Entrepreneur, 2014: LinkedIn, 2020 :The Walt Disney Company, 2022).

Organisational Structure



Hierarchal organisational structure- multidivisional diversified companies that operate under the Disney umbrella globally

One CEO on top- long list of chairmen and executives who have segments to manage

Leadership team- autocratic, top-down environment

(Organimi, 2022).



Disney's Three Main Elements of Corporate Structure

Business segments and divisions- Each division operates formally under a constrained strategy managed by corporate management

Centralised Functional Groups- These groups are responsible for centralised strategic control across the several different industries globally

Geographic Divisions- The divisions address the differences amongst local and regional markets based on geographical factors such as sociocultural factors

Conclusion

- **Disney is recognised for creating a magical customer experience-** Everyone is treated like a VIP
- **Enhanced customer experience-** details like Mickey mouse logos and music played in parks
- Walt Disney brand is renowned globally
- **Disney wages do not meet national average-** struggling employees
- **Wage gap-** salary gap between genders and job roles
- **Cast members-** backbone to Disney's success. 80% are happy to work for Disney



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