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**CRITICALLY EVALUATE THE MAIN DRIVERS FOR CHANGE IN DISNEY WITH
PARTICULAR REFERENCE TO THE GLOBALISED ORGANISATION.**

Introduction.

¹Economic globalization encompasses the increased incorporation of different economies of the world, through effective importation, exportation, and movement of capital, services, and goods across national boundaries. Therefore, for a business organization to attain global growth, effective investment, efficient workforce, technology, and sound microeconomic policies must be effectively implemented. Therefore, this research focuses on analyzing Disney company with a focus on their main drivers for global change and the options utilized for restructuring it. The Walt Disney Company is a mass media organization for theme parks, resorts, children's television programs, movies, video, and phone games, shopping, and music. Disney has produced a lot of films that were viewed and sold in all parts of the world. Some of these films involved, Mulan, the ⁵little mermaid, beauty and the beast, sleeping beauty, the Lion King, Pocahontas, Frozen, and Moana. However, ³the existence of legal, political, social, and technological change may cause an organization to change the operational and strategic activities. Based on research by (Dentinger 2009), organizations need to change or restructure their activities to reduce operational costs, to enable concentration on the key products of the business firm, to allow incorporation of new technologies, to increase the rate of competitive advantage, to allow spinning off a subsidiary company, to allow organizational merging, and to consolidate the increasing amount of debt.

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¹ Dentinger, S., and Derlyn, E., 2009. Drivers and Implementation of Change: An attempt to depict successful factors.

According to the case study, before the emergence of coronavirus, the Walt Disney Company was performing extremely well. This is because movie productions were postponed, the number of people attending theme parks reduced to ensure social distancing, and sporting events were canceled, causing the company to lose billions of finances. In general, covid-19 led to the closure of international offices and businesses due to an increased number of covid-19 cases. Moreover, it has led to a lack of reduced investments since investors are moving back to their nations to avoid contracting the virus, thus leading to reduced capital and profits. That is, coronavirus has disrupted the financial and the economic cycle of organizations, leading to losses, reduced employee retention, and difficulties in telecommuting for most organizations. Thus, it raised challenges in the operations of the Walt Disney company.²

Therefore, the organization needed effective options to restructure its organization. Organizational restructuring refers to a model where the company has to change due to internal and external change factors or drivers needed to survive in an extremely competitive market, both locally and globally. These drivers change for the Walt Disney company included the covid-19 pandemic, science and technology, information, competitors, and customers and investors. Therefore, options for restructuring may involve concentration on the streaming businesses, ² investment in new technologies, downsizing and reengineering, the formation of strategic alliances, and concentration on shifting from multinational or international to global and transnational organizations.

Main Drivers for Change in Disney's globalization.

² Havard, C.T., Wann, D.L., Grieve, F.G. and Collins, B., 2020. Happiest place (s) on earth? Investigating the differences (and impact) of fandom and rivalry among fans of sport and Disney's Theme Parks. Manuscript under review.

A change driver refers to local or outside pressure of an organization that shapes changes to a business organization. Based on the case study, the pandemic is the main driver for change. That is, the closure of parks and the compulsory requirements of social distancing took a huge toll on the finances of the Walt Disney company. Therefore, parks were closed and major events were postponed leading to a drop of revenue in parks by nine percent in the first quarter and up to sixty-nine percent decline in the third quarter. The pandemic has led to the first loss ever for Disney despite the efforts they are making towards the improvement of services. According to research by (Havard 2020), employees were laid off, operational cost increased trying to keep up with pandemic restrictions, and loss of jobs to most employees. Therefore, in globalization, covid-19 acts as a driver for change since it ensures teamwork and collaboration to ensure consistency, performance expectations, empowerment of employees, solidifying transparency, and setting clear expectations with low performers. Since the crises accelerated unpredicted changes in the Disney company, the executive management came up with innovative, collaborative, and integrative ways of dealing with the coronavirus pandemic effects. Therefore, for Walt Disney, the main drivers led to the restructuring of the organization.

Moreover, with the continuous growth of global trade and entering of similar businesses into the organization, the organization must implement occurring changes effectively and efficiently. That is, business organizations must develop new products quickly to ensure that the dynamic changes of the customers are met. Science and technology play ⁸an important role in ensuring the administrative and operational costs are reduced. For instance, the development of more online and offline games can help improve profits since children may not be able to visit

theme parks or sporting events.³Technology helps Walt Disney manage the company's processes and eliminate events or actions that customers and consumers do not consider useful. Moreover, technology acts as a driver for change for Walt Disney since it examined how the departments use online support services through automation. Automation helps in the elimination of duplication and avoid outsourcing of unnecessary administrative functions. For instance, Walt Disney should carefully analyze and assess decisions taken to implement expensive new technologies to ensure that it does not benefit a few members of the organization but the entire organization. Based on the case study, the development of box office mojo and online streaming to ensure that these technologies benefit every customer, employee, and investor. The analysis of these technologies can ensure that potential losses are avoided. According to (Martinez 2018), science and technology in a business organization affect the creation of new occupations and alters educational programs that can help executive management to make decisions at all levels of the business organization. Moreover, information technology drivers' competitive strategies, transitioning services from manual to electronic services to ensure services are effectively delivered. Moreover, technology allows changes by allowing business firms like Disney to work in harmony with experts over the organization's network from the entire universe.

Furthermore, investors are important in driving global change within the organization. Therefore, Walt Disney has several stakeholders that invest in and own parts of the organization. A stakeholder is a member of an organization that without their financial and decisional supports, the organization would fail to exist. Walt Disney company's stakeholders involve ⁷the Vanguard Group, BlackRock Fund Advisors, the SSgA Funds Management, the State Farm investment

³ Martinez, W., 2018. How science and technology developments impact employment and education. Proceedings of the National Academy of Sciences, 115(50), pp.12624-12629.

Management, Geode capital management, Morgan Stanley Smith Barney LLC, Fidelity management, and research corporation, and the Norges bank investment management. Therefore, investors are capital-led drivers that ensure the organization does not suffer financial constraints. This is because it elevates the level of consistency, alters the time taken on labor-intensive activities, and leverages technology as a resource to increase the demands of clients. Based on research by (Pierrakis, 2019), investments ensure that there is financial security. That is, it allows an organization to grow its wealth, and generate its income stream. Moreover, investors are important since they enable the organization to attain maximum share prices that that is directly proportional to the value of the organization. The stakeholders of Walt Disney are drivers of change towards globalization since they help in the provision of financial and non-financial information to the institution, observation of rules of the stock exchange, and building of receptive markets for future financing at conducive terms. Therefore, investment is important in globalization since it compels economies in the different nations to continue investing in each other.

Also, competitors are an external factor that drives change within the Walt Disney company. According to the case study, the major competitors of ⁶ the Walt Disney company are Twentieth-century fox, paramount pictures, and Universal Pictures. Other major competitors include Time Warner Bro Inc., Twenty-first-century fox, Comcast Corp, Sony, Viacom CBS, and Lionsgate. Competitors are a driver for change because they enable an organization to identify the specific areas of the business, and unique characteristics that are appealing to the customers to enable effective and efficient marketing of a business. Moreover, competitors allow an organization to enhance its online presence and help the consumers to identify your business organization. An article by (Havard 2020) compares Disney and Comcast based on their

competitive rivalry and their strategic planning. The article argues that while Disney bought Capital cities, Comcast corporation purchased General electrics, and while Disney runs twelve theme parks and six resorts all over the world, while Universal Pictures and Comcast possess the remainder. Out of the entire number of theme parks, Disney owns sixty-seven percent of the theme parks available. According to the article, the rivalry between Comcast and Disney has been going on for over thirty years. However, both companies have faced challenges during the covid-19 pandemic since they are forced to operate at a 25% capacity leading to losses of up to fifty percent. Despite this, Walt Disney Company has the potentiality of improving its sales post the pandemic by up to thirty-five percent.

The success of every organization is dependent on the loyalty and the number of customers they have. Therefore, customers are an important driver for change since organizations need to consider the opinions, and the needs of their customers before making changes or implementing strategic plans that may affect the success of any business organization. Walt Disney's customers vary in ages. Disney's target market involves the entire family, that is, children, teens, and even adults. Therefore, the leaders of an organization need to comprehend how to deal with customers, and how to convert them into effective opportunities and competitive advantage. For instance, with the availability of customers, an organization can create any product, and have any inventory. However, if an organization lacks customers, they lack business n matter the amount of capital they invest in the business. Therefore, to ensure the effectiveness of a change strategy, organizations must ensure that they retain their frequent and loyal customers. For instance, an

organization should offer great customer service, be quick to resolve issues, keep in touch, and reward the loyalty of customers.⁴

Conclusion.

In summary, Walt Disney's global economy has suffered a blow due to the rise of coronavirus that has stopped or postponed their business activities leading to losses. Thus, comprehension of the major drivers for change can help Walt Disney company attain global competitiveness against other companies.

⁴ Pierrakis, Y. and Collins, L., 2013. Banking on Each Other: Peer-to-peer lending to business: evidence from funding circle.

DRAWING ON YOUR ANSWER FROM QUESTION 1, AND TAKING DISNEY AS YOUR EXAMPLE, DISCUSS THE OPTIONS FROM A STRATEGIC MANAGEMENT PERSPECTIVE OF RE-STRUCTURING A GLOBALIZED COMPANY. IT IS IMPORTANT THAT YOU REFLECT ON THE PROS AND CONS OF SUCH OPTIONS IN YOUR ANSWER.

The effects of covid-19 have created a platform for the restructuring of Disney's global market to allow the facilitation of continuous growth of the company. Strategic management perspectives like investing ² in new technology, downsizing, and re-engineering, the formation of alliances and business networks, shifting to the global market from multinational markets, and concentrating more on streaming the productive areas of the business. While re-structuring, it is important for Disney to identify the advantages and the disadvantages of each strategic perspective to facilitate the use of the best re-structuring strategy that will directly lead to increased company revenues within a short time. The most effective restructuring method needs to be effective, efficient, clear, and explicit with the alignment of the organizational goals and in pursuit of competitive advantage. Waltz Disney after experiencing the drop in revenue due to the covid-19 pandemic, it would be important to consider restructuring their marketing strategies to keep up with the pace of improving revenues.

Investing in new technology can provide a platform for the improvement of revenue. Technology in the 21st Century has proven to be part and parcel of human life. Concepts like the Internet of Things (IoT), Voice Technology, Virtual reality, and the Edge of Computing among other technological advancements. Technology is the best way of saving time and finances. Disney before the Covid-19 era over-relied on cinemas for most of the revenues for the movies and films they produced. With restrictions set on public gatherings, movie theatres were shut and it forced them to shift to online marketing through online streaming platforms. Over 87% of the

American population spent most of their time online either shopping, entertainment, or communicating. Technology has therefore become a dictator of how businesses operate and how their employees engage consumers in the purchase of products and services. Upgrading the existing technology can therefore help Disney by offering it serious returns if it properly conquers the digital world. Investing in technology has its advantages including saving time, improvement of product security, and offer better and more customer interactions. Walt Disney is a film industry; technology can help in online selling and advertisement gave that almost all Americans have access to technological devices and spend most of their time on the internet and social media. On the other hand, technology can be disadvantageous since the cost of advertisement and uploading films on the internet can be expensive. Sometimes technical problems may arise while handling new technological devices.⁵

Walt Disney can also engage in downsizing and re-engineering its marketing and management strategies. Downsizing refers to making a company smaller by reducing the number of employees and staff positions. In most cases, this is a permanent change in the company's organizational structure. The removal and reduction of the unproductive labor force or the company labor divisions can help in cutting production costs in terms of wages and salaries and hence an improvement in the general revenue output. Downsizing is important in eliminating unskilled manpower and provide the required skilled labor necessary for quality and efficient production, but it has adverse effects on the company's structure. The worst scenario in a case of downsizing may be bankruptcy, resulting from reduced productivity, customer satisfaction, and low workforce morale. Furthermore, cutting off the entire department can lead to the loss of valuable employees with the necessary knowledge and this can further reduce innovation, a

⁴⁵ Feng, Z., and Wu, Z., 2018. Technology Investment, Firm Performance, and Market Value: Evidence from Banks.

concept that is very important in the film industry. Re-engineering on the other hand is the re-designing of the business processes to bring about an improvement in the performance of the human resources in a company or an organization. Re-engineering aims at examining and changing the marketing strategies, business processes, technology, and organizational culture for the improvement of the organizational goals. Re-engineering is important to Disney since it allows the company to refocus the consumer values and needs, the formation of new technology that enables improvements, and re-thinking the organization of people both in the management and labor workforce.

Nevertheless, the formation of strategic alliances and networks can boost the company revenues to higher levels. A strategic alliance is a merger between two companies with different business assets that will help each other in enhancing business operations. For instance, Disney can join forces with companies like Netflix and Amazon which offer online live streaming services. Disney can provide films to such companies and on the other hand, Amazon or Netflix can have programs to air to its consumers. Strategic alliances are important to both consumers and organizations. Consumers obtain the value of goods and services from a business alliance since they provide the convenience of the fullness of services. Besides, they can also gain access to specialized skills and information on market rates, and cross-promotion and referrals. The company on the other hand allies to acquire knowledge about new products and competitors, enhancement of product competition, formation of the economies of scale, division of labor and management tasks, entering and acquiring new markets, and overcoming the existing market competition. Sharing expertise, research, and cost provide an increased process for the value of money. As always stated, there is always a negative side to everything, and strategic alliances have their disadvantages. Trade secrets of one company have to be shared with the partner to

enhance openness in the alliance. Also, misinterpretation of competencies by both partners may arise leading to poor management and communication. The benefits are also unequal since each partner feels as if they provide more than what they need to receive, and hence conflicts emerge which possess a risk to the reputation.

Furthermore, Disney can shift from multinational operation to global business involvement. A multinational company is one that operates across national boundaries. It can move goods, resources, and services across the border of a country within which its headquarters is located with a larger percentage of its sales going to the mother country. Disney mainly operates within the United States of America but their services can be accessed by consumers outside the US. Shifting to global operations can greatly boost revenues. Global cooperation is one which has more of its operation outside a country within which its headquarters is located. To improve revenues, Disney can open more stores, movie theatres, and theme parks in various countries across the continents which will provide more consumers and reduce overreliance on the American market. It is a guarantee that Disney will enjoy economies of scale, more research, and development, and will create jobs when it shifts to the global economy. Global business involvement will also facilitate the satisfaction of consumer preferences. On the contrary, if not carefully initiated, involvement in the global market may result in avoidance of tax and loss of tax revenues, monopoly of power which may lead to higher prices of their products and low wages for their employees, and cultural homogenization.⁶

⁶ Monsreal-Barrera, M.M., Cruz-Mejia, O., Ozkul, S., and Saucedo-Martínez, J.A., 2019. An optimization model for investment in technology and government regulation. *Wireless Networks*, pp.1-13. Monsreal-Barrera, M.M., Cruz-Mejia, O., Ozkul, S., and Saucedo-Martínez, J.A., 2019. An optimization model for investment in technology and government regulation. *Wireless Networks*, pp.1-13.

Covid-19 hit all the economic sectors hard. It is therefore the responsibility of independent business organizations to set up strategies that will see their operation back on track. The restrictions on mass gathering to contain the spread of the diseases saw a complete loss of customers for the Disney world. The closedown of movie theatres, theme parks, and cancellation of sporting events lead to a complete cut off of revenues. Walt Disney among other many companies that directly relied on the presence of mass gatherings was forced to find other forms of coping to rise back to the operational levels. With Covid-19 inlay and showing no signs of ending any time soon, Walt Disney's revenue dropped by 6%. To bring the company back to its original operational levels, restructuring was the only solution. Embracing the various forms of restructuring such as investing in new technology, downsizing, re-engineering, the formation of strategic alliances, and shifting to the global market from multinational operation. These strategies could see Disney move to its initial market operations in the next 2 years if properly implemented but also could make the situations worse.⁷ It is therefore important for stakeholders to note the important aspects and conduct a detailed market analysis to identify the most important restructuring strategy that would favor the economic growth of Walt Disney.

⁷ Berber, N., and Bracanović, Z., 2019. The effects of employees downsizing on organizational behavior. *Journal of Engineering Management and Competitiveness (JEMC)*, 9(2), pp.159-167.

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