Historical and Modern Management Practices Applied at Disney World: Out with the Old and in with the New?

Sarah Patterson[1], Bahaudin G. Mujtaba[2]

Abstract

In today's expanding and ever-evolving global marketplace, managers are beginning to be required to work with their companies and employees in entirely different ways. Explained in-depth throughout the entirety of the article is the 20th century management techniques pioneered by Taylor, then reformed by Weber and Fayol, contrasted against the ahead-of-its-time behavioural management and the 21st century market-based management styles. Credit will, of course, be given where earned to the first style since it is focused on a centralised and bureaucratic method that worked extremely well in the Industrial Revolution time period. Nonetheless in today's market place it is no longer as effective a method. At present, managers must learn more from what the second style emphasises, which is a more horizontal and incorporated standpoint. Conveniently,enough the company incorporated into this article is the perfect example to use when illustrating both sets of management techniques. Disney's longest-standing CEO Michael Eisner followed the conservative administrative approach, while his successor, Robert Iger follows the behavioural method. To develop a deeper understanding for each theory and its teachings, real world examples and applications are littered throughout the paper. Implications and recommendations for managers who want to create immediate and measureable value for their firms are provided.

Key words: Management, management history, scientific management, bureaucracy, Weber, Fayol, Taylor, Follett,Disney world, value driven management, market-based management.

Introduction

In order to fully assess the different qualities of these various forms of management and properly discern and dissect the characteristics of each, it is imperative that the definition of what a manager actually is and does is first defined.

1.Student of Graduate Research(Contact Person) The H. Wayne Huizenga School of Business and Entrepreneurship Nova Southeastern University. Email: sp836@nova.edu

2.Professor of Management The H. Wayne Huizenga School of Business and Entrepreneurship Nova Southeastern University.

The position of manager, in any organisation, is responsible for allocating the resources of the firm in the most efficient and effective ways possible to reach theagreed upon goals. The level of manager one is determined to what degree of authority there is over allocating these resources.

There are four essential tasks to being a manager that all organisations share, which include planning, organising, leading and controlling (Mujtaba, 2014). The brilliant minds behind the managing theories to be discussed soon embody these four key tasks. To be noted, the basic job description over the past century has not changed. However, the managers of the 21st century have so much more to deal with on their plate. Before, a concern with ethics, environmentalism, diversity or corporate social responsibility never played any part in a manager's schedule. Nowadays, there is no way a company will make it past the first year of operations without addressing every single aspect listed above.

The Rigid 20th Century

To begin briefly, with the examination of the man who is commonly referred to as the father of the scientific management theory, is Frederick Taylor.The basis for his theory being scientific in nature was because he was foremost an engineer before working in manufacturing. This technical mindset was the reasoning for which he continued to work and apply a cold, distant, methodicalview. His purpose indeveloping this method in the mid 1880's was in regards to his job as a steel manufacturing manager. He realised there had to be a more formal way of increasing productivity than his forerunners had developed with their common sense and rule-of-thumb initiatives. In turn, then came his techniques for these scientific methods, which isdefined as the systematic study of relationships between people and tasks for the purpose of redesigning the workplace to increase efficiency (George and Jones, 2011, p. 43). Since he was one of the first notable men to maximise the advantages of job specialisation and division of labour, Taylor's method is somewhat basic compared to his European counterparts. Taylor sets a clear and easy outline to organising the workplacein four simple principles. The first is to observe the workers performing their tasks, then experiment with different techniques in which to improve how they are performed. Next is to document these new techniques into organisational rules and standard operating procedures. The last two principles are then to select those techniques best suited for each task and create a fair price in which employees are given reward for a job well done (George and Jones, 2011, p 44).
The simplicity of the system was why it soon became extremely popular

with the owners and managers in the American factory systems.A notable company in American history that was famous for the influences took from Taylor, although he would never admit to it,was Henry Ford's, Ford Motor Company.According to Sward (as cited in Peterson, 2002, p. 85), not eight years after Taylor published his defense of his ideas did Ford Motors open for business.Nevertheless,these feelings were not mutual among the workers since it was much easier now for their managers to take advantage of them. George and Jones (2011) go on to further describe that when worker's productivity increased, not only would they get more work to do but also have to do it without any pay raise or bonus (p. 44). For many organisations, this style created more negative than positive for employees and what was important or even mildly beneficial to them was not even taken into account orentirely overlooked.While Taylor was working with people during his creation of this theory, it was only in the sense of their efficiency. He was seeing them as breathing machines, not human beings. The following is an eerie description from Kanigel (as cited in Peterson, 2002, p. 85), that sums up the harsher parts of this theory:

Taylorism's dominion over the individual haunts the imagination of our age. For it conjures up the specter of one human being exacting his will on another. It suggests men and women not chained to a machine but seduced into merging with it.

At roughly the same time, althoughjust across the pond, the foundations for administrative management were being laid. Compared to Taylor's theory, the main objective was still centered on increasing the effectiveness and efficiency of production. Conversely, instead of redesigning the methods in which workers perform their tasks, the organisational structure and control systems are redesigned. This mode sees the way in which to conform the organisation to the worker, instead of the worker to their task. Max Webercontributeda bureaucratic method in Germany, while in France Henri Fayolcreated his own number of similar principles to proficient management. Both men could characterise theirsupervision techniques as rigid, yet well-articulatedapproaches.

Max Weber was the man who came up with the principles of bureaucracy in the early 1920's, which is a formal system of organisation and administration designed to ensure efficiency and effectiveness. Unlike Taylor, Weber never worked as a factory manager but applied what he learned as a sociologist studying human organisationto aid the large scale production operations popping up all over Europe.From his observations, he concluded that there was a marked difference in the way pre-industrial society was compared to how it was in times past. What he found was a significant change in people's

motivations; nowadays, society was being driven by goal-oriented ideals and rationality, instead of tradition, values, or inherent feelings (Elwell, 1996). Weber's ideal bureaucratic corporation was to keep every worker and manager alike focused on the main goal, which was to make the most profit in the most efficient way possible. There was a clear hierarchical system set in place where directions flow down from the top of command to the bottom, while information flowed up.Rules and regulations were concise and strictly enforced, as well as the idea that impersonality was needed from all people of authority (Elwell, 1996).

HenriFayol created his 14 well-known administrative principles during his experiences as a managing director for a steel manufacturing company helping to steer the company out of bankruptcy. It was only a few short years before Weber published his findings that Fayol came up with his own work. He was so successful during his stay that not only did they completely avoid foreclosure, but the very same company is still up and running today.The administrative principles listed in no particular order are as follows: a division of labour, a clear line of authority, discipline, unity of command, unity of direction, subordination of individual interests to general interests, centralisation, chain of command, order, equity, stability of tenure of personnel, remuneration of personnel, spirited corps, and initiative (Schimmoeller, 2012, pp. 32-34). It was imperative to Fayol that disciples following his teachings draw attention tothe term"principles". This is because he needed them to make note that principles are supposed to be flexible not rigid or formal. Lee Schimmoeller (2012) goes in great depth to describe the nature of what Fayol's teachings were supposed to represent. Among his most important points was that these were more like guidelines, they must be easily adaptable to changing circumstances, modifiable when necessary, and unique to different situations.

These formal and rigid styles of management worked so well at this time period because it was in the midst of the Industrial Revolution and not just in Europe, where both men resided, but in America as well with Taylor. Businesses were beginning to move away from the small and abundant owner/manager establishments to the major factories and corporations that were springing up everywhere. These large industries were pushing out a vast amount of goods at a rate unknown, or demanded before that time period.Thus, in order to increase the quantity of commodities to be produced, at an economical level, managers needed a well-organised and formal guide to work with. Both scientific and administrative theories helped to create competitive advantages for the companies that instituted these teachings.

The Open-Minded 21st Century

In a completely different arena are the teachings of 21st century management which took what Weberand Fayol preached but stretched the boundaries in which managers and their employees worked. Mary Parker Follett, the mind behind behavioural managing, stressed that these forms of supervision overlooked what was preferred and effective for the employees themselves. She underlined that there was a lot more to gain from the employees in an organisation if they are empowered with freedom to participate and contribute their own ideas. Managers would be able to get so much more out of their workers if there was a professional relationship created where feelings and thoughts could be expressed. This standpoint could not be emphasised enough since it was common knowledge at the time that those employees being taken advantage of in an organisationpracticing scientific management frequently kept the knowledge they possessed from their bosses to protect their jobs and pay (George and Jones, 2011, p. 44). Comparatively,it is the much more recent style of market-based management, whichis a resoundingexample of what management today has been slowly evolving into. For this particular method, decentralisation, creativity, and free-will are encouraged.Also was the notion that knowledge and ideas for the benefit of the company do not come from just the heads but everyone throughout the organisation.

While Follett was atremendously strong advocate of a novel way of managing, her view points were about a century ahead of her time, meaning that she lived in the same time as the three men mentioned above. While living in a time that was entirely male dominated, where females were expected to stay in the home, Follett refused to acknowledge these confining roles,making her opinions loud for all to hear.The behavioural style of management is"the study of how managers should personally behave to motivate employees and encourage them to perform at high levels and be committed to achieving organisational goals" (George and Jones, 2011, p. 56). Once again it was the professional background of this theory's agent that led her to preach this particular theory. Follettbegan her career as a social worker, so that is why she proposed that the ways in which managers treat their employees was a direct reflection of their performance and effectiveness. Instead of reforming how employees performed their jobs or the company's structure, it was the manager's behaviours that needed to be reformed. Unlike Taylor, Weber and Fayol, Follett's method required more from those who were in a position of power within a company. Just because one was good at organising people, materials, and products does not mean theywould suffice as a manager. One also has to have the social skills to communicate with their employees and humility to know when they are

wrong. This theory also emphasised that whoever possessed the knowledge necessary to complete a job should have the power to perform it, no matter their position in the company. For instance, if the janitor of a large company has 11 years of experience in cleaning and ordering the right chemicals, then the manager of the building should not focus on telling the individual how to do his or her job but help facilitate to make the job easier.

Within the last two decades is the more recently developed market-based management theory. In a short publication, Wayne Gable and Jerry Ellig describe this new form of supervising developed at Koch Industries, Inc. The rationalisation behind this particular theory was to "apply market process concepts to the development of management systems" (Ellig and Gable, 1993). Or in lay-man's terms, it is to take the lucrative aspects of the free market and applythem to running and managing the internal affairs of a business. Just as Follett advocated, in order to have a successful company, the employees working there must be respected,acknowledged, and given credit for the knowledge they possess in their respective positions. The core values that this method emphasises are creativity, innovation, opinions, and new ideas that are not only accepted but encouraged. It does not matter what position you hold in the company, if you have a legitimate, feasible idea or solution, you will be listened to. This also parallels the concept of their decentralised nature of businesses in not stressing the importance on hierarchies or titles.

The inspiration for this new method is explained within the article using real-world instances of the prosperity of open market economies, mirrored against the struggles of centrally planned economies. Ellig and Gable (1993) explain that open markets were able to thrive because they knew how to take advantage of their population's diversified knowledge base and vast array of judgments.Firms and organisations should mark that it was the centrally driven and conservative economies that did not value the expertise of their people. The communist Eastern European countries of the past kept all the power and authority at the very top,whichled to their immanent failure and inabilities to change. This phenomenon was later coined the "Fatal Conceit" by Nobel prizewinning economist Freidrich Hayek

(cited in Gable and Ellig, 1993, p. 5).

One of the most important concepts this style highlights is called "market process analysis," which is a method of understanding human interaction and actions (Elligand Gable, 1993, p. 7). This analysis aids governments and businesses alike in recognising how the people in markets organise themselves to live together harmoniously and work to benefit the entire community. With the teachings from Adam Smith's "invisible hand," it is the selfish needs and desires of the common people or employeesthat

motivate them to increase the wellbeing of their community, not what the government officials who can find themselves locked away in their ivory towers think or believe.

Disney's Management Style

A close analysis of the use of Walt Disney's top and middle management techniques will be highlighted throughout the remainder of the discussion. The method in which current CEO Robert Iger governs the Disney Company is a perfect example of how to use behavioural management in the 21st century. When the company was first looking for a replacement for former head Michael Eisner in 2005, the board of director's turned to Iger's work team for references about his managing style. Since he was able to create such a good relationship with them, they were more than willing to put in a good word. In an article excerpt from Chief Executivewritten by Holstein,Iger is quoted as saying'The support of the team that I helped build was essential to getting the top job' (2006, p. 24). He humbly gave credit to those he worked with instead of taking all the benefit upon himself. Follett, who was a strong advocate of the behavioural management style,would be proud since she was a firm believer of a horizontal view of power and authority. These cases where even the new head of the company could give thanks and credit to those who are now working below him that really sum up the most positive aspects of this new theory.

A radical stepIger took to confirm that corporate was going to be run very differently was to decentralise the chain of command within the company and make it more equalised. This tactical move was to reduce the power of the 15-year-old central strategic planning team. Consequently, this decision led to the head of the team leaving the company altogether. This would not have come as a great upset for Iger because sometimes one has to get rid of the old to bring in the new. His reasoning for this extreme measure was to move accountability of decision-making to the multitude of departments in the company, instead of just in the hands of corporate (Holstein, 2006, pg 24). In a more market-based management sense, Iger is also credited for getting rid of the barriers of creativity that former CEO Eisner was said to have put up. Stanley Gold, who used to be on the board of directors for the companyduring Eisner'sterm,firmly stated that "Bob pushed creative decisions to the people below him" (Anonymous, 2008, p. 6).

Michael Eisner found himself being replaced and driven from the company because his method of managing no longer stood by what the company was trying to achieve. Those within the corporate sector and among the board of directors wanted to head towards a different direction, and found that Eisner was taking them down the wrong path.Eisner was accused of mi-

cromanaging and running a "repressive regime" as Roy Disney would say (Downes, Russ and Ryan, 2007, p. 84).In a corporate culture that stresses creativity and free thought, along with their world-wide success of bringing imagination and fantastic stories, this is an ironic course of action. In a verycentralised manner, Eisner kept the decision making unilateral and up to the top executives. Morale was said to be declining since employees were being kept out of important decision making and were taking note of how much their board members, shareholders, and chief executive were fightingover power in decision making (Downes, Russ and Ryan, 2007, p. 84). In an article written for The Economist (2008), Tom Staggs who was the chief financial officer at the time, says Disney was managed under a "factory-like process" in regards to their movie making department. Ideas for movies would be created by the business development team, and then given to specific directors to handle. This is a prime example of the top-down allocation to tasks and responsibilities that Weber and Fayol would approve of as they aligned with their theories.

Do not be too quick to discount Eisner, however, there is a very specific reason as to why he was the head of the company for such a long time. After Walt Disney himself died, the company was left without a leader and a vision for the future. Basic employees and high ranking executives alike were used to Walt Disney's controlling, autocratic, and top-to-bottom methods. When Eisner stepped in his bold and decisive decision making helped redirect the company to increased revenue of about 25 percent annually and a tenfold stock increase (Hightower, 1993, p. 1).

May the Forces be with You!

Once the manager or owner of a company has decided which of the above-mentioned styles work best in running and controlling their internal operations, it is then time to focus on what is going on outside of the company. The forces in the external environment must be constantly monitored for opportunities and threats since it is continuously changing and redeveloping. The two forces in the global environment that every seasoned manager knows about are the direct forces of the task environment and the indirect forces of the general environment. For an easier way in which to picture the relationship of these forces and environments,it is referred to the illustration in Figure 1 from George andJones (2011) and others.

Figure 1 – Forces in the Task and General Environments

Direct Force at Disney

To be more precise, the task environment can be defined as all the components that comprise an organisation's ability to acquire inputs and discard its outputs on a daily basis. These components include suppliers, distributors, customers, and competitors. The major forces in this environment to be mentioned hereafterconcern their customers and competitors. Since Disney is such a massive and productive company, they can be considered as an organisation that creates both goods and services. The goods they produce being such commodities as toys, movies, and ice cream novelties, while services beingentertainment, hotels, theme parks, and charity events.

For this particular example, the attention will be held on the theme parks of their service sector.An expected aspect of any service industry is the fact that there will be a waiting period from ordering to receiving. While the typical American will agree with this statement, they will also agree that they still whole-heartedly do not like these waiting periods. Thus, decision makers at Disney were presented with a dilemma they needed to fix in order to differentiate themselves even more from their competition. Since there is no way to eliminate a waiting period whatsoever, they needed to find a way to improve the experiences their customers were having while remaining in the long lines at the parks. There has been a considerable amount of research conducted on managing the perceptions of waiting time. As mentioned in Cope, Cope, Bass, and Syrdal's (2011, p 15) study, a few common characteristics of unpleasant waiting experiences that gave the psychological perception of them being longer than they actually were

are unoccupied time, uncertain wait times, uncomfortable waits, and unexplained waits. If one was to ponder these aforementioned factors, it would then come as no surprise that these really do make waiting times all the more frustrating and somewhat unbearable.

With this insight into how people react to notably unpleasant waiting periods,Disney was able to conceive unique solutions to the problem. If they could install these new resolutions, this could put them far ahead of their chief competitors at Universal, Sea World and Six Flags. Accordingly, the quality of visitors'experiences relies heaviest on their interactions with the cast members,corresponding to what Walt Disney himself believed (Cope, Cope, Bass, and Syrdal, 2011, p 15).Disney's idea was instilled in employees long before the ideasof market-based management were written down. Itwas Disney's effective managing skills used this basic core principle which gives credit to the knowledge and worth of the employees who are at the bottom of the company pyramid. It is the constant care and attention of the cast members, not the corporate executives that truly create the characteristic "magical" experience of going to a Disney theme park.

Aside from making the visitors experience as pleasant and memorable as possible, executives take this problem so seriously because of the waiting time versus revenue challenge. This relationship addresses the problem that every minute visitors are waiting in line is another minute they do not have the opportunity to spend more money (Cope, Cope, Bass, and Syrdal, 2011, p 16). Customers not spending money is obviously a huge deal a company and manager need to work on since it is the goal of every organisation to maximise revenue and profits. This just so happens to be a huge challenge that every theme park in the industry also has to handle. As a result, to get one more step ahead of the competition, under the supervision of Michael Eisnerwas the creation of the FASTPASS. With this handy ticket, both party's satisfaction levels increased. With the development of the FASTPASS, visitors now had the option of getting a ticket to a ride and then coming back at a later time to a shorter line. The management team in charge of this new endeavourfound that not only did visitors spend less time in lines but they got to go on more rides, along with the park happily seeing an increase in money per capita beingspent (Cope, Cope, Bass and Syrdal, 2011, p 17).

in a culture of ethics and responsibility while still sticking to the theme of attraction parks, is what Sea World is dealing with in regards to what the motion picture Blackfish created. Released as of July of 2013, this documentary relays the story of Tilikum, a killer whale at Orlando, Florida's Sea World who killed several people, but remained in captivity at the park. Proper ethical managing for this extreme situation should have incited the executives in charge of the first murder to act with a hasty response, not sit around until the

third happened.

While the film was released in the summer, it was not until December of that same year that park executives finally began to defend themselves and speak outagainst the harsh realities of captivity that the documentary relayed. Their only strategy in cleaning up the mess they left for themselves was writing an open letter on their website and running large ads in the Orlando Sentinel, New York Times, and USA Today.So far the most pressing effects from the movie on the park are musicians taking a public stand against the company by cancelling their acts at the huge annual Bands, Brews and BBQ event. Strangely enough, the financial report documented inOrlando Business Journal actually showed a growth of revenue as compared to last year's report. However, reporter Bilbao (2014) states that the backlash from the film will probably be seen in next quarter's report.

A second force, much less positive than the one explained above, pertains to the political and legal environment revolving around Disney. In a journal article published for Foreign Policy, the author explains how Disney takes advantage of the U.S. copyright laws to not onlyextend the power over what they have created, but also to limit the capabilities of other companies to grow and prosper. It is noted that even though the company makes up only 16 percent of the Motion Picture Association of America, it still has considerable power and is able to lobby decisions into extending the protection of their intellectual property rights (Kenny, 2011). Kenny illustrates that in 1998 the U.S. Copyright Term Extension Act, which lengthened copyrights by 20 more years, is poignantly nicknamed the Mickey Mouse Protection Act (2011). In regards to these actions hampering the success of other organisations, the World Bank (2011) estimated that developing countries would be paying Disney over 20 billion dollars in royalties for the use of what they have created. According to the foundations of market-based management, this strategy would be considered perfectly reasonable. The management decisions in the case of limiting the capabilities of other companies to prosper have a direct reflection of increasing barriers to entry in the real market place. In order to maintain a competitive advantage,hardships for rival companies have to be present. Otherwise the market would be littered with competition and there would no longer be room enough to make as big a profit.Disney in a culture of ethics and responsibility while still sticking to the theme of attraction parks, is what Sea World is dealing with in regards to what the motion picture Blackfish created. Released as of July of 2013, this documentary relays the story of Tilikum, a killer whale at Orlando, Florida's Sea World who killed several people, but remained in captivity at the park. Proper ethical managing for this extreme situation should have incited the executives in charge of the first murder to act with a hasty response, not sit around until the

third happened. in a culture of ethics and responsibility while still sticking to the theme of attraction parks, is what Sea World is dealing with in regards to what the motion picture Blackfish created. Released as of July of 2013, this documentary relays the story of Tilikum, a killer whale at Orlando, Florida's Sea World who killed several people, but remained in captivity at the park. Proper ethical managing for this extreme situation should have incited the executives in charge of the first murder to act with a hasty response, not sit around until the third happened.

While the film was released in the summer, it was not until December of that same year that park executives finally began to defend themselves and speak outagainst the harsh realities of captivity that the documentary relayed. Their only strategy in cleaning up the mess they left for themselves was writing an open letter on their website and running large ads in the Orlando Sentinel, New York Times, and USA Today.So far the most pressing effects from the movie on the park are musicians taking a public stand against the company by cancelling their acts at the huge annual Bands, Brews and BBQ event. Strangely enough, the financial report documented inOrlando Business Journal actually showed a growth of revenue as compared to last year's report. However, reporter Bilbao (2014) states that the backlash from the film will probably be seen in next quarter's report.

A second force, much less positive than the one explained above, pertains to the political and legal environment revolving around Disney. In a journal article published for Foreign Policy, the author explains how Disney takes advantage of the U.S. copyright laws to not onlyextend the power over what they have created, but also to limit the capabilities of other companies to grow and prosper. It is noted that even though the company makes up only 16 percent of the Motion Picture Association of America, it still has considerable power and is able to lobby decisions into extending the protection of their intellectual property rights (Kenny, 2011). Kenny illustrates that in 1998 the U.S. Copyright Term Extension Act, which lengthened copyrights by 20 more years, is poignantly nicknamed the Mickey Mouse Protection Act (2011). In regards to these actions hampering the success of other organisations, the World Bank (2011) estimated that developing countries would be paying Disney over 20 billion dollars in royalties for the use of what they have created. According to the foundations of market-based management, this strategy would be considered perfectly reasonable. The management decisions in the case of limiting the capabilities of other companies to prosper have a direct reflection of increasing barriers to entry in the real market place. In order to maintain a competitive advantage,hardships for rival companies have to be present. Otherwise the market would be littered with competition and there would no longer be room enough to make as big

characteristics in their power over decision making about intellectual property rights.

Value Driven Management

Complementing the important supervising styles mentioned earlier that 21st century managers should weigh when considering which leadership style to use is the methodology of Value Driven Management. In short, the basic principles and mission of this theory created by Pohlman and Gardiner (2000) propose that every decision an employee makes should take into account the long term effects it will have on the value of the company. Individual employees and the organisation are joined together in a close bond to work towards the same goal, which is the long-term success of the organisation. This theory combines choice aspects from all the management styles created in the past few hundred years, therefore is meant to be holistic in nature. Now in order for the employees to determine what their decisions will create or destroy in terms of value, these particular aspects must be clarified by the company. It is up to the organisation to distinguish the value-driving facets in order for the employee to follow them. It must also be noted that when referencing the employee, one must refer to every employee regardless of his or her position or seniority in the company. There is no distinction between a leader, founder, intern or regular worker since all are focused on achieving the same goal.

According to Mujtaba and Pohlman (2010), value theory states that what a person truly values will drive his/her actions and behaviours in the workplace. As discussed in the Value Driven Management (VDM) book, Pohlman and Gardiner (2000) offer a comprehensive and a holistic approach to effective long-term decision-making. VDM provides a decision-making framework that can be used in a variety of situations with a homogenous or diverse workforce (Mujtaba, 2014). The VDM concept claims that what a person values has a great influence over his or her thinking, feelings and behaviours. The stronger the clarity of one's value is regarding a specific concept, such as freedom or family security, the greater its impact on the person's behaviour. Pohlman and Gardiner expand on the value theory to help managers and professionals cope with today's tumultuous and accelerating pace of change. Knowing what a person or group of people value, and what truly drives their decisions and actions, will help managers understand their decision-making processes and how and why people behave the way they do. We cannot really avoid dealing with value-laden issues and questions since today's decision-makers have to focus on creating value for owners and other constituent groups. In today's globalised world, it is a necessity for survival that decision-makers must create value over time (VOT) for their organi-

sations (Mujtaba, 2014; Cavico and Mujtaba, 2013; Mujtaba and Pohlman, 2010; Pohlman and Gardiner, 2000).

Value driven management is about leading, managing, and working in organisations that are creating value. VDM provides a fundamental intellectual and philosophical foundation of how to think about organisations, how to operate in an organiation, and how to see oneself as a leader, decision-maker, and value creator in an organisational environment (Pohlman and Gardiner, 2000). The goal of VDM is that in decision-making, one should consider the relevant values of many different stakeholders such as: (1) external cultural values, (2) organisational cultural values, (3) individual employee values, (4) customer values, (5) supplier values, (6) third-part values, (7) owner values, and (8) competitor values. As presented in Figure 2, there are many value drivers and professionals can select those that are relevant for their industry and assessment purposes (Mujtaba and Pohlman, 2010).

Figure 2 – Value Driven Management Value Drivers
(Mujtaba and Pohlman, 2010)

It is not prudent to employ a single-minded approach to management and leadership in the new world of organisation. One of the keys to satisfactorily and successfully working in this new environment is to first gain an understanding of two sides of the new value equation: being task-oriented and relationship oriented at the same time. While a national culture can socialise people to be more task-oriented or more relationship-oriented, it should be mentioned that a strong influence can also be the result of where the person works in the organisation.

Once the company determines what motivates the different groups surrounding their firm and employees are informed about where the company stands

in terms of goal for long-term success, value driven management facets can be studied. The authors created eight facets, or components to take into consideration when making decisions or decisive actions. These are not meant to be a strict model to follow, but more of an outline for assistance. He warns that at first implementing the facets may be awkward and slow, but nothing worth working towards is always easy. As presented here, the eight facets to keep in mind when focusing on value-over-time are cultures external to the environment, organisational culture, employee's values, supplier's values, customer's values, third party values, competitor values, and owner values. Organisations are made up of people—people who drive the organisation and its culture. The culture of the organisation is created by individuals who come together to form groups to produce goods and/or services. An organisation's culture, then, is the result of what its members choose to make it to be. The organisation itself does not initially have values; it is comprised of people who bring their values to their work. The VDM process provides a framework for thinking through and resolving such important problems, and deciding such things as whether an individual is in the right field, the right organisation, or in the part of the organisation that is a right fit for the person's skills and competencies. VDM looks at the bottom-line issue from a new and philosophical perspective: the organisation's bottom line is creating value (including profitability) from a complex blend and conscious integration of various value drivers, including external cultural values, organisational values, individual employee values, customer values, supplier values, third-party values, owner values, and competitor values. A vital component of this process is the new value equation, integrating organisations and individuals. When individuals work in organisations with which they are in synch—where they can use and develop their skills, grow and learn, make contributions, and look forward to going to work—they will not only create value for themselves as human beings, they will usually also create value for their organisations (Cavico and Mujtaba, 2013; Mujtaba and Pohlman, 2010; Pohlman and Gardiner, 2000).

Direct VDM Facets

There are three main facets that affect Disney's work environment, all of them being value adders. First is its organisational culture, which should come as no surprise that the culture and backboneof the company is founded on creativity. In an article by Hightower (1993, p.1), he describes that creativity is not just an art form practiced, but supported throughout the company. In orderto be a successful manager within Disney, one must be able to lead creatively and hone the creative skills of their vast amount of employees. Likewise, this lesson of adaptability can be applied to any organisation a manager finds themselves working in. Walt Disney's leadership specifically

within his company in its inaugural yearsembodied the management style that Follett emphasised. His signature style was to challenge, motivate, and inspire through his own passion.

In conjunction with organisational cultural values are the customer values imperative to the company. It was described earlier in the paper about how Disney set out to decrease waiting time frustrations. This was to illustrate the company's position of how their job of taking care of their customers and consumers is very serious. Being as they are both a goods and service industry, the worth they get from happy, satisfied customers are at the very pinnacle of their priorities.

Lastly are the competitor's values that are commonly overlooked even though they must always be carefully watched. Not taking into consideration what the others in your market are doing is in itself can be a value destroyer. Pohlmanand Gardiner illustrate that the values of other competitors are the same as the company in question. They are the reasons responsible for what drives performance, creates strategies and achieves goals. In order to remain competitive, managers must determine the direct and indirect value driven management facets and environments important to those companies. For instance, it is imperative that Walt Disney World in Orlando, Florida assess the values that Universal Studios theme park holds. Since they are in such a short distance from each other, less than 9 miles away, it is vital that Disney is aware of the standards set by their main competitor. If not, they could either find themselves worrying about problems that do not actually exist, or completely overlooking the ones that do. After careful consideration of the target audience, suppliers, owners, employees, etc., Disney would find that what is important to them is not entirely congruent with that of Universal. The main audience Disney goes for are wholesome, young families who want a pleasant experience with the cartoon rides of their childhood. Those who venture to Universal are a bit older, expecting an exciting and thrilling experience of movies, comics, and shows they enjoy.

Indirect VDM Facets

In the broader environment that Disney must keep an eye on begin with its third party values. In regards to a section of the company's third party, it is aunion organisation working with Walt Disney World that is the current focus. Service Trades Council is a group of integrated unions that represent more than 30,000 ofDisney's workers (Garcia, 2013). As of August of 2013, Disney has agreed to extend the contract they have with this organisation and all their workers. This early extension stems from the Obama administration's proposal that every organisation that employs over 50 workers must give them healthcare coverage or pay heavy fines. Having an amiable and

positive relationship with union organisationsis a good thing for all managers to create and can help addsignificant value to any company. If Disney executives were to consider challenging this Union, they would then have to shift their financial and time-oriented resources into searching for new employees. Along with the blatant fact that this would be a lot of workers to replace, the company has bigger things to focus on right now, such as a few major capital investments in technology and expansions of theme parks (Garcia, 2013). This is also another prime example of how managers today must learn to prioritise what battles to fight and how to humbly share the power over their employees.

 The second facet, that is not always a value destroyer but can easily turn into one, isthe cultures external to the organisation. While Norberg-Hodge (1996) quotes the president of Nabisco talking about how the world markets are becoming a monoculture even back in the 90's, there are still a lot of differences that have big effects on business. It is imperative that before dealing with another country and certainly an entirely novel culture, that there must be proper and extensive research completed so as not to offend anyone and to help business deals go through smoothly. As a manager who has the resources of both a portable cellular and computer device, along with the technology of virtual communication and the internet, the world is at their fingertips. Henceforth, there should be no reason as to why they cannot figure out how to communicate and sell to a foreign country. For example, if the values of the country are not recognised, either the consumers in that market will find themselves insulted, or will not understand the message and therefore not make any purchases. Clearly this would be considered a worst case scenario and would not create any positive outcomes for the company. To remedy this situation and bring back prosperity, the manager working this job will have to take a couple backwards steps in order to reassess the culture and environment in which the company is selling to. Then once the values of the foreign market have been met, changes to the company's success and all the hard work from its employees should be seen.

Recommendations

After careful consideration and insight from the many forms of management styles, a recommendation to future managers, current employer's, or even the basic rank-and-file employee can be made to never discount anyone's opinions or knowledge based on their role or status within a company. The less you listen, the less you have to learn, gain and grow. For long-term value creation within an organisation a manager must take advantage of all the resources, especially intellectual, that they have available. If not, what is the

point of even hiring all these workers if they are not going to be listened to and valued?

In today's 21st century workforce an increasing amount of employees are expecting completely different characteristics from their managers as compared to decades before. No longer are the days where rigidly set rules and regulations completely run the business or where authority is controlled and set at the very top of the organisation. Employees are asking to be respected, involved in decision making and able to have some empowerment over their jobs and positions even more than ever. In accordance with this argument is evidenceof the extent that a skilled manager has on the morale of their workers. Research conducted from Lee, Mitchell, Wise, and Fireman (as cited in Dike, 2012, p. 190) found that employees who work under managers whose behaviour and leadership properly mirror the culture of the organisation are less likely to be upset and aggravated by the menial upsets of their job. Such minor problems can include a dirty microwave, another paper jam at the copier or too many emails to check. When employees have supervisors that practice what they preach, while offering an amiable, supportive, and co-operative work environment, those trivial hassles are easy to get over says Chiu, Chien, Lin, and Hsiao; Lee et al. (as cited in Dike, 2012, p. 191).

A suggestion for a manager with no particular reference to their level of expertise would be to reflect on what type of supervision style they prefer or is contingent on the industry they are in. For the novel manager, it is important to develop a strategy to leading and motivating early on in their career. The establishment of a way of supervising will help not only oneself but also their subordinates and co-workers alike. All parties will understand what to expect so there are no resources wasted in guessing and more time can be committed to perfecting a style. Areas to research on methods of either honing or avoiding a particular management style can be gleaned from news articles, books, essays and mentors. Clearly illustrated in the Market-Based Managementpractices is evidence that proves a centrally commanded organisation, like an economy cannot survive for very long (Ellig and Gable, 1993).

 In regards to the more seasoned manager, it should be known that nothing is absolute, stable or forever. Times change, new ideas role in, and flexibility has to be met. Pertaining to the case of Disney's chief executive Michael Eisner, he was not wrong in running the company with a centralised and hierarchical authority. This type of management was necessary at the time period and contingent on the environment the organisation was in at the time. The company was in disarray as to what to do next with the passing of their incredibly controlling leader and founder Walt Disney himself. However,

as time passed by, Eisner's management style should have conformed to the changing internal and external market environment, instead of sticking to theold ways that worked in the past.

While a lothas been described thus far about how the administrative models of management that Weber and Fayol presented are slowly fading, it must be reinforced that these methodologies cannot be completely discounted. In a short persuasive article taken from the Journal of Management History, author Jeffery Houghton describes how Max Weber's ideas on management are still very relevant in today's corporate environment. Weber was the one who came up with three types of authority in the workplace: traditional, rational-legal and charismatic (Houghton, 2010). His idea of the charismatic leader is described as a person who gains power through inspiring people with their incredible personal characteristics. This form of authority is relevant in today's ever-changing business environment because "charismatic authority is inherently transitory and unstable, and is therefore most effective in times of crisis and change" (Houghton, 2010, p. 450). While we are not exactly in a time of crisis, we are most certainly in a time of change. A change where the more successful companies of this era are working with less defined corporate hierarchies, more intra-department communications, a surge of socially responsibility projects and strong efforts to empower their employees.

Summary

Thus far, this literary journey has travelled from the American Industrial Revolution with Frederick Taylor, hopped a ship over to Europe to visit Weber and Fayol, then came back to visit Follett,only to jump through time to reach the creators of market-based and value-driven management. What an adventure, similar to an interactive ride at a Disney theme park! The positive and negative of both differing viewpoints of management have been highlighted, analysed and picked apart. The first three men comparatively emphasiseda strict and top-down method to managing. Taylor assumed that it was the employee's way in which they performed their tasks that could be modified to produce better results. Weber believed it was the rational nature of the pre-industrial society motivated by money that could be used to organise them.Fayolcould compare hisadministrative principles to the Pirate's Code that Disney's Captain Hector Barbossa followed, "…the Code is more what you'd call guidelines than actual rules" (Verbinski, 2003). They concluded that the people at the top of the chain of command had all the insights and lower rank employees should be quiet and focus their work. With the entrance of Follett, she stated that employees should be valued members of the company, and the appreciation given to them will actually make them work

harder. This idea was later backed up in the writings of market-based and value-based management. The most successful managers today take into account what their employees think and have to say. It is the humble nature of listening and empowering the worker's below one's high position that will benefit them more in the long-run.

Walt Disney's corporate giant was the backdrop used to relate how all of these methodologies were used in real world modern situations. The companies most seasoned chief executive Michael Eisner was noted as having a more administrative approach to supervising that Taylor, Weber and Fayol would have admired. The current chief executive Robert Iger however adheres to a more open systems approach that Follett and those who created market-based and value-based management would have appreciated. Throughout the history of Disney, with the various challenges and opportunities coming its way, there have been examples of all these forms of management styles shown through the decisions of the company.

References

Bilbao, R. (2014, January 2). SeaWorld responds to repeated Blackfish poll votes. Orlando Business Journal.Retrievedhttp://www.bizjournals.com/orlando/blog/2014/01/seaworld-responds-to-blackfish-poll.html.

Bruckheimer, J., Deason, P., Hendricks, B., Oman, C., Sandston, P., Stenson, M. (Producers), &Verbinski, G. (Director). (2003). Pirates of the Caribbean: The Curse of the Black Pearl. [Motion picture]. United States: Walt Disney Pictures.

Business: Magic restored; Disney. (2008, Apr 19). The Economist, 387, 73-n/a. Retrievedhttp://search.proquest.com.ezproxylocal.library.nova.edu/docview/223985321?accountid=6579.

Cavico, F. J. &Mujtaba, B.G. (2013).Business Ethics: The Moral Foundation of Leadership, Management, and Entrepreneurship (3rd edition). Pearson: Boston.

Cope, R. F., Cope, Robert F., I., Bass, A. N., &Syrdal, H. A. (2011). Innovative knowledge management at Disney: Human capital and queuing solutions for services. Journal of Service Science, 4(1), 13-19.

Dike, D. W. (2012). Changes in the role of supervisors in managerial leadership theories: An historical perspective. International Journal of Management, 29(3), 189-194.

Downes, M., Russ, G. S., & Ryan, P. A. (2007). MICHAEL EISNER AND HIS REIGN AT DISNEY. Arden: Jordan Whitney Enterprises, Inc.

Ellig, J. and Gable, W. (1993).Introduction to Market-Based Management.

Fairfax, VA: Center for Market Processes.

Elwell, F. (1996).Verstehen: The Sociology of Max Weber. Retrieved http://
www.faculty.rsu.edu/users/f/felwell/www/Theorists/Weber/So-
cOfWeber.htm

Garcia, J. (2013, Aug 23). Disney world offers unions an early contract ex-
tension. McClatchy - Tribune Business News.Retrieved http://search.
proquest.com.ezproxylocal.library.nova.edu/docview/1426886046?a
ccountid=6579.

George, J.M., Jones, G.R. (2011). Contemporary Management (7thed.). New
York: McGraw-Hill

Hightower, D. F. (1993). Creativity is your business tool Planning Review,
21(5), 54.

Holstein, W. J. (2006). For Iger, the team is key. Chief Executive, (216), 24-
25.

Houghton, J. D. (2010). Does max weber's notion of authority still hold in
the twenty-first century? Journal of Management History, 16(4), 449-
453.

Kenny, C. (2011). MICKEY MOUSE, VILLAIN. Foreign Policy, (185), 29.
Retrieved from http://search.proquest.com.ezproxylocal.library.nova.
edu/docview/856991540?accountid=6579

Mujtaba, B. G. (2014). Managerial Skills and Practices for Global Leader-
ship.ILEAD Academy: Davie, Florida. ISBN-13: 978-1-936237-06-
7.

Mujtaba, B. G. and Pohlman, R. (2010). Value Orientation of Indian and
U.S. Respondents: A Study of Gender, Education, and National Cul-
ture. SAM AdvancedManagement Journal, 75(4), 40-49.

National Disaster Risk Reduction and Management Council.(2014). NDR-
RMC UPDATE. Retrieved http://www.ndrrmc.gov.ph/attachments/
article/1125/Update%20re%20Sitrep%2087%20Effects%20of%20
TY%20Yolanda%2009012014.pdf

Noberg-Hodge, Helena.(1996). The Pressure to Modernize and Globalize.
The Case Against the Global Economy and for a Turn toward the Lo-
cal, 45.

Petersen, P. B. (2002). The misplaced origin of just-in-time production meth-
ods. Management Decision, 40(1), 82-88.

Pohlman, Randolph A. & Gardiner, Gareth S., 2000.Value-Driven Manage-
ment: How to Create and Maximize Value over Time for Organiza-
tional Success. AMACOM. United States.

Rodgers, W., Choy, H. L., &Guiral, A. (2013). Do investors value a firm's
commitment to social activities? Journal of Business Ethics, 114(4),

607-623.

Rojek, Chris. (1993). Ways of Escape: Modern Transformations in Leisure and Travel: Macmillan Press Ltd.

Schimmoeller, L. (2012). Henri Fayol and zero tolerance policies. Revista De Management Comparat International, 13(1), 30-36.

The Walt Disney Company gives $500K to the victims of the typhoon in the Philippines. (2013). Travel & Leisure Close – Up. Retrievedhttp:// search.proquest.com.ezproxylocal.library.nova.edu/docview/1459081 142?accountid=6579