

**BUS 499 Strategic Management**

Your Name

Course Name and Number

Professor's Name

Paper Due Date

**BUS 499 Strategic Management**

Memo

To: CEO Bob Chapek

From:

**Subject: Strategic Management at Disney (Case Study: Disney and “Don’t Say Gay”)**

In line with the recent issue regarding the House Bill 1557 that prohibits school instructions given to K-3 grades on gender identity and sexual orientation—a criteria that has put your company in a public spotlight, this memo aims at addressing the main strategic measures at stake within the organization and recommends possible strategies that your company can take to get back on track and continue operating as before. Before indulging in the strategic management issues that the issue at hand causes, it is essential to mention that Disney is a global organization and deals with people of various calibres in terms of political views, economic issues, gender identity, and sexual orientation (Ashmawy, 2019). Therefore, the failure to address in condemnation the House Bill 1557 publicly and take a stand against its provision was bound to spur various reactions from the company stakeholders. Disney has internal stakeholders like employees, managers, suppliers, and executive leadership. Also, external stakeholders like consumers, investors, associates, and brand ambassadors (Basics, 2022). Many factors bind all these stakeholders to react to the company issues affecting them or their loved one's personal spaces, especially regarding gender orientation and sexual identity.

One of the major strategies that Disney has used over the years in managing its public image and maintaining its relevance to stakeholders is a "both- and" approach. This strategy has enabled Disney to accept everybody on board in achieving its objectives. In this case, the

company has associated with all relevant stakeholders, regardless of their physical, racial, religious, gender, sexual, and ethnic backgrounds. Through this strategy, Disney has attracted a massive following and consumer base worldwide. Specifically, the company has enjoyed enormous market space in most states in the United States (Ashmawy, 2019). It is important to note that the United States is a free space where everyone is accepted regardless of gender and sexual orientation (Basics 2022). Therefore, when stakeholders realized that your company failed to condemn and deny the House Bill 1557, their attention was drawn to the company's stand on its acceptance of the LGBTQ community, some of whom are its associates, and the American freedom space at large. In this regard, the crisis has spurred two major strategic issues, public image maintenance and work environment scanning. Your company must address these issues as quickly to convince the stakeholders and the general public that the company does not in any way share the views or the stand of House Bill 1557 and that of the company.

Disney's strong public image of its brand has helped it develop credibility and enhanced customer loyalty over the years. Its "both- and" approach and strategy won the company stakeholders both internally and externally. Most importantly, it exposed the company to dealing with people of various sexual and gender orientations as stakeholders (Basics 2022). In failing to condemn House Bill 1557 publicly and taking a firm stand on the issue, the stakeholders and general public questioned your company's credibility regarding inclusivity and protection of employees and other stakeholders. In this case, the company fell into trouble both internally and externally since its employees and associates from the LGBTQ community questioned the protection and acknowledgment they get from the company in return for their loyalty and association (Basics 2022).

Consequently, the company's public image comes into the spotlight, with many condemning it for such failure and others threatening to end its association with the company. Secondly, the scandal affected the work environment scanning strategy, which allowed Disney to compare the opportunities and threats externally by analysing factors like regulations, government policies, social changes, and consumer satisfaction aspects (Ashmawy, 2019). In that regard, the company's failure to condemn House Bill 1557 publicly exposed it to a poor external business environment that started to eat it from within. Disney failed to consider a specific stand on government regulations and how that failure would affect its internal and external business environment.

### **Recommendations**

While your company has publicly disowned House Bill 1557 and disassociated itself with any of its tenets, the damage to its image and business environment requires a quick reaction and strategic measures that would take it back on track (Griffin, 2022). First, Disney should suspend all its operations in Florida until House Bill 1557 is repealed. While halting the entire business in the state may not be sustainable, the company can suspend further investments, developments, and constructions. This move would protect its associates and stakeholders from the LGBTQ community as a show of solidarity as they condemn the Bill. Also, it can allow all its associates from the LGBTQ community to relocate to other outlets outside Florida, show them how much care your company has for them, and show the moves the company is willing to take to encourage change in society (Griffin, 2022).

Another strategic move that could help the company regain its public brand image is recognizing official gay days. The company can facilitate gay day events that have been unsanctioned and unofficial over the years. The company has previously accepted businesses that

involve members of the LGBTQ community but has been distancing itself from being explicitly involved in such businesses. Therefore, to show its stand, protect its public image, and regain a conducive external business environment, the company can hold events in some of its outlets within the United States that explicitly involve the LGBTQ community (Griffin, 2022). This way, the company will show solidarity with the community as they fight for the repeal of House Bill 1557. Also, such events will attract huge attendance, creating a profit platform for the company to bridge the financial gap that it could be facing as a result of the scandal (Griffin, 2022).

## References

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