

LEADERSHIP 2000

LEADERSHIP: Lessons From the Magic Kingdom

By Craig R. Taylor and Cindy Wheatley-Lovoy

Everyone knows that Disney is famous for its customer service. So, what's the secret behind the magic? It has to do with leaders "walking the front," creativity, and perhaps a little pixie dust.

A manager at one of Walt Disney World's premium restaurants has a unique training approach for new dishwashers. When a new Cast Member (all Disney employees are called Cast Members; see the glossary on page 24 for some other Disney terms) reports to work on the first day, the manager escorts him or her into the restaurant. There, a table has been set with fine linen and china just as it would be set for Disney Guests. In a recent situation, the manager and a new Cast Member were discussing the restaurant's operation, when the new dishwasher noticed that a glass had lipstick stains, the dishes had crusts of food on the rims, and the silverware was spotted. When the manager asked why she seemed distracted, she pointed out that the dishes hadn't been cleaned thoroughly. "Imagine," said the manager, "that you are a Guest who will spend \$100 for that meal."

The story demonstrates not only out-

of-the-box training, but also several signature features of leadership at Walt Disney World. One is that leaders must encourage their Cast (read: staff) to connect emotionally with the Guests—whether the Cast Members will be on stage or backstage. Disney CEO Michael Eisner says that WDW is driven by an "emotional engine" rather than an "economic engine." Understanding that, the restaurant manager immerses his Cast Members in the "Guest experience" before they're trained on the specific tasks they were hired to perform. Within that Guest experience, Cast Members see the big picture and their role in it.

In the example of the restaurant training, the manager encouraged the new Cast Member to "own" the Guest experience, by soliciting her feedback. In a top-down culture, he might have lectured about proper cleaning procedures. But by trusting the Cast Mem-

ber's instincts and judgment to recognize—and point out—the elements of what Disney calls “bad Show,” the manager models a leadership style that encourages and rewards employee involvement.

That leadership approach is the result of a shift in philosophy that occurred within Walt Disney Attractions more than five years ago, when Judson Green took the helm and recharted the entire organization on a course of what he called, Performance Excellence. Recognizing new competitive forces in the early 1990s, Judson knew that to secure Disney's future and to remain a benchmark in creativity, customer service, and entertainment, every Cast Member had to become an active partner in the company's success.

That initiative now connects leadership behaviors to the fundamental and quantifiable measures of Disney's business: the Cast experience, Guest satisfaction, and customer loyalty. At the outset, Judson realized that in a company the size of Disney, his concept of Performance Excellence hinged on two key factors: involvement and passion.

Cultivating leaders

The secret to sustaining involvement and passion in an organization is the commitment and enthusiasm of its leaders. At the heart of Judson's idea of Performance Excellence is the cultivation of great leaders. Such leaders view their employees as centers of creative solutions, not just as members of a team who execute management's dictates. Leaders motivate people, develop their talents, and provide proper resources and rewards to them to succeed. Most importantly, leaders view all levels of employees as capable of taking a leadership role in coming up with and implementing creative ideas and solutions. Such inclusive leadership generates a vital, creative culture.

What does inclusive leadership look like at Walt Disney World? It is an inverted work environment, in which many leaders opt to hold weekly, open-door board meetings rather than executive committee meetings. In which management spends 70 to 80 percent of its time in

The Disney Approach to Managing for

By Haidee E. Allerton, managing editor, *Training & Development*

Disney Institute's latest business-development program, offered to individuals and organizations, is the Disney Approach to Managing for Creativity & Innovation. The main premises:

- Everyone is creative.
- Creativity has usefulness (you have to *do* something with your creative ideas).
- Creativity applies to business issues.
- Crucial to creativity and innovation is a set of critical beliefs and behaviors, especially leadership behaviors.

Says Craig Taylor, director, sales & group marketing, “Having creative people isn't enough. You need a structure and processes.” Disney believes that companies can foster creative energy by stimulating idea generation, managing the dynamic tension necessary to innovation, and establishing a “predictable flow” of ideas. Says Taylor, “It's our belief that it's never completed. We measure and measure and measure.”

The program—held at Disney Institute's picturesque, state-of-the-art setting in Lake Buena Vista, Florida—isn't going to sit participants down to a bunch of lectures. Says program designer Steve Schlow, “We want to extract information from participants, not just give it.” Activities involve firsthand experiences throughout Walt Disney World, including the Theme

Parks and a visit to a shipping warehouse that uses some unique ways to distribute and move materials across the Property.

A former TV producer once nominated for an Emmy, Schlow comes from what he calls “the personal enrichment side,” which refers to Disney Institute's wide variety of nonbusiness programs, such as culinary and broadcast. Working with a team of instructional designers, Schlow helped bring the additional element of personal enrichment to the program activities “as well as showing how Disney taps into creativity at all levels.” One activity is making a radio commercial with sound effects, using such props as spoons, marbles, and maracas. I took part and had fun doing it. And, yes, it did make me have to think creatively: Try to imagine the rustling of plastic wrap to simulate mashed potatoes.

In structuring the content, Schlow says that the project team looked at such organizations as PepsiCo, 3M, and Harvard Business School to learn from their approaches to creativity but that the program “tries to stay true to what Disney does.”

Disney's Approach to Managing for Creativity & Innovation focuses on how to refine the processes that make creativity happen. “Organize for creativity, and tie it to passion,” says Schlow.

For more information on Disney Institute business programs, go to

the operating areas with frontline Cast. In which leaders themselves work frontline shifts during peak periods. In which the wait staff of many of WDW's premium restaurants have the authority to refund Guest checks, without management approval, in service-recovery situations. And it's an environment in which Cast Members can recognize each other for exemplary behaviors on-the-spot, by handing out special cards that say “Guest

Service Fanatic.”

In assessing the benefits of such an inclusive work environment, we have long known that a direct, measurable relationship exists between how Cast Members feel about their jobs and how that gets translated into the level of service they provide. Creative, high-quality service for Guests links directly to their intent to visit us again—a key part of Disney's success. Since implementing our Performance Ex-

cellence initiatives in 1993, the guest return rate at Walt Disney World has risen by more than 10 percent, and Cast turnover rates have dropped. We can now verify statistically what we believed intuitively five years ago: There is a direct link between leadership behaviors and a quality Cast experience, a quality Guest experience, and our business success. The correlation is strong and specific.

For example, in the business units in which Cast Members rate their leaders as outstanding in such behaviors as listening, coaching, recognition, and empowerment, the Guest satisfaction ratings are the highest. As Judson said, “The linkage between our objectives and the process of measurement has been the vehicle for moving our Cast from isolation to involvement to ownership, and finally to excellence.”

The successful implementation of Disney’s brand of Performance Excellence begins and ends with our Guests (read: customers). In fact, Disney projects widespread brand recognition beyond the ubiquitous image of Mickey Mouse. This brand recognition is evident in the Theme Parks, resorts, and stores—and it is manufactured with the same precision as our products, except that it is re-created with each and every interaction a Cast Member has with a Guest.

That process begins when a Cast Member—no matter what job type or level—joins the company and attends the orientation program, Disney Traditions. There, new Cast Members learn the company’s history and quality standards. Most importantly, they learn that their job is to “create happiness.” That begins building pride and an emotional connection to the company, and it involves them in shaping their own roles in what we call, the Show. What a difference it makes to tell someone that his or her job is to create happiness rather than just sweep the streets in the Magic Kingdom or push the buttons at the Tower of Terror. The connection to a larger purpose is central to our ability to motivate Cast Members across the Property to maximize their performances and create what we call “magical moments” for our Guests and for fellow Cast Members.

One such magical moment occurred recently on Main Street, USA. Just after one of the Magic Kingdom parades, a custodial host was vacuuming the litter left behind when he was asked by a Guest where he could get a cup of ice.

Some Distinctly Disney Definitions

- ❑ *Attractions.* Theme Park rides and shows.
- ❑ *Backstage.* Areas behind the scenes not seen by Guests.
- ❑ *Cast Members.* All employees of Walt Disney World Co.
- ❑ *Guests.* Visitors to any part of the Walt Disney World Resort.
- ❑ *Host or Hostess.* A frontline Cast Member who supports Guests’ experiences through contact in the Show.
- ❑ *On Stage.* All areas visited by Guests.
- ❑ *The Property.* The entire Walt Disney World Resort.
- ❑ *The Show.* Everything and everyone that interfaces with Guests, including entertainment, the Property, and Cast Members.

The host, who couldn’t leave the large vacuum cleaner unattended, directed the Guest to a drink cart across the street. The host noticed that the Cast Member at the drink cart was also wearing a radio, so he called ahead with the Guest’s request. The Cast Member at the cart filled a cup with ice and had it waiting. He said to the Guest, “I believe you’re looking for a cup of ice.” The Guest could hardly believe it. That extra three seconds of the custodial host’s time created a magical service snapshot that the Guest can share with family and friends many times.

Walking the front

The role of great leaders in the Guest experience is to encourage its ownership by everyone within their individual spheres of influence. An approach used by leaders across the Property is to “walk the front” to experience it as a Guest. Walt Disney started this practice when he opened Disneyland in 1955. He was a fanatic about providing a consistent, quality Show and would visit the park every weekend and ride every ride. At Walt Disney World, leaders are encouraged to take that a step further and spend much of their time in the operating areas interacting with Guests and Cast—as partners, not as police.

Walking the front involves observing, gathering firsthand information, gauging

guest reactions, and evaluating operational efficiencies. The leader’s role is to relay that information back to the frontline Cast Members, who can make on-the-spot adjustments and thus contribute to the continuous improvement of both product and service. Instead of hoarding valuable Guest information, leaders share it freely with the people who can apply it immediately to benefit the end users, the Guests.

Disney’s internal research reinforces the significance of a relationship between a high level of leadership involvement and a high level of pride among frontline Cast. In a recent internal survey, most WDW Cast Members said that they have pride in the organization and their roles in it. They know that their ideas are valued and acted on. In the past few years, processes have been put in place for tapping into the rich resource of frontline Cast Members by encouraging them to participate in problem solving and improvement.

Our process for measuring Guest satisfaction involves the frontline Cast from the planning through implementation phases. Each Cast Member is trained on the measurement processes so that, as problems arise, they know the procedure for identifying crucial Guest issues, they know how to measure the problem, and they know how to arrive at effective solutions. The outstanding feature of this process is its flexibility so that it can be spontaneous.

For example, Housekeeping at the Wilderness Lodge found, through measurement, that its runners were spending several hours a day delivering extra pillows to the Guest rooms. The Cast Members brainstormed ideas to solve the situation and recommended putting two extra pillows in the closet of each room—simple yet effective. The next time Housekeeping measured, it found that the extra delivery time had been reduced from hours per day to minutes per month. Within seven days, the Wilderness Lodge recovered the cost of purchasing an additional 1,500 pillows.

Cast Members having pride in their work is important at Disney. We have a saying: “The front line is the bottom line.” The friendliness and responsiveness of Cast Members are a big reason Guests return. Do we make Cast Members smile all of the time? Of course not. Our training does focus on behaviors, but facilitating a

sense of ownership also breeds motivation and excellent performance. One method of doing that is through advisory councils that meet regularly to address current or potential service challenges and come up with creative solutions. These councils, called Circles of Excellence, are made up of management and frontline Cast from the various operating areas. They collectively identify, assess, and resolve operational issues as they arise.

Example: Recently, custodial hosts and hostesses in Tomorrowland were having trouble getting to the trash cans to empty them fast enough, so they documented the seriousness of the problem and came up with a creative solution: wearing in-line skates. Now, they're not only doing their jobs more efficiently, but also have become a unique part of the Show in the Magic Kingdom.

Success stories like that are played out all across the Property and shared with all 45,000+ Cast Members via such communication channels as the company newsletter, *Eyes & Ears*, and through electronic mail bulletin boards. Everyone has an opportunity to see what creative solutions their co-workers have come up with, which inspires others to also contribute. From our perspective, leadership excellence is really about unleashing the creativity of frontline people and having the proper systems in place to capture and implement the ideas whenever and wherever they occur. To keep the ideas flowing, all Cast Members must feel valued and motivated. Leaders must foster a creative culture by aligning performance with what they value in their organizations.

In Judson's words: "The actions of one leader, multiplied by thousands of leaders, can reshape a culture. True leaders create an environment that inspires and motivates everyone with whom they come in contact...whether they be employees, peers, or even their own bosses." □

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