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SaveDisney.com and Activist Challenges: A Habermasian Perspective on Corporate Legitimacy

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Abstract:

This study develops a Habermasian framework for evaluating and generating challenges to organizational legitimacy. The launch of the SaveDisney.com web site represents an innovative example of an Internet-based activist public successfully challenging a corporation's legitimacy and advocating for changes in corporate governance. Legitimacy research has focused on strategies used by organizations to build legitimacy (e.g., Dowling & Pfeffer, 1975; Metzler, 2001), but scholars rarely address how publics challenge legitimacy claims. Using Habermas' conceptualization of communicative action and legitimacy to explore the SaveDisney.com case offers insight into ways that activist publics successfully challenge and reject the legitimacy claims of powerful corporations.

In today's ever-changing global landscape, organizations must constantly monitor their perceived legitimacy in relation to increasingly

widespread audiences. However, legitimation research has tapered off in recent years and has not fully considered public challenges to legitimacy. Legitimacy is understood as the congruence between public expectations and organizational actions and values (Dowling & Pfeffer, 1975; Suchman, 1995), and legitimation is an essential process for all organizations, even being articulated as the core of all strategic communication practice (Metzler, 2001). The recent Internet-based SaveDisney campaign is a multifaceted case of an organizational public challenging an organization's legitimacy, offering an opportunity to explore challenges to corporate legitimacy.

The Walt Disney Company once again found itself in the media spotlight in late 2003, this time due to the split between the Walt Disney Company and former board members, Roy Disney and Stanley Gold. These resignations also signaled the beginning of an activist campaign that both called the Disney Company's management practices into question and sought a change in leadership for the company.

The campaign centerpiece was the web site SaveDisney.com, which chronicled the pairs' efforts and serves as a striking example of changes in the landscape of activist publics and their interactions with organizations. The campaign was hailed as a historic shareholder revolt and represents a less researched form of activism, in which publics organize around issues of corporate governance rather than environmental or political issues.

The use of the web site as a primary communication vehicle also highlights the increased use of technology in strategic communication practice. This use of technology provides greater access to more shareholders, thus generating greater participation. As such, the case of SaveDisney is also unique because it challenges conventional approaches to viewing publics as passive recipients of organizational attempts to build legitimacy¹, since various publics including employees, shareholders, and fans were actively engaged in challenging the legitimacy of Disney Company practices. A trend of shareholders voicing concerns and questioning corporate practices with increasing frequency warrants a renewed focus on organizational legitimacy that examines the role of publics and their ability to actively engage with organizational discourses. This study seeks to answer

these calls within communication research by showing how a return to and incorporation of Jürgen Habermas's legitimacy (1984, 1987) enhances the explanatory power of legitimacy theory in terms of the role for publics in the legitimation process. Specifically, a Habermasian framework for legitimacy offers explanations of how and why legitimacy claims made by organizations around the world succeed, fail, and are challenged by activist publics such as SaveDisney.

In order to understand the implications of the SaveDisney campaign for research and practice in organizational legitimacy, we first address existing research on activist publics and organizational legitimacy. We then explicate a theoretical framework for understanding and assessing challenges to legitimacy based on Habermas's theory of communicative action. This framework is then applied to the SaveDisney case. We conclude by offering suggestions for future research in the area of organizational legitimacy and dialogic public relations.

Literature Review

Renewed Focus on Publics and Activist Publics

Public relations scholars increasingly cite a need to re-conceptualize publics. As Leitch and Neilson (2001) argued, researchers often do not afford publics any real agency, yet this stance does not accurately reflect the current organizational environment. Botan and Taylor (2004) argued for the ways in which publics are integral to relationship building in public relations research. Publics in this sense can be viewed as active. Rather than seeing a public as an amorphous group of passive receivers of information, publics are "engaged critically as producers and reproducers of the community of discourse" (Chay-Nemeth, 2001, p. 2).

To date, the area of scholarship answering this call most directly is research on activist publics. Grunig, Grunig, and Dozier (2002) defined an activist public as "a group of two or more individuals who organize in order to influence another public or publics through actions that may include education, compromise, persuasion, pressure tactics or force" (p. 446). Activist publics both initiate and are the target of public relations efforts (Kovacs, 2001), and Smith and Ferguson (2001) suggested that an activist public's organization allows it to

"influence public policy, organizational action or social norms and values" (p. 292).

Most activist studies either focus on the types of strategic communication used by activist groups to publicize their issues, legitimize their own efforts, and influence organizational practices (e.g., Bullert, 2000; Kovacs, 2001; Patterson & Allen, 1997; Smith & Ferguson, 2001) or address the ways in which organizational public relations practitioners can effectively respond to activist campaigns (e.g., Guiniven, 2002; Hearit, 1999; Taylor, Vasquez, & Doorley, 2003).

Regardless of the focal point (i.e., type of activist group strategy or organizational response), these studies do not focus on the actual content of the message strategies employed. Thus, little to no research exists that addresses issues of *how* and *why* activist publics challenge corporate legitimacy.

Organizational Legitimacy

Most organizational legitimacy reviews begin with Dowling and Pfeffer's (1975) conceptualization of legitimacy as a relative fit between the social values of an organization's publics and the organization's actions. A number of scholars have taken up the task of defining the concept and understanding legitimization practices (e.g., Boulding, 1978; Boyd, 2000; Deephouse, 1996; Epstein & Votaw, 1978; Hearit, 1995; Metzler, 2001; Suchman, 1995). In her review of organizational legitimacy research, Metzler (2001) noted, "simply stated, organizational legitimacy is an organization's right to exist and conduct operations" (p. 321).

This existing research reveals several things. First, while several scholars (e.g., Allen & Caillouet, 1994; Coombs, 1992; Francesconi, 1982; Goldzwig & Sullivan, 1995; Meyer & Scott, 1983) focused on organizational legitimacy efforts over a decade ago, legitimacy studies seem to have stagnated. This lack of use may be because the research has not moved beyond describing the legitimacy building strategies that a particular organization uses.

Dowling and Pfeffer (1975) offered three strategies (change company policy to match society expectations, change society expectations to match company policy, and associate company with

other already legitimated symbols, values, and organizations). Coombs (1992) provided a more detailed categorization for organizational legitimacy that described 10 bases or sources for legitimacy-building strategies. His proposal did suggest that the effectiveness of these strategies could be evaluated by assessing public response. But scholars have noted that legitimacy literature does not offer a formal method for assessing why and how these various strategies might be effective (Meisenbach & McMillan, 2006). Such an assessment requires a renewed focus on publics in legitimacy research and a means of examining the content of claims. In seeking such a framework, we look to Habermas's theory of communicative action as a useful perspective for providing a more nuanced and complex means of examining organizational legitimacy efforts.

Theoretical Framework: Habermasian Legitimacy

Habermas's work has been used to analyze public relations efforts (see, Leeper, 1996) and has been mentioned briefly in analyses of organizational legitimacy efforts (Boyd, 2000; Leichty & Warner, 2001; Metzler, 2001). In this regard then, there is precedent for using Habermas's theory to explicate legitimation. However, current uses of Habermas have not yet incorporated the full robustness that the theory offers. We argue that Habermas's theory of communicative action provides a more dialogic and content-based means by which legitimacy claims are assessed. This framework provides a means of articulating why some claims are more successful than others and situates legitimacy in the interactive space between organizations and publics rather than being viewed solely from an organizational perspective.

Communicative Action

Habermas (1984, 1987) was concerned with systemic barriers to communicative action in the lifeworld, such as financial and bureaucratic forces. He advocated balance between system and lifeworld, but contended that this ideal balance does not currently exist in society. Instead, the nondiscursive steering media of power and money have overtaken the public sphere.

Habermas (1984) laid out his remedy in the form of a proposal for the ideal speech situation. The ideal speech situation is one in

which all parties are able to engage in open exchange to come to mutual understanding. This preferred form of interaction is his communicative action, explained as “the type of interaction in which all participants harmonize their individual plans of action with one another and thus pursue their illocutionary aims without reservation” (p. 294).

Validity Claims and Legitimacy

The basis of this harmonizing is the use of criticizable validity claims. Every utterance must be debatable in that the receivers can judge whether they see the speaker's utterance as true, right, and sincere. Truth of an utterance refers to the veracity of the information presented in the utterance; rightness incorporates a sense of the normative understanding of a particular way of acting (i.e., consensus on underlying values); and the sincerity entails the appropriateness and sincerity of the utterance being made (Habermas, 1984). Thus, each utterance contains three types of validity claims (truth, rightness, and sincerity) that are judged by participants through the process of communicative action². Organizations and publics are active participants in the legitimation of validity claims.

Beyond the criteria outlined for legitimacy claims, Habermas's communicative action calls for interaction in which all parties have equal access to participate in communication exchanges. Distorted communication represents those instances in which access for participation is blocked and all voices are not heard in a discussion. Habermas argued that all speakers in the public sphere have a responsibility to remove these barriers to communication.

Like many theories, Habermas's communicative action is not without its critics. Specifically, Mumby (1988) argued that the reliance on validity claims does not allow for a consideration of power relations that are embedded within practice. It is true that Habermas aimed for a discursive space in which power relations were equal, but he did recognize that that equality did not typically exist in society. His ideal speech situation is just that, an ideal toward which individuals and organizations may strive. Notably, however, Habermas's ideal is very similar to Grunig and Hunt's (1984) ideal of two-way symmetrical public relations practice (Leitch & Neilson, 2001). We argue that despite challenges of idealism, the provision of validity claims addressing truth, right, and sincerity provides a useful and dialogic

avenue for considering how and why publics respond as they do to legitimacy claims.

Research Statement

Activist efforts provide a ripe ground for considering the ways in which legitimacy theorizing can be improved. We have shown how existing legitimacy research lacks analysis of the content and success of strategies designed to challenge corporate legitimacy. This study seeks to fill this void by employing a Habermasian framework that illuminates and helps assess the ways in which legitimacy challenges are articulated and received. We use this framework to analyze the ways in which the SaveDisney campaign as activist public generated ultimately successful challenges to the legitimacy of the Walt Disney Company.

Analyzing the Case of Disney

The SaveDisney case is unique in that it allows for a thorough analysis of communication from publics that are challenging the legitimacy of the company's practice. Most analyses of legitimacy begin with an organization's claim to legitimacy, move on to public responses, and company rebuttals (Coombs, 1992; Meisenbach, 2006b). In the SaveDisney case, there is no formal and publicly available claim to legitimacy with which to begin the analysis.

Founded in 1923, The Walt Disney Company is the world's second-largest media and entertainment conglomerate, consisting of five primary business divisions: Media Networks, Studio Entertainment, Theme Parks and Resorts, and Consumer Products (Hoovers, 2006; Walt Disney Company, 2006a). At the end of the 2006 fiscal year, the company had 133,000 employees (Hoovers, 2006), and according to Walt Disney Company's 2006 financial documents, there were approximately 991,771 common shareholders (Walt Disney Company, 2006b). While the Walt Disney Company has enjoyed a great deal of financial success over the years, in the years leading up to the SaveDisney Campaign, revenue gains had slowed and income had fallen. In 2000, the company's net income fell \$380 million from the previous year. Then in 2001, two years prior to the campaign, revenues fell \$149 million from the previous year, and the company recorded a net loss of \$158 million (Walt Disney Company,

2001). The company did rebound in 2002 with total net income of over \$1.2 billion; however, this income still was below the levels of 1999 (Walt Disney Company, 2006). In 2006, after Eisner's departure, company revenues were over \$34.2 billion with net income of over \$3.3 billion (Walt Disney Company, 2006a).

The issue developed when two individuals issued formal challenges to the legitimacy of policies in place at the Walt Disney Company. R. Disney and Gold argued that they had attempted to raise these challenges within the boardroom at Disney to no avail. Thus, this legitimacy analysis highlights ways in which and reasons why publics challenge the legitimacy of an organization's actions, enhancing the focus on publics in the legitimation process. The very public and established challenge mounted by SaveDisney provides the opportunity for exploring the nuances of the hows and whys involved in a rejection of a corporation's claims to legitimacy.

Taking the basic principles of rhetorical analysis outlined by Hart (1997) and the methods offered by Cheney and McMillan (1990), we examined the content of the SaveDisney.com web site³, the Walt Disney Company annual reports, press releases from the Walt Disney Company and SaveDisney, and media accounts of the events that unfolded between November, 2003, and February, 2005. We included all texts that were publicly accessible and restricted media accounts to major media outlets (New York Times, Wall Street Journal, Time, and Newsweek). The primary source for this analysis is the SaveDisney.com web site. The focus here was on the specific challenges to Disney legitimacy posited by the SaveDisney campaign. In analyzing the evidence, we began with determining who was speaking, who was the audience, and what were the primary arguments made. Our analysis progressed by identifying themes that emerged across the arguments from the SaveDisney campaign. We particularly looked for themes related to the framework of Habermasian legitimacy. Namely, we identified challenges to the truth, rightness, and sincerity of Walt Disney Company claims.

The Activists' Campaign

R. Disney's and Gold's resignations from the Walt Disney Company Board of Directors marked the beginning of a shareholder revolt that resulted in significant change at the Walt Disney Company. The centerpiece of the revolt was an external campaign that came to be known as SaveDisney. The campaign was largely organized around the web site SaveDisney.com and was accompanied by a series of speeches, events, and press releases that focused on the overarching goal of corporate governance reform at the Walt Disney Company.

R. Disney and Gold launched the SaveDisney web site in December, 2003, shortly after their board resignations. Their independent web page remained active until August, 2005. The web site evolved from a basic page that included a short message from R. Disney explaining the campaign goal to a highly stylized web page that mimicked Walt Disney Company promotional materials by using Disney fonts, images, and slogans.

Although the SaveDisney web site took on three major formats throughout the campaign, the basic features and purposes remained the same. First, the front page featured a letter from R. Disney, which updated viewers about the current news and events associated with the campaign. In addition, the page archived news and editorials related to changes at the Walt Disney Company. The web page also included sections that posted letters, press releases, and speeches authored by the SaveDisney campaign organizers. Another section of the page included regular "Cast Member Outreach" letters. These outreach postings were written by R. Disney and targeted all employees of the Walt Disney Company.

The site was not simply a storage place for campaign information; rather, the SaveDisney web site was highly interactive. In addition to all of the information that was available on the site, the SaveDisney page included letters to the editor, which were authored by Disney employees (known as cast members), consumers, and fans of the company. These stakeholders were also invited to participate in the campaign through the use of interactive polls and occasional questions, which asked web site visitors to share their Disney memories.

The campaign spread largely through word of mouth and the use of an e-mail listserv that was open to any interested supporter of

the campaign. A link on the SaveDisney web site allowed any visitor to sign up for the listserv. Those who enrolled received a free bumper sticker with the campaign's overarching slogan, "Restore the Magic." E-mail messages encouraged list members to forward the e-mail to others who would want to "join the fight." The campaign organizers also publicized the campaign through SaveDisney merchandise that was available on the web site and through letters mailed directly to Walt Disney Company shareholders.

The web site served as a forum for discussing the overarching campaign goal of corporate governance reform. Throughout the campaign, R. Disney and Gold consistently cited a need for a change in the way leaders were selected for the company and the ways in which these leaders made decisions affecting the future of the company. Their first objective was the removal of Michael Eisner, CEO and Chair of the Board of Directors. Using the web site, press attention, and letters to the shareholder, R. Disney and Gold staged a meeting of revolvers just prior to the annual company shareholders meeting in February, 2004. The SaveDisney campaign is credited with leading to a vote of no confidence for Michael Eisner, which led to his eventual resignation. After this success, the campaign continued on and targeted the succession plan for Eisner and also focused on the direction of the company. Initially, the campaign organizers railed against the selection of Bob Iger, a perceived Disney insider, as CEO to replace Eisner. But, in April, 2005, an agreement was reached by R. Disney, Gold, and the Walt Disney Company. R. Disney returned to the company with an emeritus director's position and the campaign, known as SaveDisney ended with the web page being taken down in August, 2005.

Challenges to Corporate Legitimacy

We use the SaveDisney activist campaign as a case for demonstrating the explanatory power of a Habermasian perspective on legitimacy. First, we examine how SaveDisney campaign managers implicitly assumed the desirability of and called for Habermas's communicative action. This assumption helps justify the activist organization's decision to find a voice via the Internet for itself and its challenges to the Walt Disney Company. We then use our conceptualization of Habermas's validity claims to demonstrate how it

can enhance understanding of how and why a company's legitimacy claims may be challenged by publics.

Call for Communicative Action

"Clearly, though these people [The Walt Disney Board of Directors] aren't yet listening as they should. Their arrogance is almost unbelievable." These are the words of R. Disney in his welcoming statement on the SaveDisney web site just after the vote of no confidence in February, 2004, and they represent one of the key assumptions of the SaveDisney challenge. From the beginning of this campaign, the SaveDisney organizers focused on a lack of listening on the part of the Walt Disney Board of Directors, in general, and Michael Eisner, in particular. Central to the critique was the contention that corporate management should allow for open dialogue in which all parties have opportunity to participate.

Gold's resignation letter specifically addressed the issue of open debate as he wrote:

I cannot sit idly by as this Board continues to ignore and disenfranchise those who raise questions about the performance of management ...Instead, the Board seems determined to devote its time and energies to adopting policies that ...only serve to muzzle and isolate those Directors who recognize that their role is to be active participants in shaping the Company and planning for executive succession. (December 1, 2003)

This notion that the Board was actively seeking to curb dissent is echoed in R. Disney's open letter to cast members that was written on December 3, 2003. R. Disney argued that:

this is a Board that seeks to avoid the constructive tension necessary to guide management through difficult times. Instead, it is a Board that seeks to stifle dissent and, to that end, has asked me to leave the Board of Directors.

Again in a letter to the newly appointed Chairman of the Board on February 6, 2004, from Michael McConnell, the spokesperson for the Roy Disney-owned Shamrock Holdings, the need for an open debate of ideas was highlighted. McConnell questioned the decision to disinvite a prominent independent corporate analyst from an upcoming Disney

company meeting: "We believe that trying to aggressively manage the free flow of ideas and viewpoints among the Company's many constituents in this manner is not 'best practice' or admirable."

All of these statements construct an argument for what the SaveDisney organizers believed should be the interaction between key stakeholders and corporate managers. The exchange should involve clear and direct statements, followed by listening, and an engagement of any voices of dissent. Ultimately, the communication situation that the SaveDisney campaign advocated is that of the ideal speech situation and communicative action in which all parties are free to participate with the final goal of reaching some understanding or mutual agreement. While this is an "ideal" situation, as the SaveDisney campaign organizers point out, no such agreement is possible if the Board fails to listen and actively engage any disagreements.

Because the SaveDisney campaign relied on this belief in engaged discussion that explores tension and disagreement, the rhetoric of the campaign also included a strong call to action of shareholders, employees, and the public that suggested as interested parties they should voice their opinions. In this, the argument acknowledged that for the process to work, those with an opportunity to participate in discussion should do so. This idea comes through in repeated calls by R. Disney, Gold and the SaveDisney team for shareholders, cast members and the public to vote if they are able, and to send faxes and e-mails. Even as the campaign was ending, this vision of communicative action was maintained. In the final Cast Member Outreach letter on April 11, 2005, R. Disney wrote that as changes were beginning to occur within the Disney management practices, "hopefully, all Cast Members, will now be given the opportunity to express their ideas, their thoughts and their hopes for the direction of their individual divisions and ultimately for the entire company. So this can be a very good thing." To the SaveDisney team, this participatory voice is the hallmark of good corporate governance, and it is a voice that aligns with Habermas's communicative action. Thus, the case demonstrates publics assuming the rightness of a communicative action process, leading us to consider the content of the SaveDisney campaign's powerful challenges to the company's legitimacy.

Truth, Right, and Sincerity of Claims

We begin by examining the SaveDisney campaign through the lens of organizational legitimacy. The Habermasian perspective allows us to offer greater explanation of this legitimation process by allowing for a consideration of how conditions for communicative action are relevant and by providing a means of identifying the types of challenges to legitimacy that were made.

Now, we want to know what you actually and honestly think about it! Do you feel that the CEO search was thoughtfully carried out? Do you feel that the Board was sincere and honest to yourselves to the Shareholders and to the Public? Keep in mind, Dear Cast Members, that the Walt Disney Company is your company, and you have a right to know the facts! The Shareholders whom the Board works for has the right to know! All of us who love the Disney Legacy have a right to know.

This series of questions was posed by R. Disney and Gold after George Mitchell, the Chairman of the Board of Directors of the Walt Disney Company, wrote to all Disney cast members explaining how Bob Iger had been selected as the new CEO to replace Michael Eisner. In a press release conveying the same basic message, Mitchell claimed that, "After a thorough and careful process, comparing both internal and external candidates against our criteria for CEO, the Board concluded that Bob Iger was clearly the best qualified individual to lead this company into the future" (March 13, 2005).

The SaveDisney questions here regarding this announcement are telling in that they reveal the specific tactics used when challenging the Board of Director's actions. First, they questioned the truth of the claim that the search was indeed a thoughtful and thorough process. Second, they questioned if the Board had the right to present these claims in this way (i.e., without input from shareholders). Finally, they explicitly questioned the sincerity of the statements. All three of these concerns represent the three types of validity claims outlined in Habermas's theory of communicative action, and they comprise the majority of arguments made by the SaveDisney team against the management of the Walt Disney Corporation.

Habermas first suggested that an individual can challenge the truth of the claim, that is, questioning whether the statement uttered is honest and true to the facts. In a letter to the Board of Directors dated February 24, 2004, R. Disney and Gold challenged the truth of Disney company claims that "The Board and senior management are committed to the highest standards of corporate governance" (Walt Disney Company, 2004). R. Disney and Gold wrote:

We believe that you have mischaracterized what actually transpired with respect to the Company's executive compensation decisions regarding Mssrs. Eisner and Iger. If your announced commitment to transparency and good governance is truly a reality, why does the Company continue to oppose in the Delaware Court of Chancery our efforts to make public the facts regarding the deliberations and outside advice utilized by Ms. Estrin? ... Is the Board afraid that Disney shareholders will see that the Boards' public statements are inconsistent with actual boardroom conduct? Ms. Estrin has repeatedly claimed that 'perception does not match reality' regarding governance at The Walt Disney Company. We agree.

The implication of their probing and lawsuit is that the Board of Directors has not been honest in portraying its decision-making process. The charge that the directors are afraid that people may see that their actions do not match their words directly calls into question the truth of the Board's claim of independent decision making processes. A year later, R. Disney and Gold continued to question the truth of Mitchell's claim about conducting a "thorough and careful" search:

The selection of Bob Iger is yet another example of this Boards' breach of faith. The pledge made by Chairman Mitchell to conduct a bona fide search was a ruse to avoid a contest at the 2005 annual meeting. Mr. Mitchell's approach to good governance is no better than a conny at the fair, enticing words but in the end the game is rigged. Disney Shareholders have been conned and their trust in this Board abused.

Again, the statement points out the ways in which the Board made claims that did not represent fact as understood by the SaveDisney public.

While challenges to the truth of claims are frequently present in SaveDisney's rhetoric, these truth claims are often accompanied by challenges to the rightness of Walt Disney Company claims. Meisenbach (2006a) noted that there are two senses of right that scholars address when citing Habermas' validity claims. The first is right in the sense of whether the content of the claim is evaluated as right or just, and the second questions whether it is right for the speaker to articulate this claim in this situation. In analyzing the charges made by the SaveDisney team both aspects of this legitimacy challenge are present—although not always in direct statements. First, R. Disney, Gold, and the SaveDisney team devoted a great deal of their argument to challenging how decisions were made in regard to compensation for executives and in the selection of a new CEO.

Their line of reasoning was that the consultants used in this process were not truly independent and therefore did not have the right to make such claims on behalf of the company. In addition, they challenged the active participation of Michael Eisner in the interviewing of candidates for the CEO suggesting that since he represented the problem he should not be involved in the presenting the solution. In this, they challenged the rightness of any claims that Eisner should participate in the interviewing process. Overall, any time the SaveDisney rhetoric challenged the truth of a Disney company statement, there was an assumed argument that making this claim was, therefore, wrong. Throughout their statements, SaveDisney thus challenged the legitimacy of the Board's actions by questioning the rightness of their claims.

Finally, the SaveDisney team not only challenged the truth and rightness of some company claims, it also consistently pointed out flaws in the sincerity with which certain statements were offered, that is to say that they argued that the Disney Board stated things that while technically true, were not offered in a spirit of truthfulness. In their letter to shareholders on February 12, 2004, R. Disney and Gold outlined their concerns:

In their [February 6, 2004] letter, Disney's directors point to the rise in the stock price as an example of the value they would like you to believe has been created. But a short-term spike in the share price is no substitute for consistent long-term performance. Moreover, a significant portion of that short-term spike is attributable to a single motion picture, *Finding Nemo*, which is the product of the company's now disintegrating Pixar partnership. That is a fact that the current Board and senior management conveniently gloss over in their self-laudatory proclamation of the company's performance. In a vivid demonstration of what is wrong with current Disney leadership, the Board's letter touts recent successes—that still amount to a five-year negative return on investment—and completely ignore the loss of Pixar.

The crux of this claim is that while the individual Disney statements are technically true, they are not offered in a spirit of truthfulness, but rather with the intent to mislead. Throughout this campaign, R. Disney and Gold repeatedly stated their belief that Eisner and the Board were not sincere in their claims, that is that they never truly meant what they said in public. The often-repeated charges of "smokescreens" and "PR spin" highlighted the degree to which the SaveDisney team chose the tactic of challenging the sincerity or truthfulness of the Disney management's claims. For example, Gold addressed the ongoing situation at the Walt Disney Company in a speech that he gave on May 3, 2004. In this speech, Gold referenced the lyrics of a Gilbert and Sullivan operetta, *The Mikado*:

Has anything of substance changed between Mr. Eisner and his former president director? Of course not, nothing has changed, in part because the Disney board doesn't get it ... And in part because they don't have to get it ... Because they are playing on a cloth untrue, with twisted cue and elliptical billiard balls.

The suggestion that the Board is playing on a cloth untrue is another means of saying that the Board is not being completely forthright in their statements. This sentiment is echoed in R. Disney and Gold's letter to the nonemployee Board members, "While Mr. Eisner's announcement at first blush looks like a major change, it is in truth mere window dressing. What he has really proposed is a scheme to

arrogate the authority of the Board and maintain the status quo at the Company's expense."

While Habermas's three types of legitimacy claims are distinct, they are interrelated and work together in this case to build a challenge to the legitimacy of the Walt Disney Company Board actions. The SaveDisney campaign is significant in its use of message strategies that specifically question the practices of the Walt Disney Corporation by explicitly and implicitly questioning corporate practice based on three criteria that directly parallel that of Habermas's theory of communicative action and legitimation processes. In this, this case suggests a means by which activists might organize the content of their claims (which both activists and corporate representatives can benefit from knowing) and further provides a set of criteria that can be used to assess the effectiveness of activist and related legitimacy challenges.

Implications and Conclusions

Our analysis of the SaveDisney campaign as a whole and the specific arguments and claims made by Roy Disney, Stan Gold, and the rest of the SaveDisney campaign reveals a number of significant and interesting findings. The case presents an intriguing example of activist rhetoric conducted on a nontraditional issue, in a nontraditional, but growing form, the Internet. Furthermore, the case is notable for the sophistication and ultimate success of the campaign. The case also demonstrates how Habermas's communicative action can serve as a framework for understanding how activist publics generate and organize their arguments.

While the SaveDisney campaign fits within the framework of activism, it expands research on activism because its focal point is not a public policy or an environmental issue, but rather a corporate governance issue. Despite the type of issue addressed, the SaveDisney campaign fit activist definitions and used activist tactics. The calls to remove Eisner and restructure the Board were all part of the larger argument that corporations need to be more accountable to shareholders and consumers and be more transparent in their business decisions. Thus, the case demonstrates that research on activist efforts can be used as a means of understanding campaigns for corporate reform. Further, those groups seeking corporate reform can

look to activist tactics as a means of exerting pressure and influence on organizations.

The SaveDisney campaign stands apart from previous analyses of organizational legitimacy challenges because of its success and its sophisticated use of activist-like tactics. Much of this sophistication draws from the use of arguments and appeals that are directly parallel to Habermas's call for communicative action and the use of criticizable legitimacy claims. Thus, this case demonstrates the salience of Habermas's theory of legitimacy for examining legitimacy challenges. The three Habermasian themes identified in this case work together in a way that affirms our contention that organizational communication and public relations scholars would benefit from taking a renewed look at Habermas's conceptualization of legitimacy. The rationale for this claim is found in the call for the ideal speech situation, grounded in communicative action. That is, the SaveDisney team rationalizes the need for change by pointing out the ways in which open participation is not provided for by the Walt Disney Board. Embedded within this claim is the assertion that the board should be allowing this type of communicative interaction.

The call for communicative action on a broad level is bolstered by direct challenges to the truth, right, and truthfulness of the claims made by the management of the Disney Company. The major premise of communicative action is that claims that are legitimate are those that can be contested and debated. That is, publics should be able to accept or reject a claim.

SaveDisney's challenges to private corporate utterances (such as boardroom communications that we could not access) highlighted how the Disney Board was blocking possibilities for open discussion and debate. In questioning the truth, right, and truthfulness of corporate claims they could access, the SaveDisney team successfully challenged legitimacy. Specifically, shareholder votes suggested that they agreed with SaveDisney, that corporate Disney claims were inaccurate, purposefully distorted, and insincerely offered. Thus, the Habermasian framework enhances understanding of why and how a corporation's claims to legitimacy may be challenged by an activist public. Such knowledge has implications for corporate and activist practitioners.

Limitations

While this case study yields significant findings, there are limitations. Dozier and Lauzen (2000) contended that a problem with much of public relations research is that it focuses on organizations with the money and resources to hire an effective public relations practitioner. Similarly, R. Disney and Gold had unusual and significant resources at their disposal that helped them to launch and fund a sophisticated web site and campaign. While we acknowledge this limitation, Guiniven (2002) pointed out that activist groups are continuing to grow and develop larger budgets. Furthermore, the Internet is a highly accessible medium that is increasingly being used by activist groups (Holloway & Stokes, 2006). In the very recent past, SaveDisney would have had to rely on mainstream press coverage or traditional proxy fights, but with little opportunity to gain such attention. The Internet, however, offers a credible channel for activists (and status quo supporters) to generate mainstream media interest in their causes. As such the SaveDisney campaign may be a model for future activist efforts. Future study of legitimacy challenges originating from external sources would benefit from including other campaigns that are not as well-resourced as the SaveDisney campaign.

Second, while doing so highlights the currently underresearched public side of legitimation, this study is limited in its primary focus on the activist side of this campaign. The SaveDisney campaign was complex and extended over the course of 15 months, yet the Walt Disney Company rarely publicly responded to the campaign. As a result, the majority of messages examined in this study originate from the activists who were challenging the Walt Disney Company. As strategic communication research continues to acknowledge and embrace a relational view perspective, we hope that future studies will be able to provide fuller analyses of the messages and rhetorical strategies of both organizations and their challengers.

Theoretical Implications

Despite these limitations, the use of Habermas's theory of communicative action for analyzing the SaveDisney case extends theoretical understanding of legitimacy in several ways. This case study provides a much needed initial exemplar of dialogic theory (Kent & Taylor, 2002) and organizational engagement philosophy (Taylor,

Vasquez, & Doorly, 2003) in action. This study contributes to this line of research by explicitly focusing on public challenges that question the (non)dialogic stance taken by the Walt Disney Company. The legitimacy challenges made by SaveDisney affirm the desirability of organizations engaging their publics. Habermas's theory of communicative action predates much of the work on dialogic public relations and the model of engaged public relations. Yet, these perspectives share a great deal. All three perspectives call for an analysis of the interaction between organizations and publics. Further, all advocate for the provision of open debate for understanding. Given these similarities, it is interesting to note that Habermas is rarely referenced in these discussions of public relations as dialogue (for an important exception, see Leeper, 1996).

We find that Habermas's theory of communicative action provides a useful complement to the dialogic and engaged perspective because it offers a specific vision for communication interactions through the ideal speech situation, and it offers specific bases upon which the legitimacy of statements might be challenged. In this, the specific content of organizational and public messages is the key focus of analysis. Thus, the theory of communicative action has the potential to contribute a great deal to communication and specifically organizational strategic communication theory because it focuses on the need for claims that can be criticized and provides a vocabulary for examining these claims that is missing from other discussions of legitimation.

While we argue that a renewed look at Habermas's claims is salient across contexts, the role of technology in this case cannot be overlooked. The use of technology itself does not create conditions for challenging the legitimacy claims of the corporation; rather, the use of the internet makes the specific means by which activists might challenge organizational legitimacy more visible. The web site created an avenue for increased stakeholder involvement, thus, allowing for greater opportunity for the claims of the Walt Disney Company to be challenged. In this, the SaveDisney campaign provides an exemplar of how technology allows for a more interactive form of strategic communication (Feldner & Meisenbach, 2007).

Pragmatic Implications

Although the SaveDisney team never drew upon the language of Habermas, it naturally challenged the three aspects of validity offered by Habermas. This recognition is a key finding that suggests other activist and resistance groups can look to Habermas's communicative action as a workable template for constructing arguments. This connection is also instructive for organizations susceptible to activist challengers, who should recognize the extent to which publics are interested in, and even demand, active and meaningful participation. Furthermore, by being aware of these strategies, challenged organizations can intentionally bolster the truth, rightness, and sincerity of their arguments both prior to and after being challenged. In other words, Habermas's validity claims provide criteria against which claims can be evaluated by both messages generators and receivers. Furthermore, since the presence of these validity claims is universal, they can be tested in and applied to international and cross-national efforts.

The strategies and tactics used by the activist group SaveDisney also provide an exemplar for how arguments might be constructed in other contexts. Since Habermas suggested that the three claims are up for validation in any utterance, their applicability extends well beyond activist rhetoric. For example, shareholders and employees interested in agitating for change from within can look to these strategies to structure their challenges in ways that directly address corporate claims. Similarly, corporations can challenge the truth, rightness, and sincerity of activist group claims. Organizations everywhere can also roll out new practices and products by initially presenting strong claims to truth, rightness, and sincerity. Thus a Habermasian approach to legitimacy opens up a method for analyzing, challenging, and creating a variety of arguments.

Finally, the case points to the use of the Internet as a means by which stakeholders might gain greater voice in corporate governance processes (Feldner & Meisenbach, 2007). Unlike traditional media outlets that present greater barriers for activists to be heard, the Internet provides relatively few such obstacles. As a result, both internal and external audiences are able to challenge the legitimacy of corporate policies no matter how large or small they may be. SaveDisney also serves as a cautionary tale to corporations. The Walt Disney Company chose to offer few responses to the SaveDisney

campaign. A choice that some suggest allowed for the enormous impact and success of the SaveDisney campaign. As the use of technology increases and shareholder interest in corporate governance grows, companies should expect this type of campaign to become more common.

Conclusion

The primary contribution of this analysis is greater understanding of the ways in which activist publics and stakeholder groups challenge legitimacy claims of other, more established organizations. In particular, it highlights the degree to which these publics tend to challenge specific actions based on their truth, rightness, and sincerity.

Future research can build on these findings in a number of ways. First, one striking aspect of the legitimacy challenges initiated by the SaveDisney campaign is their focus on particular aspects of the Disney Corporation. The SaveDisney managers carefully targeted particular departments and practices while shielding the larger corporate purpose from criticism. In this, this case provides support for and a potential avenue for extension of Boyd's (2000) actional legitimation. Specifically future work should look at legitimacy challenges that are not focused on specific actions but rather that target specific corporate units. Second, the challenges mounted by the SaveDisney campaign about the lack of company responsiveness can be seen as resulting from a violation of discourse ethics by the Walt Disney Company (Habermas, 1990; Leeper, 1996; Meisenbach, 2006a). Analysis of this case in the context of discourse ethics might yield other interesting findings.

At the end of this campaign, it seems to public eyes that R. Disney, Gold and their supporters did indeed save Disney and restore the magic in particular ways. The case is captivating in many respects due to its sophisticated persuasive strategies and its success in forcing change at the corporate level. Beyond this, the case of SaveDisney creates inroads for scholars and practitioners of strategic communication as it suggests ways to embrace dialogue and strengthen both understanding and powerful, yet ethical, use of legitimacy challenges.

Notes

1. Botan and Taylor (2004) described this kind of assumption about publics as tied to a functional perspective, which “sees publics and communication as tools or means to achieve organizational ends” (p. 651).
2. Habermas (1979) earlier discussed four validity claims. The fourth claim is to the intelligibility of the claim, deciding whether the listener can hear and understand the utterance. Leeper (1996) included all four in his brief analysis of claims used by Exxon in the Valdez incident, but since (a) all examples discussed under intelligibility were also discussed and part of consideration of the rightness and sincerity claims, and (b) Habermas (1984, 1987) dropped the intelligibility claim in his later development of validity claims, we do not develop it as a separate claim in this analysis.
3. The primary author downloaded the entire web site as it existed on May 1, 2006. In addition the authors used the web archive, waybackmachine.org, to access all versions of the SaveDisney web site. All dates listed in this text for web site materials reference the dates posted on the material on the SaveDisney web site. We believe this indicates the date the material was published.

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