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Ethical responses to organizational crisis: lessons from three successful cases

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ETHICAL RESPONSES TO ORGANIZATIONAL CRISIS: LESSONS FROM THREE SUCCESSFUL CASES

by

ROBERT R. ULMER

DISSERTATION

Submitted to the Graduate School

of Wayne State University,

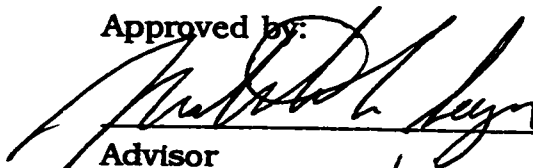Detroit, Michigan

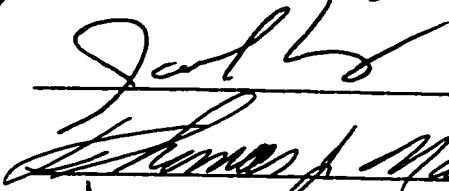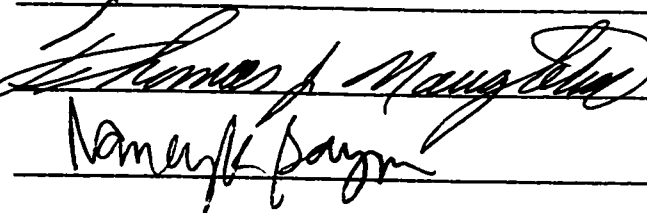in partial fulfillment of the requirements

for the degree of

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CHAPTER 1

COMMUNICATION AND ORGANIZATIONAL CRISIS

Organizational crises are dramatic and chaotic events that attract tremendous media attention, create threat for the organization and have the ability to impact the organization's stakeholders—those groups or individuals connected to the organization (Fink, 1986; Heath, 1997; Seeger & Bolz, 1996; Seeger, Sellnow, & Ulmer, 1998; Shrivastava, 1987; Ulmer & Sellnow, in press; Weick, 1988; Williams & Treadaway, 1992). Recent crises such as the crash of ValuJet Flight 592, Food Lion's antidefamation suit against Dateline NBC, Odwalla's e-coli infected apple juice and the tobacco industry's ongoing litigation clearly illustrate this point. Each crisis garnered immense media attention and impacted employees, communities, customers as well as the reputations of the inflicted organizations. Due to the extensive effects of crisis, issues of responsibility and responsiveness to organizational stakeholders are critical. However, the chaotic, confusing and threatening nature of crisis often makes determining responsibility difficult (Murphy, 1996; Seeger et al., 1998; Ulmer & Sellnow, in press; Weick, 1995).

The relatively short history of organizational crisis research has sought to provide a greater understanding of crisis events and the role communication plays in both the onset and recovery of crisis. Broadly, crisis

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research reflects two areas of scholarship. The applied approach, found in many public relations journals, describes how to prepare for crisis, the role of public relations and how to communicate during crisis (Benoit, 1997; Carney & Jorden, 1993; Coombs, 1995; Dyer, 1995; Fink, 1986; Fitzpatrick & Rubin, 1995; Gigliotti & Jason, 1991; Gonzalez-Herrero & Pratt, 1995; Gonzalez-Herrero & Pratt, 1996; Guth, 1995; Heath & Abel, 1996; Katz, 1987; Phelps, 1986). This research informs practitioners through models, checklists and frameworks used to prepare for crisis and mitigate damage. Basic or pure research focuses on analyzing crisis events by delineating and describing communication strategies and stages (Allen & Caillouet, 1994; Benoit & Lindsey, 1987; Benoit, 1995a; Benoit, 1995b; Benoit & Brinson, 1994; Benoit & Czerwinski, 1997; Benoit & Dorries, 1996; Dionisopoulos & Vibbert, 1988; Ice, 1991; Schultz & Seeger, 1991; Seeger, 1986; Sellnow, 1993). The primary goal of this research is to critique crisis communication and develop theories of image restoration.

A central theme in organizational crisis research concentrates on determining the effectiveness of post crisis responses by examining obvious failures. Studies such as Exxon's Valdez accident, Dow Corning's breast implant controversy and Union Carbide's Bhopal disaster exemplify this work. These studies generated useful theories of image restoration that aides researchers and practitioners alike in understanding why organizations fail in

their crisis communication. This dissertation takes an alternate approach by examining issues of ethical post-crisis responses through the examination of exemplary cases. Beyond Johnson & Johnson's response to their Tylenol tampering crisis, few organizations have received high marks for their crisis response and few such crisis success stories have been documented in the research literature. This study seeks to learn from three successful responses to organizational crisis. The first case examines the CEO of Malden Mills' virtuous response to a plant explosion. The second case chronicles Schwan's responsibility toward customers in the wake of a salmonella outbreak. The last case depicts General Motors' search for accuracy in the public portrayals of their C/K trucks. What follows is a review of failures in crisis communication that serves to situate this work within the broader literature.

Review of Literature

Over the past fifteen years, organizational scholars have critiqued and analyzed many responses to organizational crisis (Allen & Caillouet, 1994; Benoit & Lindsey, 1987; Benoit, 1995a; Benoit, 1995b; Benoit & Brinson, 1994; Benoit & Czerwinski, 1997; Benoit & Dorries, 1996; Benson, 1988; Brinson & Benoit, 1996; Caillouet & Allen, 1996; Coombs & Holladay, 1996; Dionisopoulos & Vibbert, 1988; Hearit, 1995a; Hearit, 1995b; Hearit, 1996; McGill, 1994; Seeger, 1986; Seeger & Bolz, 1996; Sellnow, 1993; Sellnow &

Ulmer, 1995; Ulmer & Sellnow, 1995; Ulmer & Sellnow, in press; Williams & Treadaway, 1992). The results, however are generally less than favorable. In fact, we have few examples beyond Johnson & Johnson's widely acclaimed response to its Tylenol tampering episodes that may be described as successful (Benoit & Lindsey, 1987; Benson, 1988; Snyder & Foster, 1983). Marcus and Goodman (1991) synthesize much of this research by stating organizational crisis communicators are "denying wrongdoing, even in the face of overwhelming evidence to the contrary, perhaps because their lawyers have warned that admissions could be used against them in court" (p. 282). Pauchant and Mitroff (1992) concur by stating that the organization's "priority ... is to get good press from a bad situation rather than to reduce the impact of the crisis on stakeholders and on the environment" (p. 101). These responses have led to what some have called an erosion of confidence in our institutions (Petress & King, 1990; Sethi, 1987). An examination of three high profile crisis failures illustrates this point.

Union Carbide's Crisis in Bhopal, India

On December 3, 1984, in Bhopal, India, a Union Carbide pesticide plant began to leak a poisonous gas, methyl isocyanate (MIC), which created an explosion. As a result, an estimated 2,500 people were killed and an additional 200,000 injured (Shrivastava, 1987). Survivors suffered shortness of breath, eye irritation and depression from the toxic fumes. Union Carbide

was instantly engulfed in a crisis that is widely known as world's worst industrial disaster (Baker, 1993; Seeger & Bolz, 1996; Shrivastava, 1987; Weick, 1988).

Critiques of Union Carbide's response to the crisis focused on the company's inability to both accept responsibly for the crisis and respond appropriately to the needs and interests of its stakeholders (Everest, 1985; Ice, 1991; Seeger & Bolz, 1996; Shrivastava, 1987; Susskind & Field, 1996).

There was wide speculation as to the cause of the crisis. By most accounts the explosion began by "the failure to insert a slip blind into a pipe being cleaned, which allowed water to back up and enter the MIC tank and catalyze a complex chemical interaction" (Weick, 1988, p. 309) Union Carbide's response throughout the crisis was to deny responsibility for the explosion. Rather, it shifted blame to Sikh terrorists and/or a disgruntled employee none of which could be corroborated (Seeger & Bolz, 1996; Shrivastava, 1987). Ultimately, the Indian courts were left to assign blame and responsibility while stakeholders suffered the effects of the disaster. Litigation would take over four years and resulted in settlement for the victims of $470 million (Shrivastava, 1987).

Union Carbide did provide some compensation to the community after the crisis. It pledged to "open an orphanage for children left with out parents", paid "$830,000 to a special relief fund for disabled survivors ... [and] $1

million to the emergency efforts" (Susskind & Field, 1996, p. 21). Although this compensation provided some relief for consumers, some questioned the arbitrariness of these initial settlements (Shrivastava, 1987; Susskind & Field, 1996). Susskind and Field explain that in situations such as these "the company should talk directly to those who were injured about some act of contrition that they, not the company, would deem appropriate" (p. 23). These critiques of Union Carbide's response point to the company's inability to form pre-crisis relationships with community members as a fundamental problem that reappeared after the crisis (Seeger & Bolz, 1996).

Union Carbide's failure to establish strong relationships with relevant constituencies is exemplified in their inability to communicate risk to citizens of Bhopal prior to the crisis (Seeger & Bolz, 1996; Shrivastava, 1987). The lack of information about potential risks of living close or next to a pesticide plant ill-equipped stakeholders to understand or take precautionary measures in the event of a disaster. Maintaining their stance of limiting information to stakeholders after the explosion, Union Carbide failed to inform stakeholders that the gas emitted was poisonous (Everest, 1985, pp. 70(71). This response intensified the pain and suffering for the victims of the crisis who were being treated for other agents. Open dialogues between Union Carbide and the citizens of Bhopal regarding risk would likely have prevented some of the harm caused by the crisis.

Union Carbide's failure to reduce uncertainty for the public through communication also extended and intensified the crisis for the organization and the public. Ice (1991) comments that "One might even wonder whom Carbide saw as the victim—Carbide or the Bhopal residents? Carbide's ... focus was on how the organization would cope with the crisis, not on how the victims would survive" (p. 358). After the crisis, Union Carbide faced a hostile takeover bid due to its depressed stock price and was forced to sell its consumer products division to maintain financial stability. Fortune magazine reported in its 1990 reputation survey that Union Carbide ranked 254 of 305 firms surveyed (Smith, 1990). Union Carbide's approach to crisis management that included withholding information and denial was not particularly effective for the organization or its stakeholders.

Exxon's Crisis in Alaska

In 1989, Exxon had one of the most publicized organizational crises in recent history. It spilled almost 11 million gallons of oil along the Alaskan shoreline in Prince William Sound. The spill contaminated 2,600 square miles of the sound. The environment lost thousands of birds and hundreds of animals. Moreover, fisherman in the area, local businesses and communities were greatly impacted by the crisis. By most accounts, the company failed miserably in its post-crisis communication (Baker, 1993; McGill, 1994; Sellnow, 1993; Small, 1991; Williams & Treadaway, 1992).

Critics cited CEO of Exxon, Lawrence Rawl's, tardiness in flying to the spill site as particularly problematic (Baker, 1993; Small, 1991). Furthermore, the lack of communication by Exxon compounded by the lack of visibility and sympathy of upper management infuriated environmental groups, the press and the public (Williams & Treadaway, 1992). A major tenet of crisis communication suggests that a CEO or public spokesperson should go to the scene of the crisis and express remorse for the event. Exxon's failure to meet this objective communicated a lack of concern for the effects of the crisis.

Others focused on Exxon's lack of ability to accept blame for the crisis. (Baker, 1993; Sellnow, 1993; Susskind & Field, 1996; Williams & Treadaway, 1992). Throughout the crisis, Exxon placed blame on Joseph Hazelwood, the ship's captain. The company quickly dismissed Hazelwood hoping that this would improve the company's image. These tactics at shifting responsibility away from the company gave the impression that the company was not committed to the clean up (Williams & Treadaway, 1992). When Exxon finally did run an apology in newspapers nationwide the ad was critiqued for being "platitudinous" and for failing "to address the many pointed questions raised about Exxon's conduct" (Susskind & Field, 1996, p. 98). Exxon's initial response to deny responsibility was not effective. For most, the fact that Exxon's ship was aground and its oil in the ocean, made it apparent that

Exxon bore some responsibility for the event.

Exxon's response to the crisis focuses on how a dispassionate response to crisis and failure to accept responsibility for a crisis eroded public confidence in Exxon. The company's primary goal was to minimize the extent of the crisis, as well as their responsibility, rather than ensure the safety of their stakeholders, including the environment. Exxon was widely criticized for delaying its clean-up efforts while it postured defensively (Sellnow, 1993; Williams & Treadaway, 1992). This response minimized the concerns of stakeholders in order to protect the organization's image and triggered a series of boycotts against the company that impacted the company's image negatively. Williams and Treadaway (1992), in their analysis of Exxon's crisis communication report that 10,000 Exxon credit card holders mailed back their cards to illustrate their unhappiness with Exxon's conduct. Furthermore, several consumer and environmental groups called for a national boycott of all products made by the Exxon corporation.

Dow Corning's Breast Implant Crisis

On December 15, 1991 a San Francisco federal court jury ordered Dow Corning to pay $7.3 million to a woman who claimed that her breast implants caused damage to her immune system (Baker, 1993). Dow Corning was found to have committed fraud and malice by failing to disclose evidence to customers concerning the hazards of implants. As a result, the Food and

Drug Administration put a moratorium on implants and instigated its own investigation. These actions led to a crisis for Dow Corning that fundamentally questioned the company's ethics.

Dow Corning's initial response to its breast implant crisis provides a clear example of how corporations deny responsibility during crisis. Initially, Dow Corning denied responsibility for health problems brought on by the breast implants. In fact, Brinson and Benoit (1996) explained, Dow denied responsibility "In the face of growing evidence to the contrary, in addition to the opinions of health care professionals and its own scientists" (p. 38). With this knowledge Dow Corning minimized the health claims made by victims of silicone breast implants. This lack of empathy and responsibility for the victims is inexcusable.

The result of the investigation by the Food and Drug Administration was not to ban implants all together but to restrict their use (Susskind & Field, 1996). Dow Corning, in April 1992, decided to stop making gel breast implants altogether. Throughout the crisis, the company's image was tarnished. As a result, the company explained that it would spend up to $15 million for research into the health problems associated with implants and offer $1,200 to women who wanted their implants removed but could not afford the cost (Baker, 1993). However, above all, Dow Corning's image had taken a major hit as a result of the crisis.

In the aftermath of the crisis, Steven Fink described Dow Corning as "a company adrift without a moral compass" (Fink, 1992, p. F13). He characterized their response as "becoming forthright only after obfuscation, denial, and rationalization failed" (Fink, 1992, p. F13). However, customers faced the greatest threat due to a lack of information and responsibility exhibited from Dow Corning before and during the crisis.

Research on organizational communication suggests that the first instinct of upper management is to deny responsibility or attempt to shift the blame outside the organization. This is not to say that denial or shifting the blame are not effective strategies; however, it is not advised when strong evidence to the contrary exists. Johnson & Johnson effectively denied responsibility during its Tylenol tampering crisis and shifted blame to the terrorist who tampered with its products. This strategy was effective for two reasons. First, the primary agency of the crisis was clearly beyond the control of Johnson & Johnson. Second, the company took extensive precautions by removing its products from store shelves and increasing the safety of its packaging (Benoit & Lindsey, 1987). Conversely, Heath (1990) admonished the asbestos industry for continuing to "produce and sell its product long after it should have had ample evidence that asbestos was producing severe health problems and that those problems would lead to liability claims sufficient to harm is financial vulnerability" (p. 153). This response greatly

extended the risk of cancer to those in contact with asbestos and eventually led to the ruin of the entire industry.

At least some research then suggests that an organization's best strategy during a crisis is to act responsibly. However, little corroboration exits. Extant case studies contend that denying charges in the wake of evidence to the contrary can backfire and further damage the organization's image. Corporate attorneys, for example may recommend denying responsibility to avoid litigation. However, this strategy cannot work to protect or bolster the image of the organization (Benoit, 1997). For this reason, organizations should take an ethical approach to responding to organizational crises that focuses on responsibility toward all participants affected by the crisis.

The next four sections of this review seek to more fully develop the importance of responding ethically to organizational crisis. Section one provides a definition of organizational crisis and introduces Weick's theory of organizing and chaos theory to understand and examine crises. Section two emphasizes the importance of communication in resolving crises. Section three specifically addresses ethics, its links to communication and crisis, and introduces several models to evaluate crisis messages. This review concludes with an examination of three research questions.

Theories of Organizational Crisis

Crisis communication is grounded in multidisciplinary theories (See, Seeger et al., 1998). Most of the research is an outgrowth of social psychology, organizational sciences, and sociology. These theories serve to define and better understand crisis events. The first section of this review discusses several classical and contemporary definitions of organizational crisis. These definitions provide a basis for understanding the effects and constraints inherent in resolving these events. Second, two contemporary theories, Weick's theory of organizing and chaos theory, are introduced as frameworks for understanding and analyzing crises. These theoretical perspectives shed light on ways to reduce the inherent uncertainty of crisis and raise methodological issues regarding the examination of crisis events.

Operationalizing Organizational Crisis

A primary concern of crisis researchers is defining the characteristics of crisis events. Several authors contribute to this understanding (Billings, Milburn, & Schaalman, 1980; Hermann, 1963; Seeger et al., 1998; Weick, 1988; Williams & Treadaway, 1992). Hermann (1963) describes the classic definition of crisis. He explains that crisis reduces decision-making time, threatens high priority organizational goals and is unexpected or unanticipated. Billings et al., (1980) built on the work of Hermann by accentuating individual perception of Hermann's variables and the inclusion

of a triggering event. They suggest the triggering event is important since crisis "involves perceiving an event in the environment which triggers the crisis" (p. 302).

The authors argue that contingency planning and emotional inoculation can greatly reduce the surprise associated with crisis. Once an event changes the organization's state, the perceived seriousness or threat of the crisis must be addressed. Perceived seriousness is determined through the variables of perceived value of possible loss, probability of loss and time pressure. First, if an event is to be defined as a crisis, the value of possible loss must be substantial. Second, regardless of the value of the loss the probability of loss must be great. The three factors that affect perceived probability of loss are, accuracy of perception, plausible explanations for the event and response uncertainty. Time pressure, the final variable, refers to the perceived amount of time available to correct the negative outcome.

Crises allow little time for deliberation. Billings et al. (1980) differentiate their model from Hermann's surprise threat and short response time model by their explicit inclusion of a triggering event and by focusing on perceived loss, probability of loss and time pressure. In sum, they suggest crises have a high probability of valued loss and restriction of time to resolve the situation. These characteristics of crisis put tremendous pressure on decision makers to respond to the event. Other authors have synthesized and built

upon the work of Hermann (1963) and Billings et al. (Billings et al., 1980).

Weick describes crisis broadly as "low probability/high consequence events that threaten the most fundamental goals of the organization" (p. 305). From this perspective, the leader's ability to understand a crisis is hampered due to the surprise associated with these events making the crisis confusing, chaotic, ambiguous and uncertain. Weick's definition accentuates the enactment or noticing phase of organizing to illustrate that leader's perceptions play an important role in a crisis response. How narrowly or broadly the organization perceives the causes or effects of the crisis can lead to minimization or augmentation of the crisis.

Pauchant and Mitroff (1992) propose that crises have two conditions. First, "the whole system needs to be affected" (p. 12). Second, the basic assumption of the members ... need to be challenged" (p. 12). Williams and Treadaway (1992) characterize crisis as "(a) marked by as sense of urgency, (b) closely observed by the media, and (c) interrupts normal business operations with a potential loss of revenues and credibility" (p. 57). Seeger et al. (1998) depict crisis "as a specific, unexpected and non-routine event or series of events that create high levels of uncertainty and threaten or are perceived to threaten an organization's high priority goals" (p. 233).

Much attention has been paid to operationalizing crisis events. Some commonalties among these definitions are evident. First, crises are instigated

by a triggering event. Triggering events can consist of lawsuits directed at the organization, product defects or any damage to an organization that inhibits it from attaining its goals. This event is enacted or identified by organizational members and compared to some shared standard of "business as usual." If a discrepancy is discovered between the triggering event and how things "should be", organizational members are alerted to that change. At this point, it is probable that organizational members' assumptions about how the organization should run will begin to be challenged to the point where new assumptions will need to be developed.

Once organizational members are alerted to a crisis, they must make decisions under time pressure, considerable uncertainty, ambiguity and chaos with the perception of a high probability of extensive loss. These factors complicate post-crisis decision making and communication. Compounding the difficulty of responding to today's crises is the close scrutiny and interpretation of crisis events by the media. Hence, crisis can be understood as non-routine unanticipated events that threaten or perceive to threaten the fundamental goals of the organization and subsequently those of its stakeholders. A major, but not a necessary component of today's organizational crises, is the intense media attention that follows these events. The next section describes Weick's theory of organizing and chaos theory as perspectives for understanding and analyzing crises.

Theoretical Perspectives for Examining Organizational Crisis

Definitions of crisis accentuate the dramatic nature, low probability and perception of loss associated with these events. Crises arise with such surprise that workers often question their most fundamental beliefs about organizational operations. For this reason, crises are confusing, chaotic, ambiguous, uncertain events. Weick's theory of organizing and Chaos theory are particularly instructive in describing and understanding the nature of crisis as well as how organizations respond to these events.

Weick's theory of organizing. Weick (1979; 1988; 1995) provides a communication based model regarding the reduction of equivocality. This enactment based model of organizations contends that organizations are not static entities but rather constantly organizing. A fundamental element of Weick's theory is the inherent uncertainty and ambiguity related to organizational operations. He is primarily concerned with how organizational members make sense of this environment. Due to Weick's emphasis on how organizational members make sense out of disorder, chaos and equivocality, his theory is well suited for investigations of crisis (Seeger & Bolz, 1996; Weick, 1988).

Weick's theory of organizing comprises four components, change, enactment, selection and retention. Change refers to any discontinuities or differences in the organization's environment. These changes, also known as

the raw materials for sensemaking, engage the attention of the organization's management to determine the significance or triviality of the change. Triggering events at the outset of a crisis have the ability to create significant change, ambiguity and uncertainty in an organization's environment.

Enactment involves "bracketing" change in the environment for observation or taking some kind of action which produces change in the environment (Weick, 1979, p. 130). Weick (1988) contends that enactment plays an important role in crisis sensemaking. The three types of enactment related to organizing and crisis are enactment from expectations, enactment from capacity to perceive and enactment from public commitment.

Enactment from expectations refers to assumptions that "often influence enactment in a manner similar to the mechanism of self-fulfilling prophecy" (p. 313). Weick suggests that managers often think the future will look much like the past. For this reason, managers must be aware of changes in the organization or in its environment and change accordingly. Weick contends that Union Carbide's Bhopal disaster, for example, was partly caused by top management who "assumed that the Bhopal plant was unimportant and therefore allocated limited resources to maintain it" (p. 313). The assumptions organizations have about a crisis often affect how an organization will respond. Organizations concerned with issues of ethics and stakeholder needs in the past are more likely to respond to crises similarly

based on these assumptions.

In an ever specialized world, organizations are limiting their capacity to perceive the big picture (Weick, 1988). Weick explains that highly centralized organizations, turnover, understaffing and time pressure often lead organizations to fail to notice a triggering event or a crisis intensifying. Capacity to perceive is important for an organization's post-crisis communication. If organizations fail to meet the expectations of a certain audience or group of audiences a crisis can escalate in intensity (Ice, 1991; Pauchant & Mitroff, 1992; Sellnow & Ulmer, 1995). Organizations that fail to address an audience or group can suffer a withdrawal of support, litigation or boycotts. These actions can serve to further damage the image of the organization.

Weick (1988) explains that when "action is irrevocable, public and volitional, the search for explanations becomes less casual and more is at stake" (p. 310). Organizations responding to a crisis must provide an interpretation of the events to external constituents. Once these statements are made, organizations have made a public commitment. These statements then are difficult to retract or reinterpret. For this reason, organizations should take care in communicating in the aftermath of a crisis. As a consequence, Weick argues organizations often adhere to public statements and tenaciously justify their commitments for their own sake.

Selection is "the imposition of various structures on enacted equivocal displays in an attempt to reduce their equivocality" (Weick, 1979, p. 131). Organizations use assembly rules—retained responses from past experiences, and cycles—interlocked communication behaviors to reduce the uncertainty of the event. In its second tampering episode, Tylenol suggested that they learned a great deal from their first crisis and applied these learned responses to their second crisis. Ginzel, Kramer and Sutton (1993) contend that organizations cycle with their audiences in order to reduce equivocality of the crisis and reach consensus on crisis events.

Retention is the "relatively straightforward storage of the products of successful sense-making" (Weick, 1979, p. 131). In the case of the second Tylenol crisis, the lessons learned from the first crisis would be stored in the retention phase or the organizations memory. Successful responses that reduce the necessary equivocality for sensemaking are stored in the organization's memory until they are needed again. From this perspective, organizations that operate from ethical and responsible experiences in uncertainty reduction are more likely to operate similarly during crisis. Conversely, organizations that show little empathy or compassion for others without reprimand are likely to respond similarly in the event of a crisis.

Weick's (1979) theory of organizing is a "grammar" for reducing the inherent equivocality and uncertainties associated with crisis. His theory is

important to understanding how organizations should respond to crises. First, Weick suggests that organizations should question the ways in which they expect their organization to operate. This may include contingency planning for crises, creating relationships with stakeholders and communicating risk to stakeholders who may be affected by a crisis. Second, because enactment employs selective perception, organizational members should work on expanding their capacity to perceive the possibilities for and effects of crisis. For example, leadership should be able to expand their frame of reference to understand potential crises and how others are affected by these events. Finally, organizations should be cognizant that their communication constitutes public commitments which have the capacity to increase or minimize the intensity of the crisis. Weick's model of organizing emphasizes the importance of communication in reducing uncertainty. Chaos theory has additional utility for crisis research and compliments Weick's view.

Chaos theory. Chaos theory has a history in the physical sciences and more recently in the social sciences (Murphy, 1996; Wheatley, 1994). Similarly to Weick, this new paradigm suggests that chaos and complexity are inherent to organizing. It aids in understanding how organizations self-organize, adapt, change and renew. As a result, chaos theory introduces a new ontological orientation to understanding organizations. This new orientation has several general implications for understanding crisis

management.

Chaos theory rejects the reductionism of Newtonian Physics and recommends focusing on relationships and holistic examinations of organizations. Wheatley (1994) explains that through chaos theory "ethical and moral questions are no longer fuzzy religious concepts but key elements in our relationships with staff, suppliers and stakeholders" (p. 12). Organizations are no longer just accountable to stockholders but to a larger group of stakeholders that impact and are impacted by the organization (Freeman, 1984; Freeman & Gilbert, 1987). These relationships have the ability to profoundly impact the organization. Workers are understood as more than cogs in a machine but rather important resources for the organization (McGregor, 1960). Stakeholders are viewed as instrumental relationships that have an impact on organizational activities. During crisis situations these relationships can help an organization overcome adversity (Ulmer & Sellnow, 1995).

One common misconception of chaos theory is that organizations are unpredictable and defy logic. Chaos theory clarifies the relationship between chaos and order. Wheatley (1994) explains that "These two forces are now understood as mirror images, one containing the other, a continual process where a system can leap into chaos and unpredictability, yet within that state be held within parameters that are well ordered and predictable" (p. 11).

From this perspective, organizations are systems that contain "key patterns or principles that express the system's overall identity" (p. 11). Organizational values can represent order in a chaotic system and serve as parameters for acceptable behavior. From this perspective, organizations are likely to communicate consistently over time within the pre-existing boundaries.

Chaos theory describes these organizing principles as attractors. An attractor is an "organizing principle, an inherent shape or state of affairs to which a phenomenon will always tend to return as it evolves, no matter how random each single moment may seem" (p. 98). Some organizations, for example, operate from attractors that emphasize profit and bottom line over ethical considerations. Weick (1979) contends that attractors are housed in the organization's collective memory and serve as retained responses to reduce the uncertainty of situations. Organizations that infuse ethics into their deep structures and codify these practices in the organization's memory through practice and repetition are more likely to select these responses in crisis situations.

Beyond the organization itself, chaos theory embraces a model in which small triggering events "may amplify exponentially as their effects unfold so the end result bears little resemblance to the beginning" (p. 97). Crises are often caused by small oversights, failures to perceive or poor decisions which amplify in tightly coupled systems. In this case, the inception of the crisis

may be difficult to attain due to the complexity of the system in which it developed. Disasters such as Chernobyl, NASA and Bhopal are testament to the confusion in identifying the source of the crisis. Adding to the complexity of the situation are attempts to understand the crisis. Weick (1988) explains that "Our actions are always a little further along than is our understanding of those situations, which means we can intensify crises literally before we know what we are doing" (p. 308).

Chaotic systems evolve and amplify through positive feedback. Wheatley (1994) explains that, "initial uncertainties become so magnified as iteration proceeds that the system eventually cascades into disorder" (p. 97). Crises often start from concurrence seeking tendencies (Janis, 1972). If participants receive positive feedback which justifies feelings of invulnerability, unanimity and stereotyping among others, leadership is likely to make choices that will contribute to a crisis. For instance, the NASA disaster was partly attributed to an illusion of invulnerability that was enforced when "NASA managers had repeatedly sent shuttles into space with safety defects, thereby intensifying the sense that the agency could do anything" (Murphy, 1996, p. 106). Pauchant and Mitroff (1992) argue that crisis-prone organizations are more likely to succumb to a wide number of fallacies including: size, protection, limited vulnerability, self-inflation, cost-benefit analysis, fate and self-interest. Weick (1979) suggests that the

organization's leadership should question their beliefs from time to time to avoid these problems.

Chaotic systems have sudden changes called bifurcations. Bifurcations are points at which "the system rearranges itself around a new underlying order, which may come to resemble, or be very different from, the prior one" (Wheatley, 1994, p. 97). Crises can be understood as bifurcation points. They often change the organization and its operations significantly. Tylenol changed its packaging of capsules to prevent further tampering. Texaco implemented a code of ethics among other contingencies as a result of accusations of racial discrimination. The Food and Drug Administration closely examined the process of meat inspection after the three children died after eating hamburgers infected with e-coli at a Jack in the Box restaurant. From this perspective, bifurcations are understood as a "natural part of the organizing process, purging elements of the system that are outdated and inappropriate and creating new, unexpected opportunities for growth and change" (Seeger et al., 1998, p. 233).

Chaos theory suggests that human choice in determining a scale of observation is crucial. "The 'reality' that describes a given phenomenon is determined, not by its universal qualities, but by the observer who chooses the scale" (Murphy, 1996, p. 99). Interpretation of events relies extensively on how closely one examines a situation. Investigating chaotic systems from a

micro perspective may miss aspects that a larger analysis would not. For example, an organization may have a history of conduct. For this reason, chaos theory argues that some organizational research can benefit from longitudinal analysis. Moreover, scales are impacted by deep structures. Relationships can be drawn concerning how organizations evolve and change over time. Research on crisis communication provides insight into the lifecycle of organizations and how deep structures affect organizations in crisis.

Organizations grow and evolve through self organization and self renewal and need little external intervention for this process. Systems organize through randomness, planning and bifurcations. Chaotic systems highlight "the role of chance, the possibility of many outcomes, and the ability of the observer to choose which outcome will be called 'reality'" (p. 101). Similarly, Weick (1988) suggests that enactment or perception plays a major role in the outcome. Perception is an important concept for parties affected by a crisis. Stakeholders in a crisis often argue over interpretations of crisis events (Ginzel et al., 1993; Shrivastava, 1987; Ulmer & Sellnow, in press). Ethical organizations overcome perceptual difficulties by taking a more global perspective which emphasizes responsiveness to stakeholders. Research in crisis communication admonishes those organizations that fail to take a more global approach to meet the needs of stakeholders (Markus & Goodman, 1991; Seeger & Bolz, 1996; Shrivastava, 1987; Ulmer & Sellnow, 1996). This

work suggests that the post-crisis phase is typically lengthened due to an organization's inability to meet the communication needs of stakeholders.

Chaos theory illustrates the complexity and subjectivity associated with post–crisis communication. This framework suggests that crises are difficult to detect and often amplify dramatically and unpredictably. Because crises are chaotic, the organization's deep structures, or values, can predict how an organization will respond during a crisis. Organizations should combat dangerous fallacies that can amplify in chaotic systems. They should also be cognizant that stakeholders have multiple interpretations of reality. Effective organizations expand their frame of reference to include audiences that are affected by the crisis. Organizations that focus too narrowly on certain audiences are likely to alienate others and augment the intensity of the crisis.

Weick's theory of organizing and chaos theory have much in common and provide the tools for explaining and understanding the nature of crisis. Crisis situations are confusing, messy, unclear, difficult to predict and equivocal. Weick's approach emphasizes careful enactment of the organization's environment, followed by selection of appropriate rules and cycles to reduce equivocality. Chaos theory suggests to examine organizing principles that guide organizational conduct, to investigate prior crises for patterns of conduct and to describe organizational crisis as a natural bifurcation point in the life–cycle of the organization. Both theories provide

significant insight into crisis events.

Theories of Communication and Crisis

Crises are events that by nature necessitate a response. In the aftermath of a crisis, organizations are typically called upon to provide an interpretation of the event for stakeholders. Communication also plays an instrumental role in moving a crisis toward its conclusion. Much of the interdisciplinary research on crisis seeks to define crisis, describe its stages (Fink, 1986; Sturges, 1994; Turner, 1976) and delineate types of crisis (Coombs, 1995; Egelhoff & Falguni, 1992; Meyers & Holusha, 1986; Mitroff, Pauchant, & Shrivastava, 1988). Communication research plays an integral role in creating theories of what "to say" in the aftermath of a crisis. This review begins with a discussion of organizational accounts with specific attention paid to the complexity of communicating to multiple audiences. Second, an examination of present day image restoration theories is provided. This section concludes by differentiating between single speaker responses and organizational impression management.

Communication and Crisis

For an organization to successfully manage the effects of a crisis it must successfully communicate to external publics. Fink (1986) describes four distinct phases of crisis: prodromal, acute, chronic and crisis resolution. Prodromal refers to the warning signals that suggest a crisis is ready to

erupt. The acute stage is when the crisis erupts and some damage is done. During the chronic phase, the organization tries to repair damage. During this time, there are likely to be investigations, audits, intense media reports, and accounts by the organization which attempt to assess responsibility for the crisis. Resolution, the final stage, occurs when the crisis is resolved and operations return to normal. This study concentrates primarily on how organizations respond during the chronic stages of a crisis. Communication, at this time, is referred to as the organization's post-crisis response (Benoit, 1995a; Coombs, 1995; Seeger et al., 1998).

In the aftermath of a crisis, organizations are called upon to provide accounts of crisis events (Buttny, 1987; Schlenker, 1980; Scott & Lyman, 1968). Buttny contends that,

> Accounts serve as a local solution to a problematic event based on a person's practical reasoning to prevent the loss of face. Person's accomplish accounts by picking out aspects of the event in question to reframe it in order to diminish the actor's responsibility or the negative character of the event (p. 80).

Accounts provide the organization's interpretation of crisis events which are then scrutinized by the organization's stakeholders. This response is important because it can inhibit or promote both harm and crisis resolution. For this reason, post crisis responses serve as a critical point to examine the ethicality of the response. However, management's prior actions, value stances, and frames of reference can all aid in understanding the ethics of an

organization's response.

Important to understanding the post-crisis response by an organization is its leadership's role in providing accounts to stakeholders. Due to the chaotic nature of crisis, these events are open to multiple interpretations. Research in leadership suggests that the organization's authority system plays an instrumental role in constructing reality both for organizational members and external constituents (Pfeffer, 1981). Although this is true, research contends that the views and perspectives of stakeholders are critical in evaluating the organization's post-crisis response (Ginzel et al., 1993; Shrivastava, 1987; Ulmer & Sellnow, in press). These studies suggest that there are often perceptual differences between the organization and its stakeholders concerning crisis events. Ethical responses should take into consideration these different perspectives.

Shrivastava (1987) explains that discrepancies between stakeholders are natural in the aftermath of a crisis. He illustrates this point by explaining how different stakeholders described their reality in Union Carbide's disaster in Bhopal. Union Carbide referred to the crisis as an "incident", the government described the crisis as an "accident", the injured victims called it a "disaster", and social activists declared it a "tragedy", a "massacre" even "industrial genocide" (p. 85). The relationship each stakeholder has to the crisis, their values, assumptions, and backgrounds all shape the perception

of the event or the stakeholder's frame of reference.

Shrivastava (1987) contends that frames of reference can be operationalized through four parts: data elements, cognitive maps, reality tests and domain of inquiry and articulation. Data elements are the "basic assumptions, concepts, or units of information that individuals or organizations use to construct reality" (p. 88). This refers to the information stakeholders use as "appropriate" for decision-making. This information can range from quantified and objective to qualitative and descriptive. Some organizations which operate from quantified, objective and technical data elements overlook or discard qualitative data from personal sources. Dow Corning has discounted much of their customers' experiences with side effects of breast implants by contending there is no scientific evidence that breast implants are dangerous. Conversely, victims often privilege qualitative and descriptive information based on personal experience, while corporations privilege quantitative scientific data.

Cognitive maps refer to "arranging information into cause-effect relationships in order to make sense of that information and reach meaningful conclusions" (Shrivastava, 1987, p. 88). Stakeholder cognitive maps vary widely, from logical, rational causal relationships to more intuitive approaches to problem solving. Similarly, cognitive maps can also be closely tied to cultural and religious traditions. Corporations are much more likely to

use rational cognitive maps, while less organized stakeholders such as customers or victims are much more likely to use more intuitive approaches to causation.

Reality tests are "the method by which persons or organizations validate the information they find, the inquiries they make, or the cognitive maps they create" (Shrivastava, 1987, p. 88). Shrivastava suggests that these tests can refer to objective or subjective experiences as well as traditions or customary practices. Corporate reality tests are often embedded in standard operating procedures based on scientific and objective perspectives. Conversely, victims often base reality tests on personal experience.

Frames of reference are also composed of domains of inquiry and articulation. Domains of inquiry constitutes the "boundaries of inquiry and concern, the relevance of particular variables, and the alternate frames of reference" (Shrivastava, 1987, p. 88). The domain of inquiry is articulated or "expressed as assumptions that underlie organizational inquiries" (p. 88). Corporate domains of inquiry and articulation often involve technical, legal and financial issues. Victims' domains of inquiry typically involve their own economic and medical concerns.

Shrivastava's (1987) work suggests that perceptual differences arise in crisis situations because all stakeholders have a narrow frame of reference. For example, organizations in crisis often privilege empirical information and

concentrate on technological, legal and financial concerns. This view of the effects of crisis can make the organization's leadership seem callous and can illustrate a lack of responsiveness to external stakeholders. This type of response can infuriate stakeholders, reduce consensus and serve to prolong a crisis. Pauchant and Mitroff (1992) reject these types of organizational responses in which the organization "protects their own individual sense of identity and their perceived sense of the organization's identity" (p. 4). However, Ulmer and Sellnow (1996) suggest that research in crisis communication shows that conflicts often arise between the organization and its stakeholders over interpretations of the crisis. These conflicts most often surround questions of evidence, intent and locus.

Questions of evidence refer to "a complex scientific or legal debate in which the organization contrasts its interpretation of available evidence with that of legal or government agencies" (p. 2). Questions of intent refer to the organization's ability to claim "that, at all points leading to the crisis, involved honorable intentions" since stakeholders often hold the organization accountable for some responsibility (p. 2). Questions of locus primarily refer to assigning blame within or outside the organization. For all questions, Ulmer and Sellnow argue that the public is likely to be left with competing views of crisis events. The disparate answers to these questions by stakeholders is due to the differing frame of references stakeholders have for each question.

Moreover, this type of communication suggests that stakeholders are caught in their own perspectives of the crisis and are resistant to understanding the views of others.

Ginzel, Kramer and Sutton (1993) contend that organizations cycle with stakeholders to reduce equivocality about the crisis. This process takes place through three phases "(1) an initial phase in which top management generates an account intended to either enhance or protect its image; (2) a second phase in which members of the organizational audience react to the account; and (3) a third phase characterized by attempts to resolve the discrepancies between its account and the interpretations provided by the organizational audience" (p. 237). The first phase involves creating an account of the crisis by anticipating reactions from the organization's external constituents to the account. Once an account is provided by the organization, its audience either accepts or rejects the interpretation in the second phase. Ginzel et al. suggest that the organization's audience is primarily composed of sympathetic and antagonistic members. If an account is accepted by the organization's constituents, then resolution can take place. However, if the interpretation is rejected, any constituent may attack the organization for its position thereby exacerbating the situation. In the final phase, organizations and their audiences use interlocked cycles of behavior to negotiate a more congruent interpretation of the event. Ginzel et al. contend that the organization and its

stakeholders communicate about the event "until organizational actors and their audiences have reduced, or eliminated, perceived equivocality regarding the event" (p. 245). This work accentuates the role of communication in crisis and the importance of considering the audience when producing accounts. Although this research provides a description of how issues are managed, more empirical evidence is needed to validate these claims. What follows is a description of the types of accounts organizations provide during crisis situations.

Communicating in the aftermath of a crisis is difficult due the complexity of the situation and the multiple perspectives an organization has to account for in their response. However, organizations that refuse to broaden their rhetorical perspective risk alienating an audience, creating conflict, intensifying the crisis and extending pain and suffering to others affected by the crisis as well as further harming their own image. Shrivastava's (1987) work on understanding stakeholder's frame of reference suggests that researchers can understand the relative willingness for an organization to view crises from alternate perspectives. Hence, ethical communication during crisis involves communicating to stakeholders with rhetorical sensitivity. Gronbeck, German, Eninger and Monroe (1995) contend that rhetorical sensitivity is the degree to which speakers "recognize and respect their listeners and their listeners' needs" (p. 8).

Rhetoric and crisis. Rhetorical approaches to organizational crisis most often take an analytical approach to understanding these events. This research, grounded in the rhetorical genre of apologia, plays an important role in defining and delineating communication strategies open to the organization's leadership (see Downey, 1993; Ware & Linkugel, 1973). Ware and Linkugel (1973) define apologia as "the recurrent theme of accusation followed by apology" (pp. 273-274). Research in this area has expanded rapidly from its traditional roots. The primary organizing principle for recent rhetorical crisis research is Ryan's (1982) work on kategoria and apologia as a speech set. He contends that researchers should study both the accusation (kategoria) as well as the response (apologia) to a crisis. Much of the crisis research concentrates on apologia (Benoit, 1995a; Benson, 1988; Coombs, 1995; Ice, 1991; Seeger, 1986; Sellnow, 1993; Ware & Linkugel, 1973). However, recent articles investigate accusatory strategies as well (Benoit & Dorries, 1996; Hearit, 1996). The following sections illustrate theoretical developments in both accusatory and apologetic discourse.

Ryan's (1982) work describes a close link between the speech of accusation and apology. For this reason, he advises critics to study both speeches. He contends that through studying accusations, the critic can understand "the accuser's motivation to accuse, his [sic] selection of the issues, and the nature of the supporting materials" (p. 254). Conversely,

apologia should consider "the apologist's motivation to respond ... his [sic]

selection of the issues ... and the nature of the supporting materials" (p. 254).

Ryan describes discourse in speeches of accusation and apology as involving

issues of policy, character or both. However, he describes accusations

against character as different from policy in that the critic can assess ethical

implications in speeches of character. Ryan's work serves to organize

research in crisis communication by creating a close link between the

speeches of accusation and post crisis responses by organizations. Although

many articles frame the response in terms of the accusation, more work

needs to be done defining accusatory strategies.

Dionisopoulos and Vibbert (1988) provide one of the first examinations

of kategoria and apologia as a speech set in an organizational setting. They

examined accusations by CBS that Mobil Oil used "creative bookkeeping" to

disguise their dramatic increase in profits during the oil shortage of the late

1970's. CBS suggested that Mobil and other U.S. oil companies made it seem

as though the profits were made overseas rather than as the result of higher

prices in America. The charge was directed at the character of Mobil Oil and

questioned the ethical nature of its accounting practices. The result was an

apology and attack by Mobil Oil on CBS news for "shoddy TV journalism" and

"prefabricating a story" (p. 246). The apologia/kategoria by Mobil Oil

produced another response by CBS who denied accusations that their story

was unfair. This article illustrates that kategoria and apologia are not mutually exclusive categories but can contain elements of each speech type. Moreover, the speech set provides an opportunity to view contested issues over time as the crisis progresses. Present research has sought to define both accusatory and apologetic strategies.

Benoit and Dorries (1996) have produced an initial list of accusatory strategies. Their topoi is organized around two types of attack, establishing responsibility and increasing the offensiveness. The authors contend that four accusatory strategies can be used to increase perceived responsibility for a crisis. First, responsibility can be established if the accused had committed a similar act in the past. Showing how the accused intentionally performed the offensive acts is a second way to increase responsibility. Third, if the accuser can illustrate that the culprit knew the consequences and is still committing the act, blame and responsibility can be more easily determined. Finally, if the accused benefited from the act, responsibility is easier to assess.

Increasing the perceived offensiveness of the act entails six strategies. First, the accuser can emphasize the extent of the damage. Second, the duration of the harmful effects can be accentuated. Third, the accuser can describe how the negative effects affect the audience. Fourth is to charge that the accussee is guilty of hypocrisy or inconsistency. The fifth strategy is to illustrate the innocence or vulnerability of the victims. Finally, when an

accusee has an obligation to protect victims and disregards that obligation, the perceived offensiveness is heightened.

Benoit and Dorries (1996) applied their list of accusatory strategies to persuasive attacks made by Dateline NBC toward Wal-Mart's "Buy American" campaign. The accusations suggest that Wal-Mart deceptively sold foreign goods under "Made in the USA" signs, that their suppliers exploit children, that Wal-Mart has shifted from American to foreign suppliers and that it buys products that violate import quotas. The authors argue that Dateline heightened Wal-Mart's responsibility for the crisis by using the accusatory tactic of knowing the consequences of their deceptive advertising. The perceived offensiveness was heightened through "depicting the extent of the damage, indicating the effects on the audience, portraying victims as innocent and/or helpless, and alleging that Wal-Mart's actions were hypocritical" (p. 475). Overall, the accusatory strategies were judged as effective due their ability to portray Wal-Mart in an unflattering light and to provoke a response from the company. Moreover, Dateline's use of clever video cuts, sound and specific examples of widespread problems along with using Wal Mart's own statements against the company increased the efficacy of the accusations.

Although little work has been done in the area of accusatory strategies,

this work serves to help understand effective accusations. An important aspect of this research is its concentration not only on the organization but its effects on stakeholders. Benoit and Dorries (1996) contend that if an organization neglects its stakeholders during a crisis it may have the perceived offensiveness of the act heightened. Hence, organizations should expand their frames of reference to include external stakeholders when responding to crisis. What follows is a discussion of several post-crisis communication theories.

Apologia. Communication scholars interested in organizational crisis have applied principles from rhetoric and interpersonal communication to explain how single speakers and organizations restore their image following a crisis. Historically, single speaker apologia is one of communication's most prominent rhetorical genres. Recently, communication scholars have applied research on impression management to expand and further define the genre of apologia The research in this area is quite extensive and contains many competing typologies of communication strategies. This research represents present efforts to describe post-crisis communication and the strategies available to organizations. However, it has not provided a solid theoretical foundation for understanding effective crisis communication. Rather than exploring what strategies are most effective or establishing relationships between strategies and other organizational variables and outcomes, this

body of scholarship is largely mired in competing typologies and efforts to make fine distinctions between closely related forms of responses. The next section reviews these efforts chronologically and illustrates the progression of image restoration strategies from its roots in apologia to present day synthetic typologies.

Apologia is one of communication's most enduring genres beginning with classical rhetoric (Downey, 1993). Communication scholars have investigated apologia since the 1950's following an impetus sparked by Nixon's "checkers" speech. Haberman (1952) for example defined Nixon's rhetoric as "a highly charged emotional appeal" (p. 407). However, he condemned Nixon for his presentation of "appearances as opposed to realities" (p. 408). McGuckin (1968) built on the work of Haberman concentrating on Nixon's ethos and ability to identify his values with those of his audience. Due to the popularity of Nixon's "checkers" speech and the advent of the mass media, communication scholars also became intrigued with the relation between technology and apology. Rosenfield (1968) was the first to assign generic status to apologia in the form of mass media apologia. He compared Nixon's "checkers" speech to Truman's speech responding to charges that he allowed a communist agent to hold a high government office.

From this analysis, Rosenfield (1968) delineated four similarities which comprised the genre of mass media apology. First, apologia is likely to be part

of a short, intense, decisive clash of views. Second, speakers are unlikely to limit themselves to defensive remarks. Third, facts are lumped in the middle third of the speech. Fourth, there is a "tendency to assemble previously used arguments" (p. 449). Beyond these characteristics Rosenfield described some "personal imprints" single speakers can use in their discourse. The first characteristic is the manner in which the inferential pattern controls the form of the address. The second attribute is the degree to which the speaker channels his/her attack and directs his/her listener's aggression. Third, "the ratio of public-personal explanations" is important (p. 449). These efforts represent a first attempt to inductively create a typology of strategies for crisis communication. However, the work of Ware and Linkugel (1973) was the first to clearly define apologia as a distinct rhetorical genre.

Ware and Linkugel (1973) contend that "In life, an attack upon a person's character, upon his worth as a human being, does seem to demand a direct response" (p. 274). Moreover, the "recurrent theme of accusation followed by apology is so prevalent" that it is sufficient to justify generic status (p. 274). To illustrate the rhetorical strategies open to an apologist, Ware and Linkugel adapted four strategies from Robert Abelson's (1959) work on belief dilemmas. The first, denial, "consists of the simple disavowal by the speaker of any participation in, relationship to, or positive sentiment toward whatever it is that repels the audience" (p. 276). Bolstering is the obverse of

denial. It entails the speaker's efforts to associate themselves with facts, sentiments, objects, or relationships which are "viewed favorably by the audience" (p. 277). Ware and Linkugel argue that denial and bolstering are reformative "in the sense that they do not alter the audience's meaning for the cognitive elements involved" (p. 426).

Differentiation, the third strategy, "subsumes those strategies which serve the purpose of separating some fact, sentiment, object, or relationship from some larger context within which the audience presently views the attribute" (p. 278). For differentiation to occur, "at least one of the new constructs takes on a meaning distinctively different from that it possessed when viewed as a part of the old, homogeneous context" (p. 278). The final factor, transcendence, is the obverse of differentiation. Transcendence includes "any strategy which cognitively joins some fact, sentiment, object, or relationship with some larger context within which the audience does not presently view that attribute" (p. 280). Differentiation and transcendence are transformative because they affect "the meaning which the audience attaches to the manipulated variable" (p. 280).

Ware and Linkugel argue that apologetic speakers typically assume one of four major rhetorical postures. These postures involve the combination of a transformative factor and a reformative factor. An absolutive posture is composed of the combination of denial and differentiation. A vindictive

posture includes denial and transcendence. An explanative posture combines bolstering and differentiation. Finally, a justificative posture emphasizes bolstering and transcendence (pp. 282-283). This was the first attempt by rhetorical scholars to identify a prescriptive element to apologetic rhetoric.

Much of the literature on single speaker and organizational apologia utilizes Ware and Linkugel's typology (Benoit & Lindsey, 1987; Hoover, 1989; Ice, 1991; Seeger, 1986). Moreover, these strategies remain important components of present day synthetic typologies. However, over time Ware and Linkugel's (1973) prescriptive recommendation that transformative and reformative strategies could not be used together would be amended. The impetus for this change in theory was a study conducted by Benoit and Lindsay (1987) of Johnson & Johnson's apologetic response to the Tylenol tampering crisis. They concluded "one transformative strategy used did not pervade the campaign to the extent the two reformative strategies did" (p. 145). This study eliminated the predictive element of apologia and placed apologetic research firmly in the descriptive domain. Moreover, researchers began to question the number of strategies open to single speakers and organizations in search of repairing their image (Allen & Caillouet, 1994; Benoit, 1995a; Coombs, 1995). For this reason, researchers began to identify other communication theories related to image restoration. This research would expand and develop apologetic research to what is known today as

image restoration strategies.

Image Restoration Strategies. Following Benoit and Lindsay's (1987) study, crisis communication scholars began extending and adapting the genre of apologia to encompass image restoration strategies (Allen & Caillouet, 1994; Benoit, 1995a; Coombs, 1995). Benoit (1995a), in a comprehensive work on image restoration, provides a synthetic typology of strategies (See Table 1). He extends the work of Ware and Linkugel (1973) by merging the impression management literature, (Goffman, 1971; Schlenker, 1980; Schonbach, 1980; Scott & Lyman, 1968; Semin & Manstead, 1983; Tedeschi & Reiss, 1981), rhetorical theory (Burke, 1970) and the previously discussed rhetorical genre of apologia. Similarly, Allen and Caillouet (1994) reviewed the impression management literature to form a typology of impression management strategies. Benoit defines five image restoration strategies: denial, evading responsibility, reducing the offensiveness of the event, corrective action, and mortification. Allen and Caillouet delineate seven strategies based on the impression management literature and an inductive analysis of their case study including: excuse, justification, ingratiation, intimidation, apology, denouncement and factual distortion. To illustrate the components of these typologies, a discussion of each is provided

Benoit (1995a) describes two types of denial, simple denial and shifting the blame. Simple denial involves denying the undesirable act. Shifting the

blame seeks to move the guilt from one person to another. Evading responsibility is achieved through four strategies, provocation, defeasibility, accident, and good intentions. Provocation suggests that the action was legitimate due to another provoking act. Defeasibility concerns "pleading lack of information about or control over important factors in the situation" (p. 76). Accident entails issues of intent and control. Good intention strategies defend actions in terms of motives and intentions.

Benoit (1995a) identifies bolstering, minimization, differentiation, transcendence, attacking the accuser and compensation as techniques used to reduce the offensiveness of the event. Bolstering comprises "strengthening the audience's positive affect for the rhetor" (p. 77). Minimization, attempts to reduce or downplay the negative affects of the offensive act. Differentiation "attempts to distinguish the act performed from other similar but less desirable actions" (p. 77). Transcendence seeks to reframe the act, placing it in a different context. Attacking the accuser involves reducing the credibility of the accusers. Compensation "offers to remunerate the victim to help offset the negative feeling arising from the wrongful act" (p. 78). Benoit argues that accusers also may offer to correct the problem by returning conditions to their original state or promising the act will never happen again. The fifth strategy, mortification, requires an actor "admit responsibility for the wrongful act and ask for forgiveness" (p. 79).

This typology has been widely applied (Benoit, 1995a; Benoit & Brinson, 1994; Sellnow & Ulmer, 1995). This theory of image restoration differentiates itself from Ware and Linkugel's (1973) genre of apologia in that Benoit merged much of the interpersonal research on image restoration with the genre of apologia. Moreover, image restoration theory through Benoit's categorization, is primarily descriptive in nature. Concurrent to Benoit's research, Allen and Caillouet (1994) developed an extension to rhetorical apologia from the impression management literature at the individual and organizational levels (Cheney & McMillan, 1991; Dowling & Pfeffer, 1975; Elsbach & Sutton, 1992; Markus & Goodman, 1991).

Table 1

Benoit's (1995) Image Restoration Strategies

Strategy	Example
1. Denial	
Simple Denial	We did not cause the crisis
Shift the Blame	Someone else caused the crisis
2. Evasion of Responsibility	
Provocation	Reaction to another's act
Defeasibility	We did not have enough information
Accident	We did not mean for this to happen
Good Intentions	We meant to do the right thing
3. Reducing the Offensiveness of Event	
Bolstering	We have done some good things
Minimization	The crisis is not that bad
Differentiation	Others have had worse crises
Transcendence	We should focus on other issues
Attack the Accuser	The accuser is irresponsible
Compensation	We will cover the costs of the crisis
4. Corrective Action	We will solve the problem
5. Mortification	We're sorry

Allen and Caillouet (1994) delineate seven strategies to repair an image including: excuse, justification, ingratiation, intimidation, apology, denouncement and factual distortion (See Table 2). Excuse is operationalized in three ways. Denial of intention suggests the consequences of the crisis were unforseeable, decision makers were unaware of the affects of the decision or the effects were the result of a mistake or accidental. Denial of volition suggests the accused "couldn't control and/or be expected to control the event in question" (p. 59). Denial of agency explains that the apologist did not "produce the act in question" (p. 59).

Denial of injury, denial of victim, condemnation of condemner and negative events misrepresented are justification strategies used to accept some responsibility for the crisis but not all the negative actions associated with the crisis. Denial of injury admits the crisis occurred but minimizes the situation because no one was hurt and the effects were negligible. Denial of victim suggests the crisis is permissible because the victim deserved the damage. Condemnation of condemner is used when the accused admits wrong but contends that "the act was irrelevant because others commit these and worse acts" (p. 59). Negative events misrepresented suggests that the crisis has been recast to show the organization in an unfavorable light.

Ingratiation, the third image restoration strategy, attempts to paint the organization in a favorable light. Apologists can use ingratiation tactics in three primary ways. Self-enhancing communication stresses the "positive qualities, traits, motives and/or intentions" of the accused (p. 60). Self-enhancing communication is illustrated in two different ways. First, the accused can cast itself as a role model or exemplar. Second, the apologist can emphasize its social responsibility. A second type of ingratiation strategy is other-enhancing communication. This includes directing praise, approval and flattery toward the accuser. Opinion conformity, the last ingratiation strategy, emphasizes "similarity of beliefs, values, and attitudes" with those of the accuser (p. 60).

The fourth image restoration strategy, intimidation, conveys danger and potency and is often accompanied by threats. Apology, the fifth strategy, is the admission of guilt and request for punishment. Denouncement or placing blame on an external source is the sixth strategy. Finally, factual distortion suggests that an event is taken out of context.

Table 2

Allen and Caillouet's (1994) Impression Management Strategies

Strategy	Example
1. Excuse	
Denial of Intention	We did not know this would happen
Denial of Volition	We had no control of the situation
Denial of Agency	We did not do it
2. Justification	
Denial of Injury	The crisis did not cause suffering
Denial of Victim	The victim deserved the injury
Condemnation of Condemner	The accuser committed a worse act
Negative Events Misrepresented	Our crisis did not cause these effects
3. Ingratiation	
Self-enhancing Communication	Let's concentrate on our positives
a. Role Model	Our organization is exemplar
b. Social Responsibility	We are responsible to stakeholders
Other-enhancing Communication	We want to thank you for your help
Opinion Conformity	We are in accordance with state rules
4. Intimidation	We will protect our jobs at all costs
5. Apology	We are sorry and deserve sanctions
6. Denouncement	An external group is at fault
7. Factual Distortion	These accusations are untrue

In order to bring the work of Benoit (1995a) and Allen & Caillouet (1994) together, Coombs (1995) offers a synthetic typology of image restoration strategies based on the work of all three authors (See Table 3).

Coombs' typology identifies five primary crisis response strategies: nonexistence, distance, ingratiation, mortification, and suffering. The goal of a nonexistence strategy is "to show that there is no link between the fictitious crisis and the organization" (p. 450). Coombs identifies four such strategies. Denial simply states that there is no crisis. Clarification "extends the denial strategy with attempts to explain why there is no crisis" (p. 450). Attack focuses on condemning those who wrongly reported a crisis. Intimidation involves a threat to use organizational power, such as legal action, against the accuser.

The second set of strategies open in the aftermath of an organizational crisis are distance strategies. These tactics acknowledge the crisis but weaken the link between the crisis and the organization. Distance strategies are composed of excuses and justifications. Excuses deny intention or volition and place blame outside the organization such that, "An organization cannot control an event if some third party is responsible for the crisis" (p. 451). Justifications persuade audiences the crisis is not as bad as similar events. Coombs suggests that justification tactics are used by the organization to deny "the seriousness of an injury, claiming that the victim deserved what happened, and claiming that the crisis even has been misrepresented" (p. 451). The third strategy, ingratiation, can gain public approval by linking the organization to positive values and outcomes. Ingratiation strategies are

comprised of bolstering, transcendence, and praising others. Bolstering emphasizes the organization's positive features. Transcendence positions the crisis, its cause and harm, in a larger, usually more favorable context. Praising others is a strategy designed to win approval and good will among important publics.

Mortification, the fourth strategy, is designed "to win forgiveness of the publics and to create acceptance for the crisis" (p. 452). Mortification strategies entail remediation, repentance, and rectification. Remediation tactics offer compensation to victims. Repentance strategies entail apologizing for the crisis and asking forgiveness. Rectification strategies prevent a future recurrence of the crisis. The final strategy outlined by Coombs is suffering. This tactic is used to depict "the organization as an unfair victim of some malicious, outside entity" (p. 453).

Much work has been done to delineate the types of strategies available to organizations responding to crises. This work provides a solid theoretical framework for image restoration efforts suggesting what rhetorical stances are available to an organization following a crisis. However, little research has been directed toward understanding how and when we should use these strategies. Furthermore, organizational responsibility and ethics are rarely discussed in terms of their effectiveness. Some research, however, does differentiate between the strategies open to single speakers as opposed to

those open to organizations.

Table 3

Coombs' (1995) Crisis Response Strategies

Strategy	Example
1. Nonexistence Strategies	
Denial	We did not do it
Clarification	We did not do it and this is why
Attack	Those that accuse us are at fault
Intimidation	We will sue the accuser
2. Distance Strategies	
Excuse	We are not responsible
Denial of Intention	We did not intend for this to happen
Denial of Volition	Someone else did this
Justification	This crisis is not as bad as others
a. Minimizing Injury	No one was hurt by the crisis
b. Victim Deserving	The victim deserved the effects
c. Misrepresentation of the crisis event	Our crisis did not cause this impact
3. Ingratiation Strategies	
Bolstering	Let's examine our positive aspects
Transcendence	The real problem is much larger
Praising Others	Thank you for your advice
4. Mortification Strategies	
Remediation	We will compensate victims
Repentance	Please accept our apology
Rectification	This is how we will solve the problem
5. Suffering Strategy	We are a victim of this crisis

Single Speaker vs. Organizational Impression Management

A small but significant area of research seeks to differentiate single speaker responses from organizational responses. This work suggests that organizations are distinct due to their hierarchical and divisional internal nature as well as the diversity of their audience (Cheney, 1991; Dionisopoulos & Vibbert, 1988; Schultz & Seeger, 1991). Cheney (1991) explains that

organizations have the ability to "'decenter' the self, the individual, the acting subject' (p. 5). Schultz and Seeger (1991) argue that an organization's ability to decenter enables it "to deny or diffuse responsibility in ways which may be unique to corporate centered discourse" (p. 52). For example, during crises members of organizations often defer responsibility to higher levels of authority in the organization. Organizational spokespersons then typically accept blame for the crisis. However, assigning blame to a single person or group of individuals within the organization is difficult due to the complexity of action and the ability of the organization to decenter itself. For example, during Jack in the Box's e-coli outbreak, the organization evaded pinning responsibility on any worker or group of workers who did not receive and disseminate state standards for cooking hamburgers throughout the organization. Conversely, the organization blamed the mishap on poor communication channels, hereby diffusing responsibility away from any specific employees (Sellnow & Ulmer, 1995).

Schultz and Seeger (1991) contend that single speaker and organizational discourse differ "in the degree of audience diversity and nature of their interests" (p. 51). Ice (1991) suggests that organizations have four primary publics. Enabling publics serve an authority function and often function in a regulatory capacity for the organization. Functional publics supply inputs and receive outputs from the organization. This audience is

more broad and diverse. It includes workers, suppliers and consumers among others. Normative publics "incorporate norms for the corporation and represent publics that share similar interests with the corporation (e.g., associations and professional organizations)" (p. 343). Diffused publics represent the organization's audience which is likely to be most affected by the organization's actions. They may include the community or other industries in the area.

It is the organization's job to communicate to each of these publics to satisfy needs and expectations (Allen & Caillouet, 1994; Ice, 1991; Shrivastava, 1987; Ulmer & Sellnow, 1996). However, due to the nature of the audience, the purpose for communicating to stakeholders is distinct from single speaker concerns. For example, companies in the aftermath of a crisis often must communicate to add value to its stock price, illustrate corrective steps to ensure the crisis will not happen again to regulatory agencies and communicate to those individuals directly impacted by the crisis. Conversely, single speakers are "primarily concerned about personal safety, level of threat, and damage to their image" (Seeger et al., 1998). Sellnow and Ulmer (1995) suggest that due to the nature of corporate audiences, their needs might be contradictory. In this case, they argue, the organization "can address both audience groups simultaneously by interjecting some form of ambiguity into their public arguments" (p. 148). This strategy is particularly

important when one considers the implications of aggravating an audience.

This work has made important contributions to the study of crisis communication. It contends that organizations and single speakers have different constraints and opportunities when responding to crisis. Organizations are able to diffuse responsibility in ways a single speaker can not. However, the eclectic nature of organizational audiences makes it difficult for an organization to meet the potentially divergent needs of these constituents. Failing to meet the needs of stakeholders can increase the pain and suffering of those stakeholders and augment the intensity of the crisis. Organizations, therefore, should be careful how they communicate to constituents following crisis.

The purpose of this section was to explain the importance of communication in resolving crises. The review began with a discussion of accounts that serve as an organization's explanation for the crisis. A major concern in providing accounts after a crisis is addressing the competing and divergent needs of organizational stakeholders. Work by Shrivastava (1987) describes the perceptual differences between organizations and their constituents. Ginzel, Kramer and Sutton (1993) explain that due to the perceptual differences between stakeholder organizational accounts the two typically cycle until agreement on accounts can be achieved. Much research has been conducted on available communication accounts or strategies. This

work examines both accusatory strategies and image restoration strategies. Research in this domain has developed sophisticated synthetic typologies of communication strategies. However, within this research, few examples of ethical or effective responses to crisis exist. Moreover, we know little about which of these strategies are most useful for responding to crises (Benoit, 1997; Coombs, 1995). Finally, extant research lacks an understanding of what constitutes an ethical response to a crisis. The next section emphasizes the importance of ethics to crisis communication research.

Theories of Ethics and Communication

Few studies specifically use ethical perspectives to analyze organizational crisis communication (See, Seeger & Bolz, 1996; Ulmer & Sellnow, in press). The purpose of this section is to first illustrate the need for crisis researchers to include ethics in the study of post-crisis messages. Second, this section illustrates the efficacy of ethical perspectives in analyzing crisis responses. This review begins by linking ethics to communication and the study of organizational communication. Next, the importance of ethics to the study of crisis communication is examined. This review concludes by introducing four ethics useful in analyzing crisis responses.

Ethics and Communication

Ethics research has a rich and long-standing tradition in communication (Jaksa & Pritchard, 1988; Johannesen, 1996; Seeger, 1997).

The study of communication ethics focuses generally in the areas of political, religious, legal, interpersonal, small group, intercultural and organizational communication. Johannesen (1996) contends that "Ethical issues may arise in human behavior whenever that behavior could have significant impact on other persons ... and when the behavior can be judged by standards of right and wrong" (p. 1). Ethics are concerned with judgments of right/wrong, good/bad, desirable/undesirable based upon values (Johannesen, 1996; Seeger, 1997).

Seeger (1997) describes four characteristics of values. First, there is a hierarchical relationship among values. The process of making ethical judgments, then, involves deciding which values are to be privileged. Ethical dilemmas arise when conflicting value systems are relatively comparable in terms of being right/wrong or good/bad. Second, no value is always accepted as universal. Values change from person to person, context to context and culture to culture. Third, values are dynamic. They change over time depending upon the needs of society. Fourth, values are central to individual self-concepts. They are inherent to human beings, to how we view ourselves and others and to human interactions. Moreover, the potential for ethical issues in communication is immense. Communication impacts people in dyads, small groups, organizations, social movements or political campaigns among others. Hence, judgments about the ethical nature of communication

can be made based upon values.

Ethics and communication are closely related research domains. It is important to study communication ethics because there is a potential tension in communication research between what "is" and what "ought" or between the actual and the ideal (Johannesen, 1996, p. 2). Communication researchers often identify strategies or techniques and focus on determining the effectiveness of these techniques. Ethics enable researchers to move from the "how to" to the "whether we ethically ought to" use these tactics (Johannesen, 1996, p. 3). Researchers in crisis communication have carefully delineated a wide variety of strategies for post-crisis responses. However, little is known about whether an organization should use these strategies For this reason, little attention had been directed to assessing the ethics of strategies. Benoit (1995a), for instance, defines denial as a strategy useful in responding to a crisis but little has been focused on whether an organization "ought" to use this strategy. Furthermore, little is known about the implications of using denial for other stakeholders. The study of ethics, then, contributes to the evaluation and a more complete understanding of organizational communication.

Ethics and Organizational Communication

Until recently, organizational communication scholars have generally failed to contribute to the study of organizational communication ethics. Allen,

Gotcher, and Seibert (1993) in their comprehensive review of organizational communication journal articles from 1981-1991 only "found 28 articles that investigated issues associated with ethics" (p. 285). Furthermore, neither of the two comprehensive handbooks on organizational communication published in the late 1980's discusses ethics (Goldhaber & Barnett, 1988; Jablin, Putnam, Roberts, & Porter, 1987). In a recent book on organizational ethics, Charles Redding (1996) admonishes this lack of research in ethics and makes a plea for scholars to "Wake Up" and "make the study of ethics a major topic for research" (p. 17). Similarly, Allen, Gotcher, and Seibert appeal to researchers that "ethics deserves more attention" (p. 286). Within this area, the authors contend that a primary topic warranting attention is "the ethical implications of an organization's externally directed persuasive communication" (p. 286). The remaining part of this review will examine the importance of ethics to an organization's crisis communication. What follows is a discussion of the importance of ethics to post-crisis responses. In doing so, the stakeholder model is introduced as a major theoretical perspective on communicating ethically to diverse constituents. In addition, virtue ethics, social systems perspectives on responsibility and significant choice are described as ethical perspectives useful in analyzing and critiquing post-crisis messages.

Ethics and Crisis Communication

All crises have an impact on either internal or external stakeholders. For this reason, organizational crises are probably best understood in terms of their effects on people, communities and society. When an airplane crashes, plant explodes, tanker spills, product kills or harms, the first among many questions concerning the crisis is, who was affected and to what extent? The magnitude of destruction and the impact on stakeholders is often directly correlated to the intensity of the crisis. Crises are routinely described as the "largest" or "most destructive" in terms of impact. Hence, communication that meets the needs of these stakeholders is important.

However, as established earlier, research on organizational responses to crisis has been troubling. Few extant examples of ethical crisis communication exist. Most of our standards for effective communication are established from examples of what not to do in crisis communication (See, Benoit, 1997; Williams & Treadaway, 1992). Media reaction to the rare successful response in the crisis literature of Tylenol in their second tampering episode described the CEO of Johnson & Johnson as "a corporate citizen ... sincere ... and one for whom corporate ethics is an obsession" (Benson, 1988, p. 68).

By studying ethical approaches to crisis, researchers may be able to develop clearer standards regarding what constitutes effective crisis

communication. Johannesen (1996) contends "If for no other than the pragmatic reason of enhancing chances of success, the communicator would do well to consider the ethical criteria held by his or her audience" (p. 3). In this case, studying ethics can help understand the efficacy of post-crisis communication and its relationship to resolution.

The extant literature in crisis communication examines the obvious failures in crisis communication and little research provides an understanding of the relationship between crisis resolution. Pauchant and Mitroff (1992) suggest that the difference between crisis-prone and crisis-prepared organizations is the organization's ability to communicate in an ethical, responsible manner "toward themselves, their employees, their business partners, and their surrounding environment" (p. 5). Research on ethical approaches to crisis illustrates how organizations can expand their communication strategies to include the perspectives of diverse stakeholders. These strategies are likely to have an effect on how issues related to the crisis become resolved.

Crisis communication has much to gain from examining ethical approaches to an organization's post crisis response. Creating ethical ideals through communication strategies and providing a more complete understanding of how ethical post crisis response relates to crisis resolution are two general areas that can benefit from this research. The foundation of

an ethical response is expanding the organization's ability to be aware that crises affect not only the organization but also multiple stakeholders. Several ethical perspectives are useful in analyzing the ethicality of organizational crisis communication.

Stakeholder Model. The stakeholder model is an ethical perspective that expands leadership's perspective concerning how an organization impacts and is affected by its environment (See, Clarkson, 1995; Donaldson & Preston, 1995; Freeman, 1984; Freeman & Gilbert, 1987; Heath, 1994; Heath, 1997; Jones, 1995; Logsdon & Yuthas, 1997; Seeger, 1997; Seeger & Bolz, 1996). Traditional perspectives on stakeholders take a narrow view of stakeholders which include suppliers, stockholders, customers, employees and managers. Freeman (1984) contends that this view of stakeholders is overly simplistic. He describes stakeholders as "all ... groups and individuals that can affect, or are affected by, the accomplishment of organizational purpose" (p. 25). From this initial list, Freeman contends that organizations impact and are impacted by governments, local community organizations, consumer advocates, competitors, the media, special interest groups, and environmentalists to name a few.

The stakeholder model of organizational ethics moves organizational sensemaking from a narrow focus on profitability and organizational issues to a greater awareness of how the composite audience of the organization is

affected by its actions (Freeman, 1984). This rhetorically sensitive position suggests that ethical organizations incorporate the disparate needs of its audience into its communication. Seeger (1997) notes that myopic organizations may alienate some stakeholder groups which then "might withhold resources and support, limit the firm's access to new markets or boycott the organization's products" (p. 9). During crises, organizations must be particularly sensitive to different stakeholder needs because these needs may actually be contradictory (Ginzel et al., 1993; Markus & Goodman, 1991; Sellnow & Ulmer, 1995). Sellnow and Ulmer contend that in these cases organizations can interject ambiguity into their messages to appeal to these multiple constituents. Ginzel et al. argue that organizations and their constituents use interlocked cycles "until organizational actors and their audiences have reduced, or eliminated, perceived equivocality regarding the event" (p. 245). Markus and Goodman suggest that organizations would be wise to "adopt a rigorous ethical position in which they lay prudence aside and sacrifice profits for the sake of the victims of the crisis" (p. 300).

Examining post crisis responses requires a stakeholder approach due to the vast effects of crisis. Pauchant and Mitroff (1992) contend that organizations in crisis should adapt their views beyond typical stakeholder analysis to fit the special needs of crisis situations. First, crises can have devastating effects on the environment. Moreover, crises can even extend in

some cases to future unborn generations as in the cases of Bhopal and Chernobyl. For this reason, organizations must expand their views and potential effects of stakeholders. Second, crisis management should expand the number of criteria for stakeholders during a crisis. Pauchant and Mitroff suggest that managers should define stakeholders by "emotional, ecological, social, ethical, medical moral, spiritual, aesthetic, psychological, and existential criteria" (p. 129). In short, due to the novel circumstances of crisis, organizations must change their views of traditional stakeholder analysis to a more expanded view in crisis situations.

From the perspective of the stakeholder model, ethical organizations are able to create a fundamental connection with their environment. Pauchant and Mitroff (1992) suggest "crisis-prepared organizations collaborate more often with other stakeholders, such as firms in the same industry, governmental agencies, suppliers, customers, and community members" (p. 159). Similarly, Ulmer and Sellnow (1995) contend that organizations should establish relationships with stakeholders before the crisis. They state that when organizations "establish ... a cooperative relationship with such agencies [they] have the potential to aid organizations on occasions when their credibility is threatened" (p. 62).

Virtue Ethics. Virtues have a long-standing history in communication (Johannesen, 1996; Seeger, 1997). This tradition is grounded in the work of

Aristotle's Nicomachean ethics and investigations of the virtuous. For Aristotle, a virtuous person attributed pleasure to good things and pain to bad things (Herrick, 1992). According to MacIntyre, (1981) Aristotle's conception of virtue ethics is closely tied to a person's character; "intellectual virtues are acquired through teaching, the virtues of character from habitual exercise" (p. 144). From this perspective, virtuous people operate from a value structure which exemplifies ethical conduct. Johannesen (1996) concurs; "In such times of crisis or uncertainty, our decision concerning ethical communication stems less from deliberation than from our 'character'" (p. 73). In such times there often is not sufficient time for deliberation.

Virtue ethics has been applied widely in contemporary communication and multidisciplinary contexts (See, Crisp & Slote, 1997; Herrick, 1992; Hudson, 1986; Krushwitz & Roberts, 1987; Kupperman, 1991; MacIntyre, 1981; Meilander, 1984; Sherman, 1989; Slote, 1992; Taylor, 1991). For instance, Herrick identifies several virtues associated with rhetoric. These virtues include, "attentiveness to issues, inquisitiveness to investigate questions, discernment of reasoning errors, and articulateness" as well as "candor and courage" (p. 146). Virtues for a post-crisis response may include incorporating the needs of stakeholders in the organization's response. Other virtuous post-crisis communication may include compassion, responsibility, and understanding the broad and complex implications of its communication.

Pauchant and Mitroff (1992) call this type of behavior "bounded emotionality" which refers to the ability of an organization to "apprehend cognitively the many facets of an issue" (p. 4). Communication scholars often refer to the ability of a communicator to understand the affects of a message on his/her audience as rhetorical sensitivity.

Sheehy (1991) suggests that understanding the virtues of a leader is important because "we are left to search out those we can believe in as strong and sincere, fair and compassionate: real leaders to whom we can leave the responsibility to use good judgment when crises" hit (as cited in, Johannesen, 1996, p. 78). Moreover, models of ethical conduct can be developed to produce goals for organizations to strive for in their post-crisis communication.

From the perspective of virtue ethics, models of successful responses to crisis are instructive to other organizations in creating ethical responses. If the bulk of our examples of responses to crisis represent narrow frames of reference that exclude stakeholders perspectives in their responses, organizations are apt to respond similarly. However, models which explain and describe ethical approaches to post crisis responses provide alternatives approaches to crisis management.

Organizational Responsibility and Responsiveness. Responsibility is a fundamental human ethic that derives from a person's location within a

larger community (Seeger, 1997). This ethic is grounded in the idea that powerful and prominent members of the community are responsible to that community. More specifically, community members should take into account the needs, interests, values of the community when making decisions that affect the community. Members that fail to meet this objective can be called to provide an account of their behavior and can have their legitimacy threatened (Hearit, 1995a; Hearit, 1995b; Seeger, 1986; Sethi, 1987).

Determining responsibility is a key issue in the literature (See, Petress & King, 1990; Schultz, 1996; Schultz & Seeger, 1991; Seeger, 1997; Sethi, 1987). Traditional models of responsibility focus on cause-effect conceptions of responsibility (Petress & King, 1990). However, research suggests that organization's have a unique ability to obscure and obfuscate responsibility (Schultz, 1996; Schultz & Seeger, 1991; Seeger et al., 1998). Moreover, at times, issues of responsibility have "digressed into debates among competing moral positions and motives" (Seeger et al., 1998, p. 121).

Sethi (1987) has developed a three stage schema for classifying corporate behavior. A key feature of his model is that "Business is a social institution and therefore must depend on society's acceptance of its role and activities if it is to survive and grow" (p. 41). Organizations that wish to maintain legitimacy or society's acceptance must work to narrow the gap between business performance and societal expectations. Ethical

communication involves producing accounts of events that anticipate and meet the needs and expectations of society in order to maintain legitimacy.

Sethi (1987) contends that corporate behavior can be evaluated as social obligation, social responsibility or social responsiveness. Social obligation is a commitment to societal expectations only through economics and law. Sethi criticizes this type of strategy. Organizations that follow economic or legal strategies "will not survive; even the mere satisfaction of these criteria does not ensure the corporation's continued existence" (Sethi, 1987, p. 42). From this perspective, organizations that follow an exploitative and defensive marketplace ethic and accept societal responsibility only through sanctions are typically unethical and unsuccessful.

Social responsibility is "bringing corporate behavior up to a level where it is in congruence with currently prevailing social norms, values and performance expectations" (Sethi, 1987, p. 43). Social responsibility refers to being attentive to the needs and interests of stakeholders in order to maintain legitimacy. It is an ethical stance where the organization seeks to narrow the gap between societal expectations and business performance by a reactive adaptation to the event. Because crises arise suddenly, an ethical response to a crisis would be to compensate victims "even in the absence of clearly established legal grounds" (Sethi, 1987, p. 44).

Social responsiveness refers to anticipating "changes that may be a

result of the corporation's current activities, or they may be due to the emergence of social problems in which corporations ... play an important role" (Sethi, 1987, p. 43). Social responsiveness is a proactive level of responsibility that does not just respond to societal pressures but emphasizes what the organization's "long-run role in a dynamic social system should be" (Sethi, 1987, p. 43). It is the paradigm case of ethical conduct due to its proactive ethical obligations to society. Responsiveness includes anticipating "future social changes and developing internal structures to cope with them (Sethi, 1987, p. 44). The organization is a leader in the industry and society and promotes positive change even though it "may seem detrimental to its immediate economic interest or prevailing social norms" (Sethi, 1987, p. 44). Hence, socially responsive organizations do not react to social norms but play an active role in identifying and increasing the salience of these norms. These organizations also adapt their operations to account for these norms. For example, Ted Turner, after a donation of $1 billion to the United Nations, criticized other CEO's of major corporations to increase their philanthropy. His new standard of philanthropy was designed to establish new norms of acceptable conduct for corporate giving.

Significant Choice. Nilsen (1974) in his book Ethics of Speech Communication outlines a communication centered perspective for evaluating public communication. His theory propounds that in order to up-hold the

values of democracy the public must have access to free and unbiased information (See, Johannesen, 1996; Rasmussen, 1973; Renz, 1996; Seeger, 1997; Ulmer & Sellnow, in press). Hence, it is an ethical obligation of those in power to provide their constituents with the information necessary to make well-reasoned decisions. Nilsen suggests that the unrestricted flow of information, exchange of viewpoints, knowledge of alternative choices and debate all lead to stakeholders to make rational decisions on matters significant to their lives. Conversely, any communication that stifles conversation, obscures or biases information and impedes rational decision making would be considered unethical. The guidelines of significant choice seek to establish a prescription for honest debate with the best possible information in order for optimal decision-making.

From the perspective of significant choice, organizations have an ethical responsibility to provide unbiased and complete information about how the organization or its products may negatively impact stakeholders (Renz, 1996; Ulmer & Sellnow, in press). Nilsen (1974), however, does not provide fixed criteria for ethical communication, rather he describes general guidelines for ethical communication. In this case, any efforts to mislead or obfuscate accurate information is unethical. Any information that impedes debate or confuses issues would similarly be deemed unethical. For this reason, during crises, organizations have an ethical obligation to provide information to the

public that will lead to the discovery of truth. Communication that leads to discovery and understanding is considered ethical.

During crisis, this communication–centered perspective is particularly valuable due to the uncertainty and equivocality associated with these events. Due to this inherent uncertainty, accurate information, when available should help stakeholders and the organization make rational decisions about responsibility, issues of safety and how to move toward resolution. In this case, truthfulness, honesty and the unrestricted flow of information between the organization and its stakeholders should lead to the discovery of necessary information to resolve the crisis (Jaksa & Pritchard, 1988). However, limited research in crisis communication demonstrates these principles. Most research exemplifies a legal approach that emphasizes a moratorium on information and often serves to escalate the level of ambiguity with respect to evidence surrounding the crisis and the locus of responsibility for the crisis (Fitzpatrick & Rubin, 1995; Ulmer & Sellnow, in press). From the perspective of significant choice, this type of communication would be evaluated as unethical.

The study of ethics is an important pursuit for crisis communication. This section began by describing the importance of the study of ethics to communication. Because communication has an impact on other individuals and can be judged as right or wrong, this area offers significant opportunities

for ethical analysis (Johannesen, 1996). However, as this review indicates, research in organizational communication has failed to adequately inquire into the area of organizational communication particularly in the area of external communication. The remainder of this section examined the importance of ethics to the study of crisis communication and delineated four ethics, the stakeholder model, virtue ethics, social responsibility and responsiveness and significant choice as viable models for judging crisis communication.

Research Questions

Research on organizational crisis concentrates on the ambiguity and uncertainty inherent in the aftermath of a crisis. Communication is essential to move organizations from the chronic phase of a crisis toward resolution. During this time, organizations provide accounts to external stakeholders concerning crisis events. Research in crisis communication focuses on the active participation of stakeholders in this process (Ginzel et al., 1993; Ulmer & Sellnow, in press). Extant research aids in understanding why some organizations fail to communicate appropriately in the aftermath of a crisis. These responses concentrate on using communication strategies which focus narrowly on issues of protecting the organization's image, bottom line and well being. These studies have been useful in describing a wide variety of communication strategies open to organizations in crisis situations. However,

little research focuses on ethicality of post-crisis responses.

Few organizations received high marks when communicating in the aftermath of a crisis. Almost universally, organizations failed to expand their frame of reference beyond their own immediate concerns. The notable exception being Tylenol's second tampering crisis which received critical acclaim for its product recall and care for stakeholder safety (Benson, 1988). However, ethical approaches to crisis are a fruitful area of investigation for several reasons.

First, we have little understand and few models of what constitutes an ethical response to crisis. Second, since prior research illustrates the types of strategies used in a post-crisis response, research on ethical crisis communication may enable the researcher to identify rhetorical strategies associated with ethical responses. Third, an understanding of ethical responses may enable the researcher to understand the relationship between ethical responses to crisis and post-crisis resolution.

For these reasons, this study pursues the following research questions:

(1) What values are manifest in the post-crisis responses of the three crisis successes, Malden Mills, Schwan's and General Motors?

(2) What communication strategies are associated with an ethical post-crisis response?

(3) How do ethical responses relate to post-crisis resolution?

The first research question relates to what the organization values in the aftermath of the crisis. Organization are typically concerned with issues of profitability and hence value this above other issues. Conversely, stakeholders value their own economic interests, physical concerns and general well-being. As discussed earlier, Shrivastava's (1987) work on stakeholders and their perceptions of crisis is critical to understanding frames of reference and values. Due the stress and anxiety of crisis, organizations typically do not have much compassion or understanding of how crisis affects their stakeholders. From this perspective, organizations and their stakeholders often have different perspectives with respect to the crisis. Pauchant and Mitroff (1992) contend that crisis prepared organizations have the ability to overcome their emotionality associated with crisis and expand their frame of reference to include the needs of stakeholders. Hence, ethical organizations may be able to communicate in a rhetorically sensitive fashion by incorporating stakeholder needs.

Shrivastava contends that frames of reference are composed of data elements, cognitive maps, reality tests and the domain of inquiry and articulation discussed earlier in the review of literature. As discussed earlier, each of these elements of the frame of reference emphasize or place value on certain types of evidence, causal connections, experiences as well as issues

and concerns. Shrivastava suggests that stakeholders, as well as the organization, value each of these aspects of the frame of reference differently. These elements of the frame of reference should be evident in the various accounts provided by the inflicted organization and its stakeholders during the crisis.

Seeger (1997) suggests that values are hierarchical and hence, the process of making ethical judgments involves determining which values should be privileged. From this perspective, ethical organizations create accounts that exemplify rhetorical sensitivity to stakeholders in terms of the evidence, causal connections, experiences as well as issues and concerns which shape perspectives. Conversely, organizations that operate from a limited frame of reference while neglecting the views of other constituents may be judged as unethical.

The second research question concerns the types of research strategies that ethical organizations use in their post-crisis responses. Much of the research in post-crisis responses concentrates on the type of rhetorical strategy used during a crisis (Allen & Caillouet, 1994; Benoit, 1995a; Coombs, 1995; Pauchant & Mitroff, 1992). However, questions of value and ethics or whether we "ought" to use these strategies rarely are discussed. This research question seeks to determine the types of communication strategies that ethical organizations use in their post-crisis response. We

know that denial and shifting the blame are typically strategies used by organizations which exemplify narrow frames of reference and a lack of rhetorical sensitivity to stakeholders. However, little is known about the types of strategies that more ethically driven organizations employ in their post-crisis messages.

The final research question investigates the relationship between an ethical post crisis response and crisis resolution. Extant research suggests that the chronic phase of a crisis is often the longest (Fink, 1986). This is the phase of the crisis in which investigations take place, organizations provide accounts and stakeholders respond to those accounts. Much of the research suggests that this part of the crisis is typically extended due to disputes relating to differing perspectives of the crisis, issues of responsibility and legal wrangling (Fink, 1986; Ginzel et al., 1993; Pauchant & Mitroff, 1992; Seeger & Bolz, 1996; Shrivastava, 1987; Ulmer & Sellnow, in press). In cases such as Union Carbide's crisis in Bhopal and Dow Corning's breast implant crisis, litigation has continued for years. Shrivastava admonishes these types of adversarial attempts to resolve crises. He suggests that court proceedings at best should serve as an attempt to move resolution forward. He states "The goal for alternate dispute resolution systems is not just to sort out liability issues but also to build an understanding among the parties involved" (Shrivastava, 1987, p. 117). Rhetorically sensitive, ethical communication

provides an approach to build relationships in the aftermath of a crisis and potentially move the crisis more quickly toward resolution. Lessons from these organizations may prove to illustrate how this process can be accomplished.

This chapter began by describing and outlining the research area of organizational crisis communication. The goal of this chapter was to understand the importance of the study of ethics to crisis communication and to posit research questions to guide this investigation. Through this review, extant research was identified as troubling due to the large number of crisis failures depicted in the literature. Therefore, much can be gained from investigating ethical responses to crisis. This research seeks to examine ethical responses to crisis by identifying inherent values, communication strategies and their relationship to crisis resolution. The next chapter provides a discussion of the case study methodology chosen to conduct this research.

CHAPTER 2

METHODOLOGY

The three research questions selected for this study seek to increase

understanding of ethical responses in crisis communication. In light of the

aforementioned research questions, the upcoming research was

accomplished by examining three exemplary crisis cases for the values

exhibited in the company's responses, the communication strategies identified

in their post-crisis communication and the potential relationship between

ethical post-crisis communication and crisis resolution. This chapter

describes and explains the case study methodology used to answer the

research questions. First, a definition of the case study approach is provided.

Included is a rationale for selecting this methodology. Second, a discussion of

the unit of analysis and explanation for the selection of the three cases is

provided. The chapter concludes with a brief introduction of the three cases.

Case Study as Method

In order to answer the three research questions, the case study

approach was selected. Case studies are recognized as a viable and

important research method throughout the social sciences (Frey, Botan,

Friedman, & Kreps, 1991; Gummesson, 1991; Hamel, Dufour, & Fortin,

1993; Smith, 1991; Yin, 1994). More specifically, case studies represent a

standardized approach to understanding organizational crisis (Allen &

Caillouet, 1994; Benoit & Lindsey, 1987; Benoit, 1995a; Benoit, 1995b;

Benoit & Brinson, 1994; Benoit & Czerwinski, 1997; Benoit & Dorries, 1996;

Brinson & Benoit, 1996; Dionisopoulos & Vibbert, 1988; Hearit, 1995a;

Hearit, 1996; Ice, 1991; Petress & King, 1990; Seeger, 1986; Seeger & Bolz,

1996; Sellnow & Ulmer, 1995; Williams & Treadaway, 1992). Although other

methods are appropriate for investigating organizational crisis depending on

the nature of the event, this methodology provides a comprehensive approach

to crisis research (See, Seeger et al., 1998).

Frey, Botan, Friedman and Kreps provide a comprehensive designation

of communication case studies. They state:

> Case studies examine a single salient social situation to interpret the
> role played by communication. The researcher first describes key
> events that precipitated the situation (the case) and then analyzes the
> case in light of current communication theory and research. The goal is
> to identify appropriate strategies that were used or that could have
> been used to solve problems experienced in that particular situation.
> (Frey et al., 1991)

Yin (1994) contends that a case study "investigates a contemporary

phenomenon within its real-life context, especially when the boundaries

between the phenomenon and context are not clearly evident" (p. 13).

Similarly, Sypher (1990) explains that "The purpose of a case study is to

describe real-life events in such a way as to enhance our understanding and

bolster our insight in ways that other methods could or normally would not

do" (p. 4). Hence, communication focused case studies provide a theoretically-based examination of real-life communication contexts and build theory through investigating, understanding and rectifying communication-based problems. These ideas and their implications for studying crisis communication are outlined in more depth below.

Context and Case Research

Selecting a methodology for crisis communication is difficult due to the unique situational demands of crisis situations. First, crises arise with surprise and threat that often makes accessing information difficult. Researchers must be cognizant of privacy issues, the stress of crisis situations as well as respect for victims and their needs. Due to the multiple sources of data used in case studies, the researcher is able to examine the organization and pay attention to the complex situational factors without the ethical concerns of disturbing the rights of the organization and its stakeholders.

Case Study Evidence

Because of the factors that can restrict direct access to an organization, case studies provide an opportunity to utilize other sources of data. Yin (1994) contends that case studies often rely on "multiple sources of evidence" which can serve to triangulate research results (p. 13). He describes six types of evidence appropriate for case study research. Several

types of evidence were used in this study.

Documentation of the events, the first type of evidence, includes letters, agendas, administrative documents, press releases, newspaper clippings or other mass media articles. Press releases distributed by the organization and copies of transcripts or speeches served as evidence of the type of response by the organization. Media reports were also crucial, first, because the media is an organizational stakeholder and second its interpretation of crisis events was critical for understanding public perception. In this case, the media often report public sentiment toward the organization as well as provide background information on the event itself. For this reason, documentation by media was used extensively throughout this study.

Archival records were the second type of data. This evidence ranged from service records, organizational records or any information that the organization filed as a result of the crisis. Some of this information was difficult to access, however, when available this information helped understand policies, improvements and relevant statistics related to the crisis and its effects on the company.

Along with archival data, interviews with key members of the organization's leadership, when available, served as important evidence. Interviews were not always granted due to the privacy concerns outlined

previously. However, when granted, interviews provided insight into the crisis that could not be otherwise obtained. For example, background on how decisions were made to resolve the crisis was particularly useful in this study. Furthermore, since this research sought to understand the development and usefulness of leadership values, interview data was particularly useful because the leaders could be asked directly about these issues. Finally, interviews provided the researcher the opportunity to verify information and corroborate facts.

The final three types of evidence, direct observation, physical artifacts and participant-observation were used minimally in this research. Direct observation involves visiting the site and examining first-hand organizational activities. When interviews were granted, the researcher was able to directly observe crisis effects and the organization's resolution efforts. However, this type of exposure was minimal occurring with only 1 of the 3 cases. Similarly, examining the organization's physical artifacts involves examining organizational technology, machinery or other organizational artifacts that can be directly observed. When interviews and on–site permission was granted, physical artifacts were observed. However, this was only available in 1 of the 3 cases. However, this evidence played an minor role in the analysis. Finally, participant-observation involves actively engaging in organizational activities to understand the meaning of the organization's operations. Because the crises

had already occurred this type of evidence was not available.

This study employed predominantly three types of evidence, when available, to the three cases selected for study. Evidence consisted of media documentation, organizational archival records and interviews. An attempt was made to obtain all three types of evidence for each case. However, at times this was not possible. In these cases, an attempt was made to obtain the information through another source.

Theory and Case Research

Beyond the evidence from the case itself, much of the research on case studies suggests that this research should be guided by prior theoretical developments (Frey et al., 1991; Yin, 1994). In this case, research on communication strategies, ethics, and organizational theory played a major role in guiding this research. Prior research contextualized each case and provided parameters and evaluation criteria for analysis. Moreover, prior research served as an impetus from which theory could be developed and expanded as a result of the analysis. For these reasons, it was a necessity that each case study was grounded in theory.

Multiple Case Research

The research examined three cases within the context of the research questions. Yin (1994) contends that single case studies are used for critical cases, extreme or unique cases or due to its revelatory nature. However, he

suggests that "The evidence from multiple cases is often considered more compelling, and the overall study is therefore regarded as being more robust" (p. 45). The rationale for this argument is that multiple case studies follow a replication logic across each of the cases. In other words, after analysis each case must "(a) predict similar results (a literal replication) or (b) produce contrasting results but for predictable reasons (a theoretical replication)" (p. 46). From this perspective, each case study is examined similarly and the results across cases are compared for either literal or theoretical replication. This study examined three cases using different theoretical perspectives to understand ethical responses to organizational crisis. Hence, the research did not follow a strict replication logic. However, the same research questions were applied to each case which allowed for some consistency across cases.

Selecting a research methodology to examine crisis communication is difficult due to the context of the situation. The case study approach was selected for this study because it allows the researcher to avoid some of the contextual ethical problems inherent in crisis research. By using multiple sources of evidence the researcher will be able to overcome these constraints to better understand each organization's crisis communication. In order to contextualize these claims and develop theory, each case study was grounded in prior research. Finally, this research examined three cases of ethical crisis management through three research questions in order to derive conclusion

about ethics and crisis management.

Selection and Examination of Cases

The cases selected for study are a plant explosion at Malden Mills, a salmonella outbreak at Schwan's and accusations toward General Motors by Dateline NBC concerning the safety of their C/K trucks. These cases were selected, first, because they arguably represent three examples of crisis successes in an area of research that is largely composed of crisis failures. Although it may be argued that some stakeholders were impacted negatively by these events, the goal of this research was understand why these cases are considered both successful and ethical. In sum, the goal of this research is to examine the communication and determine the ethicality of these responses.

Second, these examples also represent a range of crises. The Malden Mills case involves an explosion and fire that destroyed most of the textile mill. The Schwan's case chronicles the company's food–borne illness outbreak that infected many customers. The General Motors/Dateline NBC case investigates a media attack by Dateline contending that General Motor's C/K truck were unsafe. Hence, each example of crisis management represents a different type of crisis event.

Finally, the companies being studied represent a mixture of public and privately run corporations. Malden Mills and Schwan's are private

organizations and General Motors is a public organization. This range illustrates that both public and private organizations are able to take ethical stances in responding to crises. What follows is a discussion of the unit of analysis for this study as well as a brief description of each case.

Unit of Analysis

Babbie (1989) describes units of analysis as "those units or things we observe and describe in order to create summary descriptions of all such units" (p. 82). In other words, units of analysis refer to what or whom is studied. The unit of analysis for this study was the leadership's response to stakeholders during the organizational crisis. This unit of analysis provided a message centered approach to understanding how an organization responds to a crisis in an ethical manner.

Each research question was examined in relation to the leadership's response to stakeholders. This communication was evaluated in terms of the values inherent in the message, the communication strategies and the relationship between this communication and crisis resolution. A variety of evidence, as outlined earlier was used to support claims and provide background information for each case. Major theoretical orientations such as virtue ethics, social responsibility and responsiveness and significant choice served to guide, direct and explain how and why the leadership's communication was judged ethical. What follows is a brief description of each

case of ethical crisis communication.

Malden Mills Plant Explosion

Malden Mills, a textile producer located in Lawrence MA, is owned by

Aaron Feuerstein. The mill is one of the largest in the area and employs

roughly 1500 workers. In early December 1995 the plant exploded resulting

in 36 injuries, eight critical. As a result of the disaster, many of the

employees would not be able to return to work. Hence, a crisis arose both for

Malden Mills, which would have to close down production, and for employees,

who would be without paychecks, and in some cases, medical insurance.

Feuerstein's response to the crisis exemplified responsibility, compassion and

humanity. He continued to pay salaries and extended medical insurance to

his workers for two months until the plant could be made operational again

and the workers could resume their positions. Feuerstein's response provides

an excellent account of virtuous and ethical communication to internal and

external stakeholders of a crisis. An important aspect of this analysis is how

leadership virtues can impact crisis responses and resolution.

Schwan's Salmonella Outbreak

Schwan's Sales Enterprises is a privately held company that specializes

in ice cream and other frozen foods. The company distributes its products

door-to-door by truck mainly throughout the midwest. In 1994, reportedly

224,000 of Schwan's customers became ill from eating the company's ice

cream. This incident became the largest documented case of food poisoning from a single source in the US. In response to the crisis, the company took extensive corrective efforts even before being named the sole source of the crisis. As a part of their corrective efforts, the company recalled all of their product, provided refunds for customers who became ill, created a Toll-Free Hotline, paid for diagnostic testing for customers, built a new repasteurization plant, compensated victims and dedicated a fleet of sealed tankers that would carry only Schwan's products. This response exemplifies a socially responsible and ethical company tenaciously concerned for customer safety and welfare.

General Motor's Counter-Attack on Dateline NBC

General Motors is a multi-billion dollar publicly held company. In 1992, Dateline NBC aired an episode titled "Waiting to Explode?" in which GM C/K trucks exploded dramatically upon side impact from other vehicles. This program, watched by nearly eleven million viewers, constituted a crisis for General Motors. A recall and potential liability lawsuits that could be directed at GM as a result of the program threatened the organization as a whole. However, an investigation by General Motors of the vehicles used by Dateline found that the program used incendiary devices so that the vehicles would explode dramatically. Consequently, General Motors issued releases about their findings, publicly counter-attacked Dateline NBC and filed a defamation

lawsuit against NBC. This case represents General Motors' efforts to help stakeholders engage in significant choice by providing "facts" to external constituents about the safety of their vehicles.

The analysis of each case was conducted by first, accessing as much information about each organization's response as possible. The types of evidence used is described above. Once the information was accessed, each piece of evidence was examined in terms of the extant ethical theories described in the review of literature. Each case creates an argument for the ethical framework used (i.e. virtue ethics, responsibility and significant choice) to analyze the case. As discussed earlier, the cases should have a theoretical grounding from which determinations about the ethicality and the success of the response are made. The implications and conclusions for this study are built upon the application of the three research questions to the three cases.

This chapter provided a description and rationale for using the case study methodology to examine ethical responses to crisis. In doing so, case research was determined as appropriate given the contextual and ethical complications associated with crisis research. The types of evidence used in this research along with the importance of theory-based cases and multiple case analysis were discussed. This chapter concluded with a discussion of the selection of the three cases, how they would answer the research

questions for this study, and a brief examination of each case.

What follows are three successful crisis management cases. Each case begins with an introduction to the case and an explanation of the theory or theories to be used to understand the case. Second, each case examination provides some background in order to contextualize the crisis and its effects. Next, an analysis of the organization's post-crisis response is provided. Finally, each case, concludes with a brief summary and conclusions for the case.

CHAPTER 3

VIRTUOUS LEADERSHIP AND CRISIS COMMUNICATION: THE CASE OF

MALDEN MILLS

Many examples of unethical and unsuccessful organizational responses to crises are documented in the research literature (Seeger & Bolz, 1996; Small, 1991; Ulmer & Sellnow, in press; Williams & Treadaway, 1992). Fewer cases of ethical and successful responses are evident (Benson, 1988). Much of the research in crisis communication advises strong leadership in the aftermath of a crisis. However, this research generally lacks instances of exemplary crisis leadership (Benoit, 1995a; Shrivastava, 1987; Small, 1991; Williams & Treadaway, 1992). This chapter examines an instance of successful crisis management where leadership played a particularly critical role.

The first case in this analysis of successful post crisis communication, concerns a plant explosion at Malden Mills, a textile mill in Lawrence, MA. The explosion critically damaged three manufacturing buildings and impaired the company's ability to produce. Many employees felt that the plant was irreparable. The cost of rebuilding combined with the extent of the damage to the mill appeared to be insurmountable. In total, the community was at risk of losing its largest employer and 3,000 workers were in jeopardy of losing

their jobs. This chapter contends that the character of Aaron Feuerstein, the CEO of Malden Mills, and the well-established tradition of supportive relationships between Malden Mills and its stakeholders enabled the company to quickly recover from the crisis.

Three compatible frameworks are offered for this analysis including, virtue ethics, chaos theory and stakeholder theory. Virtue ethics is the study of character and its relationship to excellence (Kennedy, 1996). Additionally, there are as many virtues as there are ways to be excellent. The purpose of examining virtues in this case is to understand leadership virtues associated with successful crisis management. Since virtues are thought of as acquired characteristics, the study of leadership virtues has implications for both theory and practice. Chaos and stakeholder theory are independent theories that supplement this analysis by focusing on stakeholder relations. Stakeholders play a major role in crisis management. They can serve as advocates or adversaries. Chaos and stakeholder theories advise that cultivating positive relationships with stakeholders over time can be advantageous in crisis situations. A more in-depth discussion of virtue ethics, chaos theory and stakeholder theory follows.

Virtue Ethics

A person's character has been an important topic of study since Aristotle (Tessitore, 1996). Tessitore explains that virtues "constitute the fixed

disposition or character (hexis) that, more than anything else, determines an individual's identity" (p. 25). This identity can have profound implications of efficacy of communicative messages. For example, Aristotle's concept of ethos has played an important role in understanding the effectiveness of persuasive messages. Moreover, the study of virtues can enable a researcher to delineate and describe the character of the virtuous. For example, in "Judeo-Christian or Western cultures, good moral character usually is associated with ... such virtues as courage, temperance, prudence (or practical wisdom), justice, fairness, generosity, patience, truthfulness, and trustworthiness" (Johannesen, 1997, p. 11). Research on virtues in journalism, marketing, and rhetoric also exemplify this approach (Herrick, 1992; Klaidman & Beauchamp, 1987; Williams & Murphy, 1992). These descriptions are useful for determining models of what is both effective and ethical in society.

Virtues are acquired characteristics. No one is born with virtues, although some personalities may be more or less disposed to acquire certain virtues (Kennedy, 1996). Aristotle argued that virtues are typically developed over time and developed through practice (Tessitore, 1996). Similarly, Kupperman (1991) argues that "An ethic of character also must take account of the ways in which projects and decisions are integrated through time" (p. iv). For this reason, any analysis of virtue should pay close attention to the

practice and development of character over time.

Virtue ethics, and the study of character, can be important in understanding crisis responses. Johannesen (1997) explains that "virtues guide the ethics of our communication when careful or clear deliberation is not possible" (p. 11). Since crises are typically characterized by uncertainty and equivocality, a person's virtues should have an impact on how leaders in the organization instinctively respond to crises. Critical to this notion is that virtues are typically established prior to the crisis. From this perspective, leadership has little information or time to create a response. Hence, virtue ethics provides a novel approach to understanding how crisis messages are constructed. The importance of longitudinal analysis to understanding virtues and values is discussed in more depth.

Chaos Theory

Crisis communication research often examines organizational responses during the acute stage of the crisis, typically defined as the time directly after the crisis triggering event (Benoit & Lindsey, 1987; Benoit & Brinson, 1994; Benson, 1988; Hearit, 1995a; Seeger, 1986; Sellnow, 1993; Williams & Treadaway, 1992). This research focuses on how an organization responds to crisis allegations, however, it does not take into account prior relationships. Chaos theory suggests that research take a longitudinal approach to understanding crisis events. Using this perspective, one can

compare communication patterns between stakeholders and organizations before and after the crisis. This can aid in understanding how virtues are developed over time as well.

Chaos theory explains that even though crises are uncertain events, core organizational values can serve as organizing principles, called strange attractors, that provide certainty for organizational members (Wheatley, 1994). An important component of minimizing organizational equivocality is the value positions emphasized by leadership. For example, if management and workers over time had mutually positive, honest and caring relations, both would expect future relationships to remain consistent. From this perspective, solidified value positions developed over time can serve to minimize uncertainty.

An important aspect of chaos theory for this analysis is its emphasis on relationships. Wheatley explains that "We cannot hope to influence any situation without respect for the complex network of people [and organizations] who contribute to our organizations" (p. 144–145). As discussed earlier, stakeholders play an important role in recovery from crisis. Chaos theory emphasizes these relationships as well, however, stakeholder theory provides a more descriptive explanation of the importance of stakeholders to crisis management.

Stakeholder Theory

Stakeholder theory involves understanding how organizations communicate to their core constituencies. These stakeholders have a vested interest in the success of the organization and may represent a network of support during crisis. They are also often affected negatively by the crisis. The organization's leadership should concentrate on establishing strong relationships with stakeholders even before a crisis. These relationships can be particularly important in crisis situations. Stakeholders, for example, may serve as advocates for organizations in crisis by providing political support and crisis–mitigating resources (Ulmer & Sellnow, 1995). Conversely, if stakeholder needs are not taken into account they may withdraw their support, prolong the effects of a crisis or intensify the threat associated with the event (Brinson & Benoit, 1996; Ice, 1991; Seeger & Bolz, 1996).

The stakeholder perspective advises an organization's leadership to expand its perspective on how an organization impacts and is impacted by publics. During crisis, stakeholders are typically impacted at various levels. Freeman (1984) discusses a stakeholder strategy useful for understanding and assessing the ethics of crisis communication. This Rawlsian strategy, named after the philosopher John Rawls, suggests that "inequalities in the distribution of goods and services in a society are justified only if the inequalities raise the level of the least well–off social groups" (Freeman, 1984,

p. 105). This stakeholder principle can be applied to understanding organizational crisis messages. Typically during crisis, some stakeholders are more vulnerable and less well-off. The Rawlsian strategy suggests that organizations are better served to pay more attention to those most impacted by the crisis. This strategy also enables the organization to reduce the complexity of stakeholder management in the aftermath of a crisis.

The three perspectives that inform this analysis, virtue ethics, chaos theory, and the stakeholder model provide a framework that necessitates a longitudinal analysis. Virtue ethics emphasizes determining character over time. Chaos theory contends that organizational attractors are developed through consistent value positions. Both chaos and stakeholder theories suggest that organizations can benefit from establishing relationships with stakeholders prior to crises.

The next section provides a thick description of the relationships Malden Mills had with stakeholders before the crisis. It explicitly examines the development of Feuerstein's values. In doing so, a characterization of how Malden Mills developed stakeholder relationships and how these relationships translated into a network of support is examined. This section is quite extensive in order to provide a rich characterization of these relationships. Important to this discussion are the public commitments to value positions made by Feuerstein, particularly those that served as retained responses for

the 1995 fire at Malden Mills.

Malden Mills

Malden Mills, founded in 1906, is a textile mill that is privately owned by Aaron Feuerstein, a 72 year old business man who describes himself as an Orthodox Jew (personal communication, December, 4, 1997). The company has been owned by three generations of the Feuerstein family throughout its entire 92 year history. In 1997, before the fire, it employed 2700 workers and had earnings of $380 million ("Malden Mills Fact Sheet," 1997). Over the past decade, Malden Mills has enjoyed a growth rate of 200 percent (www.jobfind.com/corprofile/maldenprofile.htm, February 25, 1998). However, this success has not been at a cost to the company's labor force or the community, two of its primary stakeholders. Rather, the company has worked to create relationships based upon loyalty and reciprocity. During the company's 92 year history, Malden Mills has never had a strike. Moreover, the corporation pays its workers 20 percent above the industry average ("Methuen's Good Fortune," 1995, p. A14). Feuerstein explains that the company has never viewed labor as a cost, but rather an integral part of creating their product (personal communication, December 4, 1997). In an era of textile industry downsizing and cost-cutting to ensure short-term profitability, this style of management philosophy is almost unique. The next section provides a closer examination of the development of Feuerstein's

management philosophy.

Feuerstein and the Development of Virtues

Feuerstein sums up his company's core values as "sensitivity to the human equation" (personal communication, December 4, 1997). This fundamental position is rooted in two fundamental principles. First, "the corporation has a responsibility to all its people" (personal communication, December 4, 1997). This principle suggests that an organization should treat and extend loyalty to their workers in a manner that they would then expect in return. From this perspective, Feuerstein identified the values of loyalty and reciprocity as critical to effective management.

The second principle Feuerstein identified is "the corporation has a responsibility to its community" (personal communication, December 4, 1997). This value is rooted in the idea that corporations, as beneficiaries of the community, are responsible for contributing to its stability. This systems perspective of management illustrates Feuerstein's management function is not only to increase the company's own profitability but also to increase the viability of the surrounding community. From this perspective, Feuerstein places value on the organization's relationship with the community in which it operates.

Theories of virtue suggest that character is developed over time. Aaron Feuerstein reported developing much of his character and personal values

from the Old Testament and his religious up-bringing (personal communication, December 4, 1997). Feuerstein often quotes from Old Testament scriptures and links these to his personal values. For example, one of Feuerstein's favorite quotes is the 2500-year-old guiding philosophy: "When all is moral chaos, this is the time for you to be a mensch" (Auerbach & Milne, 1995, p. B1). In Yiddish, the word "mensch" refers to a righteous man--a man with a heart.

The second way Feuerstein reported developing his character and values was through conversations with parents and grandparents. Both Feuerstein's father and grandfather were owners of Malden Mills. As a result, family conversations often involved improving employer-employee relations. Feuerstein suggested that his understanding that organizations have a responsibility to workers and the community was developed from these conversations. For example, he reported that conversations sometimes involved paying employees fairly and on-time. Arguments in these conversations were often based on interpretations of Old Testament. Consequently, Feuerstein's formative years were rich with discussions of the value for the individual worker, mutual trust, fairness, openness and cooperativeness. He contended that these strong stakeholder values were an important aspect of his formative years.

Feuerstein developed a management philosophy based largely upon

value for stakeholder concerns and the virtues of loyalty, reciprocity, fairness, mutual trust and cooperativeness. His character was developed primarily though his religious up-bringing and through conversations with his elders. This background served to help solidify the character of Feuerstein and aided in developing an initial value system for making managerial decisions.

Feuerstein as Virtuous Manager

Pfeffer (1981) suggests that the moral tone of the organization is often set by the CEO. As CEO, Feuerstein used the virtues he developed in his formative years to develop a culture that privileged these virtues. For instance, rather than downsizing or cost-cutting to increase profit, he placed value on developing quality products and maintaining long-term relationships with customers, his workers and the community to ensure profitability. One outgrowth of the company's research and development is Polartec.

Polartec is a high end, socially responsible fabric that was developed in the early 1980's as a result of a short term bankruptcy. During this time, Malden Mills was suffering from a downturn in the fake fur business, its primary product. Through its research and development, Malden Mills was able to create the now popular Polartec and Polarfleece fabrics. The introduction of these products has created a $3 billion market in home furnishing velvets and clothing.

The material is produced in part from polyester and recycled plastic bottles. The soft fabric is used to upholster chairs and sofas for companies such as La Z Boy Furniture and Lexington Furniture and is purchased by companies such as L.L. Bean, Patagonia, Eddie Bauer and Ralph Lauren to produce outdoor adventure apparel. The fabric is particularly useful in that it can block wind and water, yet allows body moisture to escape. Malden Mills positions its product at the high end of the market as industry leaders rather than as cost-effective merchandise. Sales are consequently directed to a more informed consumer and based on quality and prestige. Customer loyalty plays a critical role in marketing and promoting the product. Customers are intensely loyal and value these quality products.

Malden Mills is an economically successful company that placed more emphasis on research and development to create profit than on other methods that may negatively affect the company's workforce. Through this management strategy, Malden Mills has become one of the most successful mills in North America. Beyond profitability, Aaron Feuerstein sought to create a work atmosphere that places value on both the individual worker and the community. This value is based upon the idea that if management treats workers fairly, workers will reciprocate and produce a better quality product for the organization. To illustrate how Feuerstein developed these relationships with stakeholders, the following discussion provides examples of

public commitments Feuerstein made with both primary and secondary stakeholders prior to the crisis.

Public Commitments, Strange Attractors and Stakeholder Relations

Chaos theory suggests that organizations have deep structures called attractors that serve as organizing principles; an inherent shape or state of affairs regardless of the turmoil or complexity of the situation (Wheatley, 1994). Values can serve as attractors, providing management and workers with boundaries for acceptable behavior. Organizations also have a fractal quality that promotes a level of consistency and predictability regardless of the situation. These attractors include core values. This idea is similar to Cheney's (1991) concept of organizational identification in that organizational members typically identify with organizational values and policies and, therefore, act in accordance to them.

From this perspective, understanding an organization's values and history of corporate responsibility can provide insight into how an organization will respond to a crisis. Weick (1979) also suggests a similar process when he argues that organizations often make decisions based upon retained responses. Feuerstein suggests his values before the fire were consistent with those following the disaster. This is compatible with a virtue ethics perspective. From this perspective, prior actions and experiences serve as guidelines for subsequent crisis responses. To illustrate the consistency of

values, it is important to review Malden Mills' response to prior crises and their investments in stakeholder relationships before the 1995 disaster.

Malden Mills worked to establish strong relationships with stakeholders in pre-crisis conditions. Jeff Bowman, head of corporate communications and the company's crisis coordinator, defines Malden Mills' stakeholders broadly as "employees and their families, the community, customers, vendors, the government and the press" (personal communication, December 4, 1997). Bowman suggests that Malden Mills worked to "invest in those relationships before the crisis" in order to ensure a reservoir of good will (personal communication, December 4, 1997). This included maintaining open communication with these stakeholders, treating them fairly and trying to understand their needs. Freeman (1984) contends that organization's often prioritize stakeholders needs and interests, as part of a Rawlsian stakeholder strategy, in order to minimize the complexity of stakeholder communication and serve the needs of the most affected stakeholders. As a result, the community and workers represent primary stakeholders for Malden Mills. Secondary stakeholders include customers, vendors, the government and the media.

Community

Malden Mills has operated in the Merrimack Valley on the border of Lawrence and Methuen, Massachusetts for its entire history. Lawrence is the

24th poorest city in the U.S. and the poorest city with any significant Hispanic population (40% of population). In 1990, the city had a population of 70,207 and a poverty rate of 27.5% (www.state.ma.us/dhcd/iprofile/149.htm, February 18, 1997). Originally a farming community at the beginning of the century, Lawrence was transformed into an industrial center with numerous textile mills. The mills were built close to the Merrimack river to capitalize on the power that could be generated from its waterfalls. Originally, the textile mills drew employees from the Massachusetts area. However, over time Lawrence served as an entry point for immigrants from Ireland, Poland, Italy, Syria and French-Canada following the job opportunities provided by the textile mills. Today, Lawrence continues to celebrate its diversity housing immigrants from Cambodia, Dominican Republic, Puerto Rico and Vietnam. Like much of New England, Lawrence is highly dependent on the textile industry. Entire families work for Malden Mills and much of the economic base in Lawrence depend upon its operations. Jeff Bowman, head of corporate communications explains that "for every job Malden Mills has it creates 2-3 in Lawrence" (personal communication, December 4, 1997). As a result, Malden Mills is thought of as the economic cornerstone of the community. A large part of this emphasis on community can be linked to Aaron Feuerstein's personal values.

Today, one of the first things one notices in the Lawrence, MA area is the lack of textile mills. Malden Mills is one of the few mills still located in New England. Many textile makers who supported mill towns became dissatisfied with unions and high wages and "fled south, leaving hundreds of red brick mausoleums lining the rocky riverbeds that provided the waterpower ... before electricity came in" (Nyhan, 1995, p. A20). These mills moved to the Carolinas or offshore to Malaysia taking with them their jobs and profits. Feuerstein, refused to move contending "the workers' technical skills outweigh the benefits of moving to a location with cheaper labor costs" (Milne, 1995, p. 50). This refusal to move to locate cheaper labor illustrates Malden Mills' view of its ultimate responsibility to their workforce and the community. However, these relationships were further strengthened through other critical events.

Feuerstein worked to save local businesses, educate community members and improve community life for citizens of Lawrence. For example, he has extended generous lines of credit to local businesses. The owner of a local company which received credit from Feuerstein explained "That's the kind of guy Aaron is ... If he's got half a loaf of bread, he's going to share it around" (Auerbach & Milne, 1995, p. 1). Feuerstein has also "sponsored job training programs ... helping to organize English classes for immigrants and special skills classes for textile workers" (Auerbach & Milne, 1995, p.1). He helped create the Growth Opportunities Alliance of Lawrence which is now a

"$10 million a year organization that supports job programs by selling business software systems" (Auerbach & Milne, 1995, p. 1). In January 1994, when a local synagogue burned to the ground, Feuerstein and his brother stepped forward and contributed $2 million to the rebuilding effort. These actions illustrate the importance and value Feuerstein places on helping the community and specific stakeholders.

These actions serve to solidify Malden Mills' position as an important and reputable member of the community and illustrates that Malden Mills recognizes that the community impacts its business. Providing loans to local businesses, job training and disaster relief also serves to strengthen Malden Mills' own network of support and its overall reputation. Jeff Bowman contends that Malden Mills worked to create a reservoir of good will. By supporting the community in significant ways, Malden Mills was able to solidify a positive reputation and increase its network of support.

However, these actions are also consistent with the character of Feuerstein and his values. A fundamental element of his management philosophy involves contributing to the stability of the community. Feuerstein's history suggests that he has been diligent in supporting the community over time through a wide range of activities. Along with the community, Malden Mills also worked to invest in their relationships with workers.

Workers

A fundamental value of Aaron Feuerstein and Malden Mills is sensitivity to the human equation. Over time, Feuerstein worked extensively with unions to ensure workers were treated fairly. Paul Coorey, president of the local 311, claimed that "Aaron was always fair and compassionate" the fire just brought exposure to this fact (personal communication, December 4, 1997). He characterizes negotiations with Feuerstein as tough but fair for everyone involved. He noted that Feuerstein "believes in the process of collective bargaining and he believes that if you pay people a fair amount of money, and give them good benefits to take care of their families, they will produce for you" (Nyhan, 1995, p. A20). Coorey contended that Malden Mills is the highest paid textile mill in America (personal communication, December 4, 1997). However, this does not mean that the union did not also have to make concessions. Both Feuerstein and the union worked together to achieve a common goal of organizational and employee prosperity.

During the early 1980's, Malden Mills went through its toughest times. The company eventually filed for bankruptcy. During this time, Feuerstein went to the union requesting pay freezes and hundreds of employees were laid off. He received these pay freezes and layoffs in part because of the positive relationships and because both sides knew that the pay freezes and layoffs were not to increase short term profits but to ensure organizational

survival. This was consistent with how the organization had always been run. In fact, each employee that was laid off was promised employment when the organization again became profitable. Many families who experienced hardships during this time were extended various benefits. Jeff Bowman explains that many employees took this promise of employment so seriously they refused to seek other work. Malden Mills had to promise that they would notify them at their new job when openings became available. Over time, Malden Mills was able to hire back all of the employees they had laid off in the early eighties (Jeff Bowman, personal communication, December 4, 1997). These actions solidified positive relationships as well as loyalty and trust between management and workers.

Historically, Malden Mills worked to establish a strong sense of value for employees. These relationships are characterized by loyalty, reciprocity and trust. These relationships illustrate a consistency in communication and value that cross situation boundaries. For instance, whether Feuerstein was operating on a day-to-day basis or in bankruptcy protection the he illustrated consistent values for employees. Moreover, these events likely strengthened the bond between Feuerstein and his workers. From the perspective of chaos theory and virtue ethics, the consistency of these values represent organizing principles or strange attractor that guide the organization. Regardless of the situation, Feuerstein could reasonably be expected to utilize these values to

guide his communication.

Secondary stakeholders do not have the same communication needs as primary stakeholders although these secondary relationships are important to the organization (Freeman, 1984). It is important for organizations to establish open and regular communication with these stakeholders in case their needs for information increase suddenly. For instance, during crisis situations, typically the needs for information increase dramatically for all stakeholders. The following discussion reviews the communication relationships Malden Mills established with their secondary stakeholders prior to the 1995 fire.

Customers and Consumers

Corporate customers such as L.L. Bean and Patagonia are particularly important stakeholders because Malden Mills produces Polarfleece for 90 percent of this industry. Moreover, for some of its customers it produces 70-100 percent of the product line. Hence, Malden Mills and corporate customers are mutually interdependent. Therefore, Malden Mills must make certain that its customers know when there may be delays or problems with Polarfleece production. For this reason, Malden Mills has worked to keep the lines of communication open with customers.

For example, before the 1995 fire at Malden Mills, the company experienced a critical event that exemplifies their commitment to maintaining open communication channels with customers and consumers. The event

was triggered when spokespersons for the Consumer Products Safety Commission announced over several news programs that fleece coats were "highly flammable" (Personal Communication, Jeff Bowman, December 4, 1997). Since Malden Mills creates fleece products, this announcement directly impacted the company. Within days after the media coverage, consumers and customers contacted Malden Mills concerned that these fleece products were produced at Malden Mills. Consequently, Malden Mills took quick action to assure customers and consumers that these fleece products were not those produced by Malden Mills. As a result of the crisis, Malden Mills implemented a "blast fax system" that would enable it to provide information quickly to customers. This prior crisis served to help Malden Mills develop a repertoire of response and established a closer relationship with customers. Moreover, Malden Mills learned that the media could also help disseminate important information during crisis.

Media

Due to the importance of the media in disseminating information to the larger public before or after a crisis, the media is a key stakeholder of most organizations. For this reason, organizations should work to establish open communication patterns with the media. Jeff Bowman contended that the media had been an important relationship for Malden Mills. He explained that the company tried to be "open, candid and accessible" to the media (personal

communication, December 4, 1997). For example, during the Consumer Products Safety controversy, Bowman learned that Malden Mills could use the media to provide its side of the story to the public (personal communication, December 4, 1997). This realization helped remind Malden Mills that organizations need to maintain a consistent positive relationship with the media. Brenda Smith, staff writer for the Eagle Tribune, explained that Malden Mills has "always been open and easy to deal with" (personal communication, December 4, 1997).

Vendors and Government

Vendors and the government are important stakeholders for Malden Mills, however, the communication needs of these stakeholders may be less than those other groups. For example, vendors such as Dupont provide a great deal of polyester for Malden Mills but due to the size and diversity of their enterprises, they would not be substantially harmed if Malden Mills went out of business. They need information about how much polyester Malden Mills will purchase, but they are not likely to be affected greatly by changes in demand. However, Malden Mills is the largest purchaser of materials from other, less diversified vendors who may be greatly hurt if the company reduces its consumption.

The government is also an important stakeholder for Malden Mills, however it does not require extensive communication with the company. The

government typically plays a regulative role for the organization. As long as the company is following federal, state and local guidelines, communication between these stakeholders is typically minimal. It is when the company is believed to be operating in a manner inconsistent with standard guidelines that these stakeholders intervene. During crisis situations, the role of various governments as stakeholders increases. These governmental organizations may include OSHA (Occupation Safety and Health Association), FEMA (Federal Emergency Management Association), the Red Cross, FAA (Federal Aviation Association), among others. Hence, during crisis situations the government may become a critical stakeholder.

Feuerstein derived his virtues and values through personal experiences, open communication with stakeholders and public commitments to value positions. Through critical events, Malden Mills established strong relationships with employees and the community. Moreover, the company places importance on establishing good relations with secondary stakeholders by providing open, candid and accessible information to these stakeholders when possible.

Chaos theory suggests that organizations often do not vary far from their basic attractors or organizing principles. Feuerstein's virtues and consistent history of valuing stakeholders suggests that in the aftermath of the 1995 fire, the company would act in a similar way. From this perspective,

one would expect Feuerstein to respond to a crisis with value toward his primary stakeholders, workers and the community. Moreover, Feuerstein's virtues of loyalty, reciprocity, fairness, openness, mutual trust and cooperativeness.

A Fire at Malden Mills

On December, 11, 1995, Malden Mills experienced a devastating explosion which destroyed three manufacturing mills and resulted in 36 injuries, eight of which were critical. As a result of the explosion and subsequent fire, 3000 employees potentially faced layoffs two weeks before Christmas. Since Malden Mills is the largest employer in the area, workers were very uncertain about their futures. Moreover, the community itself was at risk of losing its largest employer. Due to the extent of the damage, Malden Mills and its owner CEO Aaron Feuerstein, risked severe financial loss. Over the next 20 months the company worked to recover from the crisis. The company's movement to recovery is illustrated in the following timeline.

Table 4

Malden Mills Recovery Timeline

December 11, 1995	Malden Mills' plants in Lawrence, MA are struck by fire. Three manufacturing buildings are damaged, 36 injured, 8 critical. 3000 workers potentially out of work. Emergency response teams on site immediately; outreach efforts begin for employees and their families affected by the fire.
December 12, 1995	Feuerstein publicly vows to rebuild.
December 13, 1995	Malden Mills announces it will fill existing customer orders.
December 14, 1995	Feuerstein pays salaries and extends health benefits to 1400 displaced workers for 30 days.
December 22, 1995	Malden Mills resumes production. 300 workers return to work.
January 11, 1996	65% of employees are back to work. Feuerstein extends salaries and benefits for an additional 30 days.
February 9, 1996	70% of employees are back to work. Feuerstein extends salaries and benefits for the third consecutive month for remaining unemployed workers.
July 11, 1996	Feuerstein meets with remaining 20% of workers and promises to pay medical benefits for an additional 90 days.
March 15, 1997	Number of displaced workers down to 200.
September 14, 1997	Dedication ceremony for the new manufacturing facility. Only 70 workers still displaced as a result of the fire.
Late 1997-1998	All workers expected back by the end of the year. New hires anticipated for 1998.

Seeger et. al (1998) contend that crisis is "a specific, unexpected and non-routine event or series of events that create high levels of uncertainty and threaten or are perceived to threaten an organization's high priority goals" (p.

233). In the aftermath of the fire at Malden Mills, its leadership was thrust into a crisis situation that threatened the viability of the entire organization and created uncertainty for the organization and its stakeholders. As is typical in crisis events, much of the uncertainty involved determining the cause of the crisis, who is affected, what should be done, what can be done as well as who and what the organization should tell those affected.

The many workers who surrounded the burning mill that night illustrated the uncertainty and tragedy typically associated with organizational crisis. Many believed their jobs were being consumed along with the mill (Jim Gillett, personal communication, December 4, 1997). Groups congregated on lookout points and on the streets in front of the mill to discuss the fire and their questionable futures. Consensus was that it would be difficult if not impossible to rebuild the plant. At this point, information about the crisis was difficult to access outside of the media coverage.

The media, including Dateline NBC, was on the scene immediately to broadcast dramatic pictures of the Malden Mills plant on fire with flames shooting 50 feet into the air (O'Brien & Milne, 1995). These dramatic pictures combined with the probability of 3000 employees facing unemployment made for an appealing national and international story. Due to the extensive media coverage of the event, some of the organization's leadership that were traveling across the country, were able to watch the burning mill on national

news reports that same night (Jeff Bowman, personal communication, December 4, 1997). Clearly, this fire at Malden Mills contains the elements commonly associated with an organizational crisis.

Much of the work in crisis communication concentrates on the chaos and uncertainty following a crisis. Immediately following the plant explosion, local, state and federal inception teams were on site looking for cues as to why and how the fire started as well as the extent of its effects. Frank Gravitt, the director for the local Occupational Safety and Health Administration, stressed two complications with respect to reducing the initial uncertainty of their investigation. First, "the sheer size of the devastation complicates an already arduous task" (MacQuarrie, 1995, p. B37). Second, "interviews with key employees may be delayed to give the work force a chance to grieve" (MacQuarrie, 1995, p. B37). Related to determining the extent of the crisis, the state Department of Environmental Protection took air samples to ensure that chemicals from the plant were not released into the air during the fire. Tests showed that "Most of the chemicals ... were consumed in the fire" (MacQuarrie, 1995, p. B37).

As local, state and federal inspection teams worked to determine the cause of the crisis, Malden Mills' leadership was deciding how and what to communicate to stakeholders. As is typical in crisis situations, many perspectives are balanced and taken into account when deciding how to

strategically communicate about crisis. These perspectives typically involve considering whether the organization will provide or restrict access to information regarding the crisis (Fitzpatrick & Rubin, 1995). Contributing to initial decision making in the Malden Mills crisis was a crisis management team supplied by one of the company's vendors, their legal team, as well as managers and key representatives of the organization.

Jeff Bowman, head of the crisis team before the fire, recalls discussions at daily "crisis meetings" as tremendously volatile. Every day brought on a new crisis and perspectives on how to handle the situation. However, he characterized issues related to access of information as being "the most heated and the most intense discussions" (personal communication, December 4, 1997). He contended that Aaron Feuerstein was surrounded by many people who provided advice and had their own perspectives on how to handle the crisis. Moreover, people react differently to crisis situations; some are risk averse and others want to take control (personal communication, December 4, 1997). These diverse perspectives created an atmosphere that dangerously bordered on groupthink. Bowman stated "If you were not able to risk your point of view and be belittled" your perspective would be minimized (personal communication, December 4, 1997). He explained that in these situations decision makers need to exemplify "personal courage and the willingness to take risk" in order to overcome the anxiety, stress and pressure

of crisis decision making (Jeff Bowman, personal communication, December 4, 1997). Through the chaos of the crisis, Malden Mills was challenged with providing a quick response to its stakeholders.

Malden Mills, Crisis Communication and Organizational Stakeholders

Crises are occasions "big with destiny" that have the potential to impact the afflicted organization positively or negatively (Prince, 1920, p. 16). Research in crisis communication suggests that candid, open and timely responses work best to reduce the inherent uncertainty of crisis (Allen & Caillouet, 1994; Schuetz, 1990; Seeger, 1986; Williams & Treadaway, 1992). Schuetz summarizes this expectation by stating "The primary objective of crisis management is to provide 'accurate information as quickly as possible' to external [and internal] publics directly affected by the crisis" (p. 282). Stakeholder theory suggests that organizations take into account the needs and interests of the organization's constituents in this communication. Hence, minimizing uncertainty for stakeholders is an important function of crisis management.

Research also contends that organizations that establish a rapport with stakeholders are likely to reap rewards and support from these relationships after a crisis (Crable & Vibbert, 1985; Ulmer & Sellnow, 1995). For instance, Ulmer and Sellnow found that stakeholders can serve as advocates for an organization in crisis. They concluded that organizations that have positive

relationships with governmental agencies and the media prior to a crisis as well as during the event can help an organization reap the positive effects of a crisis. For instance, these agencies can serve as advocates for the organization and serve to bolster the organization. These actions also serve as retained responses and public commitments to value positions that can serve to strengthen trust between the organization and its stakeholders. In short, stakeholders can serve as advocates or a network of support in crisis situations when positive stakeholder relationships are developed prior to the crisis. Over time, Malden Mills had cultivated positive relationships, and established strong public commitments to value positions with stakeholders.

The following section examines Malden Mills' communication to its stakeholders during the acute stage of the crisis. First, Malden Mills' efforts to minimize uncertainty is examined. Chaos theory suggests that organizations that exemplify consistent value positions over time will exhibit these same behaviors in the future. In this case, one would expect Malden Mills to take into account the needs and interests its stakeholders in its crisis communication. Second, research suggests that organizations that establish strong relationships with stakeholders before a crisis are likely to reap the rewards of these relationships in the aftermath of a crisis. Hence, stakeholders can serve as networks of support or advocates for a crisis stricken organization.

<u>Statement to all Stakeholders</u>

While discussions about the crisis were developing, Aaron Feuerstein was able to provide a direct message quickly to stakeholders one day after the crisis. Much of the research in crisis communication advises a clear and accurate message as quickly as possible. However, research suggests that the surprise and threat associated with crisis often prohibits such communication (Fink, 1986; Hermann, 1963; Sellnow, 1993; Sellnow & Ulmer, 1995; Weick, 1995). Feuerstein was able to meet this often difficult crisis communication standard one day after the crisis.

On December 12, 1995 the <u>Boston Globe</u> announced that "With one of his buildings still burning behind him, the 69-year-old owner of Malden Mills ... spoke the words everyone in the Merrimack Valley wanted to hear" (Milne, 1995, p. B1). Feuerstein declared that "We're going to continue to operate in Lawrence ... We had the opportunity to run to the south many years ago. We didn't do it then, and we're not going to do it now" (Milne, 1995, p. B1). Allen and Caillouet (1994) contend that organizations can use communication strategies to emphasize social responsibility in what is typically referred to as a self-enhancing strategy. Allen and Caillouet suggest that self-enhancing strategies are used to identify the "organization's positive qualities, traits, motives, and/or intentions" (p. 60). Feuerstein's initial message to stakeholders emphasized the responsibility he felt for stakeholders and his

intentions to keep the plant in Lawrence.

This immediate communication served to minimize some of the core uncertainty for workers and the community and stakeholders in general. Due to the incredible devastation caused by the fire, most employees thought that it would be impossible to rebuild the textile mill and, therefore, they would lose their jobs. Moreover, the community risked losing its largest employer. Feuerstein's remarks served to reduce this initial uncertainty and gave hope to his employees and the community that, at minimum, Malden Mills was not going to close. Feuerstein's vow to rebuild also illustrated his concern and value for his primary stakeholders, employees and the community. Understandably, this announcement was important for all of Malden Mills' stakeholders. Although this initial communication worked to minimize the uncertainty associated with the crisis it also concentrated upon Malden Mills' prior public commitments to the community.

Feuerstein's remarks emphasized the consistent value he had for the community, his workers and other stakeholders. He explained that Malden Mills resisted moving in the past and would continue to be active in the community in the future. Feuerstein's words were particularly powerful because he was able to emphasize a strong relationship with community and stakeholders built up through interactions over time. This statement emphasizes that over the company's ninety year history, it has valued the

community. In this case, the long-standing mutual trust between Malden Mills and stakeholders provided credibility to Feuerstein's statements.

Another important aspect of Feuerstein's reference to prior commitments with the community is that he exhibited consistent virtues in his communication. His first message in the aftermath of the crisis exhibited the virtues of loyalty, trust and cooperativeness. Due to the immediacy of his first message, it is reasonable to suggest that Feuerstein's character played an important role in crafting this response. However, Feuerstein's vow to rebuild had even a more instrumental outcome in overcoming the chaos and uncertainty for crisis decision makers.

This statement to rebuild also provided key organizational members with a long term perspective and the ability to reduce some of the uncertainty related to their crisis decision making. Crisis team members were able to focus their efforts on rebuilding the plant and resuming near-normal operations. Malden Mills' spokesperson Jeff Bowman suggested that an important factor in the crisis decision making was "to be able to balance a long term vision with the short term crises" (personal communication, December 4, 1997). Feuerstein's announcement to rebuild provided a long term goal. Bowman suggested that over the duration of the crisis there were many crises each day. These crises served to confound and confuse crisis decision making while using up precious energy and time. He suggested that

a long term game plan, such as rebuilding the plant, helped provide a solid framework for decision making and could focus decision makers efforts. Each crisis of the day could then be measured up to this long term vision. Bowman explained that often "the most apparent short term decision was not the best long term decision" (personal communication, December 4, 1997). He stated that this type of decision making worked because "there is so much going on, so much emotion, so much chaos that I don't think it is possible ... to make continually good decisions" without focusing on long term goals (Jeff Bowman, personal communication, December 4, 1997). Hence, Feuerstein's quick commitment to rebuild the plant served to harness and direct organizational members' and stakeholder energy in a common direction. The next major step in Malden Mills' recovery involved returning plant conditions to near normal operations.

Although Malden Mills wanted to reassure all stakeholders that the company was going to rebuild, it also had to assure the company's profitability. By December 13, two days after the fire, Malden Mills announced that "it would be able to service most of existing customer orders for Polartec and Polarfleece branded fabrics within 30 days using existing manufacturing and warehouse space" ("Malden Mills Recovery," 1997, p. 1). The company illustrated its ability to accomplish this by salvaging factory machinery and moving it to a vacant warehouse.

This capability, to provide evidence to stakeholders that they are moving to correct the crisis and resume to normal operations, is major component of crisis management. This communication to consumers and customers was important since Malden Mills is a leader in the Polartec industry and provides considerable merchandise for these companies. Without this communication, stakeholders may have lost confidence in the company and had difficulties returning to profitability. One month after the crisis the company was able to fill 90% of its orders (Calo, 1996, August 25).

Allen and Caillouet (1994) refer to communication designed "to gain social approval" as an ingratiation strategy (p. 60). Feuerstein's remarks to customer stakeholders were designed to gain approval from customers but also served to assure customers that he would be able to meet his business obligations. An important aspect of this communication was Feuerstein's character. There was tremendous pressure on customers to trust Feuerstein (Calo, 1996, August 25). Feuerstein was able to build upon prior relationships and the associated trust, loyalty and reciprocity to maintain these relationships in the wake of the crisis.

Communication to Workers

With confidence restored that Feuerstein would rebuild the plant in Lawrence, and that the company was taking efforts to move to normal conditions the next step in Malden Mills' effort to reduce uncertainty was to

communicate to its workers. On December 14, 1995, three days after the fire, Feuerstein took a novel action that made headlines across the country. At this stage in the crisis, three days after the fire, stakeholders were confident that the plant would be rebuilt in Lawrence. However, many employees were concerned about how they would pay their bills just two weeks before Christmas.

At this time, employees were asked to attend a meeting held in the gym of a local high school. At this meeting, Feuerstein declared that "At least for the next 30 days-- the time might be longer-- all hourly employees will be paid their full salaries" (Milne, 1995, B50). Employees erupted into a standing ovation. By the end of the meeting Feuerstein was mobbed by employees expressing their gratitude. Feuerstein's communication and the employees reaction illustrated the importance and value that Feuerstein placed upon his employees. Moreover, it exemplified the consistency of loyalty, fairness and reciprocity established between Feuerstein and his employees.

This communication also illustrates Feuerstein's ability to take into account the external nature of crisis and how these events profoundly affect stakeholders. Many employees at Malden Mills risked losing their salaries two weeks before Christmas. This strategy exemplifies a Rawlsian approach to stakeholder management. Feuerstein illustrated through his actions that workers were the stakeholders most impacted by the crisis and worked to

reduce this inequity. Overall, Feuerstein's ingratiation communication strategy certainly gained the approval of employees by illustrating responsibility to this important stakeholder group.

Feuerstein's decision to pay employees for a month not only put strains on him financially but also complicated his relationships with other management (Calo, 1996, August 25). First, it cost Malden Mills $2 million to pay salaries and benefits to workers for the first month (Calo, 1996, August 25). Since the company was working to regain its stability, this type of generosity was questioned by some of Feuerstein's board members, advisors and family (Calo, 1996, August 25). In general, Feuerstein's move to pay salaries and benefits during such a critical time was inconsistent with the logic of the situation. However, this response was consistent with Feuerstein's historical focus on value for the welfare of his employees. These ideas were more clearly pronounced in Feuerstein's communication to workers at the end of the month.

On January 11, 1996, one month after Feuerstein vowed to pay salaries for 30 days to unemployed workers he declared:

> I am happy to announce to you that we will once again-- for at least 30 days more pay all of our employees. And why am I doing it? I consider the employees standing in front of me here the most valuable asset that Malden Mills has I don't consider them as some companies do as an expense that can be cut what I am doing today will come back 10 fold and it will make Malden Mills the best company in the industry. (Calo, 1996, August 25)

In the wake of disagreements with board members and family, Feuerstein once again focused on his relationship with his employees. At this meeting, he was more descriptive in his explaining his actions. Due to the intense media attention during the crisis Feuerstein appeared to be communicating to a wider audience of organizational CEO's as well as the general public. His comments critique popular movements by CEO's to cut the labor force and to ensure short term profitability. However, Feuerstein was consistent with his contention that his employees were a valuable part of organizational profitability. In fact, he suggested that his workers will make Malden Mills the best company in the industry. Feuerstein's commentary suggested that CEO's are looking at employees in a counter-productive fashion. His commitment to pay employees even though they would not be working illustrated the value he placed on workers. However, it also emphasized Feuerstein's belief that employees will reciprocate by working harder for the company.

These values, discussed in the January 11, 1996 speech, illustrate the consistency of character in Feuerstein. During the crisis, Feuerstein emphasized the virtues of loyalty, openness, reciprocity, cooperativeness and mutual trust. These virtues were most strongly pronounced in this latest speech. Feuerstein also emphasized the idea that these virtues will play a role in Malden Mills' success. Hence, he linked virtuous management to

effectiveness.

Over the duration of the crisis, Feuerstein was consistent in paying salaries and benefits to unemployed workers. On February 9, 1996, two months after the crisis 70% of employees were back to work, however, Feuerstein agreed to pay salaries and benefits for the remaining 800 workers for a final 30 days. At the end of this period, he would pay health insurance for workers for an additional 90 days for unemployed workers. He also encouraged employees to find jobs in local businesses until they could return to Malden Mills. This tactic was similar to the early 1980's when Malden Mills was forced to lay off workers until it could regain profitability. Since Malden Mills eventually hired those workers back in the 1980's, these workers felt confident that the company would work to again fulfill its commitment. In order to illustrate the progress the company was making, Feuerstein had to demonstrate to stakeholders that he was resuming to normal operations.

Normal Operations

Leadership plays an important role in the aftermath of crises illustrating to stakeholders that the company has moved beyond the crisis. Feuerstein took special efforts to illustrate his company's progress toward resuming to normal operations. There progress in building a new manufacturing facility and maintaining relationships with stakeholders had a major impact on the outcome of the crisis. Feuerstein played a major role in

communicating these messages to stakeholders. This communication was important for securing bank loans to rebuild the mill and to maintain relationships with key stakeholders to ensure profitability. However, it is important to note that Feuerstein's ability to accomplish these things was based upon the strong relationships he had with stakeholders prior to the crisis.

Feuerstein's post-crisis communication illustrated to stakeholders that the company was able to indeed meet its objectives in rebuilding the plant. For instance, customers and consumers were able to regain confidence when Feuerstein was able to communicate that by December 18, 1995, Malden Mills was able to salvage the first Polartec machine, enabling 150 employees to return to work ("Malden Mills timeline," 1997). However, this update also provided hope for employees that soon they also would be called back to work. As the company moved closer to meeting its objectives, confidence between Malden Mills and the stakeholders increased. For instance, by December 22, 1995, only eleven days after the crisis, Malden Mills resumed production of Polartec fabrics enabling 300 people to return to work ("Malden Mills timeline," 1997). By January 11, 1996, one month after the fire, 65 percent of Malden Mills' total workforce was back to work ("Malden Mills timeline," 1997). By February 3, 1997 the first phase of the manufacturing process (the dying process) began in the new facility creating 71 jobs. On

March 15, 1997, the second phase of manufacturing (the finishing process) began in the new facility which brought 200 workers back to their jobs. The official dedication of the new manufacturing facility was held on September 14, 1997.

Determination of the Cause

The determination of cause is an important factor in crisis management. If the organization is deemed culpable, the intensity of the event can increase dramatically. However, if the locus of responsibility for the crisis rests outside the organization, it as an opportunity to regain some of its legitimacy. The investigation into the 1995 fire at Malden Mills went on for nearly a year.

On September 9, 1996, The Boston Globe reported that the fire at Malden Mills was determined to be an "industrial accident" (Butterfield, 1996, p. A17). Detective Lt. Robert Correy, head of the probe, described three possible causes of the fire. First, was the "Ignition of airborne flock fibers by static electricity or an electrical spark along Flock Line 1" (Butterfield, 1996, p. A17). The second potential cause was a "Rupture of a heat-transfer system used in a huge drying oven along Flock Line 2" (Butterfield, 1996, p. A17). Finally, "a natural gas explosion" had not been ruled out, however it was seen as unlikely (Butterfield, 1996, p. A17).

Paul Correy, head of the worker's union, contended that Feuerstein supported a detailed investigation from the beginning. Correy said the Feuerstein "told me, 'I don't care what you find, but I want to know how it happened'" (Butterfield, 1996, p. A17). Correy explained that Feuerstein did not believe that he could rebuild a safe Flock operation without knowing the cause. Identifying the cause of the crisis was important to putting the crisis behind Malden Mills. If Malden had been responsible for safety problems in the plant, the crisis could have flared up again and cast the company in a negative light.

Since Malden Mills could not be identified as culpable for the fire, the cause of the crisis was external to Malden Mills' control. This is an important factor because if Malden Mills had been identified as negligent, they would have bore more responsibility for the crisis. However, it is difficult to place blame when events are accidental in nature. As Coombs (1995) suggests, "The unintentional and generally random nature of accidents lead to attributions of minimal organizational responsibility" (p. 456). For this reason, Feuerstein and Malden Mills benefited from the accidental nature of the crisis.

Summary of Response

The chronology of events in the aftermath of the crisis illustrates the promptness of Malden Mills' response to external stakeholders. Within the

first three days following the crisis, Malden Mills developed its response to the crisis. The response was largely impacted by Feuerstein's responsibility toward the community and his workers. Immediately, the company vowed to rebuild the plant. During the remainder of the response, Feuerstein worked to move the company toward near-normal operations and get employees back to work while paying salaries and benefits for workers that were unable to return to their jobs. This response is similar to Feuerstein's interaction with stakeholders before the crisis. Although some of Feuerstein's reactions to the crisis seemed inconsistent with the logic of the situation and went against popular opinion at Malden Mills, he responded to stakeholders with similar openness and operated from similar values as before the crisis.

Organizational Stakeholders as Advocates

Feuerstein's value for stakeholders was consistent before and after the crisis. Consistency is important, from a virtue ethics perspective because it demonstrates a response tendency that has predictive value. Moreover, it reduces uncertainty for stakeholders. Research in crisis communication suggests that organizations that develop consistent positive relationships with stakeholders before a crisis can benefit from this history in the aftermath of a crisis. Since Malden Mills worked to cultivate positive relationships with stakeholders prior to the 1995 fire, one can expect that stakeholders would serve as advocates during the crisis and work to help the organization

overcome some of its hardships. What follows is a discussion of several of Malden Mills stakeholders and how they served to help Malden Mills after the crisis.

Community. After Feuerstein's statement that he would rebuild Malden Mills and continue operations in Lawrence, MA, the community worked to help the company communicate to other stakeholders. Joe Bavelaqua, Director of the Chamber of Commerce, explained "the people that knew Aaron (Feuerstein) never doubted he would rebuild" (personal communication, December 4, 1997). Clearly, the relationship that Malden Mills had developed prior to the crisis served to restore faith in the company's responsibility to the community during the chaos of the crisis.

In order to help Malden Mills during the crisis, the Chamber of Commerce and community served two functions. First, because all telephone lines had gone down after the fire, the Chamber of Commerce installed a hotline that was open 20 hours a day for 2-3 weeks. This hotline helped provide a central point where Malden Mills could disseminate information to employees, and other stakeholders groups. Second, the community, through an employee relief fund, was able to generate $300,000 dollars through donations at various convenience stores and restaurants in the community. These donations combined with others helped offset some of the initial costs of the crisis.

Customers. By December 13, 1995, Malden Mills took a major step in maintaining its vendors and its own profitability. Two days after the fire, Malden Mills announced that it would be able to service most of the existing customer orders for Polartec and Polarfleece within 30 days. To accomplish this task, Malden Mills would use production machines salvaged from the fire and existing warehouse space. This was a message of assurance to Malden Mills' customers that the company would be able to honor its pre-fire commitments. It also enabled the company to show that it was taking steps to return to near normal operations. Since Malden Mills is one of the largest textile manufacturers in the United States, many companies depend upon it to produce their fabric. Knowing the importance of these relationships, Malden Mills took immediate action to communicate to its customers so they could make the necessary arrangements until Malden Mills could again supply the fabric.

Media. The media played several important roles in the Malden Mills crisis. First, the company used the local press to announce meetings and provide initial information to stakeholders. Meetings were announced on the local news and posted in daily newspapers. In this instance, the press served an instrumental function in minimizing the uncertainty surrounding the crisis.

The media has served another important information function throughout the Malden Mills crisis; it has publicized Malden Mills as an example of corporate responsibility. Feuerstein contends that throughout the crisis he has had "no adversarial media." In fact, he suggests that they "sanctify me   they want me to win-- they don't want it to go bad" (personal communication, December 4, 1997). Even two years, after the crisis the press is still covering the Malden Mills crisis and its recovery. When asked why he explains that "the American public would like America to behave the way Malden Mills behaved" (Aaron Feuerstein, personal communication, December 4, 1997). Feuerstein contends that the fire "thrust his values into the public domain ... and people wanted to identify with this" (personal communication, December 4, 1997). As a result, he has received over 15,000 letters and post cards of support from around the world (personal communication, December 4, 1997).

This is a unique media response to a crisis. Typically, the media spins organizations impacted by crisis in a negative light. Feuerstein's virtuous response compounded by external locus of control for the crisis aided in Feuerstein and Malden Mills reaping positive media from the situation. This highly positive media attention received by Malden Mills should pay dividends in terms of product recognition.

Government. Although the government's needs for communication was not critical during the crisis, it did provide some economic support to Malden Mills. The United States Department of Labor, for example, provided $1 million for retraining Malden Mills workers. The Massachusetts State Legislature approved $4 million for job retraining. Malden Mills' response to the crisis and history of responsibility to the community likely played a role in enabling them to achieve political support for these donations.

Economic Outlook

Today, Malden Mills generates $380 million from its circular knit and woven divisions compared with $400 million generated in the pre-fire condition (fiscal year 1995). The company is experiencing 26 percent sales growth in its knit products (Polartec & Polarfleece) and a 30 percent increase in demand for Polartec and Polarfleece fabrics. Presently, the company employs 2700 workers. Of the original 1400 workers displaced after the fire, only 70 are still out of work. Malden Mills expects to have the remaining workers back by the end of the year, with new hires anticipated for 1998.

Conclusions

Malden Mills' response to a fire at its mill provides an example of an organization that was able to capitalize on opportunities created by a crisis situation. The primary characteristic of the crisis was the strong and virtuous leadership of Aaron Feuerstein that guided the organization through the

crisis. Through a rapid response and strong relationships with stakeholders, Feuerstein was able to minimize much of the uncertainty and threat surrounding the crisis.

Weick (1979) explains that leadership often makes decisions based upon retained responses. In essence, past conduct provides a repertoire of responses for organizations during the crisis. Throughout the crisis, Feuerstein's character played a major role in resolving the crisis. The fact that he was believable helped reduce the inherent uncertainty for stakeholders. In this instance, his character enhanced his credibility. Moreover, during the uncertainty of crisis, Feuerstein was able to make initial decisions based upon his personal value system which included supportiveness for workers and the community. In this case, his character and values served as a repertoire of response during the crisis. Hence, evidence suggests that strong, consistent, leadership embedded in a clear set of values can help in responding to crisis and reduce some of the initial uncertainty for stakeholders. Feuerstein's establishment of strong relationships with stakeholders before the crisis also aided his ability to respond to the crisis.

Much of the response to the event can be predicted from Malden Mills' relationships with stakeholders before the crisis. Indeed as many stakeholders commented, Malden Mills acted in the wake of the crisis in a

manner that was consistent with how the organization operated. The historical relationships Feuerstein had with stakeholders emphasized loyalty, reciprocity, fairness, openness, mutual trust and dependency as well as cooperativeness. These virtues reduced the uncertainty of the crisis because they were developed over time and served as consistent behavior for stakeholders. Throughout the uncertainty of the crisis, stakeholders could rely on Feuerstein to remain consistent in his relationships with stakeholders. For this reason, these groups could rely on the fairness, openness and loyalty they became accustomed to before the crisis during the chaos of the crisis event. Hence, virtuous credibility has a benefit of minimizing the stress and uncertainty of crisis for stakeholders.

These virtues also strengthened the relationships between the organization and its stakeholders. These positive and mutually supportive relationships enabled Malden Mills to respond quickly to the crisis. Many of the company's stakeholders served as advocates during the crisis. Malden Mills was able to use the media to provide messages to workers as a result well-established patterns communication before the crisis. Finally it must be recognized that Malden Mills enjoyed a favorable locus of control for the crisis

An external locus of control for the crisis also appears to be related to successful crisis resolution. If Malden Mills had been found culpable for the crisis, the outcome may have been different. First, the organization likely

would have had its reputation damaged much more if it was found liable for the crisis. Second, its repertoire of responses would have been reduced due to the legal constraints introduced by the event. Finally, Malden Mills would have likely suffered the accusations from the media rather than the unrestrained praise it received. For these reasons, Malden Mills' locus of responsibility for the event aided in making this an example of excellent crisis management.

CHAPTER 4

RESPONSIBLE COMMUNICATION AND CRISIS: THE CASE OF SCHWAN'S

Following a crisis, one fundamental question occurs: who is responsible? Benoit (1997) contends that, in the aftermath of a crisis, organizations are often left with the dilemma of deciding "whether it is more important to restore its image or avoid litigation" (pp. 183–184). This determination, then, leads to decisions about whether leadership should accept or deny responsibility for the crisis (Fitzpatrick & Rubin, 1995).

Organizations that seek to avoid legal action from stakeholders or wish to delay paying compensation to victims may choose to avoid accepting responsibility. Research in crisis communication illustrates the overwhelming propensity for organizations to opt for this legal strategy (Brinson & Benoit, 1996; Sellnow, 1993; Sellnow & Ulmer, 1995; Shrivastava, 1987; Ulmer & Sellnow, in press; Williams & Treadaway, 1992). Markus and Goodman (1991) argue that while some organizations take responsibility for their actions others have "consistently denied wrongdoing, even in the face of overwhelming evidence to the contrary, perhaps because their lawyers have warned that admissions [of guilt] could be used against them in court" (p. 282). Organizations that avoid responsibility in their crisis response risk negatively impacting those stakeholders directly affected by the crisis and damaging the

image of the organization. This chapter examines a novel approach to crisis management in that the organization, Schwan's quickly took responsibility for the crisis.

Schwan's Sales Enterprises, experienced a Salmonella outbreak in 1994, one of the largest of its kind in U.S. history. The crisis posed a significant threat for Schwan's because the Salmonella bacteria was traced to the company's trademark ice-cream. However, the greatest threat was shouldered by Schwan's customers who experienced the various effects of the product contamination. The salient feature of this case involves the extensive efforts that Schwan's took to ease the crisis induced burden on its customers, its primary stakeholder group. This chapter contends that Schwan's responsible communication toward its customers aided the company in its effort to restore its image and move toward crisis resolution.

This case features the ethic of responsibility as the primary perspective for analyzing Schwan's 1994 salmonella outbreak. Stakeholder theory is used as a compatible framework to illustrate the manner in which Schwan's was able to balance stakeholder needs. Responsibility is related to the concepts of community and legitimacy (Brummer, 1991; Hearit, 1995b; Seeger, 1986). From this perspective, organizations that fail to meet the norms and values of their stakeholders often suffer a loss of legitimacy. Conversely, this case examines how responsible communication, by meeting the norms and

expectations of an organization's stakeholders, can be advantageous during crisis. The following discussion of responsibility in communication provides general guidelines for ethical communication in crisis situations.

The Ethic of Organizational Responsibility

Responsibility is a fundamental human ethic that derives from an individual, group or organization's relationship to a larger community or environment (Seeger, 1997). Responsible communication is a dynamic and growing research area of inquiry that encompasses work such as communication competency, the ethic of care, and accountability (Littlejohn & Jabusch, 1982; Seeger, 1997; Tronto, 1993). Johannesen (1996) describes the relationship of responsibility to communication.

> As communicators, our ethical responsibilities may stem from a position or role we have earned or been granted, from commitments (promises, pledges, agreements) we have made, from established ethical principles, from relationships we have formed, or from consequences (effects, impacts) of our communication on others (p. 9).

Organizations operate in larger environments and are dependent upon this environment for resources (Pfeffer & Salancik, 1978). Hence, there is a reciprocal relationship between an organization and its external stakeholders. From this perspective, organizations occupy an important position and are responsible for outcomes in the larger environment in which they operate. Typically, the level of responsibility is determined by agreed upon values and

acceptable standards of conduct (Johannesen, 1996; Seeger, 1997).

The level of responsibility an organization accepts for its community varies widely. Some observers suggest that organizations are only responsible for creating profit (Friedman, 1962). Others contend that organizations are obligated more fully to society's needs and interests (Freeman, 1984; Freeman & Gilbert, 1987). Although debates arise concerning the level of responsibility an organization should exhibit during day to day operations, crises typically create unique circumstances. During a crisis, both internal and external stakeholders are often directly impacted. Organizations must take some responsibility for these effects they create if they wish to maintain legitimacy with stakeholders. However, organizations can also benefit from social responsibility prior to crisis.

Seeger (1997) delineates general domains of organizational responsibility as philanthropy, products and services, workers, and the environment. Philanthropy represents an organization's attempt to give back to a community or society in which it operates. This responsibility may be taken to enhance the image and legitimacy of the organization as well as to address significant social needs. Organizations are also responsible for the products and services they provide and the consequences of their use. Organizations, for example, are obligated to provide a product that is safe and not defective. As a consequence of the environmental movement, which

identified pollution and environmental hazards, corporations have come to recognize their responsibility to the environment. Finally, over the past forty years, organizational responsibility toward workers have become an important issue. Among the most prominent issues are workers rights, privacy and the potential exploitation of workers. Regardless of whether an organization's leadership accepts a narrow or broad definition of responsibility, it is safe to assume that the responsibilities described by Seeger function as general social standards of acceptable corporate conduct.

Since organizational responsibility is a general societal norm, some areas of organizational responsibility are enforced by a variety of laws such as the Consumer Protection Act, in the case of products, and governmental agencies, such as Occupation, Safety and Health Association or the Environmental Protection Agency, in the cases of workers and the environment. In the aftermath of a crisis, these agencies often play a major role in assigning blame and responsibility if uncertainty exists regarding responsibility. Organizations that break these social contracts typically face lawsuits, sanctions and a loss of public image. Hence, it is beneficial for organizations to comply with these standards of conduct.

Debates in the organizational ethics literature focus on the acceptable level of responsibility an organization should have for its environment. Research suggests that organizations are bound to some standards of

responsibility during day to day operations. This review suggests that the unique characteristics of crisis create an environment that necessitates a level of responsibility beyond "normal" operations. What follows is a discussion of unique characteristics of crisis and the importance of responsibility to crisis communication.

Responsibility, Stakeholders and Crisis Communication

In the aftermath of a crisis, organizations are often called upon to create an account of the crisis that represents their side of the story. Organizations are often more interested in minimizing their responsibility for the crisis rather than minimizing the impact on stakeholders. Ulmer and Sellnow (in press), for example, contend that responsibility in these situations is typically ambiguous for external audiences. They suggest that organizations often create competing narratives surrounding questions of intent, locus of responsibility and crisis evidence to absolve themselves from responsibility. For example, organizations often bring in their own scientists to examine evidence surrounding the crisis ultimately with the goal of creating competing explanations (Sellnow, 1993). This strategy alone is not necessarily unethical. However, a more responsible approach to crisis management would be to provide as much accurate information to stakeholders as possible in order to reduce uncertainty and minimize the impact of the crisis.

Organizational accounts of crises are particularly important because these events lay bare the vulnerabilities of stakeholders who in the aftermath of a crisis are often left unprotected. Since crises often create surprise, threat and limited response time, these events are equivocal and uncertain for both the organization and its stakeholders (Hermann, 1963; Seeger, 1986; Weick, 1988). During these times, organizations have an opportunity to communicate to stakeholders in order for these groups to make rational decisions about how to handle the event. As discussed earlier, much of the research in communication seeks to obscure facts and to create ambiguity surrounding crisis events for stakeholders. Conversely, responsible communication seeks to provide clear, unbiased and accurate information to stakeholders about how to overcome the cause of the crisis, the risks of the crisis, and overcome its effects. This is complicated by the inherent uncertainty of crisis situations.

Two related stakeholder strategies are particularly relevant to understanding how Schwan's was able to prioritize stakeholder needs during their crisis. Freeman (1984) contends that the specific stakeholder strategy and the Rawlsian strategy are useful in managing stakeholders. The specific stakeholder strategy is particularly useful when "the values of the managers of the firm are closely aligned with the values of" particular stakeholders (Freeman, 1984, p. 103). Freeman argues that organizations which operate from, for instance, a customer focus are likely to identify with this approach.

The Rawlsian strategy emphasizes raising "the level of the least well-off group" (Freeman, 1984, p. 105). During crisis, a Rawlsian strategy can aid in determining how to manage stakeholder needs. From this perspective, management should concentrate on helping those groups of victims most profoundly impacted by the crisis. The stakeholders most needing attention will depend upon the context of the crisis event.

What follows is a discussion of Schwan's Sales Enterprises and the context of their Salmonella outbreak in 1995. Of particular importance to this analysis is Schwan's overall customer focus and how their responsibility toward this stakeholder group enabled it to recover successfully from the crisis. This group was most dramatically effected by the salmonella outbreak and where Schwan's put most of its crisis relief efforts. To understand Schwan's response, first, some background information about the company is provided. Next, an analysis of their crisis communication is provided with particular emphasis on how the organization maintained its customer-centered focus throughout the crisis. Finally, a summary of the response and conclusions for crisis management are provided.

Schwan's Sales Enterprises

Schwan's Sales Enterprises is a privately held company located in Marshall, Minnesota. The company, founded in 1952, is the largest company in Marshall and the second largest private company in Minnesota. The

company employs roughly 7500 people nationwide and 1500 people in Minnesota. Schwan's is a diversified company that sells frozen foods such as ice cream, pizzas, egg rolls, and juice drinks which are sold under a wide variety of brand names. Through sales of these products nation-wide Schwan's generates an estimated $1.8 billion (Kennedy, 1994). However, the company is best known for its trademark ice cream products that prominently displays the Schwan's name.

The company was founded by Marvin Schwan who built it from a small ice cream stand into a billion dollar company. He was described as enigmatic and reclusive and wished that Schwan's would remain the same (Lambert, 1993). Some have even referred to the company's wishes to be left alone as a "cult of privacy" (Kennedy, 1994). He was described as a religious man who had a "tremendous sense of direction" and was incredibly charismatic (Kennedy, 1994).

In May of 1993, Marvin Schwan died from a heart attack. At this point, the company was uncertain about how it would survive without the founder's leadership. A head of one of Marvin Schwan's subsidiaries contended "A lot of it [the company] operated on the mystique of Marvin Schwan" (Kennedy, 1994). Moreover, there was considerable concern regarding whether the company would be for sale. Schwan's would later be headed by Alfred, Marvin's brother and the company would remain in Marshall, MN.

Schwan's Focus on Customer Relations

Schwan's describes itself as "The Uncommon Company" (Feder, 1994). One way that Schwan's exemplifies this perspective is through the advertising and promotion of its products. Schwan's prides itself on being reclusive and unlike most companies in today's marketplace spends very little money on publicity and advertising (Feder, 1994). Instead, the company relies upon door-to-door contacts by salespeople and word of mouth. Schwan's route drivers make regular visits to the homes of their customers, delivering a variety of ice cream and other frozen foods. This idea was originally founded as a convenience to farmers who made infrequent trips into town. Hence, Schwan's places a high value on positive customer relations.

Today, Schwan's provides convenience to busy families that have limited shopping time. The company uses recognizable yellow trucks and places a high value on customer satisfaction and repeat purchases. Drivers work strictly on commission and, therefore, rely on strong relationships with customers to ensure their profits. Drivers often drop off products to customers typically once a week and customers often refer to them by their first name. Through these relationships, Schwan's has become an important part of communities across the United States. However, Schwan's plays a larger communitarian role beyond providing products to its customers.

Schwan's primarily bases its advertising and promotion of products through its relationships with customers. This relationship then is instrumental to Schwan's success. To be effective, Schwan's management's values should be closely aligned with the needs and interests of customers. Due to the importance of customers to Schwan's overall operations in the aftermath of a crisis, the company would be wise to meet the expectations of this group if they wish to restore their image.

Community Relations

Beyond its customers, Schwan's plays an important role in the community of Marshall, Minnesota. Scott Sievers, editor of the Marshall Independent, the local newspaper where the company is headquartered, explains that "there is no worse fear in the town of 12,000 than that something bad will happen to Schwan's" (Kennedy, 1994, p. 8A). The rationale for this statement is that Schwan's has a tremendous economic impact on its hometown of Marshall. Schwan's is the largest employer in Marshall and the second largest private company in Minnesota. The Mayor of Marshall, Bob Byrnes contends that "The growth of that company [Schwan's] has paralleled the growth of Marshall" (Kennedy, 1994, p. 8A). The economic incentive of Schwan's operating in Marshall is great, particularly in a state like Minnesota where few cities in the southwestern part of the state have a strong economic base.

Although Schwan's is important to the economy of the community, the company has worked to not overshadow or control community decisions. The company has typically worked to ensure that decisions made in the community would be for the good of all and not just for the benefit of Schwan's. For instance, City Assessor Cal Barnett explains that "when a local farm cooperative proposed an industrial expansion that would result in higher public utility rates, Schwan's didn't try to block it" (Kennedy, 1994). Even though this initiative cost Schwan's considerable money, the company always tried to do what was best for the community even though it had considerable power to affect these types of decisions.

Schwan's is a company that places high value on its privacy, its relationships with customers, and on relations with the community. Over time, Schwan's has taken a non-traditional role in promoting the company and its products. Personal contact and customer service has replaced traditional means of advertising such as print and television advertising. As a result, Schwan's was able to foster strong relationships with customers who were able to easily identify with the company. Customer relations is clearly the most salient feature of their business operations.

In effect, Schwan's blends into the community like any other local business that customers would see on a regular basis such as a dry cleaner, postal employee or grocery clerk. These relationships are often characterized

by trust, mutual respect and honesty. Customers rely on these workers for critical information about products and that the products will be safe and not harm the customer. However, Schwan's means considerably more to the community of Marshall than other local organizations. Schwan's holds a prominent place in the community as its largest employer and is responsible for many jobs in the area as well as considerable economic growth. However, evidence suggests that Schwan's is aware of its ability to impact community and works to benefit the whole community rather than just serving the goals of profitability.

A Crisis at Schwan's

Crises arise with surprise, pose considerable threat to the organization and its stakeholders, restrict response time and attract considerable media attention (Hermann, 1963; Seeger, 1986; Seeger et al., 1998; Sellnow, 1993; Sellnow & Ulmer, 1995). Schwan's crisis began on October 7, 1994 (see crisis timeline below) when the Minnesota Department of Health, after tracking 67 cases of salmonella over a two week period, announced that "We do have a very strong association between the Schwan's products and the salmonella outbreak we have been seeing" (Sievers & Yost, 1994, p. A1). The product in question was Schwan's trademark product, its ice cream. Dr. Michael Osterholm, an epidemiologist with the Minnesota Department of Health explained that, as word of the tainted ice-cream got out, the department

received a "flurry of calls" from customers who were ill as a result of eating

Schwan's ice-cream (Sievers & Yost, 1994, A5).

Foodborne Illness and Crisis

Foodborne illness crises are public health issues that have gained

prominence recently. As restaurants compete to produce products more

quickly and efficiently these types of issues are becoming more frequent.

Foodborne illness crises, such as those at Jack in the Box and Sizzler, have

also placed the importance of product inspection at a premium. These crises

have also been high on the media attention due to the devastating effects

tainted products can have for customers.

Table 5
Schwan's Recovery Timeline

October 7, 1994	Minnesota Department of Health notifies Schwan's of a salmonella outbreak linked to their ice-cream. Schwan's immediately withdraws its ice-cream products from distribution. The company also halts all production of ice-cream in its Marshall plant until an investigation of the source could be completed. Schwan's sets up a toll-free hotline to provide information to customers about the recall.
October 19, 1994	All Schwan's customers receive a letter advising customers not to eat their ice-cream, how to receive refunds and that the company will pay for diagnostic examinations.
October 21, 1994	Dr. David Kessler, head of the FDA, contends that through his investigation the salmonella outbreak was caused by a trucking company that carried raw eggs before carrying Schwan's ice-cream. Schwan's immediately notifies customers that it will build a repasteurization plant on-site and employ a dedicated fleet of tankers that will only carry Schwan's products.
November 8, 1994	Schwan's Marshall plant re-opens.
November 15, 1994	Schwan's has already settled roughly 14,000 claims out of court.
February 4, 1995	Schwan's and plaintiff's lawyers agree on settlement guidelines for class action lawsuits.

Outbreaks at restaurants such as Jack in the Box and Sizzler

illustrate the ability of foodborne illness to impact customers. Foodborne illness is most harmful to the very young and old, which makes these crisis particularly frightening. For instance, two children died after eating tainted hamburgers at Jack in the Box restaurants (Sellnow & Ulmer, 1995). The threat of these types of crises to children and the elderly whose immune systems cannot fight the bacteria heightens the perceived threat of foodborne illness crises. For this reason, it is important for the cause of the crisis to be attained quickly and corrective efforts to begin as soon as possible if the organization is to regain trust and legitimacy with customers.

Typically, during outbreaks of food-borne illness and crises in general local, state and federal regulatory agencies play an instrumental role in determining the cause of the crisis (Sellnow & Ulmer, 1995; Ulmer & Sellnow, 1995). During this time, the afflicted organization typically waits until the regulatory agencies determine cause. Foodborne illness crisis investigations can take a long time due to complications of cross-contamination and the rapid spread of the bacteria. In order for the organization to regain legitimacy the cause of the crisis must be determined and appropriate action taken to rectify the issue.

For this reason, crisis stricken organizations often initiate their own investigation. For instance, during Jack in the Box's e-coli outbreak in 1993, an internal investigation of their communication system and cooking

procedures proceeded while the Center for Disease Control (CDC) held another independent investigation searching for the cause of the crisis (Sellnow & Ulmer, 1995). Organizations often try to use their investigation to shift the blame for the crisis away from the afflicted organization to restore its image. Likely scapegoats are suppliers, inspectors or government agencies that regulate the products. The interconnected nature of these stakeholders also makes determining the cause difficult.

Immediately following the Minnesota Department of Health's connection of Schwan's ice cream to the salmonella outbreak local, state and federal health inspectors converged upon the Marshall plant. These officials included investigators from the U.S. Food and Drug Association, the Center for Disease Control and Prevention, Minnesota Department of Health, the Minnesota Department of Agriculture and local officials such as the City Sanitarian and city heath inspectors. Schwan's response was to allow all health inspectors full access to their Marshall plant and to aid in the investigation as much as possible. The investigation included "opening its [Schwan's] extensive piping system, swabbing machinery and taking dozens of other samples from walls, floors, the air-filtration system and even the loading dock" (Gibson, 1994, p. A1). As a result, Schwan's was forced to close down its plant. This action was necessary to identify the cause of the salmonella outbreak but also created uncertainty about when the company would be able to reopen.

The announcement of a salmonella crisis linked to Schwan's compounded by the closing of the Marshall plant created tremendous perception of threat for the organization's leadership and its stakeholders. First, it would be difficult for Schwan's to ascertain how the crisis would impact them financially. It is also important to note, ice-cream does not create the most profit for the conglomerate. However, as a staff writer for the Marshall Independent noted "Ice cream has stood as a symbol of the company's 42-year history ... since the corporation started with one delivery truck transporting diary products" (Muchlinski, 1994, p. A1). Hence, a threat to ice-cream sales would create uncertainty about the safety of other Schwan's products.

Related to the safety of its products, was the uncertainty as to how the salmonella outbreak would impact customers. Salmonella is a bacteria that "causes nausea, vomiting, cramps, diarrhea, fever and headaches. Symptoms are most severe in infants, the elderly and people with weak immune systems" (Kuebelbeck, 1994a, p. A6). At the point of the announcement by the Minnesota Department of Health, Schwan's perception of the severity of the crisis and the threat associated is largely a factor of the number of customers impacted by the crisis and severity of the illnesses of those impacted by the crisis. A large number combined with serious illness or death could severely taint the image of the organization. The contingencies

needed by the organization in terms of money to settle lawsuits or ability to recover is typically dependent upon the extent of the outbreak. For example, at the outset of the crisis, estimates ranged from 2,400 cases one week after the crisis, roughly 13,000 cases one month after the crisis, and 224,000 nearly two years after the crisis ("Ice cream Poisoning Outbreak," 1996). Clearly, the magnitude of the crisis and its potential impact on the organization is difficult to assess.

Beyond the profound effects the crisis had on consumers, the crisis also impacted the employees of the Marshall plant. Some of the employees were put on unemployment insurance due to the plant closing. Others, such as the route drivers, faced a significant decrease in their wages. One salesperson explained that "I sell close to 40 gallons of ice cream a day ... For our wages, ice cream is No. 1-- it sells at the highest commission rate" (Yost & Sievers, 1994, p. A12). This impact on employees increases the perceived threat for the organization and illustrates the wide-spread impact of a crisis on internal and external stakeholders.

Much of the background research on Schwan's accentuates its desire for privacy and lack of public exposure. Crises, by definition, create immense media attention. Immediately after the crisis triggering event, the crisis received national media attention. For instance, the Minneapolis based Star-Tribune ran an editorial cartoon linking Schwan's to sickness. Moreover, Peter

Jennings led off the evening news with the outbreak as the day's top story (Sievers, 1994d). Beyond this more traditional media attention, the Schwan's crisis also became the brunt of jokes by Tonight Show host Jay Leno and the cast of Saturday Night Live. For a company that relished its anonymity, this type of media exposure was difficult to handle. Dave Jennings, the company spokesperson, summarized how the organization was affected by this attention. He explained "For a company that's deliberately low profile, its been a real culture shock ... It's particularly painful when some of the things they're saying are less than kind" (Schmid, 1994, p. A3). This type of wide-spread media attention is typical in crisis situations. As a result, organizations are often put on the defensive and cast in a negative light. Its response can do much to cleanse the image of the organization or intensify the situation.

The crisis began with an association by the Minnesota Department of Health of a salmonella outbreak to Schwan's Sales Enterprises. This trigger event created a context that by definition exemplified an organizational crisis. Schwan's, a historically reclusive company, was thrust into the national spotlight. Furthermore, the company experienced considerable threat which was compounded by the uncertainty of the event and severity of the crisis for its customers. As a result, the situation necessitated a quick and decisive response. What follows is a discussion of Schwan's response to their 1994

salmonella outbreak.

Responsibility, Accountability and Crisis Communication

At the time of the crisis, all Schwan's knew about the event was that there was a strong correlation between their ice cream products and a salmonella outbreak. Due to the uncertainty surrounding the situation Schwan's and the governmental agencies were unsure how the crisis started and if it could be positively determined that Schwan's was responsible. Determining responsibility is often difficult and time consuming. At the moment of the outbreak of salmonella poisoning, many customers were either becoming ill or had already seen a physician. These stakeholders were facing the immediate effects of crisis.

Organizations that seek to deny responsibility in the aftermath of a crisis risk extending stakeholder pain and suffering beyond the trigger event and throughout the investigation and litigation process. This type of response places more importance on the profit making responsibility of organizations than on its responsibility to stakeholders. It can also intensify the resentment toward the organization and augment the intensity of the crisis. This may serve to further damage the organization's image.

For example, Dow Corning's response to deny that silicone breast implants were causing harm to its customers in the wake of overwhelming evidence to the contrary extended the grief and pain for those customers until

the litigation was complete (Brinson & Benoit, 1996). From the perspective of responsible communication, organizations in crisis situations have an ethical responsibility to take care of their customers.

Thrust into a quagmire of crisis uncertainty, Schwan's initial response to the crisis was to take responsibility for the harm caused to its customers. At the time of the crisis, Dave Jennings, Schwan's Director of Human Resources, explained that:

> Our philosophy was a simple one. We did not wait for the complete scientific research to be completed. At the first point where we believed there was a possible connection between our product and the illnesses reported, we took action (personal communication, November 17, 1997).

After the link of Schwan's to the salmonella outbreak, Jennings explained that "Our guiding principle for the actions we took was one simple question. If you were a Schwan's customer and knew what we know, what would you expect the company to do?" (personal communication, November 17, 1997). This stakeholder-centered perspective exemplified Schwan's desire to meet the expectations and needs of its customers. This response was not surprising due to the strong relationships developed between Schwan's and its customers before the crisis.

During the crisis, Schwan's focused its communication in two specific directions. First, the company worked to provide clear and accurate communication to customers to ensure that the safety and well-being of their

customers was the highest priority. Second, Schwan's communicated to stakeholders how it planned to alleviate future outbreaks of salmonella.

Communication to Customers

At the outset of the crisis, Schwan's worked to provide customers with clear and accurate information and took action to ensure that customers and retailers were informed about the potential problem with Schwan's ice cream. Although the local, state and federal health agencies had not ordered Schwan's to recall their ice-cream, on October 7, 1994 when a link was established, between the salmonella outbreak and Schwan's ice cream, Alfred Schwan, the president and chief executive officer issued a news release. This release explained the outbreak to customers and stated "The well-being of our consumers is our very first priority at Schwan's, which is why we are willingly withdrawing our ice cream products from distribution and cooperating fully with governmental agencies" (Sievers & Yost, 1994, p. A1). In addition, Alfred Schwan notified workers and customers that he "has chosen to halt all distribution and production of ice cream at the Marshall plant until an investigation into the link is complete" (Sievers & Yost, 1994, p. A1). Schwan's initial response to the crisis was not denial or evasion but rather through the expression of care and responsibility for customers. This response illustrates Schwan's customer value and their priority of safety and well being above other concerns. Schwan's would follow up on their earliest

communication with communication that would exemplify value for customer safety. This communication also serves to provide stakeholders with necessary information about the crisis to ensure that they can make decisions about how to handle any sickness that may develop. Their response would include refunding merchandise for customers, setting up a toll free hotline, payment for diagnostic testing and compensation.

Refunds. The recall that Schwan's enacted early in the crisis was not directed entirely toward grocery stores or large distributors of the product. The recall also included customers who had purchased the ice cream from route sales-persons. Schwan's ability to communicate compensation in the form of a refund to consumers involved sending a personal letter to each customer discussing the recall and using route drivers to explain the recall personally. The letter read:

> (1) DO NOT EAT THE ICE CREAM (2) Only our ice cream products made prior to October 7, 1994, in our Marshall plant #27-250 are affected by this recall. Our salespeople will give you a refund for the ice-cream or credit on other Schwan's products" (Sievers, 1994c, A1).

Typically, during a crisis associated with consumer products, it is difficult if not impossible to determine who purchased the contaminated products. However, the personal relationships developed between route drivers and their customers greatly reduced this uncertainty (Yost & Sievers, 1994). Dave Jennings, Schwan's Director of Human Resources, contended that "the route

drivers' ability to relate to their customers is a key element of the company's recall and refund program" (Yost & Sievers, 1994, p. A12). Since each driver knew who had bought what and when drivers could enact a recall that would ensure that most of their product would be recalled and that refunds or gift certificates could be provided quickly and in person (Sievers, 1994a). Moreover, personal communication and information could be provided to those individuals who were not aware of the recall. Drivers could explain the nature of the outbreak and answer any questions that customers may have had about how to handle any pain and suffering they may have been experiencing. This kind of personal attention was invaluable to the organization and the stakeholders affected by the crisis. Often, customers are only able to communicate with an organization in the aftermath of a crisis through their lawyers. The personal relationships developed with customers enabled customers access to prompt, accurate information about the crisis. Drivers would also be able to express the company's sadness and regret for the incident to customers personally. This strategy of recall was apparently successful because many customers expressed their unwavering support for Schwan's during the recall (Sievers, 1994a).

Toll Free Hotline. An important aspect of Schwan's response was their ability to provide quick and accurate access to information for customers. The toll free hotline is another example of how Schwan's worked to keep their

customers informed throughout the crisis. A toll free hotline is not a new method for organizations to provide information to stakeholders. However, proper management of a toll-free hotline is often overlooked. For example, when America Online experienced a series of outages on its network, it set up a 1-800 telephone line that was used to provide refunds and/or information about the crisis, however, many customers complained that they received busy signals and/or were unable to talk to a representative of the company (Weber, 1997).

Schwan's notified their customers about the hotline through personal communication with route drivers, newspaper articles and a letter that was issued to each customer. The letter forwarded to each customer read "If you have any questions about the recall, the symptoms of salmonella, how to return your product for a full refund, or anything else ... call 1 800 544 6855" (Sievers, 1994c, p. A1). According to Jennings, Schwan's wanted to make sure that their hotline would ensure access to information. For this reason, the hotline was accessible 24 hours a day (Dave Jennings, personal communication, November 19, 1996). Rather than a pre-recorded message, Schwan's chose to remain consistent with their effort to have customers greeted by employees who could provide information about the salmonella outbreak as well as how to get refunds or credits from route drivers. Jennings stated that the hotline fielded roughly 15000 calls during the most

active periods (Personal Communication, November 19, 1996). Although the

exact number of calls received is not known, Jennings indicated that the

number was "in the hundreds of thousands for sure" (Personal

Communication, November 19, 1996).

Information Regarding Diagnostic Tests. Beyond informing customers

of a recall and setting up a toll free hotline, Schwan's worked to communicate

to customers that the company was looking out for their needs regardless of

the outcome of the independent investigations held by various health

agencies. On October 19, 1994, two weeks after the outbreak began, while

the investigation for the source of the outbreak continued Schwan's notified

customers of their compensation:

> If you believe you may have persisting symptoms of salmonella and
> have eaten any of our ice cream products mentioned, we want to
> encourage you to see your physician and get the tests necessary to
> confirm it one way or the other and get the treatment you need ... We
> will pay for the test. (Sievers, 1994c, p. A1).

This message was reinforced by route drivers' personal communication and

by newspaper accounts of the story. This type of response is clearly beyond

what one would expect from a company during crisis, particularly because

the investigation into the cause of the outbreak had not yet been determined.

Crisis stricken organizations usually would want to make sure that they are

responsible for the outbreak before taking these sorts of corrective actions.

This type of response could potentially minimize the economic damage that

the organization would experience. However, during this time consumers risked extended periods of suffering and/or intensification of their suffering. Hence, a delayed response is likely to do little to help the organization's long-term public image.

Schwan's response takes into account the needs and interests of their customers above economic or legal interests. This response exemplified the value Schwan's has for customers and the importance it placed on these relationships. Jennings estimated that the number of claims for diagnostic testing and medical services is estimated to be between 30,000 and 35,000 nationwide and most "were for office calls and the test itself," (Personal Communication, November 19, 1996).

Monetary Compensation. Determining monetary compensation for pain and suffering as a result of a crisis is often the most difficult and time consuming aspect of crisis resolution. Crisis litigation can go on for years or decades depending upon the type and extent of the damages as well as how long it takes to determine responsibility. Coombs' (1995) explains that through remediation "Negative feeling may lessen as the organization takes positive actions to help the victims– publics injured by the crisis" (p. 452). Schwan's initial response to their crisis was novel in that they tried to compensate customers as quickly as possible by paying for their medical tests or providing refunds or credits for contaminated ice cream. It is important to

note that Schwan's took this action before a definitive source of the outbreak was identified.

Another significant aspect of Schwan's response was that the company began to settle with many customers immediately and without the intervention of court proceedings or the need for lawyer fees on the part of the customers. Four national class action lawsuits were also filed against Schwan's during this time. However, customers had the choice of settling directly with Schwan's or taking part in the class action lawsuits. As a result of Schwan's forthright and immediate response to the crisis, the company experienced two unique complications.

First, as of November 15, 1994, Schwan's had voluntarily began settling with "13,463 reports of sickness" by customers (Sievers, 1994b, p. A9). Of the roughly 14,000 claims:

> 6,190 involved cash settlements for a total of $980,812.56. That works out to an average of $158.45 for each settlement. In addition, 2,611 reports have been settled with gift certificates. Nearly 7000 reports had yet to be resolved (Sievers, 1994b, p. A9).

It is important to note that the average payment of $158.45 may be misleading as some customers with more severe symptoms were paid higher amounts than those who experienced relatively minor distress. However, as a result of these settlements, lawyers for the plaintiffs of the four class action lawsuits sought a temporary restraining order against Schwan's that would

prevent the company from settling with its customers. The restraining order was denied by Hennepin County District Court Judge Andrew Danielson citing "A strong public policy in favor of settlements exists ... Individuals should be allowed to enter into settlements with the defendants if they voluntarily choose to do so" (Sievers, 1994b, p. A9). Schwan's responded to the restraining order in a memorandum to the court. The company stated:

> It is both ironic and telling that the first relief sought from the court in this litigation should be for an order enjoining Schwan's from paying money to its customers and settling its customers' claims, and that this relief should be sought by the very attorneys who put themselves forward as wishing to represent the interests of those customers ... The attorneys who commenced these lawsuits now seek ... to protect customers who never hired them from the opportunity to enter voluntarily into prompt settlements and ... to vindicate the rights of those customers to wait years for their money and eventually to pay a substantial portion of any recovery to the attorneys the didn't hire (Sievers, 1994b, p. A9).

Schwan's response to the restraining order attacked lawyers for self-interest in the litigation process rather than working to promote resolution to the process. Indeed, crises are often prolonged due to unnecessary litigation designed to ensure that the organization responsible for the crisis will pay restitution for those impacted by the crisis. Conversely, Schwan's took immediate action and sought to take care of the needs and concerns of stakeholders as quickly as possible. For these reasons, Schwan's voluntary compensation created a unique complication to resolving the litigation process. The second difficulty involved deciding where the litigation would

take place.

The second novel problem brought on by Schwan's compensation of victims was that plaintiffs lawyers did not want the trial to take place in Marshall, Minnesota, where Schwan's headquarters is located. Schwan's wanted the trial to take place in Marshall to convenience its witnesses. Typically, this is not the case. Usually, in the aftermath of a crisis the organization does not want to have the court cases in the area where the crisis took place because the image of the organization is damaged and the public outrage is often high. However, Schwan's responsible crisis communication served to repair its image quickly and even strengthened its relationships with customers. The lawyer for the plaintiffs, in making their argument to keeping the trial in Minneapolis, revealed a "4 1/2 page newspaper ad from the Independent bearing more than 1,000 signatures of Marshall area residents expression support" for Schwan's (Kuebelbeck, 1994b, p. A1). The lawyers also claimed that Schwan's was trying to use their responsible communication and strong public image in the community "in an attempt to take advantage of the situation" (Kuebelbeck, 1994b, p. A1). The judge ruled in favor of the plaintiffs due to a "lack of sufficient justification for the change of venue" (Kubelbeck, 1994, p. A5).

The result of the lawsuits was a settlement that "calls for claimants to receive anywhere from $80 to $75,000 depending on how severely they were

affected" (Seely, 1995, p. A1). The litigation was not prolonged and consensus was agreed upon quite quickly by both parties. Karl Cambronne, a lawyer for the plaintiffs, "commended Schwan's on its responsiveness and approach in handling the ordeal" (Seely, 1995, p. A5). He also commented that "Schwan's has behaved in a uniquely responsible way ... It's as a result of their corporate attitude that this case has been resolved so quickly, fairly and equitably" (Seely, 1995, p. A5). Through negotiations with the plaintiffs' lawyers Schwan's was able to create a settlement with those who filed class action lawsuits quickly and equitably. This helped the organization move toward normal operations and put the crisis behind them. It also enabled those customers debilitated by the salmonella outbreak to achieve the restitution due them.

Information Addressing the Cause of the Crisis

Local, state and federal health agencies worked for roughly two weeks until they identified the cause of Schwan's salmonella outbreak. The source of the contamination was in fact not found in Schwan's plant but in the trucks used to transport ice cream mix to the plant in Marshall (Sievers, 1994e). The report from the investigation explained that Schwan's received its ice cream mix from two independent sites where the mix was pasteurized. However, Schwan's contract trucking company, Cliff Viessman Trucking, apparently carried "raw eggs ... in a tanker truck before the truck hauled

pasteurized ice cream mix to Schwan's" ("Schwan's Cleared," 1995, p. A1).
Schwan's did not pasteurize the incoming mixes as some other ice cream
manufacturers had been doing. However, Schwan's was clearly "in
compliance with state and federal food manufacturing regulations"
("Schwan's Cleared," 1995, p. A14).

Deputy State Agriculture Commissioner, Bill Oemichen, bolstered
Schwan's credibility by stating "They had a very good sanitation track record"
("Schwan's Cleared," 1995, p. A14). Since Schwan's was within state
standards for pasteurization they were not penalized for the outbreak,
however, the "company agreed to pay $60,272 to cover laboratory expenses
and overtime pay incurred by the state" ("Schwan's Cleared," 1995, p. A14].

As a result of the investigation and the determination of the source of
the outbreak Schwan's took two steps to correct the problem. Coombs (1995)
suggests that rectification strategies help the "organization seek forgiveness as
it establishes mechanisms designed to protect public against future threats"
(p. 453). Schwan's publicly announced that it would build a new
repasteurization plant and it would dedicate a fleet of tanker trucks to carry
only Schwan's products. Benoit (1995a) explains that "it can be extremely
important to publicize plans to correct and/or prevent recurrence of the
problem" (p. 93). This communication serviced to illustrate that a similar
crisis would not happen in the future and that Schwan's was moving toward

near normal operations.

Since Schwan's could no longer trust its suppliers to pasteurize its products and still prevent a salmonella outbreak, the company "broke ground on a plant to pasteurize ice cream mix on site at the ice cream plant (Sievers, 1994e, p. A8). In this case, Schwan's ice cream mix would still be pasteurized by the supplier and then repasteurized at the Schwan's plant before distribution, thus neutralizing any accidental contamination between the supplier and the Schwan's plant. Until the new repasteurization plant could be built, the company instituted a policy called "test and hold" (Sievers, 1994g, p. A1). This process involved holding each of the day's products from distribution until each passed a test that cleared it from containing any salmonella bacteria. This information provided customers with the reassurance that Schwan's is working to ensure that the crisis did not occur again. They are also creating original solutions for the crisis.

The second corrective action that Schwan's communicated to its customers concerned how it planned to ensure safe transportation of its mix from suppliers to the Marshall plant. In a news release from Schwan's, Alfred Schwan explained "We intend to employ a dedicated fleet of sealed tankers which will carry only ingredients for Schwan's" (Sievers, 1994f, p. A5). The release discussed in more detail how the company would ensure that this preventative action would prohibit another cross-contamination. Alfred

Schwan explained that "we will make sure after the delivery of each ingredient shipment, empty tankers are then resealed as an additional safety measure, to make absolutely certain they are never used for anything other than Schwan's product" (Sievers, 1994f, p. A5). This information provided further evidence to customers that Schwan's was serious about ensuring that another salmonella crisis would not happen to the company. This public communication also enabled the company to ensure that all of its customers knew that Schwan's was going above and beyond the call of duty to protect its customers from another crisis. From this perspective, customers could begin to enjoy Schwan's products again with full information about how the company was taking precautionary measures to ensure safety.

Summary of Response

Schwan's response to its 1994 salmonella outbreak illustrates how communicating responsibly to those directly impacted by a crisis can help an organization recover from a crisis and reduce the impact on stakeholders. Before the definitive cause of the crisis had been determined by the Food and Drug Administration, Schwan's took immediate action to ensure halt distribution of its product. Moreover, the company acted quickly to notify customers of the potential problem. Two key aspects of Schwan's deserve reexamination. First, its ability to communicate to customers about the crisis was a result of the strong relationships cultivated with this stakeholder group

before the crisis. Second, Schwan's strong value for customers was evident in its desire to go above and beyond the call of duty for this stakeholder group.

Schwan's was able to inform customers about the crisis and provide additional information concerning refunds and free diagnostic exams. These relationships paid dividends in providing accurate and consistent messages to customers. Moreover, this customer-centered response strategy served to greatly reduce the uncertainty for stakeholders. During typical crisis events, immediate communication with the organization is difficult due to a lack of viable channels. As in the case of America Online, toll-free hotlines typically do not provide stakeholders with adequate information about the crisis. For this reason, victims are often left to rely on media reports of the crisis. Schwan's and its customers were able to benefit from their positive relationships before the crisis and the nature of the company's business to overcome these traditional barriers to crisis management.

The second notable aspect of Schwan's response was the extensive efforts the company took to ensure the safety of its customers. In the aftermath of the crisis, Schwan's worked to maintain legitimacy with enhance their image with stakeholders. The company's self-imposed recall ensured that no other customers would be impacted by the crisis. This is reminiscent of Johnson and Johnson's voluntary recall of Tylenol.

Second, Schwan's provided refunds to all customers who purchased

tainted ice-cream. It also paid for customer's diagnostic testing. Beyond these actions, the company actively sought to settle claims with customers on a case by case basis in order to expedite the compensation process. Customers were also notified of the class action lawsuits and were free to opt for this process as well. Customers were certainly supportive of Schwan's actions which helped accelerate crisis resolution and minimize litigation.

Beyond these actions, Schwan's sought to illustrate to customers that this type of crisis would not happen again. In this case, the company took remedial actions by building an on-site re-pasteurization plant which was not required by the Food and Drug Administration investigation. Second, the company invested in a fleet of its own trucks to ensure that cross-contamination of product would not be possible again. This fleet of vehicles would only carry Schwan's products. These actions illustrated to customers that Schwan's was serious about both correcting the problem and the safety of their product. Once again, this corrective action is similar to Johnson and Johnson's introduction of tamper resistant packaging and capsules in the aftermath of their crisis.

Conclusions

Organizations are often left with a dilemma in the aftermath of a crisis based primarily upon whether they should accept responsibility and communicate in order to restore their image or whether they should deny

responsibility and hope to resolve these issues later on in court. Research suggests that a stance of denial often accelerates harm for stakeholders (Susskind & Field, 1996). Schwan's took the responsible approach to crisis management. Three aspects of this case helped make this a unique example of ethical crisis management.

First, Schwan's customer focus was a critical element of their crisis response. This was exemplified in Schwan's guiding principle throughout the crisis as "If you were a Schwan's customer and knew what we know, what would you expect the company to do?" (Dave Jennings, personal communication, November 17, 1997). This question illustrates the importance Schwan's places on customer relationships and exemplifies the ability of organizations to see beyond issues of profitability and to understand crisis events from the perspectives of stakeholders. This ability aided in meeting the needs and expectations of customers during this highly uncertain time and restoring the image of the organization.

Second, an important aspect of this case was the external cause of the crisis. Schwan's response is even more impressive given the fact that the company's actions were not found to be the cause of the crisis. In fact, a trucking company that Schwan's had hired to carry its product to the Marshall plant was found culpable for cross-contaminating Schwan's ice-cream with raw eggs. This type of triggering event is not uncommon in

foodborne illness crises. However, if Schwan's was to ensure the safety of its customers the company could not wait until the cause was determined. Schwan's took the responsible approach which was to be up–front with its customers and minimize the impact on these stakeholders. This approach resulted in quick and decisive action with the needs and interests of customers up–front. If Schwan's would have waited until the cause of the crisis was determined and shifted blame to the trucking company, the crisis would have been extended, it would have delayed compensation to victims and Schwan's customers could have been harmed.

Third, this case illustrates the importance of strong stakeholder relationships. Stakeholder theory suggests that organizations should cultivate strong relationships with stakeholders before crisis events. Schwan's relationships with its customers is critical to the company's operations. For this reason, the company invested in these relationships prior to the crisis. This can also be seen as a strange attractor associated to Schwan's organization. In the aftermath of the crisis, Schwan's was able to utilize these relationships to minimize uncertainty for customers. However, the company also had to ensure that these relationships were protected during the crisis as well. If customers lost confidence in Schwan's, the company would have lost the legitimacy of a primary stakeholder group. For these reasons, this case illustrates that, the correct business decisions and the ethically most

appealing stances were parallel.

CHAPTER 5

MEDIA ATTACK, SIGNIFICANT CHOICE AND CRISIS COMMUNICATION: THE CASE OF GENERAL MOTORS VS. DATELINE NBC

A central feature of crisis management is the role of the media (Benoit & Dorries, 1996; Dionisopoulos & Vibbert, 1988; Fink, 1986; Seeger et al., 1998; Small, 1991; Susskind & Field, 1996; Williams & Treadaway, 1992). Today's global media has the ability to transmit stories via satellite, the internet, and news wires to reach a global audience immediately. For this reason, the media can turn localized crises into national and even international events significantly magnifying an organizational crisis. Within a few hours of a crisis, an organization's tarnished image can be broadcast around the globe.

The media also functions to provide critical information to stakeholders about the crisis and how the company is handling the event. Providing accurate information to stakeholders is a key factor in reducing the inherent uncertainty of crisis (Nilsen, 1974; Seeger et al., 1998). Accurate information is also critical in determining issues of responsibility (Johannesen, 1996; Seeger, 1986). Regulatory agencies, the public, and organizations rely on accurate information in order to make decisions about how to resolve the crisis, mitigate harm, and ultimately assign blame.

Today's news organizations may also serve as the precipitating agent of an organizational crisis. These crises are most often initiated by investigative journalists that uncover ethical violations, product defects, dangerous processes or other types of organizational malfeasance. Several authors describe media attack as a potential precipitating event of an organizational crisis (Fink, 1986; Meyers & Holusha, 1986). For example, CBS accused Mobile Oil of disguising its profits from the oil shortage in the 1970's (Dionisopoulos & Vibbert, 1988). More recently, Dateline NBC accused Wal-Mart of deceptively selling foreign made goods under "Made in the USA" signs (Benoit & Dorries, 1996). Finally, Primetime Live attacked Foodlion for its food handling practices. This chapter examines Dateline NBC's attack on General Motors for selling pickup trucks portrayed as unsafe.

Dateline NBC's specific accusations toward General Motors suggested that General Motors C/K trucks were unsafe due to a design flaw and exploded upon side impact. The news program's evidence included emotional stories, expert testimony, and two "unscientific" demonstrations. General Motors' counter-attack concentrated on Dateline's failure to provide balanced and accurate information during their program to stakeholders in order for these groups to make informed decisions about General Motors pickups.

A discussion of Dateline NBC's charges against General Motors has been previously examined in the literature. Hearit (1996) analyzed the case

from the perspective that General Motors response constituted an apologia that included a counterattack. His examination concluded that companies can contest charges if they feel:

> (1) that the story has been edited unfairly; (2) that the report was based on a preconceived story line with an already decided upon conclusion; and (3) that the story was aired, not to uncover the truth but to garner ratings (p. 244).

From this understanding, he argued that counterattack can be a useful component of an organization's apologia. The upcoming analysis breaks from Hearit's analysis in that it uses Benoit's (1996) typology to frame Dateline NBC's attack and emphasizes the impact media and organizational communication has on the ability of stakeholders to make informed choices. The general ethical guidelines of significant choice are used to critique the attack and counter-attack by Dateline NBC and General Motors. What follows is a discussion of the ethical perspective of significant choice, its linkages to issues of right to know, and larger questions of media ethics and crisis communication.

The Ethic of Significant Choice

Significant choice is a message centered approach for determining the ethicality of communication. This ethical perspective has been used widely to critique public communication (Johannesen, 1996; Nilsen, 1974; Renz, 1996; Seeger & Bolz, 1996; Ulmer & Sellnow, in press). The essence of the ethic of

significant choice is that in order to make informed choices on matters of importance, individuals need balanced and complete information.

Nilsen articulates the ethical perspective of significant choice in his book Ethics of Speech Communication. This ethic explains that rational decisions are a function of voluntary, clear, accurate, and open exchange between communicators. The goal of this communication is to create an atmosphere that is void of coercion, deception, and manipulation in communication. As a result, receivers of communication are provided an opportunity to make rational decisions concerning issues that are significant to them. Rather than a fixed criteria for ethical communication, Nilsen posits ethical guidelines to critique public communication. He states:

> It is choice making that is voluntary, free from physical or mental coercion. It is choice based on the best information available when the decision must be made. It includes knowledge of various alternatives and the possible long-and short-term consequences of each. It includes awareness of the motivations of those who want to influence, the values they serve, the goals they seek. Voluntary choice also means an awareness of the forces operating within ourselves. (Nilsen, 1974, p. 45)

In short, the ethic of significant choice is based upon providing unbiased and accurate information to stakeholders in order for these groups to make informed choices.

From the perspective of significant choice, organizations should seek to provide as much accurate and open communication to stakeholders as

possible. An important function of this communication entails being forthcoming about how the crisis affects stakeholders, cause, precautionary measures, and information about how to relieve the effects of the crisis events. In essence, organizations have a responsibility to communicate to stakeholders in a way that will reduce uncertainty surrounding the events and enable stakeholders to make rational decisions about how to resolve crisis effects. From the perspective of significant choice, organizations that introduce ambiguity into their communication in order to minimize culpability or escape blame would be judged as unethical.

Several studies have used the general guidelines of significant choice to examine crisis and risk communication. For example, Renz (1996) discussed the importance of clear and accurate information in communicating risk about solid waste and breast implants. She argues that "providing as complete an information base as possible, involving the public in risk decision making, and arguing for the safest choice available" leads to more ethically responsible risk communication (p. 172).

Seeger and Bolz (1996) used principles of significant choice in their examination of Union Carbide's Bhopal crisis. They suggested that "Union Carbide's decision to withhold information about the incident, the Indian government's arrest of CEO Anderson, and the general hostility between various stakeholder groups reduced the potential for communication and

cooperation" (p. 262). This lack of information directed toward stakeholders aggravated stakeholder relations and intensified and extended conflicts between stakeholder groups.

Ulmer and Sellnow (in press) used the perspective of significant choice to examine the strategically ambiguous messages by the tobacco industry in the aftermath of accusations by the Food and Drug administration that nicotine is addictive. They criticized the tobacco industry for introducing ambiguity into their crisis response in order to deflect blame and concluded that although strategic ambiguity is not always unethical, "in cases where organizations make use of biased and incomplete information to cloud the stakeholders' understanding of a crisis situation, strategic ambiguity should be judged unethical."

Significant Choice, Right to Know and Risk

Closely related to the ethic of significant choice are issues of right to know. Seeger (1997) describes issues of right to know as a fundamental communication responsibility of organizations. Right to know refers to stakeholders being able to have sufficient information about how an organization's activities will affect them. For example, the Community Emergency Planning and Community Right to Know Act of 1986 requires organizations to communicate to members of the community the hazardous substances released by the company. This Federal act is founded on the

understanding that in order for community members to make decisions on issues that affect them organizations must provide accurate and balanced information about risk.

Many of the values of right to know are more clearly articulated in the growing field of risk communication (See, Heath, 1990; Heath, 1997; Heath & Abel, 1996; Heath, Liao, & Douglas, 1995; Heath & Nathan, 1991). Risk communication is based upon the idea that information about risk should be made public so that "they can use it to decide whether they are encountering a level of risk that they believe is unacceptable" (Heath & Abel, 1996, p. 36). It is a necessity for corporations to provide accurate information to the public about risk in order for these groups to make informed decisions. Heath (1997) suggests that "In their struggle to control risks, people seek and contest facts, evaluate premises, and conclusions to be derived from those facts and premises" (p. 323). Hence, the audience does not play a passive role when receiving information concerning risk. Therefore, accuracy, fairness and truthfulness in communicating risk is paramount. The media often play an important role for the public in sorting out issues of risk.

Significant Choice as a Media Ethic

A major component of understanding risk communication is the role of the media in introducing topics of risk and mediating existing risk issues. Heath explains that "Magazines, newspapers, radio shows, and television

programming feature health and safety topics that have viewer, listener, and reader appeal" (p. 324). This risk may include "Automobile and traffic safety. Medical treatment. Financial statements. Pesticides on food and in living and working conditions" among others (Heath, 1997, p. 324). When publics hear of these risks, they often feel uncertainty and distress regarding the threat to their well-being. Much of their anger is often directed toward the organization(s) that initiated the risk and is compounded if the impression is created that the organization is hiding the risk.

Since the media plays a critical role in communicating risk, they must emphasize truthfulness, balance and accuracy of their reporting of information. Nilsen (1974) describes this process as determining "what the listeners need to know and feel in order to make the most informed, constructive response" (p. 27). From this perspective, significant choice as a media ethic emphasizes balancing information, introducing competing explanations, accuracy in reporting and informing the audience about the background of critical expert sources. Any biases in the news program, fabrication of information, or failure to provide balanced reporting would be judged as unethical. For these reasons, the ethic of truthfulness and accuracy is widely represented in journalistic values.

What follows is a discussion of the accusations directed toward General Motors by Dateline NBC to contextualize the analysis. General

Motors's response to the crisis is subsequently provided. The chapter concludes with a summary of Dateline's attack and General Motors' response as well as conclusions for crisis management.

Dateline NBC's Accusations Toward General Motors

On November 17, 1992, Dateline NBC aired an episode titled "Waiting to Explode?" The program, which reportedly reached 11 million households, drew attention to General Motors C/K trucks made between 1973 and 1987 with the gas tanks located on the sides of the vehicle frame. The episode accused General Motors of selling trucks that ignited upon side impact. During the 15 minute segment, Dateline used emotional stories, evidence from safety "experts" and two "unscientific" crash demonstrations to increase the efficacy of their attack on General Motors.

Some initial work has been done to understand the effectiveness of accusations (Benoit & Dorries, 1996; Hearit, 1996; Ryan, 1982). Benoit and Dorries (1996) propose an initial typology of effective accusatory strategies directed toward organizations. They suggest that an attack is effective if the accuser can either increase the target's perceived responsibility for the act, or if the accuser can increase the perceived offensiveness of the act (pp. 466–467). Increasing the negative perceptions of the act include, identifying the extent of the damage, the persistence of negative effects, the effects on the audience, any inconsistency, illustrating the victims as innocent or helpless

and/or explaining any obligation by the organization to protect the victims. Increasing the perceived responsibility for the act involves identifying that the accused committed the act before, the accused planned the act, the accused likely knew the consequences of the act and the accused benefited from the act. What follows is a explanation of Dateline NBC's accusatory strategies toward General Motors during the November episode.

Many of the accusations portrayed by the Dateline investigation served to increase the perceived offensiveness of General Motors' C/K pickups. As evidence, Dateline interviewed two families that had suffered losses as a result of side impact crashes in GM pickups. First, Dateline interviewed members of Shannon Moseley's family and chronicled a 1993, $105.2 million verdict against General Motors and its C/K trucks (Levin, 1993). Shannon Moseley was killed on October 21, 1989 "when his 1985 C/K pickup was hit on the side by a drunk driver" which resulted in a fire that ignited the fuel in the trucks' fuel tank (Read, 1992, p. 3).

Effects of the Crisis on the Audience

Dateline used two examples of startling testimony to increase the perceived offensiveness of the event. First, Dateline illustrated the helplessness of Shannon Moseley and his family. The program interviewed the officer who was on the scene of the Moseley accident. He said "What bothers me the most is that the screaming was not, 'Help me, officer, help me get

out,' you know, 'I'm burning up.' It was just--just pure agony, you know, pure--he was burning alive" (Read, 1992, p. 3). Dateline accompanied this testimony with statements from Moseley's grieving parents and one other parent who had lost a family member in a C/K truck accident.

The testimony from the Moseley family illustrated the effects of the crisis on the audience. The parent's testimony served to exemplify to audience members how the decision to buy a GM C/K truck for their son eventually led to his untimely death. Mr. Moseley explained that he thought the truck would be safe since it was "higher off the ground" and "a large vehicle" (Read, 1992, p. 3). Mrs. Moseley took a more personal tone in her commentary and emphasized the importance of parents making decisions regarding what truck to buy. She explained that:

> My first thought was, we spent six months trying to figure out what to get this child to drive, and--and we killed him. We were worried about the seat belts, having them on all the time, when in fact we should have been worrying about what we were putting him in. (Read, 1992, p. 4)

This emotional and powerful testimony illustrated to the audience the importance of selecting a safe vehicle and the potential effects on the audience if they selected a GM C/K truck. This testimony intensified the offensiveness of the event because much of the audience could relate to deciding how to purchase a vehicle for their children.

A second interview with the lawyer of a parent who lost two of her own children and three others when she was hit by a drunk driver and her pickup started on fire represented the second example illustrated the effects of the event on the audience. This testimony heightened the intensity of the attack by illustrating the obligation of General Motors to protect victims and exemplifying the helplessness of the victims. The lawyer explained that:

> The worst injury that was suffered was a broken leg that Patty Vergara suffered being thrown out of that truck. Every one of those people would have survived if it hadn't been for this fire that broke out instantly. (Read, 1992, p. 7)

As a result of the fire the mother, Patty Vergara, explained that "All I could [do] was sit there. I couldn't move, I couldn't do nothing. And I just sat there watching my youngest one burn and my oldest one crying for me" (Read, 1992, p. 7). Both testimonials also served to increase the perceived offensiveness of the General Motors' pickups. The lawyer's comments explained that GM has an obligation to produce vehicles that do not carry an increased risk of fire. The second testimonial illustrated the helplessness of the victims of crashes involving side impact collisions.

Extent of the Damage

Dateline NBC's coverage of the General Motors C/K truck controversy also sought to increase the perceived offensiveness of the pickups by focusing on the extent of the damage. Dateline extensively used expert testimony to

bolster the credibility of these strategies. Stone Phillips, co-host of the

program explained "the news tonight is that pickups made by General Motors

from 1973 to 1987 may have a fatal flaw—a gas tank in the wrong place.

Top experts say it's already claimed more than 300 lives" (Read, 1992, p. 2).

Jane Pauley, the other co-host of Dateline, extended this discussion

and contextualized the extent of the crisis. She explained "If true, that would

dwarf the problem with the infamous Ford pinto. In the 1970's, Pinto fires

claimed 27 lives and led to a massive recall" (Read, 1992, p. 2). Ford's Pinto

crisis is widely acknowledged as an exemplary case of irresponsibility toward

customers by the auto industry. By characterizing C/K pickups as killing

more than 10 times the people as the Pinto, Dateline was able to greatly

increase the perceived offensiveness of the C/K trucks.

Testimony from Experts

An important strategy used by Dateline was the use of testimony to

condemn General Motors' C/K trucks. During the broadcast, Byron Block,

described in the episode as a safety expert hired by families to testify in

lawsuits against GM, explained the problems associated with GM pickups to

Michelle Gillen.

> These are the main frame rails of the pickup truck. This is the
> strongest part of the pickup truck and most pickups have the fuel
> tank located here, where it's protected. But look what GM did. They
> put the fuel tank outside of the frame rail where it's exposed in a side
> impact. It only has the thin sheet metal on the tank. So in a side

impact or a sideswipe impact, the fuel tank gets crushed against the frame rail, the tank, when it gets crushed, spits open. The fuel bursts out of the tank and there is an immediate holocaust. It burns the people in the pickup. (Read, 1992, p. 4)

Byron Block, described as a "safety expert", used his expertise to illustrate to the audience how General Motors' vehicles were defective. Another expert, Clarence Ditlow, the executive director of the center for auto safety corroborated Byron Block's assessment of the pickup trucks. He explained "These pickups are rolling fire bombs. They're the worst fire hazard we have seen in our history as an auto safety group" (Read, 1992, p. 5). This powerful testimony by the portrayed "safety experts" provided credibility to the story.

Clarence Ditlow another "safety expert" explained to the Dateline audience that "GM has covered up this defect. They've bought secrecy with millions of dollars" (Read, 1992, p. 6). Michelle Gillen clarified how General Motors was able to cover up the faulty vehicles.

> More than 100 lawsuits have been filed against GM alleging a fuel system defect in its pickup trucks made between 1973 and 1987. Most have been settled out of court. In dozens of those settlements, attorneys say confidentiality agreements hid the amount of money GM paid to settle the lawsuits. In some cases, GM won court orders, protective orders, to keep potentially damaging evidence from the public. The company never admitted there was a defect. GM's lawyer says confidentiality was necessary to protect GM's trade secrets. (Read, 1992, p. 6)

Dateline was able to increase the efficacy of its attack by using experts to explain that General Motors had been part of a cover up. In other words,

General Motors was settling lawsuits so that it could continue to sell its vehicles without the public knowing the hazards. The next part of the attack would focus on how General Motors benefited from having the gas tanks on the outside of the frame.

Accused Benefited from the Act

Benoit and Dorries (1996) suggest that the strategy of the accusee benefited from the act serves to increase the perceived responsibility for the event. This answers the question of motivation. Jim Butler, a lawyer for the Moseley family, explained during the program that the rationale for having the fuel tanks on the outside of the frame was to sell more trucks. He explained that:

> The sales pitch is this, if you put the fuel tanks outside the frame rails, you can hang dual tanks and get 40 gallons, then the GM truck is carrying more gas than the Ford or the Dodge truck. And you use that as a sales tool. (Read, 1992, p. 7)

By explaining that General Motors' pickup sales could be increased by bolstering the fuel advantage, Dateline was able to increase the perceived responsibility of General Motors for the crisis. In essence, Dateline tried to illustrate that General Motors' profit motive overrode its sense of responsibility.

Two "Unscientific" Demonstrations

Although Dateline made many claims throughout their expose, they did

not include any footage of the C/K trucks on fire until the last 58 seconds of the program. At this point, Dateline began to discuss the tests done on the C/K trucks to determine whether they were defective. Dateline explained that "these pickups in question have met the safety requirements of the National Highway Traffic Safety Administration, NHTSA" (Read, 1992, p. 8). However, Dateline investigative reporter Michelle Gillen explained to the audience that to meet certification requirements "GM had to certify its pickups could withstand a side impact crash, but only at 20 miles per hour" (Read, 1992, p. 8). Gillen continues by explaining that "NHTSA also did their own tests, into the front and the rear, but not one into the side of the pickup" (Read, 1992, p. 8).

Michelle Gillen's remarks serve to cast doubt on the efficacy of the testing standards of the federal regulatory board, NHTSA. She continues:

> To see for ourselves what might happen in a side impact crash, DATELINE NBC, hired the Institute for Safety Analysis to conduct two unscientific crash demonstrations. In our demonstration, unlike GM tests, the fuel tanks were filled with real gasoline. In one crash, at about 40 miles per hour, there was no leakage and no fire. But in the other, at around 30 miles per hour, look what happened. At impact, a small hole was punctured in the tank. According to our experts, the pressure of the collision and the crushing of the gas tank forced gasoline to spew from the gas cap. The fuel then erupted into flames when ignited by the impacting car's headlight. The pickup's tank did not split wide open. If it had, the fire would have been much larger. (Read, 1992, p. 9)

This footage serves to illustrate how C/K trucks ignite and explode upon side

impact. The audience is now left with a sort of "proof" of how General Motors' pickups ignite. The initial evidence from safety experts and victims served to build a case against General Motors, as the program stated, this footage served "To see for ourselves what might happen in a side impact crash" (Read, 1992, p. 9). This footage also served to illustrate that the tests by General Motors and NHTSA were not sufficient.

By the end of the program, Dateline NBC had built a powerful case against General Motors that focused on both increasing General Motors perceived responsibility for the crisis as well as the perceived offensiveness of the event. However, most of the strategies fell under the category of offensiveness. Dateline used a variety of strategies to create a crisis for General Motors. These included illustrating the effects of the crisis on the audience, examining the extent of the damage, using testimony from experts, describing how General Motors benefited from the crisis and depicting two unscientific demonstrations. These final demonstrations served as evidence for viewers to illustrate how easily the pickups would ignite when hit broadside.

Dateline's accusations concerning General Motors undeniably created a crisis for the auto and truck maker. Customers, truck dealers, workers, among other stakeholders watching the episode "Waiting to Explode?" would want General Motors to respond due to these accusations. Important to the

examination of Dateline NBC's accusations is that they framed the telecast from the perspective of objective news program uncovering risk for the public. The episode began by explaining "General Motors denies there's a fatal flaw [in their pickups]. Watch Michelle Gillen's investigation and you decide" (Read, 1992, p. 3). The outset of the program illustrated the importance of stakeholders in making judgments about the risk of General Motors pickups based upon the information provided in the program.

As a result of the program, the damning testimony by victims and experts along with the demonstrations a crisis was undoubtedly generated for General Motors. This type of crisis, however, it fairly typical in the auto industry. The National Highway Transportation Association (NHTSA) as well as public advocacy groups often test vehicles to determine the crash worthiness of the vehicles. One would expect that General Motors would be well prepared for this type of re-occurring event. Nevertheless, these accusations would clearly have an impact on pickup sales. Moreover, the accusations that General Motors was covering up the deficiencies and knowingly putting unsafe trucks on the road would certainly hurt the legitimacy of the company. As a result, these accusations deserved and instigated a response from General Motors. Over the next three months, General Motors would combat these charges by emphasizing principles of accuracy and completeness of information.

General Motors' Response to Stakeholders and Dateline NBC

Within days of the broadcast, General Motors wrote their first of many letters to Robert Read, the producer of the Dateline episode. The first letter complained about the accuracy of the broadcast and "specifically criticized the use of the 'unscientific' crash tests in the broadcast, the failure of Dateline to inform GM of the crash tests, and the condition of the trucks used in the tests" (Warren & Kaden, 1993, p. 63). GM also asked that Read allow GM engineers to inspect all of the data used in the tests (See Table 6).

The response to the General Motors inquiry, dated November 20, 1992, about the broadcast was "a straightforward defense of the fairness and accuracy of the segment" (Warren & Kaden, 1993, p. 64). However, the letter did not respond to GM's request for an opportunity to examine the test data. Over the next month, GM and Dateline NBC would exchange letters three more times. General Motors would request to inspect the test data and Dateline NBC would deny their requests. Finally, on January 4, 1993, Read responded "by telling GM that the trucks had been junked and were no longer available for inspection" (Warren & Kaden, 1993, p. 65).

On January 22, 1993, Read was informed that General Motors was filing suit against Bruce Enz and The Institute for Safety Analysis (TISA) for access to the fuel tanks. On February 2, 1993, GM wrote again to Read detailing what they deemed misleading statements. GM explained that:

> it had 'evidence that remotely controlled incendiary devices were
> installed on the GM trucks specifically to try to cause a fire to ignite.'
> In addition ... The GM letter challenged the authenticity of the fuel
> system on the test truck and the accuracy of Dateline's representation
> that fuel had spewed from the truck's gas cap. (Warren & Kaden,
> 1993, p. 67)

Copies of this letter were sent to the President of NBC, Robert Wright and

President of NBC News, Michael Gartner.

On February 8, 1993, Gartner released a statement that "defended the

overall accuracy of the Dateline Segment and promised that disclosure of the

use of igniters would be made on the next Dateline broadcast" (Warren &

Kaden, 1993, p. 69). On the same day, General Motors held a news

conference via satellite sent to all dealers and employees in North America as

well as radio and television stations. The press conference was conducted by

Harry Pierce, Executive Vice President and General Council for General

Motors.

Nearly three months after the Dateline NBC episode, Harry Pearce

contextualized and publicized the belief that General Motors had about the

Dateline program "Waiting to Explode?" At the outset of the press conference,

he delineated the legal charges directed toward NBC and TISA:

> GM filed a defamation case ... against NBC and TISA, The Institute for
> Safety Analysis, seeking compensatory damages and punitive
> damages based upon the outrageous misrepresentation and conscious
> deception contained in its November 17th, 1992 edition of Dateline,
> asserting a safety defect in GM's 1973 through 1987 C/K pickup
> trucks. (Pearce, 1993, p. 3).

After explaining General Motors' legal response to the Dateline NBC program,

Harry Pierce explained the rationale for the press conference. Much of the

media attention from NBC concentrated on the belief that General Motors was

waging a counter–offensive against NBC to cover up the negative publicity

from the Moseley verdict (Warren & Kaden, 1993). Pearce framed General

Motors' rationale for the press conference from the perspective of providing

accurate information to its stakeholders.

Table 6

General Motors' Recovery Timeline

November 17, 1992	"Waiting to Explode" is broadcast to roughly 11 million viewers.
November 19, 1992	GM complains about the fairness and accuracy of the report.
November 23, 1992	GM writes a second letter to Read.
December 7, 1992	GM writes a third letter to Read asking to inspect the trucks.
December 9, 1992	Read responds that no test data is available for review.
December 14, 1992	GM writes a fourth letter to Read to request inspection of the trucks.
January 4, 1993	Read responds to the letter that the trucks are no longer available for inspection.
January 20, 1993	GM files suit against Enz and TISA to inspect the gas tanks.
February 2, 1993	GM writes a fifth letter to Read alleging that Dateline deliberately rigged the test trucks with rocket engines.
February 8, 1993	GM holds its press conference criticizing the Dateline segment on the C/K trucks and announces the filing of a lawsuit against NBC and TISA.
February 9, 1993	Jane Pauley and Stone Phillips read a retraction and apologize and announce that NBC has settled with GM.

Significant Choice and General Motors' Defense of Dateline Accusations

At the outset of the media conference, Harry Pearce outlined the reason for holding the conference. He explained:

Contrary to press articles this morning, GM is not launching an all-out public relations offensive; rather, GM is hoping to end the

sensationalism and distortions appearing in the mass media so that a dispassionate and objective consideration can be given to these vehicles. We are entitled to that. Our employees are entitled to that. Our customers are entitled to that. We have been cooperating and will continue cooperating with the National Highway Transportation Safety Administration to evaluate the facts. (Pearce, 1993, p. 3(4)

Harry Pierce at the outset of his media conference, dispelled the idea that the news conference was for anything other than to provide objective consideration to General Motors' vehicles. Pearce contended that objectivity rather than distortion was necessary for General Motors' stakeholders to make rational decisions about the safety of GM pickups. Later in the press conference, Pearce reiterated the rationale for the press conference and the importance of the accurate information for stakeholders:

This is not, I repeat, a public relations offensive. This is nothing more than a search for truth ... I will not allow the good men and women of General Motors and the thousands of independent businesses who sell our products and whose livelihood depends upon our reputation and the reputation of our products to suffer the consequences of NBC's irresponsible conduct. (Pearce, 1993, p. 6)

The outset of the press conference served to frame General Motors' arguments as a search for truth and to provide accurate information for stakeholders to make rational decisions about GM's pickups. Moreover, Pearce explained that this information is needed due to the loss of reputation that GM experienced and the impact that this loss of reputation would have for stakeholders as a result of Dateline's accusations. Throughout the remainder of the press conference, Harry Pearce illustrated flaws in Dateline

NBC's accusations.

Significant Choice and the Moseley Verdict

The powerful and emotional accusations by the grieving parents of Shannon Moseley had an impact on their audience watching the Dateline program. The parents reported regret in putting their son in a GM pickup. This testimony also suggested that these same outcomes could happen if others placed their loved ones in GM pickups.

Harry Pearce sought to dispel these emotional and powerful accusations by providing clarification, information and statistics about the Moseley accident and the safety of GM pickups with respect the accident. First, Pearce explained the context of the accident by saying that "Shannon Moseley was the tragic victim of a drunk driver, a driver so drunk that his last recollection before the accident was taking the last of his many drinks" (Pearce, 1993, p. 4). Pearce continued by explaining that the "energy levels in that collision would typically result in fatal injuries in any vehicle" (Pearce, 1993, p. 4). During the Question and Answer period Pearce expanded upon this assertion. He explained:

> That accident had such impact energies involved that it actually fractured the frame in part and it actually drove a piece of the frame right into the catalytic converter, right through the stainless steel shell. That's tougher material than a fuel tank on any truck. A catalytic converter is between the frame rails. So what if we put the fuel tank there. (Pearce, 1993, p. 80)

This information was not provided in the Dateline episode. The viewer was left with the impression that the reason the fire began was because the fuel tanks were situated on the outside of the frame. Pearce's new information casted doubt on Dateline's accusations by introducing competing evidence.

Pearce did not end his discussion of the Moseley case at this point. He offered other competing scientific evidence to corroborate his story. Pearce (1993), using the Fatal Accident Reporting System (FARS) that the National Highway and Transportation Safety Association (NHTSA) uses, explained how this data illustrated that there was "no statistical significance" in the difference between Ford, Dodge or GM trucks with respect to side impact fatalities (p. 54). For this reason, he condemned reports that said they had wished Shannon Moseley was in a Ford pickup at the time of the accident. Pearce emphasized again that there is no statistical difference between the three pickups. He explained

> if you were going to sit down and make a statistical decision, you said now I think I'm going to be hit by another motor vehicle in the side in terms of pure statistical probability what vehicle should I be in, well, if you had had that data, you'd chose the GM pickup truck. No indictment of Ford, very low rates, both very low. (Pearce, 1993, p. 55-56)

Pearce's use of statistical data and clarification about information regarding the accident helped counter some of the emotional testimony broadcast in the Dateline segment. However, this information also clarified some of the

information broadcast during the telecast.

First, the Dateline episode portrayed GM C/K pickups as being "rolling fire bombs" (Read, 1992, p. 5). The testimony from Moseley's grieving parents provided one aspect of the story. However, other statistical data was not used to corroborate this specific instance. Nilsen (1974) suggests that significant choice is "based on the best information available when the decision must be made. It includes knowledge from various alternatives and the possible long- and short-term consequences of each" (p. 45). Dateline's use of individual experiences, then, would not be judged as ethical in and of itself, due to their failure to provide competing evidence to balance the story. Particularly, the FARS data used by NHTSA served as one standard of vehicle safety and should have been available to Dateline. Conversely, General Motors' ability to provide information to stakeholders so they could make rational decisions about the GM pickups contributes to the ability to make informed choices. General Motors also provided information regarding the extent of the damage caused by the GM pickups.

Significant Choice and the Extent of the Damage

During the Dateline program, "top experts" explained that a fatal flaw in the gas tank positioning has already claimed more than 300 lives (Read, 1992, p. 2). Dateline also reported that there had been over 100 lawsuits filed against General Motors alleging a fuel defect in its 1973–1987 pickups (Read,

1992, p. 6). This evidence cast serious ethical and responsibility issues on General Motors.

During the media conference, Pearce concentrated on providing statistical information about the GM C/K truck in comparison to Ford and Dodge models. First, he explained where he was getting the data and how it was composed:

> We have looked at a substantial number of databases. We have now compiled a composite of six states, a number of them highly populated states, which, using statistical techniques that the NHTSA accepts and using our outside engineering firm, Failure Analysis, specifically Rose Ray, a Ph.D. in statistics from Berkley, we have presented a statistical analysis of the crash worthiness of these C/K trucks and the likelihood of fire upon collision. (Pearce, 1993, p. 49)

This information enhanced audience members' understanding of how the GM pickups were rated. Pearce (1993) also explained that General Motors used only six states because "those are the states with available computerized accident databases that are VIN coded so we're sure we're talking about the right vehicles" (p. 50). He also explained that the statistical analysis would include the Ford F Series and the Dodge D/W to compare against the General Motors C/K pickup. Pearce then explained the results:

> The C/K pickup truck, in overall crash worthiness, is the best of the lot, both in all collisions and in side impacts, and let me make this crystal clear, I am not, for a moment, suggesting that there is anything wrong with those Ford or Dodge pickups, those rates are all extremely close and all very good. (p. 51)

Pearce operationalized crash worthiness as "vehicles with fatal or minor injuries per 1,000 collision" (p. 50). This statistical analysis casted some doubts on the severe problems with C/K pickups reported in the Dateline NBC program. Dateline reported that the C/K vehicle was considerably more defective than other pickups. However, Pearce still had not answered the question about the GM trucks igniting on impact.

The last grouping of data that Pearce (1993) would discuss during the media conference involved using the same composite index for the six states and examined "vehicles with post-collision fire per 1,000 collisions [and] the probability of fire occurring if you have a collision" (p. 51). Pearce reported:

> The GM C/K pickup and the Dodge D/W are identical, the Ford is slightly less. Going to side impacts, the very focused issue that we're talking about in this matter, GM C/K pickups, right in the middle, only slightly above Ford at one vehicle per post-collision fire per 1,000 collision vehicles and Dodge at 1.3, also very low. (pp. 51-52)

This statistical evidence calls further attention to the extent of the damage portrayed by Dateline NBC. Moreover, it illustrates ethical problems with Dateline's program. The statistics used by Pearce in his discussion were widely used in the auto industry, however, Dateline's accusations did not contain any evidence or provide any information to stakeholders to balance the portrayal that GM's vehicles were very unsafe. Many of Dateline's statistics were based upon top safety experts. Pearce would examine this part of the Dateline episode next.

Significant Choice and Testimony from Experts

Much of the testimony used in the Dateline episode introduced safety experts to lend credibility to the segment. Credibility is particularly important in high uncertainty contexts such as crises where complex, technical information is presented. Credible sources serve to translate information and serve as reliable sources of additional information. Three experts, Byron Block, a consultant, Bruce Enz, Vice President of the Institute for Safety Analysis and Mr. Kelly another safety consultant were used widely throughout the segment. Pearce (1993) discussed each of the experts during the media conference. First, he explained that:

> Mr. Block has a bachelors degree in art from UCLA. One of his resumes recites that he received a BA in industrial design in 1960 and an MA in industrial design in 1966. The deposition of the Registrar of UCLA was taken and it was confirmed that Mr. Block was never in the industrial design program and never received a degree or degrees in industrial design. (pp. 48–49)

This information casted considerable doubt to Mr. Block as a credible source and to the truthfulness of his testimony. Pearce continued with Mr. Enz:

> Mr. Enz has no degree or formal training in engineer-- in engineering, he has a bachelors degree in Asian studies. He offers himself up as a part of TISA as a Plaintiff's expert in product liability cases and has testified against GM on many occasions. (p. 49)

In this case, conflict of interest issues as well as a lack of credentials tarnished the image of Mr. Enz as an expert. The last expert Mr. Kelly, Pearce explained "has no college degree and described by the Insurance Institute for

Highway Safety as 'a linguist, turned news man turned manager'" (p. 49). Once again the credibility of this expert is called into question because of his lack of formal education with respect to the vehicle safety issues.

From the perspective of significant choice, the testimony used in the Dateline program is problematic because the audience is led to believe that the experts are in fact that, experts. Pearce's information on these men provides the audience and stakeholders with the necessary information about the credibility of these experts in order to make rational decisions about the efficacy of the expert's information.

Significant Choice and Two "Unscientific" Demonstrations

Much of the press conference discussed the "unscientific" demonstrations that concluded the Dateline program. Pearce was particularly concerned that the Dateline program contended that General Motors denied that there was a flaw in their vehicles and that the Dateline episode would provide information for the audience to decide whether there was a flaw or not (Pearce, 1993, p. 8). Pearce emphasized that the program had asked viewers to decide if there was a flaw in GM pickups and therefore the program, even though it called the demonstrations unscientific, treated the demonstration like a test.

Pearce explained the difficulty General Motors had in acquiring the vehicles tested during the Dateline episode. He discussed the four letters that

were sent and the final notification from Dateline NBC that "The vehicles that you [General Motors] inquired about have subsequently been junked, and therefore, are no longer available for inspection by anyone" (Pearce, 1993, p. 10). However, Pearce explained that on January 15th GM received a "tip from a journalist indicating that the tests had been rigged" (Pearce, 1993, p. 11). After a few days of searching junk yards, Pearce said that they recovered the two trucks, albeit missing their fuel systems.

Because of photographs taken during the tests, as well as video footage from a fireman on site, and reports from off duty highway patrolman, Pearce also used Dateline's footage at a variety of speeds to corroborate evidence seen in photographs and other video. This evidence was critical in Pearce's ability to explain how the demonstrations were conducted. In addition, the salvaged trucks were used for evidence. The testimony regarding the two "unscientific" demonstrations proved to be the most damaging from the perspective of significant choice.

The first piece of evidence that Pearce identified for the audience was a model rocket engine duck taped to one of their pickup trucks. Pearce used NBC footage to show two plumes of smoke that appeared directly before the car impacted the GM truck during one of the demonstrations (Pearce, 1993). Pearce then commented on the Dateline episode:

Did you hear anything about rocket engines during the course of the

crash demonstration, anything about open flame being artificially produced beneath our truck, sparks, thermal energy, any intimation of that? (Pearce, 1993, p. 19).

Pearce then made the linkage of the failure to disclose the information about the rocket engines to the value of significant choice. He explained "Isn't disclosure what fairness is all about, so your viewers can make their own judgment based on all the facts not your carefully selected facts; isn't that what truth is all about?" (Pearce, 1993, p. 19). Pearce used information regarding Dateline NBC's failure to disclose information to help stakeholders make rational decisions about the footage and the condemn the behavior of Dateline.

After Pearce provided evidence that incendiary devices were not disclosed to the audience, he began to identify other issues during the telecast that General Motors saw as inaccurate. First, Pearce brought attention to the fact that Michelle Gillen, the reporter, explained that after the demonstration impact, "a small hole was punctured in the tank" (Read, 1992, p. 9). An important component of the Dateline investigation was based on the fact that on side impact the gas tank on the GM C/K trucks would split or leak to cause a fire. Through a consent decree from the court, General Motors was able to obtain joint custody with Mr. Enz to the fuel systems used in the demonstrations. Pearce explained that General Motors "did a pressure check, air pressure check of the tank to see whether it would hold air, let

alone liquid. Passed, flying colors, no hole" (Pearce, 1993, p. 30). In addition General Motors had the tanks X-rayed by a Ph.D. metallurgist from Stanford and still found no hole.

The next part of the demonstration that General Motors critiqued was with respect to the filler system and gas cap. The Dateline program explained that during the crash demonstrations "the pressure of the collision and the crushing of the gas tank forced gasoline to spew from the gas cap. The fuel then erupted into flames" (Read, 1992, p. 9).

The first thing General Motors did was call the former owner of one of the trucks and ask him if the cap was a production cap. He reported "No, I lost the cap several times, and the last time I lost it is at the service station, went back to the service station, it was gone, so they gave me another cap, didn't fit right so I bent some prongs on her and screwed it on" (Pearce, 1993, p. 33). No cap was found on the other truck. However, General Motors did a metallurgical examination of the filler system and found that "There was no production cap mechanically expelled by hydrostatic pressure" (Pearce, 1993, p. 34). This evidence calls into question the accuracy of the demonstration in that proper equipment for the GM pickups was not used.

Through witnesses at the test, General Motors was also able to determine that the gas cap did fly off during after impact during the demonstration. In addition, these interviews revealed that the trucks were

"topped off" prior to the demonstrations to make sure the vehicles had full tanks (Pearce, 1993). Pearce discussed the significance of topping off the vehicles, "if you defeat, intentionally defeat the system that's designed not to [over] fill that tank, you certainly can create an additional spill when you don't have a production cap on it" (Pearce, 1993, p. 37). Once again, General Motors was able to provide evidence that the Dateline did not provide accurate nor balanced information about the safety of the GM pickups.

Pearce also examined the speeds of the tests to determine if Dateline had provided its viewers with accurate speeds. Pearce (1993) explained that with Dateline's video tape and markers at the scene, General Motors was able to calculate the speed of the vehicles with "a good deal of precision" (p. 41). General Motors discovered that "It wasn't a 30-mile-an-hour crash, it was a 39-mile-an-hour in the fire run. The second was 47 miles per hour, not 40" (Pearce, 1993, p. 41). This illustrated that once again, accurate information was not provided to viewers. General Motors' information served to bolster the safety of the vehicles.

Referring back to the program, Pearce reiterated the comments of safety experts. "[I]n a side impact or a sideswipe-even in just a sidesweep-the fuel tank gets crushed against the frame rail, the tank when it gets crushed, splits open, the fuel burst out of the tank and there's an immediate holocaust. It burned the people in the pickup" (Pearce, 1993, p. 42). Pearce

responded to this accusation with the new information about the speeds of impact and with the joint custody of the fuel systems still intact. He said "Great rhetoric. Well, both of these fuel tanks did just fine at 39 and at 47 miles per hour; energy levels, as I've indicated, double the federal standard" (Pearce, 1993, p. 42). In this case, General Motors was able to provide information to its stakeholders that enhance their ability to make rational decisions about the demonstrations and bolster the image of the vehicles at the same time.

The final set of information that General Motors introduced concerning the demonstrations was the editing of the footage. Because General Motors had footage of the demonstrations, they had a chronological depiction of the events. They could then compare this evidence to what viewers saw on the Dateline episode. First, Pearce explained that Dateline reversed the demonstrations in the actual footage. He explained that

> I always thought when I saw the film, why would they run a 40-mile-an-hour, what they said was 40 miles an hour, not get a fire, and then ran a 30-mile-an-hour test. Their intent, obviously, was to produce a fire. Well that's because that in fact was not their first test it was their second. (Pearce, 1993, p. 32)

Dateline changed the order of the footage to create drama in the program. This is not necessarily unethical, however, it adds to the lack of specificity of information, and the general lack of accurate portrayal.

Pearce provided competing information that questioned the intensity of the fire. He also inferred that Dateline over represented a intense fire to increase the drama of the situation. General Motors once again used additional video footage to support this claim. The footage showed that the fire, after the one demonstration, lasted only 15 seconds and was primarily a grass fire. Pearce (1993) explained "Those are the words of the fireman that we've superimposed on the video. The fire you see is a grass fire, and there's a fire in the front of the Citation from the fuel dump in the area of the hood" (p. 44). Furthermore, Pearce explained that "There's nothing dropping from the truck. And, indeed, you will remember the eye witnesses who were underneath it looking at it. No gasoline, no fuel leaks" (p. 44). This information served to cast doubts as to whether the gas tanks leaked in the crash at all and whether Dateline accurately represented the footage for its viewers.

Summary of Accusation and Response

As established at the outset of this chapter, the media is an integral component of crisis communication. This case illustrates how the media can serve as the precipitating event of a crisis. This case examined Dateline NBC's attack on General Motors. Dateline NBC's investigative journalism served to depict the risk associated with GM C/K pickups. In essence, Dateline's episode was designed to provide the public with information about

the risks and hazards of GM pickups.

Throughout the program Dateline used a variety of strategies to increase General Motors' perceived responsibility for the crisis and the perceived offensiveness of the crisis. Among the most powerful of these strategies was the testimony by families that had lost family members in accidents, testimony from experts and the two "unscientific" demonstrations that aired toward the end of the program. By the end of the broadcast, General Motors had been depicted as a callous, irresponsible company that produced products that created substantial public risk.

In response to these charges, General Motors focused their counter-attack on finding the "truth." GM concentrated on the responsibility of the media to provide accurate and balanced reports of risk to the public. In doing so, GM argued that Dateline NBC was irresponsible in their portrayal of the facts. To illustrate the deficiencies in Dateline's program, General Motors' head council Harry Pearce systematically examined a wide number of instances in which the episode lacked the principles of fairness, full disclosure and balanced reporting. This response was effective because Pearce could provide competing evidence as well as illustrations and examples of Dateline's inaccuracies in their reporting.

As a result of General Motors' counterattack focusing on ethical violations by Dateline, the media program decided to apologize publicly for

their transgressions. In essence, General Motors' counterattack created a crisis for Dateline. In exchange for the public apology, General Motors' dropped its lawsuit. Dateline's apology was read by Jane Pauley and Stone Phillips on Tuesday February 9, 1993. One day after the lawsuit was filed by General Motors, the Dateline anchors explained "we want to emphasize that what we characterized in the November Dateline segment as an unscientific demonstration was inappropriate and does not support the position that GM's C/K trucks are defective" (press release, February 8, 1993, p. 1).

Dateline then apologized for the incendiary devices, the reporting of a hole punctured in one of the gas tanks, the inaccurately reported speeds of the demonstrations, and that "the demonstration was not representative of an actual side impact collision" (press release, February 8, 1993, p. 1). Dateline went on to explain that "the safety of the C/K trucks should be objectively evaluated by analysis of relevant data by appropriate forums. That is the real world measure of the overall safety performance of any motor vehicle" (press release, February 8, 1993, p. 1). Finally, Dateline explained

> We deeply regret we included the inappropriate demonstration in our Dateline report. We apologize to our viewers and to General Motors. We have also concluded that unscientific demonstrations should have no place in hard news stories at NBC. That is our new policy. (press release, February 8, 1993, p. 1)

In essence, Dateline apologized for its ethical violations in inaccurately communicating risk about GM C/K trucks to its audience. Providing

accurate, balanced information and fully disclosing relationships and test information to stakeholders is an important aspect of journalism ethics. Dateline's failure to adhere to these principles enabled General Motors to minimize the adverse effects and recover from the crisis. Some specific conclusions can be drawn from this case for crisis management.

Conclusions

First, the frequency of media attacks on organizations does not seem to be dissipating. Dateline's attack on Wal-Mart for selling clothes deceptively under "Made in the USA" signs and ABC's Primetime Live's attack on food handling practices at FoodLion exemplify this current trend. This case suggests that organizations can mitigate the effects of these crises if they can substantially dispute the accuracy of the charges or the fairness of the report. Organizations would do well to examine the manner in which the investigation was conducted and the information presented to stakeholders. However, at their focus should be respect for truthfulness, honesty and accuracy in their response to accusations.

Another important feature of this crisis is the competing explanations introduced through the attack and counter-attack. The crisis literature suggests that these competing interpretations often develop in the aftermath of a crisis (Ginzel et al., 1993; Heath, 1997; Ulmer & Sellnow, in press). Organizations often introduce competing evidence in order to combat charges

and refute accusations. This case provides an example of introducing competing evidence in order to provide stakeholders with accurate information in order to make an informed choice about the crisis. The evidence used was easily corroborated by experts or governmental agencies like the National Highway and Transportation Safety Association (NHTSA). However, organizations should be careful when introducing evidence into debates for the purpose of creating ambiguity and uncertainty. Introducing competing evidence to obscure decision making by stakeholders cannot be condoned and violates the principles of significant choice.

The final salient feature of this crisis is the importance of public opinion during crisis. When communicating risk to stakeholders or in the aftermath of a crisis, it is important to use accurate, fair, unbiased portrayals in order for stakeholders to make informed decisions. Communication of risk based upon inaccurate information, faulty reasoning and biased reporting creates unnecessary worry in the public and opens the communicator to their own legitimacy crisis. Risk communication should adhere to the principles of significant choice in order to help stakeholders become aware of critical issues. As was the case of Dateline NBC, organizations that fail to communicate accurate information concerning risk, are likely to negatively impacting stakeholders and greatly reduce their own public image.

CHAPTER 6

ETHICS AND CRISIS COMMUNICATION: IMPLICATIONS FOR CRISIS

MANAGEMENT

This research sought to examine the role of ethical standards in crisis communication and their relationship to effective crisis communication and crisis resolution in three cases. This research is a step toward creating an argument in support of ethical and responsible crisis management. It suggests that effective and ethical crisis communication may be closely related, at least as manifest in these cases. Beyond this instrumental outcome, responsible communication may also help reduce the impact of crisis on stakeholders-- those groups of individuals that experience pain, suffering, economic loss as well as physical and psychological trauma as a result of a crisis. Evidence suggests that responsible communication serves to reduce the impact or at least the longevity of their discomfort. This section reviews the research conduced in this dissertation. In doing so, a brief review of the cases and research questions are provided. Second, each of the three research questions for this study are examined. Third, the research results are discussed in light of the present literature. Fourth, implications for crisis management and for understanding communication during organizational crisis are provided. This chapter concludes with a discussion of the

limitations for this research.

Re-examination of the Three Cases

Three cases were used to examine questions concerning ethical and successful responses to crisis communication. Malden Mills, Schwan's and General Motors, represent differing contexts and approaches to crisis management (see table 10). The Malden Mills case emphasized the importance of strong and virtuous leadership during crisis. Aaron Feuerstein's character aided in developing a repertoire of value based responses to the crisis. Moreover, his strong relationships with stakeholders before the crisis aided in reducing their crisis induced uncertainty. Many employees and community members were not surprised that Feuerstein continued to pay salaries and benefits. These stakeholders suggested that these actions were consistent with the way Feuerstein had acted in the past.

The second case, Schwan's, emphasized the role of responsible communication to customers during crisis. At the outset of the crisis, during the stress of the situation and uncertainty of cause, Schwan's took responsibility for its customers, at least in part, to ensure their safety. Their response focused on maintaining strong customer relations that were developed before the crisis. Through compensation and rectification strategies, Schwan's was able to illustrate to their customers that responsibility to their needs was a high priority as was ensuring this type of

crisis would never happen again.

The final case, General Motors vs. Dateline NBC accentuated the importance of accurate information in generating crisis accusations and responses. Integral to this examination was the role of the media. In this case, Dateline accused General Motors of producing faulty pickups, however, the news magazine failed to provide a balanced, fair, or accurate story. General Motors was able to counter these accusations about its product by illustrating weaknesses in Dateline's accusations and providing sound evidence to the contrary. General Motors grounded its response in accuracy and truthfulness.

Re-examination of the Research Questions

Three research questions, outlined in chapter 1, guided this study. The research questions were developed to help understand ethical crisis management. Present research in crisis communication lacks sufficient examples of organizations that ground their approach to crisis management in principles of ethical communication. Through the three questions, this research sought to describe three examples of ethical and effective crisis management.

The three research questions selected for the research include:

(1) What values are manifest in the post-crisis responses of the three crisis successes, Malden Mills, Schwan's and General Motors?

(2) What communication strategies are associated with an ethical post-crisis response?

(3) How do ethical responses relate to post-crisis resolution?

What follows is a brief explanation of each research question and a description of how each case answers these questions.

Research Question #1

The first research question states: What values are manifest in the post-crisis responses of the three crisis successes, Malden Mills, Schwan's and General Motors? The basis for examining values in the three cases is Shrivastava's (1987) crisis frames of reference. Frames of reference refer to the "Perceptual differences among stakeholders" (Shrivastava, 1987, p. 86). These perceptions are particularly important in crisis situations because "crises are, by definition, ill-structured situations and, thus, susceptible to many different interpretations" (Shrivastava, 1987, p. 86). Shrivastava explains that frames of reference can be operationalized through four parts: data elements, cognitive maps, reality tests and domain of inquiry and articulation of the organization.

Data elements refer to the information used by organizations to make decisions. This information may range from quantified and objective to qualitative and descriptive. Cognitive maps refer to how the organization makes sense of information and draws conclusions. Cognitive maps range

from logical, rational approaches to more intuitive approaches. Reality tests refer to how organizations validate information they receive. Some organizations may only use objective tests such as scientific evidence, while others may allow subjective experiences and traditions or customary practices to be allowed. Frames of reference are also composed of domains of inquiry and articulation. Domains of inquiry refer to the organization's ability to see alternate frames of reference and other areas of concern. These domains seek to understand assumptions that undergird inquiries. Hence, corporate domains of articulation often involve technical, legal and financial issues while victim's domains of articulation often involve their own economic and medical concerns.

By examining each case using Shrivastava's characteristics of frame of reference, the values inherent in their response are bracketed and clarified. This typology is particularly useful because the researcher is able to determine whether the organization is concerned only about its own issues or if it can also understand and express concern for stakeholders. What follows is a discussion of the frames of reference for the three cases examined.

Data Elements and Organizational Crisis

Malden Mills' frame of reference exemplified many of the company's values for stakeholders in its response to the 1995 fire. The information or data elements useful to Malden Mills were not only the quantifiable and

objective, as in the case of determining the cause of the fire. Malden Mills also exhibited strong value for their workers and the community by responding to the needs and information of personal sources. A salient feature of the Malden Mills' response was to go against the logic of the situation and pay worker's salaries and benefits for 90 days. This decision, from economic data alone, does not make sense. However, Feuerstein's value of supportiveness for employees led to a different decision making process.

Similarly, throughout Schwan's 1994 salmonella outbreak, the company exemplified value for its customers. Schwan's was clearly interested in objective and quantified information with respect to determining the source of the crisis. However, the company was also open to qualitative information from personal sources as well. At the outset of the crisis, Schwan's sent a letter to all of its customers to encourage them to seek medical attention. They explained that "If you believe you may have persisting symptoms of salmonella ... we want to encourage you to see your physician and get the tests necessary" (Sievers, 1994c, p. A1). This illustrates Schwan's interest allowing victims to make their own decisions about the necessity to seek medical aid. Hence, Schwan's valued the customer information and their ability to make decisions regarding the necessity for medical aid.

The data elements used by General Motors in the aftermath of the crisis in order to construct reality were quantified and objective. Shrivastava

(1987) explains that large bureaucratic organizations usually prefer this type of information over qualitative or anecdotal information. The salient feature of General Motors' response was their emphasis on providing accurate information to stakeholders.

Cognitive Maps and Organizational Crisis

Cognitive maps refer to how organizations make decisions. Malden Mills emphasized information that was more personal in nature. The cognitive maps used to respond to the crisis involved more intuitive than rational approaches. For instance, when asked why he responded by paying salaries and benefits to employees, Feuerstein responded "I always knew it was the right thing to do" (personal communication, December 4, 1997). This decision was not made on what was most economical for the company, rather decisions were made based upon the character of the owner.

The cognitive maps that Schwan's used throughout their crisis focused on both rational, causal relationships as well as more intuitive ways of problem solving. First, in determining the cause of the crisis, Schwan's was clearly concerned about rational, cause and effect relationships, however, they used more intuitive approaches to problem solving in their efforts to settle lawsuits out of court and ensure the crisis would not re-occur. These actions are representative of more intuitive reasoning because they were not necessary, but were taken because the company felt it was the right thing to

do.

The quantifiable and objective information collected by General Motors during the crisis was also consistent with the rational, logically consistent cognitive maps the company employed. Throughout General Motors' counter-attack on Dateline NBC, their primary concern was to create logical and objective causal relationships between Dateline NBC's ethical violations in their new reporting and a tainted public image of GM pickups. General Motors also sought to draw clear causal relationships between statistics developed by the National Highway and Transportation Association and the safety of General Motors pickups.

Reality Tests and Organizational Crisis

Reality tests refer to the method by which organizations validate their information. Reality tests can be objective, subjective, or rooted in traditions or customary practices. Malden Mills did not base their decisions on objectivity but rather on the traditions and customary practices that were developed over time between the company and its stakeholders. Feuerstein's remarks in the aftermath refer to his experience with stakeholders. "We had the opportunity to run to the south many years ago. We didn't do it then and we're not going to do it now" (Milne, 1995, p. B1). Feuerstein's reference to traditions established with the community exemplifies the role of deep-rooted traditions that impacted his crisis decision making.

During the crisis, Schwan's frame of reference was consistent with its traditions and practices of being customer oriented. The company built its reputation on strong relationships between its salespeople and its customers. For this reason, during the crisis, Schwan's responded to the crisis with a similar value for its customers. Schwan's frame of reference during the crisis was greatly impacted by their relationships with customers before the event.

The reality tests used to validate the information that General Motors found was consistent with the long tradition in the auto industry that concentrated on objectivity, and technically based problem solving. Since auto companies are often confronted with attacks on their vehicles, their value of empirical testing of vehicles and statistical connections and correlation is deeply rooted in the culture of these organizations.

Domains of Inquiry and Organizational Crisis

Domains of inquiry refer to the boundaries of concern and the ability to understand alternate frames of reference. One of Feuerstein's greatest assets, during the crisis, was his ability to view the crisis from differing frames of reference. Although he understood the need to maintain profitability, he was also able to understand the needs of his employees and the community. This response minimized the impact of crisis for stakeholders. This ability was developed over time through the cultivation of rich relationships with stakeholders.

Throughout the crisis, Schwan's was able to see beyond their own frame of reference to consider the perspective of customers. For this reason, Schwan's domain of inquiry was quite broad. Schwan's response to quickly recall their product, and offer compensation and refunds illustrates their ability to see beyond issues of profitability and to ensure the safety of their customers.

General Motors' domain of inquiry was relatively narrow in its response to the crisis. The company primarily focused on understanding the perspectives of stockholders and those that were related economically to the company. However, these groups were the ones most impacted by the crisis and had the most to lose as a result.

Domains of Articulation and Organizational Crisis

Malden Mills' domain of articulation was clear and certain largely due to the prior relationships the company had with stakeholders. Malden Mills had established a strong reputation with its workers and the community. These values were well articulated in the aftermath of the fire as well. For this reason, it was reasonable to assume that the frame of reference Feuerstein articulated was consistent before and after the crisis. This ability to remain consistent in frame of reference helped to minimize uncertainty for stakeholders in the wake of the crisis.

Schwan's was able to articulate their frame of reference during the

crisis largely because of a strong relationship with its customers during pre-crisis. These values were clearly articulated during the crisis as well. This well established pattern of communication with customers provided personal channels with customers to clarify information and minimize uncertainty.

General Motors' frame of reference was strongly articulated due to the well established pattern of conduct the auto companies have had with product liability crises. It is safe to assume that General Motors has had experience in dealing with similar crises in the past. Moreover, the company would likely be sensitive to all safety statistics related to any of its vehicles. For this reason, the company was able to articulate its frame of reference clearly and accurately, from a well established position.

A Summary of Frames of Reference and Values

Shrivastava's (1987) work emphasizes the differing perspectives that stakeholders often have in the aftermath of a crisis. Specifically, organizations have a difficult time identifying and exemplifying empathy toward their stakeholders. Shrivastava explains the process frames of reference play in selecting and processing information, "It reflects their biases, attitudes, and modes for making [value] judgments. It is the lens through which an individual or organization views the world" (p. 87). Frame of reference analysis is valuable in understanding how and why organizations respond to crises in a particular manner.

This research breaks from Shrivastava's (1987) work in that the three cases examined in this research illustrate the ability of organizations to see crisis effects beyond their own needs and interests. Shrivastava contends in crisis failures such as Union Carbide's Bhopal disaster, that organizations often fail to notice and understand the needs and interests of stakeholders and, therefore, respond inappropriately. He explains that "To better cope with industrial accidents ... individual stakeholders must ... somehow expand their frame of reference" (p. 86). To varying degrees, the three cases, illustrate the capacity for organizations to expand their perspectives to meet the needs and interests of their stakeholders. The primary rationale for this ability appears to rest in the strong relationships and traditions the organizations developed before the crisis.

These relationships made the organizations aware of the needs and interests of stakeholders and opened channels of communication with these groups before the crisis. In general, this awareness allowed these organizations to balance their traditional objective biases with more qualitative information from stakeholders. These relationships also opened the organizations to more intuitive approaches to problem solving. Clearly, the cases of Malden Mills and Schwan's illustrate this ability to a greater extent than General Motors. However, in all three cases, the companies responded to their crises by basing their decisions on traditions developed with

stakeholders over time. Finally, their pre-crisis relationships helped the organizations to be more aware of stakeholder concerns in the aftermath of the crisis and allowed the organization to clearly articulate their concerns. The following table provides a characterization of the frames of reference and values for the three organizations examined in this research.

Table 7

Organizational Values and Frames of Reference

Characteristics	Malden Mills	Schwan's	General Motors
Data Elements	Objective, Subjective	Objective, Subjective	Objective
Cognitive Maps	Intuitive	Rational, Intuitive	Rational
Reality Tests	Traditions of Stakeholder Relations (Employees and Community	Traditions of Stakeholder Relations (Customers)	Traditions in the Auto Industry (Technical Problem Solving)
Domain of Inquiry	More Broad (Employees and Community)	Narrow (Customers)	Narrow (Stockholders)
Domain of Articulation	Well Articulated	Well Articulated	Well Articulated

The three models of values and frames of reference illustrate some consistency across cases. First, all three cases built their responses on strong traditions established prior to the crisis. Malden Mills and Schwan's responses were built upon relationships with stakeholders whereas General Motors response was established from deep rooted traditions in the auto industry. Moreover, through these strong traditions, each of the organizations

were able to strongly articulate their post-crisis positions.

The models also illustrate some differences among the three cases. First, Malden Mills' domain of inquiry is somewhat more broad than that of Schwan's and General Motors. Part of this can be explained away due to the context of each of the crises. However, it is also important to recognize that Malden Mills had further developed its stakeholder relationships before their crisis than had the other organizations. Organizations should consistently work on cultivating relationships with their stakeholders over time to help them expand their frames of reference.

Beyond Shrivastava's work, particular value sets can be used to describe these cases. This next set illustrates the extant values depicted in the three cases of Malden Mills, Schwan's and General Motors. It also clarifies the fundamental positions the organizations took in their responses. The cases illustrate ten values across cases. The values are examined with respect to stakeholder, communication and general values. Stakeholder values include, value for the community in which they operate, the workers they employ, the stockholders that own the company and the customers who purchased their products. Communication values include providing accurate information to stakeholders, providing quick information to their constituents and the relative openness in providing information to stakeholders in the aftermath of a crisis. General values are identified as loyalty and fairness or

equity.

Table 8

Dominant Organizational Value Sets

Value	Malden Mills	Schwan's	General Motors
Stakeholder Value			
Community	Yes		
Workers	Yes		
Stockholders			Yes
Customers		Yes	Yes
Communication Values			
Accurate Information		Yes	Yes
Immediacy	Yes	Yes	Yes
Openness to Stakeholders	Yes	Yes	Yes
General Values			
Loyalty	Yes	Yes	
Fairness (Equity)	Yes		Yes

These values suggest some general consistency across cases. Even though each of the values described are not manifest to the same extent in each case, some connections illustrate consistency in value positions taken by the organizations. For instance, with respect to stakeholder values, each organization concentrated its approach on one or two stakeholders, typically those most impacted by the crisis, and worked to offset some of the crisis induced harm. Mitigating harm to those stakeholders most greatly impacted by the crisis appears to be a useful strategy. However, organizations should be aware of the multiple audiences that organizations face and the inherent

conflicts possible between these constituents. Placing value on only one or two groups may aggravate other audiences depending on the context of the crisis. With respect to communication values, there is virtual consensus on the importance of accuracy, immediacy and openness to stakeholders in the aftermath of a crisis. These communication values are important to ethical and effective crisis management. Finally, the general values of loyalty and fairness to stakeholders appear to be important in responding to crisis, at least as evidenced in the three cases examined in this research.

Research Question #2

The second research question stated: What communication strategies are associated with an ethical post-crisis response? The basis for examining the communication strategies is the extensive work by Allen and Caillouet (1994) and Coombs' (1995) focusing on communication strategies available to organizations responding to crises. These strategies illustrate a list of potential communication strategies available for organizations in crisis. The examination of the three cases suggests that the communication strategies clustered around the strategies of attack, ingratiation and mortification (See Table 9). This section discusses those strategies found to be most closely associated with ethical post-crisis response.

Attack and Organizational Crisis

After the Dateline NBC episode that triggered a crisis for General Motors, the company utilized the communication strategy of attacking the accuser combined with a search for the truth in order to communicate to stakeholders. Coombs (1995) explains that:

> Attack is a more aggressive strategy, which confronts those who wrongly report that the ... crisis exists. An organization may attack an erroneous media report or false claims by activists that created the perception of a crisis. (p. 451)

This strategy was used effectively by General Motors to illustrate deficiencies in the accusations and to restore the image of the company.

General Motors immediately took the offensive after the crisis and sought to use counterattack as a strategy to emphasize the legitimate problems the company had with the accusations directed toward it. General Motors contested the two "unscientific" demonstrations, the credibility of experts and the statistics used during the program. Critical to understanding General Motors' use of counterattack was their emphasis on accuracy, truthfulness and honesty of information. This strategy was effective because General Motors did not counterattack by introducing competing evidence to confuse the issue of responsibly. Rather, the company's focus on providing information for stakeholders to make informed decisions about GM pickups was important to determining the effectiveness of the strategy.

Ingratiation Strategies and Organizational Crisis

Allen and Caillouet (1994) describe ingratiation strategies as important to an organization's response. Allen and Caillouet contend that ingratiation strategies are used when the "organization attempts to gain audience approval" (p. 60). Ingratiation strategies have three variants, self-enhancing communication, other-enhancing communication and opinion conformity. Self-enhancing communication "attempts to persuade [the] target of organization's positive qualities, traits, motives, and/or intentions" (p. 60). The organization can accomplish this strategy if it serves as a role model or if it accepts social responsibility. The second strategy, other-enhancing communication refers to "Praise, approbation, and flattery toward the target to obtain approval for the organization" (p. 60). The final strategy, opinion conformity, "expresses similarity of beliefs, values, and attitudes, directly associated with liking" (p. 60).

Self-enhancing. Throughout the crisis, Malden Mills concentrated upon communicating ingratiation strategies that emphasized self-enhancing communication. For example, Feuerstein's remarks in the aftermath of the crisis concentrated on the company's role in the community and its continuance of this role into the future. This strategy was most evident when Feuerstein held public media conferences in which he paid salaries and

questioned organizations for downsizing and not taking full advantage of their employees.

General Motors also used self enhancing communication strategies in their crisis communication. Their public media conference concentrated on providing accurate information to stakeholders but also emphasized General Motors' desire to be honest and open with the public. During the media conference, GM bolstered its ability to stand up for itself and refute accusations that were directed toward it. A fundamental element of their attack, then was self enhancement of their image and the erosion of Dateline's public image.

Role Model. Throughout the communication by Malden Mills, the company portrayed itself as a role model for other organizations in the United States. Feuerstein called on other organizations to act responsibly and to try to resist the short-term gain mentality of the stock market. Feuerstein, was featured on television shows such as Nightline, debating these issues with other corporate leaders such as Al Dunlap, the CEO of Sunbeam, notorious for his downsizing tactics in order to raise short-term stock prices. Throughout the crisis Feuerstein was seen as a role model for organizations in the late 1990's.

General Motors also served as a role model during its crisis communication. In this case, the company served as a role model for the

auto industry and other industries that have unfairly been attacked by the media overtaken by sensationalism and ratings. General Motors ability to counter Dateline's accusations and create a crisis for NBC restored some legitimacy to the auto industry. It is likely that other organizations accused by the media, such as Food Lion, could see General Motors as a role model for successfully attacking the media. For example, Food Lion charged Primetime Live, an ABC news program, for deception in their story of in food handling practices at their grocery stores. Other organizations that are charged for malfeasance by the media would likely see General Motors' response as a prototypical example of counterattack.

Social Responsibility. Feuerstein, throughout his communication, focused on the social responsibility of corporations. His communication to workers concerning his paying of salaries is particularly exemplar. He remarked that his employees are the most valuable asset that Malden Mills has. Moreover, his communication illustrates the responsibility that he perceived organizations must have to their employees and the community. Throughout the crisis, Feuerstein illustrated the importance of responsibility to workers in corporate America.

Schwan's illustrated the importance of responsibility to their customers in the aftermath of their crisis. Schwan's was particularly concerned that the crisis would be minimized by recalling their products and ensuring their

customer's safety. This emphasis on responsibility to customers was the salient feature of Schwan's response. However, the organization was able to achieve social responsibility though remediation strategies which will be discussed later in this section.

Opinion Conformity. The final ingratiation strategy used by Feuerstein was opinion conformity. Throughout the crisis, Feuerstein exemplified the values and attitudes directly associated with liking. Clearly, his communication to rebuild the plant and pay employees benefits and salaries two weeks before Christmas was consistent with the way employees would like to be treated. Feuerstein's communication received wide praise from local, national and international media to the President of the United States in his State of the Union Address who recognized Feuerstein for maintaining the values consistent with responsible management. Beyond these strategies, an important aspect of responding to a crisis is expressing sadness and regret through compensation to stakeholders and rectification of the crisis. These strategies are most commonly associated with a mortification posture.

Mortification and Organizational Crisis

In the aftermath of the 1994 salmonella outbreak, Schwan's took a mortification stance. Coombs (1995) defines mortification strategies as when organizations "attempt to win forgiveness of the publics and to create acceptance for the crisis" (p. 452). Schwan's and Malden Mills used

mortification strategies to communicate to stakeholders. First, remediation refers to when an organization "willingly offers some form of compensation or help to victims (money, goods, aid, etc.)" (p. 452). Second, rectification occurs when organizations "take action to prevent a recurrence of the crisis in the future" (p. 453).

Remediation. From the outset of the crisis, Schwan's worked to ensure that its customers received compensation for the products they purchased. Each consumer received notification either through writing or the company's salesforce, that the company was recalling its ice-cream products and they were eligible for monetary or product refunds. The company also compensated the customers by paying for any medical tests the customer felt he/she needed. Finally, Schwan's quickly and forthrightly settled legal issues with customers or offered the customer the ability to join class action lawsuits. It is important to note that customers had an option to deal directly with the company to settle their claims. This type of direct approach to remediation is novel in the aftermath of a crisis.

Malden Mills also worked to remediate victims of the crisis by paying salaries and benefits to workers for 90 days. This compensation was not necessary, however, this voluntary compensation did much to gain approval from workers and raise morale at the mill. It also focused energies on rebuilding the plant and moving toward normal operations. Most importantly

It illustrates the close relationship Feuerstein has with his employees and the importance he places on this relationship. Feuerstein suggests that his close relationships with workers has made Malden Mills the most profitable mill in the U.S. This compensation serves to cultivate yet stronger relationships with workers.

Rectification. The second mortification strategy emphasized in Schwan's rhetoric was rectification. From the outset, Schwan's was concerned with locating the source of the crisis and ensuring that the event would not happen again. Once the impetus of the crisis was determined Schwan's took two precautionary measures to correct the problem and illustrate to customers that the crisis was over. First, the company explained that it would dedicate a fleet of trucks to carry only Schwan's products and, therefore, eliminate the possibility of cross-contamination. Second, Schwan's broke ground on a new repasteurization facility in order to repasteurize products it received from other plants. Neither of these rectification options were mandated by the Food and Drug Administration. Rather, Schwan's took this approach to communicate to customers their willingness to ensure the crisis did not happen again.

A Summary of Results Regarding Communication Strategies

This study suggests that communication strategies that focus on meeting the values, needs and interests of stakeholders are best suited to

ethical responses. Communication strategies identified above, such as ingratiation strategies, role models, opinion conformity and social responsibility, appeared to work well in these cases in winning public approval and restoring the image of the organization. Malden Mills, Schwan's and General Motors were successful in using these strategies during their post-crisis responses. Malden Mills used these strategies most frequently throughout their crisis response probably due to their broad response to stakeholders. Schwan's did not extensively use ingratiation strategies beyond social responsibility. General Motors was able to capitalize on self enhancing communication and role model through their counterattack on Dateline NBC.

The second type of communication strategies associated with an ethical post-crisis response are mortification strategies. These strategies are consistent with the literature on how to respond to a crisis (Benoit, 1995a; Hearit, 1995a; Markus & Goodman, 1991; Seeger et al., 1998; Sellnow & Ulmer, 1995; Small, 1991; Ulmer & Sellnow, 1995; Williams & Murphy, 1992). Research suggests that organizations, in the aftermath of a crisis, should express sorrow for the event and work to win forgiveness. The rationale for this strategy is to illustrate to stakeholders the concern the company has for the event and their willingness to ensure that the crisis will not happen again. Failing to respond in an appropriate fashion can aggravate stakeholders and intensify the crisis. Schwan's used the most mortification

strategies, in its efforts to move beyond the crisis quickly and toward normal operations. Malden Mills also used remediation strategies in conjunction with their overall view of responsibility to workers.

The final strategy associated with an ethical response is a counterattack. However, as discussed earlier it is important to understand this communication strategy as a tool to further investigate the truthfulness of the accusations. Organizations that introduce competing evidence to confuse the issue or create ambiguity would be judged as unethical. For this reason, organizations should be careful attacking the accuser as a strategy. General Motors used this strategy, but concentrated on providing accurate information so that stakeholders could make informed choices with respect to their pickups.

Table 9

Communication Strategies and Ethical Crisis Management

Communication Strategies	Malden Mills	Schwan's	General Motors
1. Attack			Yes
2. Ingratiation			
a. Self Enhancing	Yes		Yes
b. Role Model	Yes		Yes
c. Social Responsibility	Yes	Yes	
d. Opinion Conformity	Yes		
3. Mortification			
a. Remediation	Yes	Yes	
b. Rectification		Yes	

One of the salient features of this table is the broad response Malden Mills' made to the crisis and the relatively narrow responses of Schwan's and General Motors. Malden Mills' response can be compared to their frames of reference which were also broad. In contrast, Schwan's and General Motor's frames of reference were relatively narrow in comparison. This suggests that there is a relationship between frames of references and the expansive or narrow response strategies. The width of the organization's response may also be a strategy designed to define and compartmentalize the crisis. As Hearit (1995b) notes, "by taking the role of victim, the apologist wrests definitional hegemony from the accuser, and consequently, forces the accuser to the defensive" (p. 236). Crisis compartmentalization may allow an organization to limit the crisis effects. Finally, it must be recognized that Malden Mills' crisis was by definition broader than General Motors' or Schwan's.

Organizations should be careful in becoming too narrow in their response. A fundamental tenet of crisis management is the ability to communicate to multiple, often competing, audiences (Ice, 1991; Schuetz, 1990; Sellnow & Ulmer, 1995). Organizations that concentrate too much on any one audience may risk alienating other audiences and heightening the intensity of the crisis. Schwan's responded by taking a more narrow, Rawlsian approach of helping those stakeholders most affected. This strategy appears to be effective. However, company's that opt for this approach

should be aware that other stakeholders may need attention. General Motors, due to the context of the event, took a narrow approach grounded primarily in stockholder interests. This strategy worked because other stakeholders were not directly impacted to the same level. Nevertheless, organizations should be open to the possibility of communicating with multiple audiences in the aftermath of a crisis. A narrow stance, depending on the context of the crisis, is not always the best approach to crisis management.

Research on crisis communication has focused on delineating and examining communicaton stategies available to organizations. Although this work is grounded in communication theories it has not moved the theory of crisis communication beyond description. The results of this dissertation suggest that an organization's retained responses and attractors may contribute to a richer understanding of how organizations select post-crisis strategies. For example, it is reasonable to assume that organizations that deny or evade responsibility over time are less likely to employ ingratiation or bolstering strategies. Moreover, it is likely that these strategies would not be effective for an organization that lacks credibility and trust with its stakeholders. Rather, this dissertation research contends that organizations that establish strong, postitive, ethical relationships with stakeholders before a crisis are more likely to select similar communication strategies in the aftermath of a crisis. For these reasons, research that examines the

antecedent conditions of organizations in their pre-crisis stages and how these actions impact the selection of communication strategies could move crisis communication theory forward.

<div align="center">Research Question #3</div>

The third research question for this study asked: How do ethical responses relate to post-crisis resolution? Promoting crisis resolution is important to crisis management because once the crisis is resolved, the organization can put its energies and money in more productive directions. The literature suggests that due to the on-going litigation and battles over responsibility, organizational crises can often be extended for years. During this time, stakeholders may endure further suffering, experience delayed compensation and further grief. Organizations experience high legal costs and extended image problems from the negative media exposure. For these reasons, it is important to examine the relationship between ethical crisis response and post-crisis resolution to see whether this type of response promotes or discourages crisis resolution.

<u>Post-Crisis Resolution and Malden Mills</u>

Malden Mills' crisis lasted 20 months from the time of the triggering event to when the new manufacturing facility was built. However, it is important to note that at the time of the fire Malden Mills was virtually out of business. Most of its production facilities were destroyed. For this reason, it is

reasonable to suggest that one year is a fairly quick recovery from this type of devastating event. However, what is more impressive about Feuerstein's ability to recover from the crisis was the speed in which he was able to bring employees back on the job. Within 11 days, 300 workers were back on the job, and 70% of the workers were back within 2 months. Feuerstein was able to promote resolution for the crisis and begin to move toward normal operations by establishing a plan to rebuild the plant and minimizing conflicts with stakeholders.

Deciding to rebuild the plant focused energies quickly toward the goal of getting employees back to work. However, Feuerstein's virtuous character and positive relationships enabled the company to secure loans, and buy time from suppliers in order to fully recover from the crisis. One of Feuerstein's major roles during the crisis was to secure money beyond the donations that Malden Mills received in order to rebuild the plant. However, this money would not have helped a great deal if Malden Mills' customers would have abandoned the company. Feuerstein was able to build on the past relationships with customers in order to buy time and regain a reasonable production schedule. Within a very short time, Feuerstein as able to accomplish these difficult tasks, hereby promoting resolution to the crisis.

Post-Crisis Resolution and Schwan's

From the outset of the crisis, Schwan's sought to minimize the effects

of the crisis and move toward resolution. This was evident in its immediate withdrawal of its ice-cream products from circulation and quick compensation of customers for the duress of the crisis. In all, the crisis lasted roughly four months. It is important to note that Schwan's plant re-opened almost immediately after the cause of the crisis was determined. This was roughly one month after the trigger event. Moreover, within two months, Schwan's had already settled close to 14,000 claims out of court. By the end of the crisis, Schwan's and plaintiff lawyers had agreed upon settlement guidelines for the class action lawsuits.

Schwan's response of rectification and compensation can be correlated to resolving the crisis quickly and efficiently. The company actively sought to settle claims out of court and quickly settled with plaintiff lawyers during the class action lawsuits. For example Karl Cambronne, one of the attorneys for the plaintiffs "commended Schwan's on its responsiveness and approach in handling the ordeal. Schwan's has behaved in a uniquely responsible way ... its a result of their corporate attitude that this case has been resolved so quickly, fairly and equitably" (Seely, 1995, A5). Moreover, the company's quick decision to dedicate a new fleet of vehicles and to build a repasteurizaton plant illustrated the company's desire to ensure to customers that the crisis would not happen again. Hence, Schwan's use of mortification strategies enabled the company to promote rapid resolution.

<u>Post-Crisis Resolution and General Motors</u>

General Motors' recovery from the point of the triggering event to the settlement of the lawsuit was roughly four months. However, the duration from the announcement of the lawsuit during Harry Pearce's press conference to Dateline's apology and subsequent withdrawal of the lawsuit was one day.

General Motors was able to promote resolution to the crisis on one level by its strong counterattack on the evidence used during the Dateline episode. The veracity of this evidence called into question the journalistic ethics of Dateline. However, linked to the counter-attack was a lawsuit that threatened to impact NBC and Dateline negatively. For this reason, it is reasonable to assume that NBC did not engage in any legal action with General Motors after discovering the considerable evidence that GM had accumulated during its investigation. For this reason, a combination of General Motors' powerful attack and the threat of litigation helped in promoting resolution to the crisis.

Summary of Responses and Post-Crisis Resolution

Throughout the three cases, all of the organizations used ethical responses to their crises in order to promote quick resolution. However, each case exemplifies a different approach and different constraints in achieving resolution. For example, Malden Mills' primary problem with moving toward

resolution was being able to rebuild the plant and bringing employees back to work. In order to accomplish this task, Feuerstein was able to secure money and buy some time with customers, in part due to his virtuous character and strong past relationships with stakeholders. His communication strategies of ingratiation and social responsibility played a minor role in this resolution process, however, these strategies supported and bolstered Feuerstein's overall reputation and character.

In the case of Schwan's, the potential impediment to crisis resolution was settling conflicts with customers and rectifying the cause of the crisis. Schwan's approach to the crisis was to communicate to customers that it would refund its product and settle claims with customers voluntarily. This decision served to promote resolution with customers. Schwan's additional decision to rectify the crisis served to illustrate to customers that the crisis would not happen again certainly helped to reduce fears of another crisis occurring. Hence, Schwan's communication strategies of rectification and compensation served to promote resolution in this case.

The primary constraint on General Motors promoting resolution was illustrating to stakeholders that their trucks were not more likely to explode on side impact than other vehicles. General Motors' failure to illustrate the safety of their vehicles would have likely caused an extensive recall and numerous lawsuits. General Motors' response attacking Dateline for not

airing a balanced story allowed the company to provide more information about their pickups for customers to make informed decisions about the product. For instance, this information explained that GM was within national safety standards for side impact collisions. This response, along with the lawsuit directed at Dateline, promoted resolution to the crisis and enabled General Motors to regain its public image.

Discussion of Research Results

The three case studies examined in this research are exemplar of ethical approaches to crisis management. While each case is unique, each manifests a core of stakeholder values in responding to the crises. The results of the research suggest that organizations can recover from crises when a rigorous ethical position is taken and that such a response may promote a more rapid recovery. This dissertation research takes some initial steps toward understanding ethical approaches to crisis communication.

Much of the research on crisis management illustrates the tendency for organizations to emphasize their own concerns over their stakeholders. Their communication, which is largely associated with a legal approach, typically results in denials of responsibility and a lack of useful information to stakeholders. These types of responses to crisis have been widely criticized (Brinson & Benoit, 1996; Fink, 1986; Ice, 1991; Markus & Goodman, 1991; Pauchant & Mitroff, 1992; Small, 1991; Ulmer & Sellnow, in press; Williams

& Treadaway, 1992). Corporations that employed these types of responses have suffered public image problems, prolonged legal wrangling and postponed crisis resolution. Moreover, many of these organizations such as Dow Corning, Union Carbide and Exxon have suffered dramatic losses in stock price and in some cases the viability of the entire organization was threatened (Benoit, 1995a; Fink, 1986; Susskind & Field, 1996).

The three responses of Malden Mills, Schwan's and General Motors exemplify alternative approaches to denying responsibility and limiting information to stakeholders. These cases incorporate distinct and novel approaches to responding to organizational crisis because they involve quick acceptance of responsibility for the events and accurate information communicated immediately to stakeholders. Finally, these organizations worked to develop positive relationships with stakeholders before the crisis.

Crisis and Responsibility

A fundamental problem in both the fields of business and communication is defining corporate responsibility (See, Clarkson, 1995; Heath, 1997; Logsdon & Yuthas, 1997; Sethi, 1987). The crux of this issue lies in understanding to whom organizations are responsible and by what standards. Stakeholder theory offers some answers to questions of corporate responsibility and clarifies this concept somewhat (Clarkson, 1995).

From this perspective, organizations have a responsibility to meet the needs and interests of stakeholders. Clarkson (1995) explains that "the corporation itself can be defined as a system of primary stakeholder groups, ... with different rights, objectives, expectations, and responsibilities" (p. 107). Organizations are responsible to stakeholders and held to the standards of each stakeholder in the system. Hence, organizations have a general requirement to keep their primary stakeholder groups reasonably satisfied. Each stakeholder, then, determines its own level of satisfaction.

This concept of stakeholder responsibility, or an ethic of responsibility, is directly applicable to crisis communication. A consistent theme in the crisis literature is the propensity for organizations to deny responsibility and to shift blame outside of the organization. Research on crises such as Exxon's oil spill, Union Carbide's plant explosion in Bhopal, India and Dow Corning's breast implant crisis illustrates this point. These reactive stances to responsibility represent failures in corporate responsibility where organizations attempt to deny responsibility toward stakeholders. As a result, stakeholder groups became dissatisfied with the organizations which intensified the crisis. Conversely, Johnson and Johnson's response to the Tylenol tampering incidents exemplified responsibility to customers and, hence, exemplified a responsibility to this stakeholder group. The three cases, Malden Mills, Schwan's and General Motors provide some understanding

regarding the importance of accepting responsibility for stakeholders following a crisis.

Each of the organizations investigated accepted appropriate levels of responsibility in the aftermath of the triggering event. Malden Mills CEO, Aaron Feuerstein, one day after the fire, intimated that he would rebuild the textile mill. Within days, he vowed to pay salaries and benefits to workers for a set time period. This response exemplified responsibility toward the community and workers. Similarly, Schwan's took responsibility for its customers after the salmonella outbreak by recalling their products and compensating customers quickly. As a result, their customers received quick and equitable compensation from the company and did not have to wait extended periods of time for resolution to their claims. General Motors, although representing a different kind of crisis, took responsibility by providing information to stakeholders about the accusations that were leveled at the organization. The company's ability to refute accusations by Dateline NBC illustrated their desire to communicate to meet the needs of stockholders by providing accurate information about GM's pickups.

This research suggests that acting responsibly toward stakeholders can be an important aspect of crisis management, in that taking responsibility in the aftermath of a crisis allows for an immediate response. Research in crisis communication almost universally argues for a fast and accurate response to

a crisis (Schuetz, 1990). However, due to the uncertainty associated with these events, organizations have a difficult time meeting this objective. The three cases analyzed in this research suggest that taking responsibility for a crisis can enable the organization to meet this fundamental objective of crisis management. In this case, organizations that accept some degree of responsibility for the crisis are freed from some of the legal constraints that often characterize these events. Moreover, the organization can move toward providing quick and accurate communication about how to resolve the crisis and move toward re-establishing normal operations.

Information, Values, and Crisis Communication

As discussed in relation to responsible communication, providing fast and accurate information to stakeholders is important to crisis management (Schuetz, 1990). The cases of Malden Mills, Schwan's and General Motors, suggest that an organization's values can also have an impact on its ability to meet this crisis objective.

Aaron Feuerstein was able to respond in a quick fashion after the plant explosion in part because of the rigorous value positions that he had established prior to the crisis. When asked why he responded in the manner he did he explained that he just knew it was the right thing to do. This suggests that the values he developed prior to the crisis helped in making crisis decisions and responding to the crisis. Schwan's was able to use the

company's central value of customers to respond quickly and accurately to this stakeholder group. Schwan's is a uniquely customer focused organization that relies almost totally on its close relationships with customers for advertising and promotion. This well established value position, then, became an important aspect of the company's ability to respond to the crisis. Providing accurate information based upon rational, statistical reasoning to stakeholders was most strongly manifest in General Motors response to Dateline NBC. Auto companies are very traditional, bureaucratic organizations that function on issues of efficiency, productivity, statistics, and objectivity. Many of General Motors' relationships with stakeholders such as the National Highway and Transportation Association (NHTSA) involves using statistical, rational and objective communication. Hence, this frame of reference and technically based problem solving style is consistent with industry culture.

Additional stakeholder values may impact an organization's ability to respond to crises successfully. For this reason, organizations that work to establish firm ethical stances and value positions are better positioned to cope with the uncertainty of crisis and communicate to meet the needs and interests of their audiences in communicating in the aftermath of a crisis.

Stakeholder Relationships and Crisis Communication

This research also suggests that strong relationships with stakeholders

before as well as after the crisis are critical to managing crises effectively. Much of the organizational crisis literature concentrates on how to manage crises after the event (Allen & Caillouet, 1994; Benoit, 1995a; Coombs, 1995). Research in public relations also examines the role of planning and its effects on crisis preparedness (Carney & Jorden, 1993; Dyer, 1995; Gigliotti & Jason, 1991; Gonzalez-Herrero & Pratt, 1995; Schuetz, 1990). A fundamental aspect of preparing for crisis should be to develop rich, positive relationships with organizational stakeholders during the pre-crisis stage.

The three case studies examined in this research illustrate the importance of developing pre-crisis relationships with stakeholders. Malden Mills was able to use many stakeholder relationships as networks of support in the aftermath of their crisis. Aaron Feuerstein was also able to generate much of his credibility in the aftermath of the crisis from relationships he established during pre-crisis. These relationships allowed him to buy some time with customers and secure finances with banks. Schwan's was able to build on their strong relationships with stakeholders in order to make the right decisions in responding to their crises. Schwan's was able to build on their relationships with customers established through direct customer contacts. Schwan's sought to ensure that their customers would be taken care of in the aftermath of the crisis. Due to the importance of the company's relationship with customers before the crisis it is evident that Schwan's

needed to maintain this relationship after the crisis as well. Although the link between General Motors' pre-crisis relationships and its post-crisis response was not as strong as Malden Mills and Schwan's, the company couched its response in terms of stakeholder relations. The central theme of their argument was their response would alleviate the tainted public opinion of GM's C/K trucks. This would be important to stockholders who were interested in the profitability of General Motors.

Research suggests that organizations should prepare for crisis. The three cases examined in this research, particularly Malden Mills and Schwan's, suggests that this preparation involves cultivating strong relationships with stakeholders before a crisis. These groups can serve as advocates for the organization, networks of support and crisis resources. Moreover, well established relationships before a crisis can provide some certainty for organizational stakeholders in the aftermath of a crisis.

Implications for Crisis Management Theory

This research posits four implications for crisis management theory. This first involves Weick's (1988) enactment based approach to understanding crisis decision making. The second implication examines the importance of frames of reference and values to crisis management. Third, implications for chaos theory are examined. Finally, crisis variables and their importance to crisis management are discussed.

Enactment and Crisis Management

Weick explains that "From the standpoint of enactment, initial responses do more than set the moral tone; they determine the trajectory of the crisis" (p. 309). It may be natural, however, for organizations to respond defensively. When organizations are faced with accusations and the threat of crisis, first instincts may result in stances of denial and obsfucation of responsibility. However, these types of responses typically extend the duration of the crisis and may damage the organization's image and legitimacy.

The three cases of Malden Mills, Schwan's and General Motors suggest that organizations can benefit from communicating to meet the needs and interests of stakeholders. Each of the cases illustrates that responsible communication was helpful in restoring the company's image and minimizing the conflict and legal wrangling commonly associated with these events. For these reasons, companies in the wake of a crisis can benefit from initial ethical stances in responding to crisis.

This may be difficult due to the number of individuals that typically make these decisions in organizations. Malden Mills is a case in point. After the crisis, management brought in a crisis response team and discussions began with legal council and important members of the organization. Jeff Bowman, head of Malden Mills crisis management team, explained that it is often difficult to fight the first instincts of individuals to keep the crisis quiet

and limit information to stakeholders (personal communication, December 4, 1997). Organizations must resist this temptation if they are going to communicate to meet the needs of stakeholders.

Frames of Reference and Crisis Management

Related to initial responses to crisis management is the ability of organizations to expand their frames of reference to include the needs and interests of stakeholders in their communication. Shrivastava (1987) contends that organizations and their stakeholders often have differing frames of reference in the aftermath of a crisis. These different perspectives constrain their abilities to communicate to each other and reach consensus on issues related to the crisis, blame, and resolution.

The three cases of Malden Mills, Schwan's and General Motors examined in this research suggests that organizations that are able to meet the needs and interests of stakeholders have a good chance of recovering from the crisis and reaching consensus on issues of resolution. Throughout the three cases, conflict between the organization and its stakeholders was minimized, which left organizational energies open to mitigate harm, correct the problem, and move the crisis toward resolution. Organizations would be wise to expand their frames of reference during crisis in order to more fully meet the needs of their stakeholders and promote crisis resolution.

Chaos Theory and Crisis Management

Little research on crisis management has involved the application of chaos theory (Murphy, 1996). This is largely due to the abstract nature of the theory and its relative recent application to this area of inquiry. The research on these three cases suggests that organizations do operate from organizing principles called strange attractors. These organizing principles can consist of the organization's values, standard operating procedures, retained responses or other decision making criteria the company utilizes.

Malden Mills exemplified strong organizing principles in its response to the 1995 fire because the company responded to stakeholders in a fashion similarly to other critical events in the company's history. Over time the company had established itself as one that valued the community and workers. This response to stakeholders was evident in Malden Mills' response to their crisis. Similarly, Schwan's responded to its salmonella outbreak with a the consistent customer focus and secretive nature as before the crisis. This company, in essence, defined itself as a customer focused organization. Since the inception of the company it had emphasized customer relations over advertising and other promotion activities. These attractors became evident in Schwan's response to the salmonella outbreak. Finally, General Motors responded to its crisis with similar emphasis on stockholders and technical argument characteristic of the auto industry.

These examples suggest that organizations do have some consistency across time in their behavior. Research should continue to examine the crisis longitudinally to determine the efficacy of strange attractors. For example, research should examine organizations or industries that have frequent crises, such as the airline industry, to investigate consistency or divergence in their strategies over time. Moreover, examples of organizations that have failed in their crisis communication should be examined longitudinally to determine antecedent strange attractors that may have led to such a response.

Crisis Variables and Crisis Management

As a last implication for crisis research, key variables of crisis management derived from the three cases examined in this research are nominated for future inquiry. These variables represent an attempt to draw relationships and distinctions between these cases and better understand critical aspects of successful crisis management. These seven variables include: the media, the cause of the crisis, crisis leadership, values employed by the organization, the outcome of the crisis including the resolution time, the communication strategies employed and the stakeholder relationships as well as the stakeholder strategy utilized (See Table 10).

The media variable refers to the type of coverage the organization received regarding its response ranging from positive to negative. The media

is important due to its ability to magnify crises from localized to national and international events, distort or enhance information, disseminate accurate information quickly, generate support, affect image, and instigate subsequent crises. Organizations should work to understand the media and to develop strong relationships with this stakeholder group before crises. These relationships can be invaluable in getting the organization's message out and managing crisis related issues.

The cause of the crisis can range from internal to external causes and from intentional to unintentional (Coombs, 1995). The cause of a crisis is a critical variable for crisis communication because it ultimately serves as the criteria for responsibility. Once the cause of a crisis is determined the organization has the additional constraints of legal concerns. Hence, organizations that are not found to be responsible for the cause of the crisis have more latitude for responding to crises.

Leadership can be identified by the emphasis on single speakers as spokespersons and on the character of those spokespersons. Crisis research suggests that organizations choose a single spokesperson to respond to crises. General Motors used Harry Pearce as their single spokesperson to respond to the accusations from Dateline NBC. Pearce's response was very articulate which helped illustrate inconsistencies in Dateline's attack and credibility to these statements. Hence, General Motors' use of a single speaker in Pearce

served the company well in responding to the crisis. Beyond serving as a spokesperson, this leader should be a high ranking member of the organization and should be able to speak on behalf of the organization. Research suggests that organizations that fail to respond to a crisis by sending the crisis spokesperson to the scene of the crisis are likely to suffer image problems (Benoit, 1997; Williams & Treadaway, 1992). Aaron Feuerstein immediately went to the scene of the fire and communicated to stakeholders that he would rebuild the plant. The dramatic scene of Feuerstein communicating that he would rebuild the plant while his mill was still burning illustrated the importance of meeting the important need of being visible to stakeholders after a crisis.

Values refer to the perspectives and attitudes privileged during the crisis. Little research has been conducted on values related to successful crisis management. However, the choices that are made when responding to crises are critical. For instance, choices to accept or to deny blame for a crisis can be seen as value decisions. The cases, Malden Mills, Schwan's and General Motors, suggest that values can play an important role in responding to crisis.

The outcome refers to the sentiment from stakeholders as to whether the crisis response was effective or ineffective. The resolution time represents the time it takes for the organization to resume to normal operations. The

outcome and resolution time are often related. Crises that stay on the public agenda for extended periods of time due to litigation and disputes hurt the image of the organization. From this perspective, ineffective responses are related to extended outcomes. If organizations can resolve the crisis quickly and move to normal operations in a reasonable time, the crisis is likely to move off the public agenda.

Communication strategies refer to the rhetorical strategies taken by the organizational response (Allen & Caillouet, 1994; Benoit, 1995a; Coombs, 1995). These strategies are useful in understanding the rhetorical techniques the organization takes in responding to crises. Research suggests that strategies such as denial and shifting the blame are popular strategies for organizations in crisis. However, more research should concentrate on determining communication strategies associated with effective crisis responses.

Stakeholder relations can be characterized in terms of pre–crisis relationships and the narrowness of broadness of the response focus (Freeman, 1984; Freeman & Gilbert, 1987). The cases of Malden Mills and Schwan's illustrate the importance of establishing strong stakeholder relations during pre–crisis conditions. In the aftermath of a crisis, the stakeholder strategy refers to the type of approach the organization takes to managing the competing interests of its stakeholders. Possible approaches include the

narrow stakeholder strategy, the stockholder strategy, the utilitarian strategy, the Rawlsian strategy, and the social harmony strategy (Freeman, 1984; Freeman & Gilbert, 1987).

Table 10

Organizational Crisis Variables

Variable	Maiden Mills	Schwan's	General Motors
Media	Positive Coverage	Positive Coverage	Media Attack
Cause	Accident	Supplier Malfeasance	Media Attack
Leadership	Single Spokesperson Emphasis on character	Less focus on spokesperson more on responsibility to Customers	Single Spokesperson Emphasis on Rationality
Values	Community and Employees	Customer relations	Information
Outcome/ Resolution Time	Positive/ One Year	Positive/ Four Months	Positive/ Four Months
Communication Strategies	Ingratiation, Role Model, Social Responsibility	Compensation, Rectification	Counter-attack
Stakeholder Relationships/ Stakeholder Strategy	Strong Pre-crisis (more narrow)/ Rawlsian Strategy	Strong Pre-crisis (more narrow)/ Rawlsian Strategy	Stockholder focus (more narrow)/ Stockholder

Research on crisis communication should examine these variables in two ways. First, these variables should be examined in other cases to determine how they relate to other post-crisis responses. Second, other comparative analysis could be conducted using these variables to further examine the relationship between these variables and successful as well as unsuccessful

crisis responses.

An initial examination of the variables presented in table 10 illustrates some potential relationships. For example, values are related to leadership in that values impact leadership styles. Values are also related to the communication strategies and the stakeholder strategies that they may employ in the aftermath of a crisis. The media can be associated with the cause of the crisis as was in the case of Dateline NBC vs. General Motors. The media can also be related to the resolution of a crisis. As discussed earlier, the media can greatly intensify a crisis. The cause is related to the outcome/resolution time. If the cause is related to organizational malfeasance the outcome may be negative and the resolution time can take longer. The cause can also be associated with the communication strategies. For example, different crisis types may require different communication strategies. The research on Malden Mills, Schwan's and General Motors also suggests that values, communication strategies and stakeholder relationships/stakeholder strategy are related to the outcome of the crisis and the resolution time. Organizations that take rigorous ethical positions to crisis appear to be able to minimize the extent of the crisis. Research should further investigate the relationships among these variables.

Clearly, these variables represent a tentative grouping of factors related to crisis management. However, they do provide some focal points

from which to examine responses to organizational crisis. Future research should seek to test the efficacy of these variables and determine the need for expanding these initial nominations.

Limitations For This Study

As with all research, there are limitations to the present study. Three limitations are important to understanding these results, their veracity and generalizability and the use of theory and perspectives in this research. First, there are inherent limitations typically associated with case study research. A common critique of case research is its emphasis on very small samples that limit the ability of this research to contribute to a larger body of theory. Because the sample is so small, critics argue, it does not serve as the basis for widely generalizable principles and theoretical relationships. However, it is important to note that due to the close attention and thick description of case studies that it can be argued that these studies are useful for theory building when compared with similar cases. Although the research conducted in this dissertation does contribute to theory, an inherent limitation is the concentration on crisis successes. Since the sample concerns successes, it is reasonable to assume that the threat and contextual factors associated with these events contain subtle differences. Hence, it was difficult to precisely compare the responses from the three crisis successes examined in this study to the crisis failure literature.

Nevertheless, this dissertation examined a large proportion of all recent crisis successes widely reported in the media. The similarity in their responses provides useful data for identifying relationships between effective and responsible communication. The discussion of research results illustrate some potential factors that account for crisis successes or failures. For example, value decisions and may play a role in determining the effectiveness of a crisis response. Furthermore, an organization's retained responses or attractors may impact an organization's ability to respond to a crisis. Hence, the relationships described are clearly applicable to larger theoretical questions of effectiveness in the crisis communication literature.

A second limitation associated with this research involves fact checking and cross-referencing of evidence. This study did not employ any particular triangulated methodology to ensure that each fact or media report could be independently verified by another source. However, for each piece of information, the researcher did try to corroborate facts with other reports. In some cases, due to a lack of or access to information, some evidence could not be cross checked in this manner. Hence, the information used as evidence should be viewed as consistent with the information provided by the sources.

Finally, it is important to note that the perspectives used during the analysis are only one set of frameworks that are available to analyze the

cases. Other frameworks may provide different insight and highlight different issues related to these cases. The theories that were used to guide the analyses were determined as useful by the researcher's close examination of the context of the crisis as well as the extant crisis and ethics literature. Other examinations of these cases may uncover or highlight different aspects of these cases.

Conclusion

Some research suggests that crisis is inevitable due to the increase in technology and sophistication of today's organizations (Perrow, 1984). While it may not be possible to significantly reduce the size and number of organizational crisis, it certainly is possible to create more humane, responsible, and stakeholder centered responses. As crises become more common events, it appears that value based responses may have a greater capacity to mitigate harm in the wake of these events. Future research could benefit from interviews with a variety of stakeholders in the aftermath of a crisis to further identify concerns and issues these groups have during crisis. This research has the potential to draw relationships between value decisions and crisis management.

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ABSTRACT

ETHICAL RESPONSES TO ORGANIZATIONAL CRISIS: LESSONS FROM
THREE SUCCESSFUL CASES

by

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Advisor: Dr. Matthew W. Seeger

Major: Communication (Organizational Communication)

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Present research lacks adequate examples of successful and ethical

approaches to organizational crisis management. Much of this research

determines the effectiveness of organization's post-crisis responses by

examining obvious failures. This dissertation takes an alternative approach

by examining ethical post-crisis communication through obvious successes.

This study examined ethical responses by applying stakeholder concepts and

ethical perspectives to the corporate discourse of Malden Mills, after a plant

explosion, Schwan's Sales Enterprises, after a salmonella outbreak, and

General Motors, in response to accusations by Dateline NBC about the safety

of GM C/K trucks.

The study suggests that ethical responses to organizational crises can

help organizations achieve effective responses. First, when an organization

takes initial responsibility for a crisis they can meet the difficult objective of

responding quickly and accurately to a crisis. Second, the organization can

use established values as a repertoire of response to respond to crisis. Third,

this research contends that if organizations establish strong relationships with

stakeholders before a crisis they can establish strong networks of support

that can help an organization recover from a crisis.

AUTOBIOGRAPHICAL STATEMENT

Robert Ulmer received his B.A. in Sociology from the University of Saskatchewan. He earned his M.A. in Speech Communication from North Dakota State University. Throughout his graduate work, Mr. Ulmer taught classes in organizational communication, communication theory, interpersonal communication and public speaking. In 1997, he was awarded the Youngjohn Teaching Award by the Department of Communication at Wayne State University.

His research focused on how organizations respond to organizational crisis. This line of inquiry resulted in several panel presentations at national, regional and state conferences. This program of research has also resulted in co-authored publications on crisis communication in <u>Communication Yearbook</u>, <u>Argumentation and Advocacy</u>, and the <u>North Dakota Journal of Speech and Theatre</u>. The last article was awarded the 1996 Central States Communication Association State Journal Manuscript Award. In addition, he is interested in organizational change, communication ethics, and communication pedagogy. In 1998, he was awarded the 1998 Research Award from the Department of Communication at Wayne State University.