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Preparing for the coming storm: Exploring interactions between corporate values and crisis management

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A R T I C L E I N F O	**A B S T R A C T**
	One of the most prevalent corporate trends of the last several years has been the rush for companies to identify their core purpose and core values as a means to differentiate and create a sustainable winning culture. Yet even with more emphasis on stated ethical philosophies, internal crises and scandals have continued to plague corporations. This pilot project uses in-depth interviews with senior public relations executives from large companies. The project examines how companies integrate corporate ethical philosophy into their crisis planning and response procedures and concludes that, while a well-entrenched core values program can serve as a powerful tool and a framework for crisis planning and decision-making, it should not be viewed as a panacea. Further, the research finds that poorly executed values programs are destabilizing to an organization and actually make crisis response more problematic.

"Our Corporate Values" or "Our Core Purpose" or "Our Ethics Policy." One need not spend much time as an employee in the halls of corporate America before being bombarded by his or her company's stated ethical standards. I have personally experienced this almost religious promotion of a corporate ethical platform during my time at a Fortune 100 pharmaceutical company and later as director of communications for a large energy company. At the former firm, the company leadership looked to Jim Collins, the author of the wildly-popular *Good to Great*, to help us define what Collins (2001) calls a "core ideology…which consists of

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core values and a core purpose or reason for being beyond just making money" (p. 194). For the next two years, hundreds of hours were spent communicating this important new philosophy within the company.

It is interesting that Collins' book and renewed emphasis on a corporate platform for ethical behavior coincided with a time of notable corporate scandals in America. Even the most prominent of American corporations (GM, Enron, Worldcom) were touched by some kind of internally-based crisis. Media scrutiny and new legislation aimed at heading off misdeeds by those in the executive suite were prominent features in the last decade.

Public relations professionals and their roles in corporations have been affected by these phenomena. Corporate communicators are often present in the executive suite and are often responsible for both preparing for a crisis and providing adequate response mechanisms. This research asks whether an established corporate values system might have benefits in crisis preparation and crisis reaction. If the purpose of a common set of corporate values is indeed to drive behavior, then it should follow that organizations that have such a device would be better prepared to act ethically before or after a crisis hits.

Much has been written about public relations and its value as a strategic management function. Argenti, Howell, and Beck (2005) try to provide a good working definition of the public relations practitioner's role in strategic management by defining strategic communications as "communication aligned with the company's overall strategy, [sic] to enhance its strategic positioning" (p. 83). The relatively recent proliferation of communications technology tools has provided practitioners with "renewed authority and influence… by integrating these tools into all business strategies, [sic] and applying them across every business function" (Argenti & Barnes, 2009, p. 61). James Grunig's (2001) two-way symmetrical communications theory provides a compelling case that to achieve public relations excellence it should be practiced in a two-way symmetrical fashion and should be part of an organization's strategic management process. David Dozier and James and Larissa Grunig's (2000) IABC Research Foundation Excellence project found that in the 323 organizations studied, "involvement of public relations in strategic management consistently was the best predictor of excellent public relations" (p. 303).

The goal of this pilot research is to explore the possible connection between an established corporate values system and a company's proficiency reacting to internally-based or externally-driven crises. Important consideration must be given to defining types of crises as well as defining what an established corporate values system looks like.

As public relations professionals strive to practice strategic communica-

tions and contribute at the senior management level, it would seem that, if a connection exists, they could use it to provide management teams with a strategic tool to become better crisis-prepared organizations.

Literature review

"Crisis-prepared" vs. "crisis-prone" organizations

The prevalence of corporate scandal and misdeed in the early part of the 2000s certainly provided scholars with an excellent learning laboratory in which to study corporate behavior in crisis preparation. Mitroff and Alpaslan (2003) used what they called new and unforeseen corporate threats as a reason to examine the readiness of organizations. Their Southern California Center for Crisis Management used on-site audits and periodic surveys to monitor the crisis readiness of *Fortune* 500 companies over a period of 20 years. In their *Harvard Business Review* article (2003), they made the relatively simple distinction between companies that are "crisis-prepared" (those companies who develop plans to handle a variety of multiple crises) and those that are "crisis-prone" (those companies who treat crisis with a more cavalier attitude and invest in readiness only when cost effective). Over the 20 years in their study, they found that only "between 5 and 25%" of *Fortune* 500's [sic] studied were crisis-prepared" (p. 110).

Interestingly, while the authors did not look extensively at ethical standards in their study, they found that "crisis-prepared companies believe no harm should come to even one person when a crisis erupts" (p. 110). Mitroff (2005) also found that companies with a high "emotional capacity" were better prepared to handle a crisis (p. 11).

Other authors have written extensively about the benefits of being prepared as an organization. Robert Heath suggests that "if a company is engaged in issues management before, during, and after a crisis it can mitigate – perhaps prevent the crisis from becoming an issue" (as cited by Fearn-Banks, 2001, p. 481). In her discussion of race and reputation, Gail Baker (2001) explains that crisis-prepared companies avert crises "through a combination of strategic planning and proactive behavior unfortunately, many organizations find themselves responding to crises rather than preventing them" (p. 513).

For the purposes of this research, attention should also be given to the specific typology assigned to organizational crises. Mitroff and Alpaslan (2003) studied corporate crisis phenomena in detail and explain that those who study crises correctly distinguish among three general forms of misfor-

tune. They explain that there are "natural accidents," which would include fires, hurricanes, earthquakes, and economic crisis; "normal accidents," which involve applied technologies that are so complex, they can be assumed to normally break down or malfunction; and "abnormal" crises – intentional incidents and criminal actions "which are the result of deliberate evil actions such as bombing, kidnappings, cyber attacks" (p. 10).

Corporate values development

Collins (2001) has devoted much of his life's work to defining what constitutes companies who moved from being merely "good" to being "great." He found that *all* of the companies who made that leap had a "guiding philosophy or a 'core ideology,' which consists of core values and a core purpose (a reason for being beyond just making money). "These resemble the principles of the Declaration of Independence always present as an inspiring standard and an answer to the question of why it is important that we exist" (Collins, 2001, p. 184). He goes on to list many of the most popular and frequently used core values statements, like "passion for customers," "respect for the individual," "commitment to quality," and "social responsibility."

Like Collins, Lencioni, another noted business writer and management consultant, described that core values often reflect the values of the company's founders. Both authors cited Hewlett-Packard's celebrated "HP Way" as an example. Lencioni (2002) reviewed Fortune 100 companies' core values statements and found that they could be divided into two major groups. The first group he termed "aspirational values" (those values that a company needs to succeed in the future but currently lacks). These could be driven by a new strategy or a deficient current skill. "Sense of urgency" was a commonly-stated aspirational value. The other group, termed "permission-to-play values," simply reflected the minimum behavioral and social standards required of any employee. Lencioni called a smaller subset of values "accidental" (p. 6), meaning they arose spontaneously from within the organization without being cultivated by leadership and took hold over a long period of time. In their survey of corporate values in place at companies, Wenstop and Myrmel (2006) found the top six core values stated by companies included "integrity," "honesty," "respect," "diversity," "openness," and "fairness" (p. 681).

In more recent academic study, Urde (2009) used case study methods to identify five insights into corporate values programs and found that "true core values are mindsets and part of the corporate culture," and that, while

many corporate values programs are "hollow" and provide poor ethical support, "core values support the promise the strength of the brand is determined by the promise made and the promises kept. Management must align the core values with the promises and vice versa" (p. 631).

When an organization develops its stated core values, it is an internal exercise to try to articulate its own specific beliefs. As such, it fits the theory of social construction. Boghossian (2001) says that, under social construction theory, "this thing could not have existed had we not built it had we been in a different kind of society, had different needs, values or interests, we might well have built a different kind of thing, or built this one differently" (p. 1).

Values and ethics as a tool for crisis-preparedness

The connection between ethical standards and how a company prepares for crises can be found in early studies of corporate crises. Lerbinger (1997) reported that 90% of MBA programs offered ethics courses. He identifies 1994 as the time in which ethics became a "growth industry" with more than $1 billion spent on "consultants, videos, training programs, interactive psycho-dramas, and other tools" (p. 297-298).

Like Collins, many scholars talk about a firm ethical foundation in relation to crisis situations. In Olaniran and Williams's (2001) discussion of an "anticipatory model of crisis management," these authors discuss several hallmarks of good preparedness, including things like empowerment of those near potential points of crisis as well as a solid issues management program to scan the environment for potential crises with a firm understanding of the organization's ethical philosophies and underpinnings.

Since the proliferation of corporate values programs, more recent research has looked at what Jaakson (2010) calls management by values (MBV). By looking at different models of values enactments, Jaakson cites Strickland and Vaughan's (2008) value types, including accountability and reciprocity, to "help an organization to protect itself from unethical behavior and prevent the expenditure of resources to investigate or mitigate the consequences and maximize acceptance and trust both inside and outside the organization." (p. 802). Wenstop and Myrmel (2006) also looked at various values typologies to determine which are best for an MBV orientation. They concluded that "created values" were instrumental in decision-making and described them as "the values that stakeholders, including shareholders, expect in return for their contributions to the firm." (p. 673)

Others have built on Mitroff's research to further define organizational crises and also help to establish a clear delineation between problems that occur through no fault of an organization versus those that are clearly perpetrated from within the organization itself and involve internal personnel. Peter Snyder and his research team (2006), in proposing their concept of "ethical rationality" for crisis management, define an organizational crisis as "an extraordinary condition that is disruptive and damaging to the existing operational state of an organization. An organizational crisis, if ignored or mismanaged, will threaten competitiveness and sustainability of the affected entity" (p. 372).

Many authors agree that to adequately analyze crisis preparation and response, crises must be properly defined and categorized. Snyder and his colleagues (2006) saw the value of Mitroff's three general forms of misfortune analysis and suggested a more detailed typology to help draw the link to ethical philosophy:

> Building on their [Mitroff et al.] work, we advance a new typology of organizational crises to consider in an ethical context. Our crises classification groups all events affecting organizations in terms of the relationship of the crisis to the organization. There are two dimensions to our crises typology. The first dimension is based on the organizational distance to the crisis' original center of gravity (internal/external). The second dimension refers to a frequency factor (normal/abnormal)." (p. 373)

The "internal-abnormal" crisis

For the purposes of this research, I am acutely interested in what Snyder et al. (2006) call "internal-abnormal" crises. They describe these crises as rare and unpredictable events originating from within the organization and cite examples like criminal crises, including all types of corporate scandal, misappropriation, etc., as well as information theft and other kinds of tampering. By studying internal-abnormal crises, we can explore the concept of core values to see what connections might exist. This analysis could perhaps then be valuable to public relations practitioners who are responsible for strategically preparing and responding to crises within their organizations.

Perhaps one of the most examined corporate scandals in the first few years of the 21st century has been the rampant misdeeds uncovered at Enron, the energy company that went from the seventh largest U.S. firm to complete financial ruin in little more than a year. Enron was a classic example of the

"abnormal-internal" crisis, as one senior executive after the other was indicted and convicted of fraud and other offenses. The book and subsequent movie, *Enron: The Smartest Guys in the Room* (Gibney, 2005), is a tour into the downward spiral of an internal-abnormal crisis. Most scholars who have studied the Enron case point toward the lack of any sustainable moral and ethical foundation (even though Enron listed corporate values including "Integrity" in its 2000 Annual Report). University of Akron management professor Roger Mayer, who thoroughly reviewed the Enron case, cited a complete lack of internal systems to support those values:

> "It falls back on the internal systems – reward systems, discipline systems, indoctrination systems – that a company is built on," Mayer said. "Managers need to show that there is a no-nonsense attitude toward violating these systems, and I haven't heard any such indications that that type of thing was going on at Enron." (as cited in Zawicki, 2002, p. 12)

Ethical rationality and crisis reaction

The implementation phase undertaken by a good crisis-prepared company is, of course, the actual reaction to the crisis after it has hit. Snyder's team (2006) examined this issue of crisis reaction and found that the way a company reacts to a crisis "challenges the explicitness of a firm's ethical beliefs" and that the strain of a crisis allows a company's true colors to be exhibited. Indeed, these authors proposed that "observing organizational reaction to a crisis provides a lens through which to view an organization's ethical identity" (p. 371).

The Snyder team (2006) proposed the concept of "ethical rationality" as a prism through which to view crisis reaction:

> Ethical rationality refers to a rational and morally driven response to events. By amalgamating the concept of ethical rationality with conventional strategic orientation, this approach to decision-making becomes a sustainable and ethically attractive method for addressing crises and providing ethical outcomes for stakeholders. (p. 373)

The ethically rational firm knows its stakeholders and their values well and is always scanning its environment, analyzing information, and taking a long-term planning perspective. The Snyder team (2006) believed that the ability of decision-makers to make an ethical decision at crisis time depends

on the extent to which ethics is already integrated within the organization. They cite several examples and contrast Ford's use of a cost-benefit analysis to justify not removing flawed Pintos from the road with Johnson & Johnson's appropriate and ethically rational move to spend $100 million to remove Tylenol capsules from the shelves after its poisoning crisis in the 1980s.

The Snyder team (2006) looked at different types of crises to determine which would be most helpful in responding using ethical rationality. Some types of crisis, like the external-normal, are handled well employing this technique. Interestingly, Snyder's group found that ethical rationality can be of some help in an internal-abnormal crisis (like in the Enron case), because it can identify some antecedents of this type of crisis before it hits, but the hidden nature and slow brew of internal-abnormal crises make this difficult for even the most ethically rational organization.

Showing a moral and ethical face in the aftermath of a crisis has been credited with helping salvage a company's reputation. In his research on corporate brands and core values, Mats Urde (2009) explained that core values become a basis for meeting stakeholder expectations in both good times and bad: "Every time the customers' expectations are met, the track record of a core value is reinforced and grows stronger. The same is true when the organization and its management stand up to the core values, especially in difficult times" (p. 631).

The bandwagon effect and the debasement of values

Clearly, there is a vast difference among companies in terms of the levels to which corporate values are ingrained and used as a moral imperative for strategic initiatives like crisis communications. Only a few minutes of the Enron documentary (Gibney, 2005) had elapsed before former Chairman Ken Lay was shown in a late-90s interview carefully listing the company's values and stating Enron's commitment to high integrity in its dealings with customers and the public.

As mentioned previously, Lencioni (2002) watched the booming values fad and decided to study the issue for *Harvard Business Review* to find if most companies "walked the talk" when it came to their values culture. His research seemed to find the opposite was true:

> …what I've seen isn't pretty. Most values statements are bland, toothless, or just plain dishonest. And far from being harmless, as some execu-

tives assume, they're often highly destructive. Empty values statements create cynical and dispirited employees, alienate customers, and undermine managerial credibility… The debasement of values is a shame, not only because the resulting cynicism poisons the cultural well but also because it wastes a great opportunity. Values can set a company apart from the competition by clarifying its identity and serving as a rallying point for employees. (p. 5-6)

Lencioni (2002) found that the companies that got full benefit from a values system exhibited "real guts" by making tough choices about what the organization stood for and then standing by those choices no matter what. Those companies resisted the temptation to jump on the bandwagon and go with the standard "cookie cutter" values statements, like integrity, teamwork, etc., which he says "don't set a company apart from competitors; they make it fade into the crowd" (Lencioni, 2002, p. 6).

In his in-depth case studies of large company values, including those of IBM, IKEA and Volvo, Urde (2009) also found that values must be "rooted in the organization" so that "true brand core values then becomes a solid foundation and stand for continuity in the process of managing and building corporate brands. Conversely, 'hollow' values become quite the opposite" (p. 616).

Lencioni (2002) did find companies who walked the talk. He describes how Intel brings its "risk taking" value to life by requiring employees to engage in "constructive confrontation." During orientation, new employees are taught the art of verbal jousting without holding onto hard feelings. He describes a West Coast construction company who took the leap with its "innovation" value statement when it purchased one of its vendors, a consulting firm that wired construction firms with high-bandwidth technology. Those companies where values systems work well were about "imposing a set of fundamental, strategically sound beliefs on a broad group of people" (p. 7).

Research problem and research questions

While much has been written about crisis communications and core values independently, little is available for public relations practitioners in terms of how an established values system might be useful as a practical communication strategy in developing crisis plans or composing crisis responses.

If practitioners could advise their management teams on how a values

system might inform and assist in crisis preparation and response, couldn't they increase their relevance and importance at the management table? To arrive at that point, however, further study needs to be undertaken to find support for a connection between a corporate values system and effective preparation and response.

The following research questions were developed from a close review of the literature and its gaps and suggest a new direction for research in this area.

RQ1: Do organizations take care to properly define different types of crises?

It will be important to determine if, in fact, most companies do assign categories to potential crises within the normal course of crisis planning. To what degree do they distinguish between normal and abnormal or internal and external crises when they draft their plans? This is important because if no real effort is made to distinguish between types of crisis while in the planning mode, it will be difficult to view a connection between crisis and corporate values. Using Snyder et al.'s (2006) typology, we are interested in identifying those crises that are "abnormal-internal" in nature to see what, if any, impact the company's ethical ideology had on preparation or response.

RQ2: What are the drivers and what is the process for development of most organizations' values statements?

It will be important to establish whether organizations formed their corporate values based on a real moral imperative or if they were responding to what Lencioni (2002) called a rampant values fad kicked-started by Collins and other business writers of the past few years. Lencioni describes "managers stampeding to offsite meetings in order to conjure up some core values of their own" (p. 6).

RQ3: To what degree do companies involve corporate ethical philosophy in their crisis planning and response procedures?

In other words: Do companies establish a moral imperative when planning or responding?

Lerbinger (1997), in his book *The Crisis Manager, Facing Risk and Responsibility*, suggests that executives who apply a moral code understand that "all economic transactions embody moral relationships:"

At a minimum, a manager must ask the basic moral question: Is anybody likely to get hurt from this transaction? More fully, he or she should ask: How can the needs of the customers, employees and others in a transaction also be met? The challenge is to incorporate an ethical perspective into everyday business decisions and actions, which is done when members of an organization internalize ethical principles and they become part of the corporate culture. As stated by Chester Barnard in his classic, *Functions of an Executive*, an executive must hold a personal moral code and be able to create a moral code for others (p. 293-294).

Lerbinger (1997) goes on to offer classifications of executives into immoral, amoral, and moral managers. He said that most managers fall into the middle "amoral" category. These leaders feel that different rules apply for business than for other spheres or are too casual and careless with their activities. Their only ethical constraint is the law, and everything else is "free rein" (Lerbinger, 1997, p. 294).

For the purposes of this research, it will be important to try to establish if companies take a moral, immoral or amoral orientation when planning/responding to crises. If they have a values system in place, are those values "baked in" to the planning process, or are they played-down or even ignored altogether so that the company is essentially in an "amoral approach" mode?

Methodology

This pilot study will use a focused research approach with the primary method being in-depth interviews. Kirszner and Mandell (2003) describe focused research as "looking for the specific information – facts, examples, statistics, definitions, quotations – you need to support your points" (p. 123).

The project includes nine in-depth interview subjects as sources. The subjects were senior public relations executives and answered questions designed around the research questions articulated above.

Baxter and Babbie (2004) describe a qualitative interview as "essentially a conversation in which the interviewer establishes a general direction for the conversation and pursues specific topics raised by the respondent" (p. 325). These authors explain that qualitative interviews are especially useful for researchers who desire to gain an understanding on how their subjects view certain issues or have experienced various phenomena (therefore making in-depth interviewing a form of phenomenological research). They caution,

however, that the researcher should be careful to "resist his or her own subjectivity" so as not to bias the interview (p. 326).

To gain as wide a perspective as possible, nine current or former senior executives at a variety of major national and international companies participated in in-depth interviews. Senior executives ("Director" level or above) were chosen to ensure that involvement in setting company policy was at a high level.

The subject companies represented a mix of disciplines, and all but one were publicly-traded. Included in the sample were two national telecommunications companies, each with revenues in excess of $6 billion; an international pharmaceutical company with operations in more than 100 countries and revenues of $30 billion; one of the largest motion picture theater operators in the United States; one of the world's most prominent international architectural/engineering firms (privately-held); a large hospital management company based in the Midwest; one of the world's largest reinsurance companies; a U.S. government defense contractor; and a multi-national food conglomerate. The research specifically focused on extremely large companies so that themes and conclusions drawn from the literature (which also looked primarily at large companies) could be explored appropriately. Each interview lasted approximately 45 minutes and took place in person or via telephone. Institutional Review Board approval was obtained from the University of Kansas, Human Subjects Committee Lawrence.

Results

Defining crisis

RQ 1: Do most organizations take care to properly define different types of crises?

In the in-depth interviews, all of the executives surveyed described various processes by which their companies looked at internal and external crisis scenarios and based much of their planning on those specific hypothetical situations. The largest organizations seemed to have more robust and well-defined crisis identification systems. One executive said her company developed a hierarchical system as a means to define types of crises, where a "Level

1" situation would indicate a relatively manageable and confined crisis, while a "Level 4" would be analogous to Snyder et al.'s (2006) "internal-abnormal" and be characterized by executive misbehavior or other misconduct. The vice president of communications for one of the global companies interviewed described an elaborate process by which "we did a sweep of every potential type of crisis we could find ourselves in, and then we asked, 'What is the probability of this happening, what is the potential impact, and what kind of early warning systems might be available' – so it was very much a priority analysis."

The differences between companies definitely seemed to point to a customized approach to crisis definition. The communications director at a large engineering/architectural firm described a great deal of attention paid to potential internal-abnormal crises, like the theft of valuable intellectual property (plans, drawings, etc.).

Other interviewees pointed out that, since their companies were regulated by federal or state authorities, defining potential crises was a mandatory exercise due to regulatory oversight pressures. The mission of one company (large hospitals in inner-city environments) dictated that it spends most of its crisis preparation energy focused on external "disaster-type" crises to the point where "internal crisis preparation isn't given the same weight." The PR director at the national security contractor pointed toward safety and security being by far her company's overriding "value behavior." The former vice president of a global reinsurance company said his firm's cultural orientation dictated a prepared approach: "There was definitely segmentation of crisis type based on client impact and degree. I was on most of our crisis prep teams and we were pretty darned prepared. Some of it came from the... mentality of being very buttoned-up. They were definitely engaged around business continuity, demonstrating effectiveness and conducting frequent drills."

Core values development

RQ2: What were the drivers and what was the process for development of most organizations' values statements?

The subjects discussed whether their companies' values systems were based on a true desire to identify a set of sacrosanct ethical beliefs or instead were developed in response to the values fad suggested by Lencioni (2002) and others.

All of the interview subjects described definite corporate ethical policies and a defined set of core values in place at their organizations. Value attributes included the traditional ("honesty," "integrity," "fairness," "respect") as well as some that seemed less common like, "feisty" and "straightforward." One telecommunications PR vice president said, "It's not as if we have a lot of tactics that spring from our values. Here, the values are really about setting an environment for how people should think about situations so that values become a tool to change behavior. I've been at places where I don't think most people viewed it that way." Another long-time PR vice president agreed with the concept of values driving decisions but cautioned that "values must be shared between leadership and the employees. If people can't relate to the values and see them in action, then they have no purpose, and in fact they are harmful. We followed the teachings of Jim Collins and his concept of intrinsic values never changing, even as your strategy does change."

The executives described varying drivers in terms of the motivation for their organizations to develop and emphasize values systems. Some pointed to increased scrutiny and regulation (and even legislation in the case of Sarbanes-Oxley) that was essentially forcing companies to pay more attention to their stated ethical philosophy. Another subject said that while his company had always had a stated ethical policy, they only developed formal values statements two or three years before, because "we saw other companies doing it, and our executives locked themselves in a room to try to find out what we stood for."

All of the interviewees agreed on the need for an organization to constantly reinforce its stated values. However, the discussions yielded little in the way of innovative ways to provide reinforcement. The traditional methods of announcing the firm's core values at employee orientation sessions or providing all employees with a desk display or pocket card were listed by nearly all of the subjects. One interviewee acknowledged the difficulty in truly reinforcing values: "The values become enduring when they're not just spoken but also felt when they become a part of the culture. My best example from a former company is that visitors from the outside, like vendors or consultants, would always comment on how pleasant everyone was and how easy they were to do business with. When you get that feedback from the outside, you know it's working." Other interviewees deferred to tactical steps, like making sure all employees took online training courses in ethical misconduct as a way to ensure that values were reinforced. All agreed that a strong leader at the top who reinforced the organization's mission and values helps to set the tone and results in a more unified workforce in terms of adhering to the company's

ethical philosophy.

Values and ethics in time of crisis

RQ3: To what degree do companies involve corporate ethical philosophy in their crisis planning and response procedures?

As with previous questions, the companies surveyed had different responses as to the degree of connection between crises management and ethical philosophy. However, all agreed that core values should be the underpinnings on which many types of crisis response decisions are made. One subject indicated that her company was recently reviewing crisis plans and said that she noticed that values-based decisions were given high importance, while "at my old company, the crisis plan and values or ethical discussions were two very separate activities."

Several of the interview subjects identified more closely with the reaction phase of crisis management rather than with the preparation phase when discussing the role played by core values. They described employees and other stakeholders watching reactions carefully to determine if, in fact, the company was walking the talk. One of the subjects said, "I think you see the values coming into play more in how you react to crisis… how you execute the plan in terms of how you treat people relative to the given situation. For example, if you're putting together a pandemic flu plan, do you pay people for working from home (without asking them to use short-term disability)? The answers to those questions are much easier if you're making decisions based on a core values orientation." Many of the executives cited examples from either their own personal experience or from recent history to illustrate values-based crisis management. Two of the subjects mentioned the classic Johnson & Johnson Tylenol crisis from the 1980's as an example of a company that relied heavily on its core values in making its decision to pull product from store shelves in order to guarantee public safety.

The PR and marketing director for a global food conglomerate noted that his company has fully embraced the "management by values" concept: "A couple of years ago, we developed six core values, and those have actually become the basis for everything we do. Our 'commitment to animal care' value guides how we treat animals and is the basis for our zero tolerance policy for mistreatment of animals. "Commitment to community" plays well in the small towns where we do business through our giving program, scholarships to students in those communities and that type of thing."

With regard to crisis communications, this subject said that his company's commitment to values based management has helped serve as an excellent starting point in crisis response. For instance, stakeholder complaints about animal treatment begin with the company's value statement on that subject: "It's about transparency before the fact. We want to be transparent about where we stand long before the crisis happens so that we have that believability and ability to point back to our values. It gives you a place to start with your response."

The defense contractor subject said that, while she saw the value in decision-making by values, "our plan doesn't directly refer to our values behaviors. They are separate processes."

Interestingly, two of the subjects noted that the increased scrutiny due to notable corporate scandals has had significant impact on companies and crisis management. They claimed that the environment in the wake of the rash of scandals has essentially forced companies to be more values-based in their crisis management (and overall operations). Rather than ethics as a long-time foundation for behavior, they described their companies as almost being forced or mandated to manage crisis from an ethical orientation.

Limitations and future direction

Because this is pilot research, results cannot be generalized. This qualitative project has limitations, including the subjectivity of primary source interview subjects based on their relative position, tenure/experience, industry, etc. Kirszner and Mandell (2003) say that primary sources are "essential" and the authors caution that secondary sources run the risk of a researcher's "inadvertent misinterpretations or distortions" (p. 124).

The convergence of ethics and crisis communications management seems to be ripe for further study. For example, moving beyond this pilot research, we could now examine prior crisis cases to see whether the affected companies had a values system and to what degree that system was overlaid and implemented in preparation and response. Through content analysis of messages, public statements, and social media conversations, we can examine whether the core values were simply "words on a page" or if management and rank-and-file employees walked the talk when the going got tough. Notable crises from a given year could be studied and viewed from the overlay perspective.

Further secondary research might also examine crisis communications plan documents to see how well core values are included (explicitly, implied,

etc.). However, this project provides a first step in evaluating the importance of internal values and ethics as a component of crisis management.

Discussion and conclusion

Based on this research project, it is impossible to conclude that simply because an organization has a well-established ethical policy or core values system, it will somehow become insulated from crisis. Bad things can and do happen to good organizations.

However, both the literature review and the qualitative interview research indicate that well-entrenched ethical programs do help companies and can more easily place them in Mitroff's crisis-prepared (rather than crisis-prone) category. Research found much agreement that a values-based foundation allows for a framework to make quicker, more targeted decisions. It does appear that more work is needed to have values integrated into the drafting of crisis communications plans, as most interview subjects identified more closely with the reaction phase of crisis communications rather than with the preparation phase.

Organizations whose values or ethical philosophies are poorly developed, communicated, and executed would seem even more vulnerable to poor crisis outcome. As mentioned in both the literature review and by the interview subjects, proactive ethical behavior is absolutely a necessary ingredient for companies to realize benefit of their core values program in times of crisis. The messages that are sent when an organization makes crisis decisions by disregarding its stated ethical philosophy, intentionally or unintentionally, can and do lead to destabilizing relationships with stakeholders.

Most of the current discussion about crisis management in public relations practice centers on tactical communications response (for example, the first three pages of a query for "crisis communications" using Google Scholar show that most research focuses on operational response or tactical response case studies). Practitioners spend most of their time managing the executional elements of how best to react to crisis (i.e. logistics, contact management, writing response messages, etc.). There is no doubt that these activities are important and vital, and that public relations has traditionally played a leadership role in managing these tasks. Still, task management is what Steyn (2003) called the operational level of management and not the strategic level to which most public relations professionals aspire.

But if public relations is to achieve the goal of becoming a strategic management function, practitioners must be more concerned with the strategic orientation of their organization on the front end, rather than just the com-

munications response on the back end. As practitioners find themselves increasingly at the management table, they are uniquely positioned to elevate the discussion around ethical policy and to promote beneficial concepts (like a solid core values program) to their organizational leadership.

Keeping the findings of this research in mind, there are a number of initiatives public relations professionals might consider implementing as normative practice, including:

Involvement with other functions in the development of the organization's ethical philosophy:

In today's corporation, it is possible that many different departments, including public relations, might be charged with creating ethical policy or designing/redesigning a core values program. Often times, these are activities directed by Human Resources, Legal, and/or Compliance departments. Public relations practitioners should express a desire for involvement to make certain that the values are reinforced and integrated.

Include formal mention of ethical philosophy or core values into the crisis plan document:

Public relations often has a major role in the drafting or revising of the formal crisis management plan within an organization. With that involvement can come the opportunity to ensure that the organization's crisis plan has a formal section on company values or ethical orientation. Formalizing this language in the written plan can help set the tone early and reinforce the role that ethics will play in crisis management from the beginning.

Build hypothetical crisis scenarios addressing internal-abnormal crises:

As an opportunity to test an organization's ability to use core values or ethical philosophy as a tool, it would be wise to make sure that internal-abnormal crises are addressed in any hypothetical "tabletop" exercises that are built into the crisis plan. The in-depth interviews conducted for this project, along with informal research, has shown that many plans have hypothetical scenarios to address typical external crises, like natural disasters. Less common, however, is the exercise to test organizational response when the crisis has originated from within.

Look for opportunities to reinforce core values in the organizational and informal communications processes within the organization:

As organizational communicators, public relations practitioners are uniquely positioned to help management design ways to adequately communicate values and help design the training programs to properly reinforce and integrate the values into the organizational culture.

By keeping these action steps in mind, public relations professionals can be better counselors and contributors to their organizations and companies can be better-armed to withstand misfortune and improve their chances of emerging from a crisis with their reputation intact and business continuity maintained.

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Appendix

Research question	Interview questions	Responses and findings
1) Do organizations take care to properly define different types of crises?	**1) What is your personal role in crisis communications planning at your company?** **2) Does your company assign categories to the types of crises you plan for?**	Largest organizations seemed to have most robust systems for crisis identification/classification. Organizations tended to prioritize based on probability of occurrence derived through environmental scanning. Business sector of company often determined potential crisis categories (i.e., internal actions such as intellectual property theft as an emphasis in certain service firms vs. external crisis as an emphasis for public service sectors like healthcare facilities). Increased regulation (post-Enron) has forced more crisis preparation. Global cultural orientations to risk management can play a role in global companies with regard to the rigor behind their crisis preparation.

Research question	Interview questions	Responses and findings
2) What are the drivers and what is the process for development of most organizations' values statements?	**1) Does your company have a published set of corporate values?** **2) If so, what are they?** **3) What drove the organization to adopt values?** **4) Were you involved in developing these value statements? How?**	All interviewed organizations had active values systems in place. Common values statements proliferated, though some had values statements that were not identified in literature review and were more unique. Interview subjects agreed that values statements must be shared and widely accepted to be effective. There was a definite sense that values must be reinforced over time. No dominant reason seemed to emerge for why companies chose to implement values system. All subjects cited need for strong leadership support of values system. Ethics training was viewed as helpful for reinforcement.

Research question	Interview questions	Responses and findings
3) To what degree do companies involve corporate ethical philosophy in their crisis planning and response procedures?	**1) Describe how your company values are integrated within the crisis communications process (planning and response).** **2) Can you cite examples of this integration between values and crisis communications?**	All subjects agreed broadly that values can be a valuable underpinning to crisis preparation and response. All subjects identified values integration as seeming to occur more in the reaction and response phase rather than the preparation phase of crisis planning. Subjects were able to cite specific company values as having an impact on crisis reaction (such as pandemic flu or treatment of animals in food processing). The concept of management by values was referenced as a guiding principle both in times of crisis and in everyday decision-making. More reference to a feeling of being forced or mandated to develop higher ethical standards based on regulatory pressure.