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An experimental investigation into the impact of crisis response strategies and relationship history on relationship quality and corporate credibility

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An Experimental Investigation into the Impact of Crisis Response Strategies and
Relationship History on Relationship Quality and Corporate Credibility

by

Camille Roberts

A thesis submitted in partial fulfillment
of the requirements for the degree of
Master of Arts
School of Mass Communications
College of Arts and Sciences
University of South Florida

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relationship, situational crisis communication theory

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Dedication

This thesis is dedicated to my husband, Dean, whose enduring patience, untiring support and confidence in my ability made it possible for me to complete this journey.

This is also dedicated to my daughter, Alyssa. You are my reminder that with God, anything is possible.

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An Experimental Investigation into the Impact of Crisis Response Strategies and Relationship History on Relationship Quality and Corporate Credibility

Camille Roberts

ABSTRACT

This study investigates the influence of different crisis response strategies and relationship history on corporate credibility and the dimensions of the organizational-public relationship. The relationship dimensions examined were trust, commitment, satisfaction and control mutuality. An experiment was conducted among undergraduate students drawn from an introductory mass communication class. Results indicate that when an organization's relationship history with its publics is positive, the public is more likely to view the post-crisis relationship quality and organizational credibility as positive than negative. Additionally, more accommodative crisis response strategies have a greater impact on relationship quality than less accommodative strategies. Crisis response strategy does not have an effect on corporate credibility. The results emphasize the importance of relationship building before crises and of assessing previous relationship history when matching response strategies to crises.

Chapter One

Introduction

The interaction between an organization and its publics is a prominent topic in the public relations discipline. In recent years, there has been a surge in emphasizing the maintenance of such interaction through relationship building and the repair of these relationships through crisis management. However, few studies have blended those themes to adopt a relational approach to crisis communication. The merger of relationship management and crisis management is a logical one because crises affect the relationship between the organization and its publics.

Extant research has addressed the organization-public relationship by investigating its dimensions (Ledingham & Bruning, 1998); its fusion with symbolic approaches (Coombs & Holladay, 2001); its antecedents and outcomes (Grunig, J. & Huang, 2000); perceptions of satisfaction (Bruning & Ledingham, 2000) and its relevance to crisis management (Coombs, 2000). Despite this, there is a great deal more to be uncovered regarding organization-public relationships in crisis situations.

Background

Many scholars advocate for a relational approach to public relations (L.A. Grunig, J.E. Grunig, & Ehling, 1992; Broom, Casey & Ritchey, 1997; J.E. Grunig & Huang, 2000); however, it is only within the last ten years that relationships between organizations and publics have been directly investigated. For a long time, the field of public relations lacked an operational definition of 'relationship' which hindered progress in the studies that were undertaken. Without a working definition of the term "researchers cannot derive valid and reliable measures useful for positing and testing public relations theory" nor can they "describe and compare organization-public relationships with any validity or reliability" (Broom, Casey & Ritchey, 1997, p. 86). For this study, Broom, Casey and Ritchey's (1997) concept of a relationship as a pattern of linkages between entities seeking to service their interdependent needs will be used.

As a relatively new profession, public relations is still being challenged as a valid dimension of business strategy. In fact, the drive to validate public relations as a strategic management function has acted as a catalyst for the current relational perspective adopted by researchers and practitioners. Traditionally, communication was the center of public relations where "message creation, dissemination, and measurement was the primary focus of public relations research" (Bruning & Ledingham, 2000, p. 86). Public relations' identity has evolved from publicity and persuasion to issues/crisis management, activism, lobbying, and investor relations. Now more than ever, the focus is on building, maintaining, and repairing organization-stakeholder relationships. Moreover, results from

the Excellence study (Grunig, L.A., Grunig, J.E. & Ehling, 1992) have lent credence to the relational shift in public relations. Findings from that study support the symmetrical model of public relations (where two-way communication and organization-public relationships are emphasized) as the ideal.

Another trend that has emerged in public relations research is the emphasis on crisis communication and crisis management. The basis of this stream of research can be traced to the high value placed on protecting, maintaining and repairing organization-public relationships. Thus, the popularity of crisis communication research can partially be attributed to the relational approach that public relations has adopted. Crisis research has revealed factors which threaten organization-public relationships, types of crises, and response strategies employed to repair/renew affected relationships.

Many scholars have offered their own definitions of what constitutes a crisis (Seeger, Sellnow & Ulmer, 2003; Millar & Heath, 2004; Coombs, 2006). For this study, a crisis is defined as “a major occurrence with a potentially negative outcome affecting an organization, company, or industry, as well as its publics, products, services, or good name” (Fearn-Banks, 1996, p. 1). Historic cases such as Johnson & Johnson’s Tylenol crisis (1982), the Union-Carbide Bhopal chemical accident (1984) and the Exxon-Valdez oil spill (1989) triggered academic interest in understanding the nature and consequences of crises (Benoit & Lindsay 1987; Ice, 1991; Harrison & Prugh, 1989).

The study of crises holds practical and theoretical value because organizations can learn from the mistakes of others and scholars can explore the dynamics that shape crisis

situations and responses. Moreover, the perception of corporate credibility is an important part of assessing implications of crisis response strategies. Although corporate credibility has mainly been explored in marketing and advertising research, this concept is very relevant to public relations and the organization-public relationship.

Crises are increasingly becoming “common parts of the social, psychological, political, economic, and organizational landscape of modern life” (Seeger, Sellnow & Ulmer, 2003, p. 3). Indeed, recent incidents like the 9/11 terrorist attack, the Enron scandal (2001), and the recent financial crisis on Wall Street (2008) emphasize the need for both a deeper understanding of crises and the ability of organizations to effectively handle them when they occur. Crisis communication is an important aspect of crisis management. More research of crisis scenarios is needed to examine the antecedents and consequences faced by organizations when dealing with major unexpected situations. It is important to analyze such situations because crisis theories can be tested and factors affecting crisis situations and the effectiveness of organizational response can be revealed.

Purpose

There are many ways an organization can choose to respond to a crisis. The crisis response strategies employed by an organization have implications for both its credibility and its relationship with major stakeholders. If the aim of crisis response strategies is to restore image or repair relationships, then it is imperative that the dimensions of the organization-public relationship be examined. This study posits that more

accommodative strategies will have a greater impact on the quality of the relationship experienced by the public during a crisis. Specifically, this study investigates the impact of crisis response strategies on relationship quality and corporate credibility.

The purpose of this study is to determine the influence of different crisis response strategies and organizational relationship history on corporate credibility and the dimensions of the organization-public relationship. The objectives of the study are:

1. To determine how crisis response strategies affect corporate credibility and the stakeholder's relationship dimensions of trust, commitment, satisfaction, and control mutuality.
2. To determine how an organization's relationship history affects corporate credibility and the stakeholder's relationship dimensions of trust, commitment, satisfaction, and control mutuality.
3. To determine whether or not an organization's relationship history moderates the impact of its crisis response strategies during a crisis.

Theoretical Framework

Scholars have offered various approaches for investigating crises (Benoit 1997, Ware & Linkugel, 1973; Seeger, Sellnow & Ulmer, 1998). While these studies provided detailed response options available during crisis situations, they fell short in recommending exactly when a particular response should be used. This study is based on

Coombs' and Holladay's (2002) Situational Crisis Communication Theory which goes one step further than previous approaches by matching crisis response strategies to crisis types.

The Situational Crisis Communication Theory (SCCT) uses Attribution Theory to link crisis types to specific response strategies. Attribution theory assumes that people make their judgments of events based on the cause(s) of the event. SCCT evaluates attributes of crisis responsibility, organizational crisis history, prior relationship reputation and crisis type to match the crisis response strategy that would best fit in repairing the organization's reputation.

Importance of study

This study is significant because it extends the Situational Crisis Communication Theory by focusing on the impact of crisis response strategy on corporate credibility and relationship quality. The current SCCT model acknowledges that prior relationship can affect attribution of crisis responsibility and organizational reputation. However, it does not address the possible factors that affect the organization-public relationship after a specific crisis response strategy is employed. Whereas previous crisis research emphasized factors affecting crisis responsibility and reputation, this study looks at the effectiveness of response strategies in the context of organization-public relationship and corporate credibility.

Additionally, this study adds to the body of knowledge of the relational approach to public relations and crisis management. Applying a relational approach to crises can give the public relations practitioner a clearer understanding of attributions of responsibility and the effectiveness of the matched response in maintaining the organization-public relationship. More studies on relationships can help validate the contribution of public relations as a bona fide avenue in assisting an organization to achieve its goals. In fact, some scholars assert that “the value of public relations can be determined by measuring the quality of relationships with strategic publics” (Hon & Grunig, 1999, p. 11).

This study contributes to understanding of the effectiveness of crisis response strategies. The study has both theoretical and practical implications. It helps fill the gap of knowledge in applying organization-public relationship theory to crisis communication. It further guides practitioners in choosing a crisis response strategy that will not only match the crisis situation but that will support its credibility and protect/strengthen the dimensions of the organization-public relationship.

Outline of study

Chapter 2 will assess the pertinent literature related to public relations as relationship management and the dimensions of the organization-public relationship. Crisis communication and factors affecting crisis response strategies will be reviewed. This chapter will also discuss the notion of corporate credibility and its importance to the organization. Chapter 3 will describe the methodology chosen to conduct the research. It

will also outline the procedure used to collect and analyze the data. Chapter 4 presents the results found from this experiment, and Chapter 5 will analyze and discuss the findings from the previous chapter. Finally, Chapter 6 will present conclusions, review limitations and suggest implications and avenues for future research.

Chapter Two

Literature Review

This literature review discusses the relevant studies and findings related to this study. The first section will look at the relational approach to public relations, the organization-public relationship, its types and dimensions. The next section will discuss the notion of crisis communication, its foundation, types of crises and crisis response strategies. In the third section, the relatively new topic of corporate credibility will be addressed and its measurement will be discussed.

The relational approach to public relations

There were four important developments which acted as catalysts in bringing about the relational perspective in public relations research and practice (Ledingham, 2003). The first development was the recognition of the central role that relationships played in public relations. The basis of public relations shifted from communication to relationships. Public relations became less about information management and control, and more about reciprocity and mutual understanding. The second development was the emerging view that public relations was a management function. Historically, the role was viewed as a technical function. The adoption of managerial processes demanded that

practitioners become more accountable and be able to attach a ‘true’ value of public relations to the organization. New studies into the organization-public relationship and its connection to attitudes, perceptions, and behavior became the third development to further validate the relational approach as a framework for public relations. During that time, a scale was developed to test satisfaction, loyalty, and behavior in the organization-public relationship. The fourth development that propelled the relational approach to the forefront of public relations was the creation of models of the organization-public relationship that reviewed antecedents, processes, and consequences.

It is important to note that no agreed upon definition that fully expounds the term relationship exists in public relations. In fact, Broom, Casey, and Ritchey (1997) reviewed the concept of relationship in public relations and other fields (psychotherapy, interorganizational relationships, systems theory, interpersonal communication) and concluded that since the term held a diverse and sometimes unclear definition, researchers should measure it independent from the parties in the relationship and distinct from its consequences and antecedents. For the purpose of this investigation, a relationship is defined as a linkage consisting of exchanges, transactions and communications through which the parties involved seek and service their interdependent needs (Broom, Casey & Ritchey, 1997).

The emphasis on relationships in public relations propelled the development of a theory of relationship management. The theory of relationship management is “effectively managing organizational-public relationships around common interests and

shared goals, over time, results in mutual understanding and benefit for interacting organizations and publics” (Ledingham, 2003, p.190). The benefits of the theory were that “it specifies how to build toward symmetry...when to apply that approach [and] predicts outcomes and the conditions under which those outcomes occur” (p.192).

The relational perspective made communication functions the tools which built and maintained organization-public relationships. Although communication was important, it could not be depended upon alone to foster long-term relationships between organizations and their publics (Ledingham, 2003). Supportive organizational behavior which promoted benefit and mutual understanding was seen as the effective way to manage organization-public relationships. Ledingham’s (2003) research is significant because a definition of relationship management theory was created which could be applied as a general theory of public relations.

From this general theory perspective, the value of public relations lies in relationships. Effective organizations achieve their goals because they develop a relationship with their constituencies, choose goals that are valued by management and stakeholders and collaborate with stakeholders before making a final decision. Thus “the process of developing and maintain relationships with strategic publics is a crucial component of strategic management, issues management, and crisis management” (Hon & Grunig, 1999, p.8).

A good relationship between the public and the organization serves to cultivate beneficial factors and to prevent negative effects. A positive relationship can encourage

support among customers, shareholders, employees and legislators. On the other hand, a poor relationship can literally cost the organization through boycotts, litigation or legislation. A good relationship can be maintained by the following strategies: positivity, openness, access, networking, sharing tasks and assurances (Hon & Grunig, 1999). These strategies are relevant to crisis communication because they are often utilized in crisis situations to maintain/repair relationships.

An effective way to evaluate the long term relationship between an organization and its publics is to measure the outcomes of the relationship (Hon & Grunig, 1999). Hon and Grunig (1999) used the indicators of trust, control mutuality, commitment, satisfaction and exchange vs. communal relationships to develop a reliable measurement scale to assess relationships. Trust is defined as “one party’s level of confidence in and willingness to open oneself to the other party” (p. 19). The three dimensions of trust are competence, dependability and integrity. Control mutuality is “the degree to which parties agree on who has rightful power to influence one another” (p.19). Commitment indicates “the extent to which one party believes and feels that the relationship is worth spending energy to maintain and promote”, while satisfaction is “the extent to which one party feels favorably toward the other because positive expectations about the relationship are reinforced” (p. 20).

Those indicators were previously identified by Huang (2001) as dynamics of relationships. Hon and Grunig (1999) added the exchange vs. communal relationship to identify “the kinds of relationships that public relations programs attempt to achieve, in

comparison with the nature of relationship outcomes produced by other fields such as marketing” (p. 20). In exchange relationships, one party gives benefits to the other simply because they expect the favor to be returned or because benefits were received in the past. In communal relationships both parties have a mutual concern for each other and may provide benefits without necessarily expecting reciprocity. Exchange relationship is representative of the marketing relationship, whereas the communal relationship is representative of public relations. The importance of Hon and Grunig’s (1999) findings lies in the argument that the purest indicator of the effectiveness of public relations as a management function is the degree to which its publics perceives a communal relationship with the organization.

The organization-public relationship

The organization-public relationship is an important component of effective public relations. It is “the state which exists between an organization and its key publics in which the actions of either entity impact the economic, social, political and/or cultural well-being of the other entity” (Ledingham & Bruning, 1998, p. 62). A mixed method approach was used to identify the relationship dimensions which initiated, developed, and maintained a good organization-public relationship.

The dimensions impacting the organization-public relationship were identified by a focus group as: openness, trust and involvement (investment and commitment). A telephone survey was then conducted among members of a telephone company and findings indicated that in a competitive environment, public perception of relationship

dimensions influenced whether or not a person stayed with or left their organization. The value of this study is that it reiterates the strategic importance of public relations as relationship management where fostering positive relationships can encourage stakeholder loyalty.

Another instrument which used exploratory and confirmatory analyses to measure relationships was created by Kim (2001). He posited the necessity of such an instrument in aiding theory development in public relations. Aspects of interpersonal relationships, public relations, and relationship marketing were used as the basis for measuring the organization-publics relationship. As a result, a four-dimension scale with 16 questions was developed. The dimensions measured were trust, commitment, reputation and local/community involvement. Although the sample size was small (the first survey had 102 respondents; the second survey had 157 respondents), the findings are useful because an instrument was created that practitioners could use to further understand the organization-public relationship and that researchers could use to develop relationship theory.

One development which fostered research into organization-public relationships was the creation of a multi-dimensional scale (Bruning & Ledingham, 1999). The instrument measured how the perception of the organization-public relationship affected consumer attitudes, behavior, and predispositions. The dimensions tested were trust, involvement, openness, commitment, investment, mutual legitimacy, mutual

understanding and reciprocity. The last three dimensions were included because they influence the relationship perception between the organization and its main stakeholders.

The study found that there were three types of organization-public relationships. The relationship types were: professional, personal and community. Perception of the personal relationship dimension included questions about social responsibility, honesty and the organization's awareness and support of its publics' welfare and interests. The personal relationship dimension investigated trust, stakeholder convenience and understanding and investment in consumers. The community relationship dimension consisted of the organization's openness about its future plans, support of events that customers are interested in, and role played in the community.

Findings from Bruning and Ledingham (1999) indicate that the organization-public relationship is indeed multi-dimensional. The major implication of their study is that organizations need to manage the different dimensions of their relationship. In managing the professional relationship, organizations should maintain a business-like outlook when offering products/services. In building a personal relationship, organizations should focus on trust and meaningful interaction between themselves and the public. For development of community relationships, organizations should sponsor or support events that positively affect the community in which it operates (Bruning & Ledingham, 1999, p. 165). The multi-dimensional approach to organization-public relationships offers a more comprehensive assessment of the topic, yet reveals the complexity of the relationship concept.

A later study (Bruning & Ledingham, 2000) explored the interaction between publics' perception of relationship types and satisfaction with the organization. The survey results indicated that key publics' satisfaction with the organization was significantly influenced by their perception of their personal and professional relationship. Thus "perceptions of organization-public relationships influence symbolic and behavioral actions of key public members" (Bruning & Ledingham, 2000 p. 92). Consequently, these findings validate the relational approach to practicing public relations, which establishes a framework whereby practitioners could gain entry into the dominant coalition.

The value of Bruning and Ledingham's (2000) research is that it outlines a five-step process to successfully manage the organization-public relationship. The acronym SMART was created to describe the steps. The first step is to scan the environment to determine stakeholders' opinions, attitudes, and behaviors. The second step is to create a strategic plan/ map of relationship goals, strategies, and tactics. The third step, act, involves testing the effectiveness of the strategic plan and making necessary adjustments. The fourth step is to rollout or implement the strategic plan with the key stakeholders. The final step is to track the organization's efforts and activities in influencing the stakeholders' behaviors and perceptions.

A theoretical model of the organization-public relationship was developed by Grunig and Huang (2000). Their model outlined the antecedents, maintenance strategies and outcomes of relationships. Their research is significant not only because of the model

proposed but also because it extended the excellence theory to describe practical measures of the long-term relationship between the organization and its publics. Relationship antecedents are existing environmental factors that influence change in the organization-public relationship. The antecedents described in the model are: publics affecting the organization; the organization affecting the public; the organization affecting an organization-public coalition; an organization-public coalition affecting another organization; and multiple organizations affecting multiple publics.

Traditionally, relationship antecedents were based in exchange theory and resource dependency theory (Grunig & Huang, 2000). Exchange theory conceptualized a relationship as a voluntary transaction that stemmed from mutual interests. Resource dependency theory states that the need for resources drives organizations to form trade relationships with key stakeholders. The authors argue that those theories do not necessarily explain relationship antecedents and that public activism may create pressure on the organization-public relationship simply because the activists desire a behavioral change in a particular situation. The model's description of various relationship antecedents supports the notion that relationships are complex and multi-dimensional.

The maintenance strategies proposed in the model are particularly important in this research because they significantly correlate with crisis response strategies used to repair organization-public relationships. The conflict-resolution maintenance strategies were labeled as either integrative or distributive. Integrative strategies foster a symmetrical approach to public relations and include cooperating, being unconditionally

constructive, and saying win-win or no deal. On the other hand, distributive strategies are asymmetrical and entail avoiding, contending, accommodating, and compromising. It is contended that “symmetrical strategies build relationships more effectively than asymmetrical strategies” (Grunig & Huang, 2000, p. 41).

The final stage of the relationship model identifies the outcomes of relationships. It identifies relational features of trust, commitment, control mutuality, and satisfaction (Huang, 1997) as essential to the organization-public relationship. Grunig and Huang (2000) also include goal attainment since “organizations are effective when they meet their goals” (p. 30). Current instruments used to measure relationship outcomes are unilateral and so there is a need to move toward co-orientational measures where the perception of each partner in the relationship is measured and a third party also observes and compares the perceptions of the partners.

This research paper addresses the second and third stages of the relationship model by examining the relationship through a crisis management approach. There is much to be gained from applying a relational perspective to crisis management since “a crisis can be understood in terms of the ongoing stakeholder-organization relationships” (Coombs, 2000, p. 77). The relevance of the relational approach to crisis management is based on the foundation of stakeholder theory and neoinstitutionalization. Stakeholders are those who affect or can be affected by the organization and thus they have a relationship with the organization. Neoinstitutionalization deals with organizational

legitimacy. When crises occur, they threaten the organization's legitimacy to operate within the environment and may affect stakeholders.

The publics' perception of a crisis is important because it affects the attributions made about responsibility. Additionally, "stakeholders use the relational history as a lens through which to view the current crisis situation" (Coombs, 2000, p. 87). A favorable relational history may provide benefits through the halo effect and positive credibility. Clearly, a potential crisis threat can be combated through a strong stakeholder-organization relationship. Crisis response strategies seek to repair broken or damaged relationships, and so a relational approach is beneficial when dealing with crises.

The benefits of the relational approach to crises are that it adds to the understanding of attributions of crisis responsibility, offers scholars and practitioners a context for crisis interpretation, and adds depth to understanding the stakeholder perception of crisis situations. The merging of relationship and crisis management sets the tone for future research in public relations. This paper seeks to expand on Coombs' (2000) call for research investigating relationship quality, credibility, and crisis response strategies.

Crisis communication

The most challenging threat to an organization's reputation is a crisis. A corporate crisis is an unexpected event that disrupts the regular pattern of conducting business. The message channel and content used to communicate during a crisis can impact an

organization's ability to restore its reputation. Crisis communication is shaped by the specific crisis situation. The Situational Crisis Communication Theory is a valuable framework for organizations to assess how crisis situations and different responses can affect their reputation. Reputation is a stakeholder's evaluation of an organization and so crises are a direct threat on reputation because they create negative perceptions of the organization.

The model of SCCT indicates that an organization's reputation can be affected by crisis responsibility, performance history, and crisis severity. Performance history is comprised of crisis history and relationship history. Crisis history is determined by whether or not the organization experienced similar crises in the past. Relationship history is a stakeholder's interpretation of how well or how badly an organization treated its stakeholders. These factors are important because they can intensify the crisis threat to an organization's reputation has a direct impact on stakeholder behavioral intentions.

Corporate response to crises could be understood from the application of image restoration strategies (Benoit, 1997). During a crisis, "perceptions are more important than reality...as long as the audience thinks the firm at fault, the image is at risk" (p. 178). Benoit built on earlier theories of image restoration (Ware & Linkugel, 1973) and proposed five strategies that could be employed during a crisis. The first strategy is deny. There are two types of deny: simple deny where a company rejects the claim, and shifting the blame where the company contends that another person/organization is responsible for the event. The second strategy is to evade responsibility by defensibility, provocation,

claiming the problem was an accident, and revealing the organization's good intentions. The third strategy aims to reduce offensiveness through the processes of bolstering, minimization, differentiation, and transcendence. Corrective action is another proposed strategy whereby the organization attempts to make amends with its stakeholders and promises to prevent future incidences. The final strategy is mortification where the company acknowledges and apologizes for crisis situation.

The theory of image repair discourse proposed by Benoit (1997) offers a foundation for creating crisis response messages. Though insightful, the theory fails to indicate under what circumstances each strategy should be used. The Situational Crisis Communication Theory fills the gap omitted by image repair theory. SCCT assumes that during a crisis, reputation can be managed by strategically matching the crisis response to the specific crisis situation based on the degree of crisis responsibility of the organization. The variables that affect crisis responsibility are: the organization's relationship history, the severity of the crisis, and the level of personal control over the crisis situation. These variables are shaped by the perceptions and attributions made by stakeholders.

Foundation of SCCT: Attribution Theory

An organization's reputation is increasingly threatened as attributions of crisis responsibility intensify. Attribution theory contributes to an understanding of the factors of the SCCT model. According to attribution theory, when unexpected or negative events occur, people often seek to identify the causes of those events. The way stakeholders attribute responsibility in an organizational crisis has implications for both the

organization's reputation and the possibility of a continuing/future relationship with its publics.

The implication of attribution theory for the relationship between crisis situations and response strategies was tested in an experiment by Coombs and Holladay (1996). They posited that an organization's crisis response can affect the perception of the dimensions of attribution. The dimensions used to make attributions in a crisis are locus/personal control, external control and stability. Locus/personal control is determined by the intentionality of the act and whether or not the organization had the ability to control the crisis. External control assesses whether or not the situation is controllable and stability reflects the frequency with which the situation occurs.

The merger of attribution theory and neoinstitutionalism helped form the current symbolic approach to crisis management. The term 'symbolic approach' is used because it focuses on how symbolic resources (communication strategies) are used in protecting organizational reputation in crisis situations. Neoinstitutionalism is founded in the belief that organizations maintain legitimacy when their stakeholders see them positively and as having a right to operate in the environment. Crises threaten legitimacy and organizations can use specific crisis response strategies to re-establish the public's positive good perception and the right to continue operations.

Crisis types

Coombs and Holladay (1996) conducted an experiment with 116 undergraduate students to test the symbolic approach. The experiment manipulated the factors of relationship history, crisis type and crisis response strategy. The researchers found that organizations with a high frequency of crises were perceived more negatively than organizations with low crisis frequency. Their study identified four crisis types: accidents, transgressions, faux pas, and terrorism. Accidents were internal and unintentional crises; transgressions were internal and intentional; faux pas were external and unintentional; terrorism was external and intentional. The results of the experiment concluded that transgressions were perceived as having greater intentionality than accidents because organizations had greater control over them. Additionally, “organizations suffered the least reputation damage when a matched crisis response strategy from the symbolic approach was used” (Coombs & Holladay, 1996, p. 293). These findings gave support to SCCT because they provided empirical evidence that matched crisis response strategies had a more positive impact on an organization’s reputation than a mismatched response or no response at all.

In an attempt to discover if there was a relationship between an organization’s reputation and perception of crisis responsibility, the propositions of SCCT were tested (Coombs & Holladay, 2002). Results indicated that observers rated an organization’s reputation more negatively when they attributed greater crisis responsibility to the organization. The study also condensed thirteen crisis types (see Coombs & Holladay,

2002 for list) into three clusters. The clusters identified were victim, accidental, and preventable.

The victim cluster applies to crisis situations where both the organization and its stakeholders are victims. Examples of such crisis situations are product tampering, natural disasters, workplace violence, and rumors. Organizations were considered minimally responsible for victim situations. The accidental cluster involves situations of technical breakdowns, accidents and challenges where the crisis stems from unintentional actions of the organization. Participants attributed moderate responsibility to accidental crises. The third cluster consists of accidents and breakdowns due to human error and organizational misdeeds. These crises were labeled preventable because observers believed that the crisis could have been avoided or that the organization intentionally engaged in inappropriate action.

The findings of Coombs and Holladay's (2002) study are significant because they provide specific guidelines in assessing crisis responsibility and matching organizational response strategy to the type of crisis being experienced. However, they did not explore participants' perceptions of organizational responses to crisis strategies in this study. Since reputation is a perception of stakeholders, the effectiveness of crisis response strategies must be assessed through their eyes.

Crisis response strategies

According to the SCCT, a direct linkage exists between attributions of crisis responsibility and the crisis response strategies utilized. Appropriate crisis responses can only be made when the crisis situation is thoroughly understood and the organization has assessed how the public has attributed responsibility. The placement of crisis response strategies along a continuum of defensive versus accommodative strategies matches the level of responsibility to the preferable response. The less responsible an organization is, the more defensive it can be; however, high attributions of responsibility require more accommodative strategies. The continuum aligned organizational response strategies with crisis situations and provided a specific recommendation of how to respond based on the type of crisis they experience.

The crisis response strategy found on the extreme end of the defensive continuum is 'attack the accuser'. Like the phrase implies, the organization confronts the person(s) who claims that a crisis exists. It is possible that the organization employing this response strategy may threaten legal action in response to the claim. The next strategy is deny, where the organization refutes existence of a crisis. The creation of an excuse to minimize organizational responsibility is the next response. Justification follows excuse on the continuum. In justification, the organization tries to minimize crisis perceptions by stating that the injuries or damages were not serious, or that the victims got what they deserved. The next strategy is ingratiation where the organization seeks to get stakeholders to have a positive feeling toward it. The remaining strategies, which fall on

the accommodative end of the continuum, are corrective action and full apology. In corrective action, the organization attempts to repair the damage from the crisis and initiate steps to prevent future occurrence of the crisis. The full apology is at the extreme end of the continuum and represents the most accommodative organizational crisis response strategy. This is where the organization publicly takes full responsibility for the crisis, seeks atonement, and may offers compensation.

The relation between reputation and perception of crisis responsibility was tested through an experiment conducted among 518 undergraduate students aged 18 to 50 (Coombs, 1998). Eight scenarios were created to test the influence of crisis attribution dimensions and past crisis history on perception of crisis responsibility. The scenarios in the experimental method included: one time minor damage accident, one time major damage accident, repeated minor accident, one time minor damage transgression, one time major damage transgression and repeated minor transgression.

The results of Coombs (1998) study indicated that stronger perceptions of crisis responsibility were developed for crises types at the higher end of the personal control continuum. Moreover, past crisis history influenced the interpretation of present crises. Specifically, the perception of crisis responsibility intensified for accidents and transgressions when there was a previous history of crises. Interestingly, the study also found that in the case of accidents, image improved and crisis responsibility dropped as crisis damage worsened. Coombs (1998) attributed this finding to sympathy from the stakeholders. Accidents have a low perception of personal control and so the organization

might be seen as a victim since it had no control over the crisis. These findings helped support the arrangement of crisis response strategies and crisis responsibility along an accommodative-defensive continuum. This allows organizations to better locate their type of crisis on the continuum and select the most appropriate response. Such an analytic tool is beneficial to communication managers because it enables them to better prepare and respond faster to crisis situations.

Situational Crisis Communication Theory indicates that crisis response can affect an organization's reputation. In the same way, reputation can impact how stakeholders receive an organization's crisis response communication. The impact of memory on reputation and crisis response strategy was examined through a two-phase experiment with 80 students and non-student participants (Payne, 2006). In the first phase, participants were provided with a reputation summary of a fictional organization followed by a news story containing a defensive or apologetic response strategy and a questionnaire to assess their ability to recall information presented. One week later, the second phase was conducted where the same respondents answered the same questionnaire again. Payne (2006) argued "reputation is an ongoing index of previous responses to situations, making the most immediate response strategy a key element of that index, but also a response that should be made in light of the current relationship" (p. 162). She further posited that the interaction of crisis response and reputation might make traditional strategies invalid in certain cases.

Payne's (2006) results indicated that, despite their actual response style, organizations with a good reputation were rated as significantly more apologetic than organizations with poor reputations. During the first experimental phase, participants were less able to recall details about an organization with a bad reputation that apologized as opposed to an organization with a bad reputation that used the defense strategy. On the other hand, they were better able to remember the apologetic response of an organization with a good reputation than a defensive response. The type of response strategy did not affect the memory relationship for an organization with a bad reputation. The significance of this study is that reputation can have an impact "so powerful that individuals may make unfounded attributions about other aspects of an organization based on reputation" (Payne, 2006, p. 177). In some instances, an organization's prior reputation may influence the effect of crisis response strategy on stakeholders' memory.

Since the stakeholder determines reputation strength, it is logical to assess stakeholder perception of crisis response strategies. Extant research on crisis communication assumes that stakeholders perceive the crisis response strategies as the organization intends. However, this assumption may not be accurate. Therefore, Coombs (2006) argued that the analysis of crisis response strategy should shift to a receiver-orientation, and he tested stakeholder perception of crisis response strategies among 78 undergraduate students.

Coombs (2006) findings indicated that the ten response strategies identified by SCCT were collapsible into three clusters: deny, diminish and deal. The deny cluster

comprised of attack the accuser, denial responses and scapegoat responses; the diminish cluster was made up of the excuse and justification strategies. The response strategies included in the deal cluster were compassion, concern, regret, ingratiation, and apology. The findings confirmed that stakeholders' perception of crisis response strategies were being received as they were intended. The research findings bolster the situational crisis communication theory's ability to match specific crisis response strategies to different types of crises.

Corporate credibility

The relational approach to public relations and crisis communication emphasizes the importance of stakeholder perception. If crisis response strategies are to be effective and organization-public relationships are to be maintained and repaired, then stakeholders must perceive the organization as credible. It is necessary to examine the concept of corporate credibility in order to establish its importance to an organization, particularly in times of crisis.

The notion of credibility in communication can be traced as far back to Aristotle's concepts of ethos, logos, and pathos. Source credibility is "a communicator's positive characteristics that affect the receiver's acceptance of the message" (Ohanian, 1990, p. 41). Dimensions of source credibility include expertise, trustworthiness, and attractiveness (Goldsmith, Lafferty, & Newell, 2000a). Corporate credibility is one type of source credibility; another type of source credibility often studied is spokesperson/endorser credibility.

Although both endorser and corporate credibility are similar, the latter does not include attractiveness as one of its dimensions. Corporate credibility “refers to consumer and other stakeholder perceptions of a company’s trustworthiness and expertise, that is, the believability of its intentions and communications at a particular moment in time” (Goldsmith, Lafferty, & Newell, 2000b, p. 304). Corporate credibility is important to organizations because low credibility can lessen the effectiveness of communication efforts, the public’s purchase intent, stakeholder loyalty, and the organization’s financial prosperity.

The concept of source credibility has been a popular research theme; however, very few researchers have addressed the issue of corporate credibility. The limited research on corporate credibility investigates its role in consumers’ attitudes and purchase intentions (Lafferty & Goldsmith, 1999; Goldsmith, Lafferty & Newell, 2000b; Lafferty, Goldsmith & Newell, 2002); its relationship with celebrity credibility (Goldsmith, Lafferty & Newell, 2000a); and its influence on innovator reactions to high-technology products (Lafferty & Goldsmith, 2004). These studies addressed corporate credibility from a marketing/advertising perspective. The application of the concept in the field of public relations is sadly lacking. This study will aid in filling the gap in public relations by examining corporate credibility in the context of crisis communication and relationship theory.

Early credibility-related research (Newell & Goldsmith, 2001) used scales which measured different, though related, items (company reputation, attitude toward the

sponsor, company credibility). In an attempt to accurately measure corporate credibility, Newell and Goldsmith (2001) conducted research to develop a reliable and valid scale that could be standardized in academic studies. They initially developed 66 items which tested the corporate credibility dimensions of expertise, trustworthiness, and truthfulness/honesty. Expertise was defined as the competence and capability of the company to make and deliver the products it advertises. Trustworthiness was the reliability of the company and truthfulness was whether or not the company was honest or mislead consumers.

In the process of developing the corporate credibility scale, five data sets were analyzed. The first data set was subjected to exploratory factor analysis and analysis of internal item consistency. The scale items were reduced to 33 questions on a seven-point Likert-type scale. The results of this analysis produced a two-factor, eight item scale which reliably measured expertise and trustworthiness as factors of corporate credibility. The second data set was subjected to confirmatory factor analysis and analysis of internal item consistency, while the third set was subjected to construct validity. The fourth and fifth sets further tested construct validity and compared corporate credibility across companies, respectively.

The development of a valid and reliable scale to measure corporate credibility holds both practical and theoretical implications. Practically, organizations can use it to examine how crises and crisis response strategies affect the dimensions of trust and expertise. Theoretically, the scale established the multi-dimensional nature of corporate

credibility. Such a scale is beneficial because “by understanding each of the dimensions of credibility, corporations may be able to develop better strategies to monitor, and if necessary, modify consumer and other stakeholder perceptions of the firm” (Newell & Goldsmith, 2001, p. 245). Consequently, Newell and Goldsmith’s (2001) investigation holds the supposition that by understanding how various crisis response strategies impact corporate credibility, corporations may be able to strategically preserve, or if necessary, repair the organization-public relationship.

The preceding review of the relevant literature in the relational approach to public relations, crisis communication, and corporate credibility validates the need for this research. This research will join the stream of literature that views crisis management from a relational perspective. Moreover, it will emphasize the importance of corporate credibility in the relationship management approach to public relations.

Research Questions and Hypotheses

The trend in public relations to adopt a relational approach to its function and outcomes has provided the impetus for this study to apply the same approach to understanding the relationship between crisis response strategies, relationship quality, and corporate credibility. Based on the purpose of this study and the literature reviewed, the following research questions and hypotheses are posed:

RQ1: What effect do crisis response strategies have on post-crisis relationship quality and corporate credibility?

The aim of crisis response strategies is to repair/renew the relationship between the organization and its publics. This study will investigate the effectiveness of different crisis response strategies by examining their effect on the relationship dimensions of trust, satisfaction, control mutuality, and commitment. It will also examine the stakeholders' view of the organization's expertise and trustworthiness when different crisis response strategies are employed.

H1a: The deal strategy has greater positive effect on relationship quality than diminish and deny strategies.

H1b: The deal strategy has greater positive effect on corporate credibility than diminish and deny strategies.

RQ2: *What effect does relationship history have on post-crisis relationship quality and corporate credibility?*

These hypotheses posit that an organization's relationship history will affect the public's perception of relationship quality and corporate credibility.

H2a: Post-crisis relationship quality will be more positive when relationship history is positive than when it is negative.

H2b: Post-crisis corporate credibility will be more positive when relationship history is positive than when it is negative.

RQ3. Does an interaction effect exist between crisis response strategy type and relationship history?

H3a. The effects of crisis response strategies on post-crisis relationship quality are moderated by relationship history.

H3b. The effects of crisis response strategies on corporate credibility are moderated by relationship history.

These hypotheses assume that when organizational relationship history is negative, crisis response strategies on the lower end of the crisis response spectrum will not be effective in establishing a positive organization-public relationship. During a crisis, the only way to foster positive relationship dimensions with publics who perceive a negative relationship quality will be for it to employ the most accommodative crisis response strategies (deal strategies).

The research questions and hypotheses proposed seek to address the impact of different crisis response strategies and relationship history on relationship quality and corporate credibility. This study examines how prior relational history can affect the effectiveness of crisis response strategies in shaping the dimensions of the organization-public relationship and the perception of corporate credibility. The next chapter describes the methodology employed during this investigation.

Chapter Three

Methodology

This chapter explains the methodology undertaken in this study. It reviews the type of research conducted, its design, data collection procedure, instrumentation used to measure variables and data analysis performed. The study used a 2 x 3 factorial design based on the manipulation of relationship history and crisis response strategy. Relationship history was operationalized by positive and negative relationship; crisis response strategy was operationalized by deny, diminish and deal responses.

Design of Study and Study Respondents

An experiment was used to gather data for this study. The type of crisis chosen for this investigation was an accident. Accidents carry a greater diversity in attributions of responsibility during a crisis. Public perception of an accident can influence how receptive they are to specific crisis response strategies. Moreover, accidents are a reasonable choice because they are among the more common crises that occur in society. The use of a prevalent type of crisis is beneficial because any findings would be more practicable in everyday, real life situations. A seven-point Likert-type scale was used to measure responses ranging from 'strongly disagree' to 'strongly agree'.

Respondents were recruited from a large undergraduate mass communication class at the University of South Florida. The experiment was performed during a regular class session. Although this was convenience sample, the factors being investigated (relationship and credibility) are common enough to be present in any type of sample. The probability of a diverse sample is increased by the fact that the class is offered to all undergraduates as an option in fulfilling their general education requirements.

Stimuli and Procedure

The organization chosen was a theme/amusement park. This type of organization was chosen because it was presumed that a majority of the respondents (undergraduate college students) have probably patronized such an organization in the past and have some sort of relationship with it. A real crisis scenario that occurred in an existing theme/amusement park was adapted and used in this experiment. The actual name of the organization and the park ride will be replaced with fictional names so as to control for any possible existing bias.

The 2 x 3 design required the development of six different scenarios. First, a stimulus paragraph was presented which reflected either a positive relationship history and high credibility or a negative relationship history and low credibility. Although some researchers may state that a relationship with a fictional organization cannot be measured, it can be argued that prolonged interaction with an organization displaying certain characteristics can lead its publics to develop a generally positive or negative relationship with it. Thus, it is logical to presume that exposure to positive characteristics where no

prior knowledge exists will lead to high assessments of relationship qualities and corporate credibility. Since the time factor in this experiment limits the measurement of prolonged interaction, it is necessary to control relationship history and perception of corporate credibility.

After the stimulus paragraph on relationship history and corporate credibility was presented, respondents' attitude toward the organization was assessed. Next, a scenario describing the type of crisis and organizational response was given. A majority of the accident's description was replicated from an actual story filed by the Associated Press. This was done to maintain a journalistic quality to the case presentation. The organization's response was manipulated to reflect the deny, diminish, and deal strategies. The three main crisis response clusters were tested because often organizations do not use just one response strategy but employ multiple strategies, usually within the same cluster. Each cluster will be exhibited by a brief quotation from the organization's spokesperson. In order to maintain a balanced story length for all scenarios, the quotations will have between 19 to 25 words. The layout and presentation of the case will be as a newspaper article so that the experience of reading 'a real story' will be simulated. Finally, respondents will be asked to consider the organization's response and respond to the same questionnaire they originally completed.

Instrumentation

The relationship scale proposed by Hon and Grunig (1999) was used to assess the respondents' perception of their relationship with the theme/amusement park. The

dimension of trust was measured using the following items: 1) This organization treats people like me fairly and justly; 2) Whenever this organization makes an important decision, I know it will be concerned about people like me; 3) This organization can be relied on to keep its promises; 4) I believe that this organization takes the opinions of people like me into account when making decisions; 5) I feel very confident about this organization's skills; and 6) This organization has the ability to accomplish what it says it will do.

Satisfaction was measured by the following items: 1) I am happy with this organization; 2) Both the organization and people like me benefit from the relationship; 3) Most people like me are happy in their interactions with this organization; and 4) Generally speaking, I am pleased with the relationship this organization has established with people like me.

The following items measured commitment: 1) I feel that this organization is trying to maintain a long-term commitment to people like me; 2) I can see that this organization wants to maintain a relationship with people like me; 3) There is a long-lasting bond between this organization and people like me; and 4) Compared to other organizations, I value my relationship with this organization more.

The items measuring control mutuality were: 1) This organization and people like me are attentive to what each other say; 2) This organization believes the opinions of people like me are legitimate; 3) In dealing with people like me, this organization has a

tendency to throw its weight around; and 40 This organization really listens to what people like me have to say.

The scale developed by Newell and Goldsmith (2001) to measure corporate credibility was used in this study. The dimensions of corporate credibility are corporate expertise and trustworthiness. Corporate expertise was measured by the following questions: 1) This organization has a great amount of experience; 2) This organization does not have much experience; 3) This organization is skilled in what they do; 4) This organization has great expertise. The items measuring trustworthiness were: 1) This organization is honest; 2) This organization makes truthful claims; 3) I trust this organization; and 4) I do not believe what they tell me.

Manipulation check

A manipulation check was incorporated into the study design to test the relationship history stimulus paragraph. It was assumed that a positive relationship history would induce a positive attitude from respondents toward the organization, whereas a negative history would reflect a negative attitude toward the organization. Attitude toward the organization was measured by a six item semantic differential scale. The adjectives used to assess the organization were: trustworthy, responsible, good, favorable, positive and likeable.

An analysis of variance test was conducted to examine the relationship between attitude and relationship history. The results indicated that relationship history had a

significant impact on attitude, $F(1,100)=200$; $p<.001$; $\eta^2=.67$. Approximately 67% of the variance in attitude was due to relationship history. The positive relationship history generated higher mean scores for attitude ($M=5.69$) than negative relationship history ($M=2.40$). An analysis of the results confirmed that the manipulation of relationship history was successful.

Data Analysis

Once the data were collected, SPSS 17 was used to analyze the information. Cronbach's alpha was used to measure the reliability of the survey items. The accepted level of reliability was set at $>.80$. Descriptives were assessed and other statistical procedures (ANOVAs) were conducted to detect possible relationships and differences between variables. Chapter Four presents and discusses the results of the statistical analyses performed on the data collected.

Chapter Four

Results

The purpose of this study was to determine the influence of different crisis response strategies and organizational relationship history on corporate credibility and the organization-public relationship. Research hypotheses stated that (i) the deal strategy would have a greater positive effect on relational quality and corporate credibility than the diminish and deny strategies; (ii) post crisis relationship quality and corporate credibility would be more positive when organizational relationship history is positive than when it is negative; (iii) prior relationship history moderates the effects of crisis response strategies on post-crisis relational quality and corporate credibility.

This chapter presents the findings and results of the study. The study investigated the responses of undergraduate college students to three main crisis response strategies. The respondents who completed the survey were from an upper level mass communication class, and so a majority of them (n= 45) were in their junior year in college. The mean age of the respondents was 20.9. Table 1 presents the demographic characteristics of the sample.

Table 1.
Demographic profile of study respondents

| | | <i>n</i> | <i>%</i> |
|----------------------|----------------|----------------|----------|
| Academic rank | Freshman | 18 | 17.5 |
| | Sophomore | 31 | 30.1 |
| | Junior | 45 | 43.7 |
| | Senior | 7 | 6.8 |
| | Other | 2 | 1.9 |
| | College | Arts & Science | 88 |
| Business | | 5 | 4.9 |
| Education | | 2 | 2.0 |
| English | | 2 | 2.0 |
| Honors College | | 1 | 1.0 |
| Medicine | | 1 | 1.0 |
| Nursing | | 2 | 2.0 |
| Visual/Performing | | 1 | 1.0 |
| Age | | 18 | 10 |
| | 19 | 23 | 22.3 |
| | 20 | 30 | 29.1 |
| | 21 | 17 | 16.5 |
| | 22 | 8 | 7.8 |
| | 23 | 5 | 4.9 |
| | 24 | 1 | 1.0 |
| | 25 | 1 | 1.0 |
| | 26 | 3 | 2.9 |
| | 27 | 2 | 1.9 |
| | 28 | 1 | 1.0 |
| | 36 | 1 | 1.0 |
| | 46 | 1 | 1.0 |
| | Gender | Male | 38 |
| Female | | 65 | 63.1 |

A total of 107 surveys were distributed and 103 completed responses were returned. Table 2 shows the distribution of respondents among the six treatments.

Table 2.
Distribution of Respondents Across Treatments

| | | <i>n</i> | <i>%</i> |
|------------------|----------|----------|----------|
| Negative History | Deny | 19 | 18 |
| | Diminish | 16 | 16 |
| | Deal | 14 | 14 |
| Positive History | Deny | 18 | 17 |
| | Diminish | 17 | 17 |
| | Deal | 19 | 18 |

Factor analysis was performed to determine the unidimensionality of the items used to measure prior attitude. All attitude items loaded on a single factor, labeled prior attitude. Next, the internal consistency of the items was examined using Cronbach's alpha. The items produced a coefficient alpha of .98. Table 3 presents the results of the factor and reliability analysis.

Table 3.
Factor and Reliability Analysis

| | <i>Factor</i> | <i>Alpha</i> |
|--------------------------------|----------------|--------------|
| | Prior attitude | .979 |
| This organization is likeable | .964 | |
| This organization is favorable | .963 | |
| This organization is good | .963 | |
| This organization is positive | .963 | |
| This organization is | .918 | |
| This organization is | .880 | |

Descriptive Statistics

The research instrument included items to measure respondents' perception of relationship and corporate credibility. Table 4 presents the means and standard deviations for each of the items used to measure the constructs of trust, satisfaction, commitment, control mutuality and expertise.

The relationship construct comprised of items that measured trust, satisfaction, commitment and control mutuality. Study respondents most strongly agreed with the trust item "I believe this organization treats people like me fairly and justly" ($M = 4.11$). Respondents agreed that most people like them would be happy in their interactions with the organization ($M = 3.91$); however, there was less agreement with the questions "generally speaking, I am pleased with the relationship this organization has established with people like me" ($M=3.69$) and "I would trust this organization" ($M=3.40$).

In terms of commitment, respondents strongly agreed that the organization wanted to maintain a relationship with people like them ($M = 4.24$), yet there was less agreement with the question "compared to other organizations, I would value my relationship with this organization more" ($M=3.23$).

Of the four control mutuality items, study respondents most strongly agreed that the organization believes the opinions of people like them are legitimate ($M=4.07$). Respondents strongly agreed that the organization had a great amount of experience ($M = 4.42$), but were less inclined to agree that the organization had great expertise ($M=3.77$).

Table 4.
Descriptive Statistics

| <i>Construct</i> | <i>Item</i> | <i>M</i> | <i>SD</i> |
|------------------|--|----------|-----------|
| Attitude | This organization is trustworthy. | 4.12 | 1.95 |
| | This organization is responsible. | 4.00 | 2.06 |
| | This organization is good. | 4.29 | 2.05 |
| | This organization is favorable | 4.02 | 2.19 |
| | This organization is positive | 4.24 | 2.17 |
| | This organization is likeable | 4.15 | 2.22 |
| Trust | I believe this organization treats people like me fairly and justly. | 4.11 | 1.57 |
| | Whenever this organization makes an important decision, I believe it will be concerned about people like me. | 3.73 | 1.77 |
| | This organization can be relied on to keep its promises. | 3.44 | 1.66 |
| | I believe that this organization would take the opinions of people like me into account when making decisions. | 3.83 | 1.74 |
| | I feel very confident about this organization's skills. | 3.52 | 1.67 |
| | This organization has the ability to accomplish what it says it will do. | 3.85 | 1.77 |
| | This organization makes truthful claims | 3.50 | 1.63 |
| | I would trust this organization. | 3.40 | 1.78 |
| | I would not believe what they tell me. | 3.81 | 1.70 |
| Satisfaction | I would be happy with this organization. | 3.71 | 1.69 |

Table 4. (Continued)

| <i>Construct</i> | <i>Item</i> | <i>M</i> | <i>SD</i> |
|----------------------|---|----------|-----------|
| | Both the organization and people like me would benefit from the relationship. | 3.82 | 1.89 |
| | Most people like me would be happy in their interactions with this organization. | 3.91 | 1.71 |
| | Generally speaking, I am pleased with the relationship this organization has established with people like me. | 3.69 | 1.73 |
| Commitment | I feel that this organization is trying to maintain a long-term commitment to people like me. | 3.99 | 1.79 |
| | I can see that this organization wants to maintain a relationship with people like me. | 4.24 | 1.79 |
| | There is a long-lasting bond between this organization and people like me. | 3.53 | 1.68 |
| | Compared to other organizations, I would value my relationship with this organization more. | 3.23 | 1.61 |
| Control Mutuality | This organization and people like me would be attentive to what each other say. | 4.01 | 1.66 |
| | This organization believes the opinions of people like me are legitimate. | 4.07 | 1.61 |
| | In dealing with people like me, this organization has a tendency to throw its weight around. | 3.90 | 1.55 |
| | I believe this organization would really listen to what people like me have to say. | 3.61 | 1.77 |
| Expertise | This organization has a great amount of experience. | 4.42 | 1.61 |
| | This organization does not have much experience. | 3.26 | 1.58 |
| | This organization is skilled in what it does. | 3.97 | 1.65 |
| | This organization has great expertise. | 3.77 | 1.61 |

Relational and corporate credibility item analysis

Before the hypotheses were tested, Cronbach's alpha was used to assess the internal consistency of the multiple-item indices for trust, satisfaction, commitment, control mutuality and expertise. Reversed items were transformed before performing the reliability analysis. Moderate reliability estimates were set at .70 or higher, strong reliability was set at .80 or higher, and any estimate above .90 was considered extremely strong. The results of the analyses are shown in Table 5.

Table 5.
Final Cronbach's Alphas for Multiple-Item Indices

| <i>Variables</i> | <i>α</i> | <i>Number of items</i> |
|-------------------|----------------------------|------------------------|
| Trust | .964 | 9 |
| Satisfaction | .929 | 4 |
| Commitment | .906 | 4 |
| Control Mutuality | .879 | 3 |
| Expertise | .889 | 3 |

Ten items were used to measure trust: six items from the dimension of relationship and four items from the dimension of corporate credibility. The alpha of the ten items was .911. The scale reliability was higher when the relationship dimension item "I would not believe what they tell me" was dropped. The nine remaining items produced a reliability coefficient of .964. Satisfaction and commitment were measured by four items each.

Four items were used to test control mutuality, and the alpha indicated a higher scale reliability by dropping the item "In dealing with people like me, this organization

has the tendency to throw its weight around.” By dropping this item, the reliability coefficient changed from .743 to .879.

Four items were included to measure expertise; however, the alpha indicated scale reliability was higher by dropping the reverse item “This organization does not have much experience.” The three remaining items produced a reliability coefficient of .889, whereas the original four items produced an alpha of .816.

Following the reliability analysis, the multi-item scales for each variable were collapsed to create composite measures for hypothesis testing. The items were collapsed into indices for the five constructs: trust, satisfaction, commitment, control mutuality and expertise. Table 6 reports the means and standard deviations for each composite measure.

Table 6.
Means and Standard Deviations for Composite Measures

| | <i>M</i> | <i>SD</i> |
|-------------------|----------|-----------|
| Trust | 3.71 | 1.29 |
| Satisfaction | 3.79 | 1.61 |
| Commitment | 3.76 | 1.52 |
| Control Mutuality | 2.94 | 1.13 |
| Expertise | 3.04 | 1.10 |

Research Question 1 and Hypothesis 1

Research Question 1 asked what effect crisis response strategy has on post-crisis perceived relationship quality and corporate credibility. To answer this question, a series of hypotheses were tested.

Hypothesis 1a. Hypothesis 1a predicted that the deal strategy would have a greater positive effect on perceived relationship quality than the diminish and deny strategies. A series of one-way analysis of variance (ANOVAs) tests were conducted to examine this hypothesis. The results indicated that crisis response strategy had a significant impact on the relationship dimension of trust, $F(2,97)=6.227$; $p=.003$; $\eta^2=.114$. Specifically, approximately 11% of the variance in trust was due to crisis strategy type. An analysis of the mean scores for trust for the three groups showed that the deal strategy had the greatest influence on trust ($M = 4.16$), followed by the diminish strategy ($M = 3.87$) and the deny strategy ($M = 2.97$). Table 7 reports the trust means and standard deviations for trust across crisis response strategies, from the highest to the lowest.

Table 7.
Means and Standard Deviations for Trust across Crisis Response Strategy

| <i>Treatment Group</i> | <i>N</i> | <i>M</i> | <i>SD</i> |
|------------------------|----------|----------|-----------|
| Deal | 32 | 4.16 | 1.50 |
| Diminish | 33 | 3.87 | 1.57 |
| Deny | 35 | 2.97 | 1.26 |

Satisfaction was also significantly affected by crisis response strategy, $F(2,97)=3.650$; $p=.030$; $\eta^2=.070$. Specifically, 7% of the variance in satisfaction was due to crisis strategy type. An evaluation of the mean scores for satisfaction indicated the deal strategy ($M = 4.26$) was higher than both the diminish ($M = 3.92$) and deny ($M = 3.25$) strategies. The mean and standard deviation scores for satisfaction across crisis response strategies are shown in Table 8.

Table 8.
Means and Standard Deviations for Satisfaction Across Crisis Response Strategy

| <i>Treatment Group</i> | <i>N</i> | <i>M</i> | <i>SD</i> |
|------------------------|----------|----------|-----------|
| Deal | 31 | 4.26 | 1.52 |
| Diminish | 33 | 3.92 | 1.68 |
| Deny | 36 | 3.25 | 1.50 |

An analysis of the results determined that crisis response strategy had a significant and strong impact on commitment, $F(2,99)=7.12$; $p=.001$; $\eta^2=.126$). Specifically, nearly 13% of the variance in commitment was due to crisis strategy type. A cursory analysis of the results showed that the mean commitment score for the deal strategy ($M = 4.39$) was greater than the diminish ($M = 3.83$) and deny ($M = 3.10$) strategies. Table 9 reports the means and standard deviations for commitment across crisis response strategy.

Table 9.
Means and Standard Deviations for Commitment Across Crisis Response Strategy

| <i>Treatment Group</i> | <i>N</i> | <i>M</i> | <i>SD</i> |
|------------------------|----------|----------|-----------|
| Deal | 33 | 4.39 | 1.39 |
| Diminish | 33 | 3.83 | 1.57 |
| Deny | 36 | 3.10 | 1.34 |

Treatment effects on control mutuality were found to be significant, $F(2,97)=5.221$; $p=.007$; $\eta^2=.097$). Approximately 10% of the variance in control mutuality was due to crisis strategy type. An evaluation of the mean scores (found in Table 10) indicated that the deal strategy produced the greatest influence on control mutuality ($M = 4.35$), followed by the diminish ($M = 4.17$) and deny ($M = 3.30$) strategies.

Table 10.

Means and Standard Deviations for Control Mutuality across Crisis Response Strategy

| <i>Treatment Group</i> | <i>N</i> | <i>M</i> | <i>SD</i> |
|------------------------|----------|----------|-----------|
| Deal | 33 | 4.35 | 1.41 |
| Diminish | 32 | 4.17 | 1.58 |
| Deny | 35 | 3.30 | 1.34 |

Data analysis indicated that the deal crisis response strategy produced significantly higher mean scores than the diminish or deny strategies across the relationship measures. Post hoc analysis was conducted to examine specific differences in means. The follow-up tests consisted of all pairwise comparisons among the different types of crisis response strategies. Tukey HSD was used to control for Type I error. The results indicated that the mean difference for the deal and diminish strategies were significantly higher than the deny strategy for the relationship dimensions of trust, commitment and control mutuality. In each case, the means for the deal strategy were higher than the means for the deny strategy. The post hoc tests revealed that although the level of satisfaction under the deal strategy was significantly higher than that of the deny strategy, the diminish strategy was not significantly different from either of the other strategies. Table 11 presents the results of the multiple comparison.

Table 11.

Post Hoc Comparisons for Relationship Dimensions Across Treatments

| <i>Dimension</i> | | <i>(I) Crisis Strategy</i> | <i>(J) Crisis Strategy</i> | <i>Mean difference</i> | <i>Sig</i> |
|------------------|-------|----------------------------|----------------------------|------------------------|------------|
| Tukey | Trust | Deny | Diminish | -.8369* | .013 |
| | | | Deal | -1.1821* | .000 |
| | | Diminish | Deny | .8369* | .013 |
| | | | Deal | -.3452 | .478 |

Table 11. (Continued)

| <i>Dimension</i> | <i>(I) Crisis Strategy</i> | <i>(J) Crisis Strategy</i> | <i>Mean difference</i> | <i>Sig</i> |
|-------------------|----------------------------|----------------------------|------------------------|------------|
| Satisfaction | Deal | Deny | 1.1821* | .000 |
| | | Diminish | .3452 | .478 |
| | Deny | Diminish | -.6742 | .091 |
| | | Deal | -1.0081* | .007 |
| | Diminish | Deny | .6742 | .091 |
| | | Deal | -.3338 | .572 |
| Deal | Deny | 1.0081* | .007 | |
| | Diminish | .3338 | .572 | |
| Commitment | Deny | Diminish | -.7361* | .038 |
| | | Deal | -1.2967* | .000 |
| | Diminish | Deny | .7361* | .038 |
| | | Deal | -.5606 | .156 |
| | Deal | Deny | 1.2967* | .000 |
| | | Diminish | .5606 | .156 |
| Control Mutuality | Deny | Diminish | -.7025* | .012 |
| | | Deal | -.7050* | .010 |
| | Diminish | Deny | .7025* | .012 |
| | | Deal | -.0024 | 1.000 |
| | Deal | Deny | .7050* | .010 |
| | | Diminish | .0024 | 1.00 |

*The mean difference is significant at the .05 level

Hypothesis 1b. Hypothesis 1b predicted that the deal strategy would have a greater positive effect on corporate credibility than the diminish and deny strategies. Expertise was the main dimension used to assess corporate credibility. An evaluation of the results indicated that there were no significant differences in expertise mean scores across crisis response strategies, $F(2, 97) = .249$; $p = .780$; $\eta^2 = .005$). Hypothesis 1b was not supported. However, respondents in the deal treatment group reported slightly higher expertise scores ($M = 4.13$) than those in the diminish ($M = 4.11$) and deny ($M = 3.90$)

treatment groups. Table 12 displays the expertise means and standard deviations for each treatment group.

Table 12.

Means and Standard Deviations for Expertise Across Crisis Response Strategy

| <i>Treatment Group</i> | <i>N</i> | <i>M</i> | <i>SD</i> |
|------------------------|----------|----------|-----------|
| Deal | 33 | 4.13 | 1.40 |
| Diminish | 32 | 4.11 | 1.63 |
| Deny | 35 | 3.90 | 1.40 |

Research question 2 and hypothesis 2.

Research question 2 asked what effect relationship history has on post-crisis relationship quality and corporate credibility. Two hypotheses were tested to investigate the research question posed.

Hypothesis 2a. Hypothesis 2a predicted that post relationship quality would be more positive when a company’s relationship history is positive than when it is negative. A series of one-way analysis of variance (ANOVA) tests were conducted to examine this hypothesis. The results indicated that relationship history had a significant impact on the relationship dimension of trust, $F(1, 98)=37.90$; $p<.001$; $\eta^2=.279$. The eta square index (η^2) indicated that approximately 28% of the variance was accounted for by relationship history. Table 13 reports the trust means and standard deviations across relationship history.

Table 13.
Means and Standard Deviations for Trust Across Relationship History

| <i>Treatment Group</i> | <i>N</i> | <i>M</i> | <i>SD</i> |
|------------------------|----------|----------|-----------|
| Negative | 48 | 2.82 | 1.28 |
| Positive | 54 | 4.42 | 1.52 |

Relationship history also significantly affected satisfaction, $F(1, 98)=43.96$; $p<.001$; $\eta^2=.310$. Specifically, 31% of the variance in satisfaction was due to company history. An evaluation of the mean scores for satisfaction indicated that positive relationship history ($M=4.62$) was higher than negative relationship history (2.84). The means and standard deviation scores for satisfaction across relationship history are shown in Table 14.

Table 14.
Means and Standard Deviations for Satisfaction Across Relationship History

| <i>Treatment Group</i> | <i>N</i> | <i>M</i> | <i>SD</i> |
|------------------------|----------|----------|-----------|
| Negative | 47 | 2.84 | 1.43 |
| Positive | 53 | 4.62 | 1.61 |

The relationship dimension of commitment was also significantly affected by relationship history. , $F(1,100)=36.99$; $p<.001$; $\eta^2=.270$. The eta square index indicated that 27% of the variance in commitment was due to relationship history. Table 15 reports the means and standard deviations for commitment across relationship history.

Table 15.

Means and Standard Deviations for Commitment Across Relationship History

| <i>Treatment Group</i> | <i>N</i> | <i>M</i> | <i>SD</i> |
|------------------------|----------|----------|-----------|
| Negative | 49 | 2.94 | 1.29 |
| Positive | 53 | 4.51 | 1.31 |

An analysis of the results determined that relationship history had a significant impact on control mutuality, $F(1, 98)=35.10$; $p<.001$; $\eta^2=.264$. Specifically, approximately 26% of the variance was accounted for by relationship history. An evaluation of the mean scores (found in Table 16) indicated that positive relationship history ($M=4.65$) produced a greater influence on control mutuality than negative relationship history ($M=3.12$).

Table 16.

Means and Standard Deviations for Control Mutuality Across Relationship History

| <i>Treatment Group</i> | <i>N</i> | <i>M</i> | <i>SD</i> |
|------------------------|----------|----------|-----------|
| Negative | 47 | 3.12 | 1.21 |
| Positive | 53 | 4.65 | 1.38 |

Analysis of the data indicated that positive relationship history produced significantly higher mean scores across the relationship measures than negative relationship history. Thus hypothesis 2a is supported.

Hypothesis 2b. Hypothesis 2 b predicted that post-crisis corporate credibility will be more positive when relationship history is positive than when it is negative. An evaluation of

the results indicated that relationship history had a significant impact on expertise, $F(1, 98)=29.81$; $p<.001$; $\eta^2=.233$. Approximately 23% of the variance in expertise was due to relationship history. Table 17 displays the means and standard deviations in expertise across relationship history. Hypothesis 2 b is supported.

Table 17.

Means and Standard Deviations for Expertise Across Relationship History

| <i>Treatment Group</i> | <i>N</i> | <i>M</i> | <i>SD</i> |
|------------------------|----------|----------|-----------|
| Negative | 48 | 2.82 | 1.28 |
| Positive | 54 | 4.42 | 1.52 |

Research Question 3 and Hypothesis 3

Research question 3 asked whether or not crisis response strategy type was moderated by relationship history. A 2 x 3 ANOVA was conducted to evaluate interaction effects between relationship history and crisis response strategies on perceived relationship quality and corporate credibility. The means and standard deviations for dimensions of the relationship dimension of trust as functions of the two factors are presented in Table 18. The ANOVA indicated no significant interaction between relationship history and crisis response strategy, $F(2, 94)=1.16$, $p=.32$, $\eta^2=.024$.

Table 18.
Means and Standard Deviations for History, Strategy and Trust

| Relationship History | Crisis Strategy | <i>M</i> | <i>SD</i> | N |
|----------------------|-----------------|----------|-----------|-----|
| Negative | | | | |
| | Deny | 2.51 | 1.16 | 19 |
| | Diminish | 2.97 | 1.45 | 16 |
| | Deal | 3.08 | 1.25 | 13 |
| | Total | 2.82 | 1.28 | 48 |
| Positive | | | | |
| | Deny | 3.51 | 1.19 | 16 |
| | Diminish | 4.73 | 1.18 | 17 |
| | Deal | 4.90 | 1.19 | 19 |
| | Total | 4.42 | 1.31 | 52 |
| Total | | | | |
| | Deny | 2.97 | 1.26 | 35 |
| | Diminish | 3.87 | 1.57 | 33 |
| | Deal | 4.16 | 1.50 | 32 |
| | Total | 3.65 | 1.52 | 100 |

A two-way analysis of variance yielded no interaction effect between relationship history and crisis strategy on satisfaction, $F(2, 94) = .45$, $p = .64$, $\eta^2 = .009$). Table 19 shows the means and standard deviations for satisfaction as a function of the two main factors.

Table 19.
Means and Standard Deviations for History, Strategy and Satisfaction

| Relationship History | Crisis Strategy | <i>M</i> | <i>SD</i> | N |
|----------------------|-----------------|----------|-----------|----|
| Negative | | | | |
| | Deny | 2.60 | 1.41 | 19 |
| | Diminish | 2.98 | 1.53 | 16 |
| | Deal | 3.04 | 1.36 | 12 |
| | Total | 2.84 | 1.43 | 47 |
| Positive | | | | |
| | Deny | 3.99 | 1.25 | 17 |

Table 19. (Continued)

| Relationship History | Crisis Strategy | <i>M</i> | <i>SD</i> | N |
|----------------------|-----------------|----------|-----------|-----|
| Total | Diminish | 4.81 | 1.32 | 17 |
| | Deal | 5.03 | 1.04 | 19 |
| | Total | 4.62 | 1.26 | 53 |
| | Deny | 3.25 | 1.50 | 36 |
| | Diminish | 3.92 | 1.68 | 33 |
| | Deal | 4.26 | 1.52 | 31 |
| | Total | 3.79 | 1.61 | 100 |

Once again, there was no significant interaction between relationship history and crisis strategy on commitment, $F(2, 96)=1.01$, $p=.35$, $\eta^2=.022$). Table 20 presents the means and standard deviations for commitment.

Table 20.

Means and Standard Deviations for History, Strategy and Commitment

| Relationship History | Crisis Strategy | <i>M</i> | <i>SD</i> | N |
|----------------------|-----------------|----------|-----------|-----|
| Negative | Deny | 2.62 | 1.30 | 19 |
| | Diminish | 2.94 | 1.48 | 16 |
| | Deal | 3.38 | .965 | 14 |
| | Total | 2.94 | 1.29 | 49 |
| Positive | Deny | 3.63 | 1.19 | 17 |
| | Diminish | 4.68 | 1.14 | 17 |
| | Deal | 5.14 | 1.18 | 19 |
| | Total | 4.51 | 1.31 | 53 |
| Total | Deny | 3.10 | 1.32 | 36 |
| | Diminish | 3.83 | 1.57 | 33 |
| | Deal | 4.40 | 1.39 | 33 |
| | Total | 3.75 | 1.52 | 102 |

The ANOVA results for control mutuality uncovered no significant interaction between both factors, $F(2, 94) = .56$, $p = .573$, $\eta^2 = .012$). The means and standard deviations for control mutuality are shown in Table 21.

Table 21.

Means and Standard Deviations for History, Strategy and Control Mutuality

| Relationship History | Crisis Strategy | <i>M</i> | <i>SD</i> | N |
|----------------------|-----------------|----------|-----------|----|
| Negative | | | | |
| | Deny | 3.10 | .823 | 18 |
| | Diminish | 3.53 | 1.27 | 15 |
| | Deal | 3.50 | .784 | 14 |
| | Total | 3.36 | .980 | 47 |
| Positive | | | | |
| | Deny | 3.94 | 1.16 | 17 |
| | Diminish | 4.84 | .894 | 16 |
| | Deal | 4.74 | .814 | 19 |
| | Total | 4.51 | 1.03 | 52 |
| Total | | | | |
| | Deny | 3.51 | 1.08 | 35 |
| | Diminish | 4.21 | 1.27 | 31 |
| | Deal | 4.21 | 1.00 | 33 |
| | Total | 3.96 | 1.16 | 99 |

The means and standard deviations for expertise are presented in Table 22. The ANOVA results indicated that there was no interaction between relationship history and crisis strategy, $F(2, 94) = 2.17$, $p = .120$, $\eta^2 = .044$).

Table 22.
Means and Standard Deviations for History, Strategy and Expertise

| Relationship | Crisis Strategy | <i>M</i> | <i>SD</i> | N |
|-----------------|-----------------|----------|-----------|-----|
| History | | | | |
| Negative | | | | |
| | Deny | 3.57 | 1.61 | 18 |
| | Diminish | 3.23 | 1.40 | 16 |
| | Deal | 3.07 | 1.08 | 14 |
| | Total | 3.31 | 1.39 | 48 |
| Positive | | | | |
| | Deny | 4.25 | 1.08 | 17 |
| | Diminish | 5.00 | 1.36 | 16 |
| | Deal | 4.91 | 1.06 | 19 |
| | Total | 4.72 | 1.19 | 52 |
| Total | | | | |
| | Deny | 3.90 | 1.40 | 35 |
| | Diminish | 4.11 | 1.62 | 32 |
| | Deal | 4.13 | 1.40 | 33 |
| | Total | 4.04 | 1.47 | 100 |

The findings from this study do not support hypothesis 3. There appears to be no interaction effect between crisis response strategies and relationship history on relationship dimensions and corporate credibility.

Chapter Five

Discussion

The purpose of this study was to investigate the effect of crisis response strategies on post-crisis perceived relationship quality and corporate credibility. Another aim was to explore the effect of relationship history on post-crisis perceived relationship quality and corporate credibility. To accomplish these objectives, six hypotheses were tested.

This study used Hon and Grunig's (1999) relationship scale to measure post-crisis perceived relationship quality, and found higher scale reliability for satisfaction, commitment and control mutuality than the original study. Although the alpha for trust (.96) is also higher in this study than in Hon and Grunig's (.86), they cannot be truly compared because this study merged corporate credibility trust factors with the original scale items to produce four additional items. A higher alpha is usually generated when the scale is longer, and so a scale with six items cannot be expected to have as high an alpha as a scale with nine items.

Hon and Grunig (1999) tested five organizations and found the average alpha for satisfaction (using four items) was .88. The four items included to test satisfaction in this study produced a reliability coefficient of .93. The four items used to measure

commitment produced an alpha of .91. The average reliability alpha for commitment in Hon and Grunig's (1999) investigation was .84. It is possible that the alphas determined in this study were higher because only one organization was tested, as opposed to computing the average of five organizations.

H1a posited that the deal crisis response strategy would have a greater positive effect on relationship quality than diminish and deny strategies. The results supported this hypothesis. Crisis strategy type had an impact on dimensions of relationship; approximately 13% of the variance in commitment and 11% of variance in trust could be attributed to strategy type. The mean scores for the deal strategy were higher than the other two strategies across all the dimensions of relationship. The deal strategy displayed a greater positive effect on all relationship dimensions than the deny or diminish strategies. The diminish strategy had a greater impact than deny strategy on trust, commitment and control mutuality, but there was no significant difference for the dimension of satisfaction. These results suggest that more accommodative strategies are more effective in producing positive post-crisis responses than less accommodative strategies.

An analysis of the mean scores of the relationship variables revealed relatively low scores for the questions: I would trust this organization (M=3.40); generally speaking, I am pleased with the relationship this organization has established with people like me (M=3.69); and, compared to other organizations, I would value my relationship with this organization more (M=3.23). One factor which may have attributed to these low

scores is the fact that respondents were responding to a hypothetical situation with a fictional organization. While there are challenges in assessing trust and satisfaction with a fictional organization, there is still value in the results found. The notion that perception is reality is fitting in this case because respondents' perception of relationship and credibility can be considered real despite the actual existence of the organization. The creation of a fictional organization was necessary to control for possible biases that may have existed from previous experience with an actual organization.

An analysis of the descriptive statistics suggested the presence the third person effect. Davidson (1983) argued that individuals often reason that others (third persons) would be more influenced by messages and relationships than they would. There was a higher mean score for the satisfaction item "most people like me would be happy with this organization" (M=3.91) than "generally speaking, I am pleased with the relationship this organization has established with people like me" (M=3.69). This is also evident across the dimensions of trust and commitment; the mean scores for items that directly assessed the dimensions between the respondents and the organization were lower than the items that assessed the respondents' perception of the dimensions between the organization and others. This result, although unexpected, was not surprising. Respondents may have assumed that unlike themselves, others probably had actual interaction with the organization. With such a belief, it is natural to rate the relationship dimensions between the organization and others higher than between the organization

and them. Respondents may have believed that their relationship with the organization was less susceptible to organizational influence than another person's relationship.

H1b, which stated that the deal strategy would have a greater positive effect on corporate credibility than diminish and deny strategies, was not supported by the results of this study. Corporate credibility was assessed through the dimension of expertise. The results indicate that crisis response strategy does not affect the perception of an organization's experience, skill, or expertise. One possible reason for this finding could be the type of crisis used. This study used an accident which could have been labeled either a technical breakdown or a human breakdown. It may be that accidents have less impact on an organization's expertise than another type of crisis (organizational misdeed for example). Or perhaps, like Coombs (1998) discovery, since accidents have low personal control, they generate more sympathy from the public. It is possible that this caused respondents to be less critical of the organization's expertise level. Further research is needed into the impact of crisis types on corporate credibility.

Crisis communication literature emphasizes the importance of relationship history in crisis management and attribution of crisis responsibility (Fern-Banks, 2002; Coombs, 2000). The results of this study support H2, which posited that both post-crisis relationship quality and corporate credibility will be more positive when relationship history is positive than when it is negative. The findings show that there is a strong relationship between relationship history and perception of the relationship. 28% of the

variance in trust and 31% of the variance in satisfaction was attributed to relationship history.

The significant difference in means between positive relationship history and negative relationship history illustrate the impact of those factors on corporate credibility and the organization-public relationship. A positive relationship history can act as a buffer to protect the organization's reputation and relationship with its publics during a time of crisis. The results of this study are consistent with Coombs' (2008) findings that organizations with a negative relationship history experience more reputational damage than organizations with a positive relationship history. If an organization's reputation is weak it is likely that its relationship with its publics is weak as well.

The significant and strong relationship between relationship history and all relationship dimensions gives credence to the relational approach to crisis communication and management. Coombs (2006) noted that crisis history and relationship history can act as intensifiers during a crisis. Negative history could intensify perception of crisis responsibility, whereas positive history could create a halo effect, protecting the organization from severe damage. During a crisis, members of the public may perceive less damage to an organization's reputation and credibility if a positive relationship history existed (Coombs, 2006).

Positive relationship history may give an organization more flexibility in selecting a crisis response strategy. An organization that has a positive history may be able to draw on the strength of its relationship with its publics and effectively use a less

accommodative strategy to respond to a crisis. Yungwook & Lee (2008) noted that the public with a favorable relationship was less likely to be harsh on an organization than the public with an unfavorable relationship.

The third hypothesis investigated the relationship between crisis response strategy and relationship history. The anticipated result was that the effects of crisis response strategies on post crisis relationship quality and corporate credibility will be moderated by relationship history. The findings of this study did not support the third hypothesis. Although no interaction effect existed, an analysis of the results reveal that mean scores for positive relationship history were more positive than the mean scores for negative history across all dimensions of relationship and credibility. In each case, the deal strategy reflected the highest scores, followed by diminish and then deny strategies. It is possible that more important factors may exist which moderate the effects of crisis response strategies on the organization-public relationship and corporate credibility. The findings of this study help extend the situational crisis communication theory because it shifts the focus from just proper crisis response selection to strategy impact on the organization and its publics.

The next chapter presents the conclusions of this study along with limitations faced. Implications of the findings are discussed and areas for future research are suggested.

Chapter Six

Conclusion

This study sought to investigate the impact of crisis response strategies and relationship history on organization-public relationship quality and corporate credibility. Specifically, it asked whether more accommodative strategies and positive relationship history had a greater effect on dimensions of the organization-public relationship and corporate credibility. Additionally, it queried whether or not an interaction effect existed between crisis response strategy and relationship history. The findings indicate that the diminish strategy had a greater effect on dimensions of relationship than the deny strategy. The deal strategy had a greater effect on the dimensions of relationship than both diminish and deny strategies. It appears that the more accommodative the crisis response strategy, the more positive the impact on trust, satisfaction, commitment and control mutuality.

These findings provide support for previous studies that have advocated adopting a relational approach to crisis management. Relationship history significantly affected all the dimensions of the organization-public relationship and corporate credibility. Relationship history can serve to confirm or negate an organization's claims of trustworthiness and expertise. It can be inferred that nurturing a positive relationship is

essential to the successful management of a crisis. Moreover, it appears that relationship management is more important than message strategy in post-crisis communication. In fact, building a positive relationship with one's publics may serve as an important measure in preventative crisis management. This finding also supports the current shift in the field of public relations from message communication to relationship management.

There was no significant impact of crisis response strategy on expertise. This finding may provide some measure of relief to organizations that find themselves facing a crisis. It implies that despite whatever strategy may be used to respond, the public's perception of expertise may not significantly change. However, such assumptions cannot be relied upon from this investigation alone; more research is needed in the area of crisis response strategies and corporate credibility.

Limitations

Despite the significant findings that validate the impact of crisis response strategies and relationship history on dimensions of the organization-public relationship, there are limitations to this study.

First, it is unlikely that the sample undergraduate students used was representative of the general public. Since the respondents were not randomly selected, the results are only specific to the sample and cannot be generalized to a larger population. Although the type of organization used was carefully selected based on the probability of the respondents having an actual relationship with such an organization, it is possible that no

such relationship existed for some respondents and so it may have been more difficult for them to answer the questions.

One major challenge in this study was measuring relationship dimensions between a public and an organization that did not truly exist. It may have been difficult for respondents to perceive themselves having a relationship with the organization presented and so that may have affected the way they responded. Additionally, the use of an experimentation method possibly created responses, which under natural conditions, may have differed due to the influence of other variables.

Due to the restricted scope of this study, other variables which could have affected the organization-public relationship and corporate credibility during a crisis were not considered. Coombs and Holladay (2002) identified thirteen crisis types. Only the accident crisis was considered in this investigation. Other crises may have produced different responses. SCCT identifies ten strategies that can be used to respond to a crisis. For the purpose of this study, those strategies were collapsed into three categories: deny, diminish and deal. Thus, it remains unknown which specific strategy rendered the greatest effect on the dimensions of relationship.

Areas for Future Research

The following suggestions for future research are presented based on the findings of this study and the limitations identified. The Situational Crisis Communication Theory Model indicates that relationship history not only affects an organization's reputation but

attributions of crisis responsibility. This study can be extended to examine the relationship between relationship history and attributions of responsibility. Currently conflicting research exists regarding the existence of a halo effect. The phenomenon needs to be thoroughly investigated.

This study did not consider various types of crises. Future research should examine whether or not the impact of crisis response strategies and relationship history vary by crisis type. It would also be useful to test the effect each crisis response strategy has on the dimensions of relationship to determine if different strategies within the same posture have a different effect or if all strategies within the same posture generate similar results.

Corporate credibility is a natural extension of organizational reputation. More research is needed to investigate the impact of crisis types and crisis response strategies on corporate credibility and organizational reputation. Finally, one common criticism of organization-public relationship research is that it is often unilateral. Although challenging, future research should attempt to assess the perspective of both entities involved in the relationship being examined.

Implications

The results of this study hold both practical and theoretical implications for public relations practitioners and researchers. It extends the crisis communication perspective from focusing on crisis response strategies to assessing the effectiveness of those options

on the organization's publics. It contributes to understanding the effectiveness of crisis response strategies in building and maintaining specific dimensions of relationship.

The findings support the relational approach to crisis management. The strong impact of positive relationship history on all relationship dimensions and corporate credibility emphasize the importance of maintaining good relationships prior to possible crises. The stronger relationship between relationship history and relationship dimensions over crisis response strategies suggest that during a crisis relationship management is more important than message strategy in protecting the organization-public relationship and the organization's credibility. It would be prudent for public relations practitioners and other crisis managers to focus on developing a positive relationship prior to crisis occurrence as a means of combating possible detrimental effects during a crisis. The emphasis of public relations is relationships and this should be the case in crisis management as well.

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Appendices

Appendix A.1: Respondent Instructions

Instructions

1. This packet contains a magazine article, a press release and a questionnaire. When instructed, begin reading the document then answer the questions that follow.
2. Most questions make use of a rating scale with seven places. Please answer the questions by circling the number that best describes your opinion. Circle only one number on a single scale.
3. There are a total of three sections. Please read each question carefully and be sure to answer all items.

COMPANY PROFILE

BY DAVID BARTHELMY

Since its founding in 1960, Party Planet has been one of the nation's leading amusement parks. It has introduced cutting edge technology that enhances their simulated rides. The company's philosophy of honesty and commitment to stakeholders has been the guiding principle behind decision-making. Its open door employee policy of trust and concern has fostered a high retention rate. The yearly turn-over for full time employees is under 19%, which is half of the industry average.

A few years ago when Party Planet planned to expand its facilities, it consulted and partnered with local environmentalists and community lobbyists to develop a protection plan for the area's wildlife. Every year the company runs a "Pump up the

Party" promotion among students at the nearby university to explore new improvements or innovations that could be used to enhance the park. The winner of the competition gets to have his/her suggestion implemented and a paid summer internship offer. Many interns eventually become full time employees.

Party Planet makes numerous donations to local organizations and non-profit groups including Habitat for Humanity and CancerCare.

It also has an employee volunteer program where time off is granted for workers to help a non-profit organization of their choice. It is not surprising then that the company has made the Fortune 500 list of *America's Most Admired Companies* for the third consecutive year. ■



FEEDBACK dbarthelmy@fortunemail.com

COMPANY PROFILE

BY DAVID BARTHELMY

Since its founding in 1960, Party Planet amusement park has had to face many challenges. Compared to its rivals, Party Planet's facilities have become a bit outdated. In fact, its safety record seems to be eroding as the years go by. The company's philosophy of honesty and commitment to stakeholders has not been evident in its decision making, especially after the embezzlement scandal was exposed.



The major employee strike a few months ago struck another blow to the company. Over two-thirds of their employees publicly demonstrated against the low wages and poor working conditions at the park. The turnover rate of 55% is almost twice of the industry average.

A few years ago when Party Planet planned to expand its facilities, there was much complaint from the community and local environmentalists because there was no consultation about how the wildlife in the area would be protected. The expansion continued under protest from local university

students. As a result of the students' actions, Party Planet discontinued its internship program with the university.

Although the company has pledged to support

local organizations and non-profit groups, they have yet to follow-up on their pledge. In fact, Party Planet has a very low involvement with its community. It is not surprising then that the company has made the Fortune 500 list of *America's Least Admired Companies* for the third consecutive year. ■

FEEDBACK dbarthelmy@fortunemail.com

Appendix C.1: Attitudinal Scale

Please circle the number that best corresponds with your belief about Party Planet.

This organization is:

| | | | | | | | | |
|-------------|----------|----------|----------|----------|----------|----------|----------|---------------|
| Trustworthy | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | Untrustworthy |
| Responsible | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | Irresponsible |
| Good | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | Bad |
| Favorable | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | Unfavorable |
| Positive | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | Negative |
| Likeable | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | Unlikeable |

Appendix D.1: Deny Treatment



For Immediate Release

Party Planet's Statement Regarding the Rock n' Roll Rapids Incident

August 4, 2001 - Five Party Planet visitors were injured Tuesday after unexpectedly exiting the Rock n' Roll rapids ride.

The ride simulates a river rapids trip through a rain forest in the Jungle Fever section of Party Planet. A sensor on the ride tripped, forcing it to stop and riders to exit suddenly. The injuries happened while people were evacuating, and company officials have determined the problem was a faulty exit platform.

Party Planet's spokesperson, Jaime Smithson stated, "Our company subcontracts maintenance to an outside agency. Apparently, they were not as thorough as they should have been. In addition, patrons were not following safety standards. As a result, they sustained minor injuries, which is not uncommon when riders are behaving irresponsibly. Party Planet always is prepared to deal with minor incidents such as this. We, in fact, are not responsible for these events."

The ride has been closed pending further investigation.

About Party Planet: Party Planet is a premiere theme and amusement park located in South Carolina. Founded in 1960, Party Planet continues to provide thrilling adventures for the young and young-at-heart. With over twenty rides, Party Planet offers a variety of fun, affordable outdoor adventures and promises to make an ordinary day extraordinary.

Contact: info@partyplanet.com

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Appendix D.2: Diminish Treatment



For Immediate Release

Party Planet's Statement Regarding the Rock n' Roll Rapids Incident

August 4, 2001 - Five Party Planet visitors were injured Tuesday after unexpectedly exiting the Rock n' Roll rapids ride.

The ride simulates a river rapids trip through a rain forest in the Jungle Fever section of Party Planet. A sensor on the ride tripped, forcing it to stop and riders to exit suddenly. The injuries happened while people were evacuating, and company officials have determined the problem was a faulty exit platform.

Party Planet's spokesperson, Jaime Smithson stated, "There were only minor injuries sustained. Today's incident was beyond our control; we did not intend for our patrons to be harmed in any way. Occasional ride issues are not uncommon in any theme park. The incident is not exclusive to Party Planet."

The ride has been closed pending further investigation.

About Party Planet: Party Planet is a premiere theme and amusement park located in South Carolina. Founded in 1960, Party Planet continues to provide thrilling adventures for the young and young-at-heart. With over twenty rides, Party Planet offers a variety of fun, affordable outdoor adventures and promises to make an ordinary day extraordinary.

Contact: info@partyplanet.com

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Appendix D.3: Deal Treatment



For Immediate Release

Party Planet's Statement Regarding the Rock n' Roll Rapids Incident

August 4, 2001 - Five Party Planet visitors were injured Tuesday after unexpectedly exiting the Rock n' Roll rapids ride.

The ride simulates a river rapids trip through a rain forest in the Jungle Fever section of Party Planet. A sensor on the ride tripped, forcing it to stop and riders to exit suddenly. The injuries happened while people were evacuating, and company officials have determined the problem was a faulty exit platform.

Party Planet's spokesperson, Jaime Smithson stated, "We regret the incident and apologize to our guests. We are concerned for the families and wish those involved a quick and complete recovery. We will take responsibility for all medical expenses incurred as a result of this accident, and the families of those individuals involved will receive a free annual pass to any Party Planet park. Our priority has always been the welfare of our guests and we thank you for your continuing support."

The ride has been closed pending further investigation.

About Party Planet: Party Planet is a premiere theme and amusement park located in South Carolina. Founded in 1960, Party Planet continues to provide thrilling adventures for the young and young-at-heart. With over twenty rides, Party Planet offers a variety of fun, affordable outdoor adventures and promises to make an ordinary day extraordinary.

Contact: info@partyplanet.com

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Appendix E.1: Measurement Instrument

The following questions ask your opinion of the organization that produced the press release. On the following scales, where 1 represents *Strongly disagree* and 7 represents *Strongly agree*, please indicate the extent to which you agree with each item by circling the number that best reflects your opinion. There is no right or wrong answer.

- 1) I believe this organization treats people like me fairly and justly.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

- 2) I would be happy with this organization.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

- 3) I feel that this organization is trying to maintain a long-term commitment to people like me.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

- 4) This organization has a great amount of experience.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

- 5) This organization and people like me would be attentive to what each other say

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

- 6) Whenever this organization makes an important decision, I believe it will be concerned about people like me.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

- 7) Both the organization and people like me would benefit from the relationship.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

8) I can see that this organization wants to maintain a relationship with people like me.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

9) This organization does not have much experience.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

10) This organization believes the opinions of people like me are legitimate.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

11) I believe this organization can be relied on to keep its promises.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

12) Most people like me would be happy in their interactions with this organization.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

13) There is a long-lasting bond between this organization and people like me.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

14) This organization is skilled in what it does.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

15) In dealing with people like me, this organization has a tendency to throw its weight around.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

16) I believe that this organization would take the opinions of people like me into account when making decisions.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

17) Generally speaking, I am pleased with the relationship this organization has established with people like me.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

18) Compared to other organizations, I would value my relationship with this organization more.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

19) This organization has great expertise.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

20) I believe this organization would really listen to what people like me have to say.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

21) I feel very confident about this organization's skills.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

22) This organization is honest.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

23) This organization has the ability to accomplish what it says it will do.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

24) This organization makes truthful claims.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

25) I would trust this organization.

Strongly disagree 1 2 3 4 5 6 7 *Strongly agree*

