

Teacher's Guide to Media Relations in Crisis Management: Using Communication Tools to Protect Company Reputation

Janice H. Xu, Ph.D., Assistant Professor of Communications, Holy Family University

Lessons from the Arthur W. Page Center for Ethics and Integrity in Public Communication

Rationale

Crisis communication is an emerging field in applied communication studies and involves dealing with mediated messages and various types of audiences at moments of heightened pressure. Crisis communication skills are becoming more and more important for public relations professionals in both the corporate world and the non-profit sector. During times of crisis, handling media inquiries and taking proactive approaches to communicate with the public are crucial for protecting the reputation of the organization.

Overview

This teaching module aims at enhancing student understandings of theoretical conceptualizations of the process of crisis communication by looking at crisis communication practices from practitioners' views. It focuses on the issues relevant to planning, development, and execution of crisis communications programs for businesses and organizations, as well as media relations techniques for communication with stakeholders. A particular emphasis will be placed on the need for transparency and sincerity, and an audience-oriented approach in practicing crisis communication.

This teaching module is designed to familiarize students with various crisis scenarios facing a large organization, and guide them through the vital steps necessary for effective media relations. It also teaches students the importance of following ethical guidelines and professional standards in crisis communication.

Module Format

In this one-week teaching module, students will watch the videos in the Page Center oral history collection to learn how organizations create and present messages to specific audience segments using multiple media for crisis communication. The module can be used for both online courses and hybrid courses. Students, through finding additional materials and analyses of the crisis cases, will be able to learn how effective and ethical crisis communication can promote understanding, compassion, and sense

of responsibility. By comparing the uses of press releases, news conferences and other media methods in different crisis contexts, students should be able to understand the role of various public relations tactics.

Learning Objectives

By using materials from the Page Center oral history collection, students will achieve the following learning objectives:

1. Examine a combination of corporate insider accounts and media reports to understand the process of stakeholder communication during crisis
2. Identify the difference of controlled and uncontrolled media, and how public relations professionals use them ethically and effectively in crisis management
3. Compare how tools such as press releases, news conferences, and executive interviews are used to convey key messages to the media and the stakeholders

Key concepts

1. Media relations: Building a positive relationship with the news media so they know your organization is reliable, professional, accurate, and ethical. Tactics for the news media include news releases, pitch letters, backgrounders, media advisories, media tours, news conferences, and others. (Fearn-Banks, 2010, p.3)
2. Crisis communication: The dialog between the organization and its public prior to, during, and after the negative occurrence. The dialog details strategies and tactics designed to minimize damage to the image of the organization. (Fearn-Banks, 2010, p. 2)
3. Stakeholders: People who are linked to an organization or who are interested in an organization and are affected by the decisions made by that organization. Examples of company stakeholders are employees, stockholders, communities, and government officials. (Fearn-Banks, 2007, p. 58)
4. Communication process: A communicator encodes (e.g., puts thoughts into words and gestures), then transmits the message via a channel (e.g., speaking, email, text message) to the other communicator(s) who then decode the message (e.g., take the words and apply meaning to them). (National Communication Association website <http://www.natcom.org/discipline/>)
5. Uncontrolled media: The use of uncontrolled media involves the communication of news about the organization to the mass media and to specialized media outlets. The objective of this form of communication is favorable news coverage of the organization's actions and events. They are called uncontrolled media because the public relations practitioner loses control of the

communication materials at the media outlet itself. The decisions are made by the editors of the media outlet. (Hendrix, p.31)

6. Controlled media: The use of controlled media involves communication about the organization that is paid for by the organization. The wording choice, format, and placement in the media are all at the discretion of the organization. Examples include brochures, newsletters, films, DVDs, company meetings, and speeches. (Hendrix, p.31)
7. Public relations tactics: Public relations professionals rely on a toolbox full of varied tactics to achieve their communication objectives. News releases, public service announcements, media conferences, and special events are some of the best-known and time-honored tactics. (Wilcox, 2011:250)

Module Activity: Watch Video Clips

The following video clips are portions of interviews with public relations practitioners commenting on subjects related to crisis management. These video clips are available on the [website](#) of the Arthur W. Page Center for Integrity in Public Communication. First, please visit the Center’s website, and then go to the [Oral History Collection](#). Please select the [Oral History – Ethics in Public Relations](#) tab. On that page, you can see the index where you can easily access material within and across interviews organized by topic or issue. Among the various topics, please click [Crisis Management](#), and then you can access video clips of interviews with:

Anne Barkelew	Peter Debreceeny	Jon Iwata	Tim O'Brien
Ed Block	Richard Edelman	Jack Koten	Charlotte Otto
Harold Burson	Larry Foster – Dick Martin Interview	Marilyn Laurie	Ron Rhody
Ron Culp	Joyce Hergenhan	Jim Murphy	Kurt Stocker

Module Activity: Locating and Reading Media Reports

Instructor will assign selected video tapes to the students, and guide students in methods of finding additional sources relating to the crisis cases described in the oral history, such as library databases (e.g. Lexis-Nexis database) on business news reports, or New York Times website. Instructor will teach students how to use search key words effectively to locate the articles, and to make sure that the event reported in the media match that of the oral history.

Module Activity: Video Clip Questions

The following discussion questions are designed to encourage critical thinking on crisis management. After viewing one of the selected video clips and reading the media report(s) found about the crisis event described in the video, please answer the following questions. You can use the additional information provided to help with grading or facilitating discussion.

Sample Response 1: (Ron Culp video)

1. Find at least one additional source reporting on the crisis. Summarize the main points of the media story you found about this event.

New York Times published an article titled “Ideas & Trends in Summary; Lilly Yanks Arthritis Drug” on August 8, 1982, written by Margot Slade and Wayne Biddle (<http://www.nytimes.com/1982/08/08/weekinreview/ideas-trends-in-summary-lilly-yanks-arthritis-drug.html>). It also published an article titled “At Lilly, the side-effects of Oraflex” on August 15, 1982, written by Thomas J. Lueck (<http://www.nytimes.com/1982/08/15/business/at-lilly-the-side-effects-of-oraflex.html>).

The two articles report that the arthritis drug Oraflex, also known as benoxaprofen, manufactured by Eli Lilly & Company, was pulled off the market due to multiple cases of patient deaths. It was under Federal investigation. It harmed Lilly’s reputation for high standards in scientific research. Lilly’s problem with Oraflex has done damage to its earnings and the value of its stock. The event may have an impact on Federal Drug Administration’s drug review process, which would affect all pharmaceutical companies.

2. Identify the main stakeholders involved. Who are the groups involved, directly and indirectly?

The main stakeholders involved in this case were the patients, their doctors and pharmacies, FDA, the company shareholders, and the employees of Eli Lilly, including the scientists and doctors in the company who invented and tested the drug.

3. Explain why the situation qualifies as a crisis. What are the key issues? How would the incident affect the company reputation?

A crisis interrupts the normal flow of business and requires immediate attention from the management, because it might cause major damage to the organization. It is often accompanied by intense media scrutiny.

In this case, the safety of the patients was at risk, due to the side effects of the drug, therefore a recall was necessary. According to the video, "Eli Lilly received a lot of negative press because of the recall of Oraflex and suffered some reputation problems due to the reported deaths of British citizens that were then followed by the death of 11 citizens in the United States." It has the potential of causing major damage to the company reputation, and can negatively impact company profit and stock prices.

4. Identify at least four communication activities that occurred, including the sender(s) and receiver(s) of the messages, and the channels of communication. What were the communication tools the public relations professionals or company management used? Give examples of the use of controlled or uncontrolled media.

1. *The management of Eli Lilly answered government inquiries about the safety of the drug at various meetings. "We had a Congressional hearing, we had FDA hearings..." (Ron Culp video)*

2. *The company's top management communicated with its PR professionals frequently through the phone when answering media inquiries around the clock. "It was literally 24/7 media calls." For instance, one day while Ronald Culp was in the delivery room with his wife who was giving birth to their first son, his boss called him and said "a newspaper in Greece was calling from Athens... they were on deadline." (Ron Culp video)*

3. *Eli Lilly & Company wrote to drug wholesalers, pharmacists and doctors asking them to stop distributing and prescribing Oraflex. (NYT article 8/8/1982)*

--Consumers were urged to return unused pills to the company for a refund.

4. *Eugene L. Step, president of Lilly's Pharmaceutical Division and a member of the company's board was interviewed by New York Times. He stated that "the drug is safe and effective when it is used properly." (NYT article 8/15/1982)*

5. *Edgar G. Davis, Lilly's vice president for corporate affairs was interviewed by New York Times. He asserted that "Our scientific integrity is the core of this company." (NYT article 8/15/1982)*

6. Ronald Culp, director of public relations, was interviewed by the newspaper. He said that many arthritis sufferers may have received much-needed relief if Oraflex had remained on the market. (NYT article 8/15/1982)

Eli Lilly & Company held a news conference to announce the launch of the drug Oraflex, as Ron Culp described in the video. In the crisis management stage, the company used media interviews, letters, phone calls, and meetings as communication tools.

Both controlled and uncontrolled media were used in the communication process. An example of the use of controlled media was letters from the company to drug wholesalers, pharmacists and doctors. An example of the use of uncontrolled media was interviews with newspaper reporters.

5. What were the objectives of these communication activities? What kinds of ethical or legal considerations were involved in the communication process? How do you evaluate the company's crisis communication methods and activities?

The objectives of these communication activities are: maintaining dialogs with different stakeholders when the company is in the middle of crisis; demonstrating good will, sincerity, and willingness to cooperate with government investigation; preserving company reputation by emphasizing its core values and integrity when the public might have doubts about the products of the company.

Although the company later regretted its decision to announce the launch of the new drug through PR, as Ron Culp mentioned in the video, I think the crisis communication activities and methods in the recalling stage were professional and effective.

Sample Response 2 (Ed Block video)

1. Find at least one additional source reporting on the crisis. Summarize the main points of the media story you found about this event.

New York Times published an article on January 9, 1982 titled "U.S. settles phone suit, drops I.B.M. case; A.T. & T. to split up, transforming industry" written by Ernest Holsendolph.
<http://www.nytimes.com/1982/01/09/us/us-settles-phone-suit-drops-ibm-case-at-t-to-split-up-transforming-industry.html>

The article reports that AT& T settled the Justice Department's antitrust lawsuit by agreeing to give up the 22 Bell System companies that provide most of the nation's local telephone service. It would be the largest and most significant antitrust settlement in decades.

2. Identify the main stakeholders involved. Who are the groups involved, directly and indirectly?

The main stakeholders involved in this case were the local telephone companies, AT&T customers in different parts of the country, AT&T employees, shareholders, and the federal government.

3. Explain why the situation qualifies as a crisis. What are the key issues? How would the incident affect the company reputation?

A crisis interrupts the normal flow of business and requires immediate attention from the management, because it might cause major damage to the organization. It is often accompanied by intense media scrutiny.

The key issue was that AT&T needed to inform the public of its decision to settle Justice Department's antitrust lawsuit and to split into smaller companies, ending its era of industry monopoly. According to the video, before the settlement with the Department of Justice, AT&T had been fighting the antitrust case "vigorously" for years. The decision to accept the breakup would have a major impact on everyone associated with the company, because it would directly change how business was conducted throughout the organization, with big financial consequences. If the announcement was not handled properly, it might cause anxiety and confusion among the employees, shareholders and customers, harming the company reputation.

4. Identify at least four communication activities that occurred, including the sender(s) and receiver(s) of the messages, and the channels of communication. What were the communication tools the public relations professionals or company management used? Give examples of the use of controlled or uncontrolled media.

1. At the request of AT&T Chairman and CEO Charles Brown, the PR department of AT&T presented a plan to announce the settlement "to the whole top management, all the CEOs of the Bell companies, to our own board of directors." Ed Block spent two days writing the plan in his laundry room. (Ed Block video)

2. AT&T held a joint press conference with the Justice Department in Washington at the Overseas Press Club announcing the antitrust settlement and the breakup of the Bell system. "There were about, as I recall, about 110 reporters attended the press conference." (Ed Block video)

3. Ed Block also wrote "a full page ad to run in the morning papers the next day, all the metropolitan papers in the United States." Anticipating a media frenzy, he placed the ad "for fear that the story would not come out as clearly and as accurately as it did." (Ed Block video)

4. *After the announcement, the company public relations professionals answered a lot of questions coming instantly from all directions. "And that weekend I recall going from memory just in the AT&T PR department, not in the Bell companies but we fielded 4,000 queries." (Ed Block video)*

The company used press conference, press release, letters, phone calls, meetings, and advertisements as communication tools.

Both controlled and uncontrolled media were used in the communication process. An example of the use of controlled media was the full page ad published in major newspapers. An example of the use of uncontrolled media was the joint press conference.

5. What were the objectives of these communication activities? What kinds of ethical or legal considerations were involved in the communication process? How do you evaluate the company's crisis communication methods and activities?

The objectives of these communication activities are: have proper internal communication in preparing for a crisis moment of media frenzy; explaining clearly and accurately the legal case to stakeholders to assure that they comprehend the meaning of the transformation correctly without misunderstanding or confusion; maintaining dialogs with different stakeholders when the company is going through a major transition.

The company management and PR department made sure that the news was not leaked before an official announcement was ready. They also believed that because it was a complicated landmark case involving the Department of Justice, it is important that "you get both sides together at the same time and the same place and tell the story...so we did have a joint press conference and that really helped the reporters get the story straight. But, it made it possible to tell the story one time, one way, one place, and stick to it." Overall I think the crisis communication activities and methods in this case were very professional and effective.

Additional Readings

Coombs, W. T. (2007). Protecting organization reputations during a crisis: The development and application of situational crisis communication theory. *Corporate Reputation Review*, 10(3), 163-176.

Dowling, G. (2002) *Creating Corporate Reputations: Identity, Image, and Performance*, Oxford University Press, New York.

Seeger, M. W. (2006). Best practices in crisis communication: An expert panel process. *Journal of Applied Communication Research*, 34(3), 232-244.

Sturges, D. L. (1994) Communicating through crisis: A strategy for organizational survival. *Management Communication Quarterly*, 7, 297–316.

References

Fearn-Banks, K. (2007). *Crisis communications—A casebook approach* (3rd ed.). Mahwah, NJ: Lawrence Erlbaum.

Fearn-Banks, K. (2010). *Crisis communications—A casebook approach* (4th ed.). New York, NY: Routledge.

Hendrix, J. A., & Hayes, D. C. (2009). *Public relations cases*. Wadsworth Publishing Company.
National Communication Association. (2013) “What is communication?”
<http://www.natcom.org/discipline/>

Wilcox, D. L., Cameron, G. T., Reber, B. H., & Shin, J. H. (2011). *Think public relations*. Boston, MA: Allyn & Bacon.