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Corporate crisis planning: Tensions, issues, and contradictions

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Citation

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Abstract

Purpose – Crisis planning, which symbolizes an organization's crisis preparedness and often conceptualized at the corporate headquarters, is increasingly decentralized to regional centers of global companies. These centers, in turn, synchronize their crisis master plans with its national units for expeditious management of localized crises. The purpose of this paper is to capture the decision-making processes that practitioners at a regional center faced as they nurtured their master plan from conception to implementation.

Design/methodology/approach – The qualitative method is used. This is a case study of a Fortune 500 company with plants in every continent. The company has four regional centers, and the center under study oversees more than 20 national units or countries.

Findings – This study found a deep divide in attitude, expectation, and style between what practitioners and the dominant coalition regarded as necessary and sufficient measures in crisis planning.

Research limitations/implications – Restricted access to more interviewees.

Practical implications – Studies like this, grounded in the practitioner's world, add rich layers of context to understanding how theory and practice can integrate. Given that in this study, corporate communications has been found to be regarded as an auxiliary, rather than ancillary, function in this study, this paper offers practical tips on what practitioners can do to transform organizational perception.

Originality/value – Such studies are rare because of the lack of accessibility to data. Practitioners are hesitant to grant access because of the highly sensitive nature of this topic, for fear of reprisals from their organizations, and an inadvertent revelation of organizational privacy and secrets.

Keywords Corporate strategy, Communication management, Decentralized control, Contingency planning

Paper type Case study

Introduction

Most studies on crisis communication and management are premised on how organizations can, and should, develop multifaceted plans to prepare, respond, and recover from crises. Indeed, the lynchpin that determines the success, or failure, of a crisis campaign appears to rest on an organization's crisis preparedness, epitomized by a crisis plan (Coombs, 2000). In doing so, two assumptions are implicit. First, the crisis plan is *sine qua non* in organizations. Second, plans are all encompassing, or one-size-fits-all. If the organization is one with geographically dispersed subsidiaries, what is planned at the corporate headquarter is applicable to all its geographic units or

countries, where the organization has presence. This could be particularly true for multinational organizations. Consequently, it is more a case of which plan to use to suit what types of crises.

The reality, however, paints a less sanguine picture. Many organizations, particularly public-listed, transnational organizations, have alarmingly failed to take any precautionary steps in crisis planning. Studies have found that among all organizations, less than 50 percent had any crisis plan (Fink, 1986); among the *Fortune* 1000 Industrial and *Fortune* 500 service firms, only 53 percent had crisis plans (Pinsdorf, 1995); among the *Fortune* 1000 organizations, less than 60 percent had crisis plans (Tiller, 1994); and among the largest profit-making organizations in the USA, up to 70 percent of them had not made any crisis plans (Burnett, 1998).

Compare these figures to the estimates from the Institute of Crisis Management, which showed that nearly 90 percent of the crises are "smoldering," in that organizations are aware of potential crises before they happen (Wilcox and Cameron, 2005), and the picture is even more alarming. Mitroff and Pauchant (1990) found that only between 5 and 15 percent of the 120 organizations they studied met their criteria of crisis preparedness. Even among the professionals, Guth (1995) found a lack of adequate crisis planning by corporate communications practitioners. Myers (1993, p. 2), perhaps, described it aptly: "If economics is the dismal science, then contingency planning is the abysmal science."

Crisis planning in multinational organizations
Even if an organization did have a crisis plan, the assumption that it is applicable throughout the organization is abated by the structural transformations taking place in modern businesses. Globalization has brought about inordinate opportunities for organizations to expand into new markets, leading many multinational corporations (MNCs) to open up subsidiaries in host countries (Bardhan and Patwardhan, 2004). As with many of these multinational organizations, corporate control has been decentralized to regional centers or headquarters (Hofstede, 1999). Many corporations have realized that initiatives created at the corporate head office that are promoted throughout the organization often run the risk of conflicting with national cultures (Newman and Nollen, 1996).

The once powerful colonial model of management, characterized by an ethnocentric approach whereby the corporate headquarter initiates and directs all activities at its overseas subsidiaries (Botan, 1992), is increasingly giving way to the polycentric approach, whereby the corporate headquarter allows its regional headquarters and/or subsidiaries a high degree of autonomy. In the latter approach, though corporate goals are established at the head office, many of the day-to-day affairs are delegated to these functional or geographic centers (Hayes, 1985). The challenge, then, is for these regional or geographic centers to take the initiative to set their own agendas, programs, and directions.

In terms of crisis preparation, one program geographic centers have pursued is to initiate the conception of a regional crisis communication master plan so that regional crises are managed with the requisite sensitivities, prerogatives, and exigencies suitable to the region. At the same time, the regional master plan has to be synchronized with both the vision and direction from the corporate headquarter as well as the plan conceived by the individual countries it oversees. With an increasingly

porous international public relations landscape where conflicts that occur to an organization in one country often have simultaneous impact with serious consequences in another country or countries where the organization has presence, a phenomenon that Molleda *et al.* (2005) described as "cross-national conflict shifting," the need to contain regional conflicts within the region by way of a synchronized regional crisis master plan is even more critical.

In such a networked organization, this scenario presents an intriguing opportunity to understand the dynamics behind the crisis planning processes. At the heart of the study is this: since the formulation and coordination of a crisis plan is very much the primary domain of corporate communications practitioners (Davis and Gilman, 2002), what challenges do they face in bringing to fruition this important exercise? And how can they overcome these challenges?

Few studies have sought to examine the intricate and complex processes corporate communications practitioners face in formulating such a plan, much less one that attempts to synchronize a regional crisis plan. Such studies are rare due to the lack of accessibility to practitioners. Practitioners may be hesitant to grant access because of the highly sensitive nature of this topic; for fear of reprisals from their organizations; and an inadvertent revelation of organizational privacy and secrets. Yet, such studies are essential as they provide critical insights into how decisions are derived, and what factors under-gird the decision-making process.

This present case study captures the tensions, contradictions, and issues that arise in the implementation and synchronization of a regional crisis communication master plan in a *Fortune* 500 organization. Using the contingency theory of conflict management as the theoretical lens, this study seeks to understand the challenges practitioners at a regional headquarter of the organization, which oversees more than 20 countries, face, and the factors they wrestle with while integrating the regional crisis communication master plan with the local plans.

Significance of study
Data come from a privileged access to an elite interview with the regional communications director who initiated, coordinated, synchronized, and implemented the regional plan. Data also come from analyses of the organization's highly confidential crisis communication master plan as well as its internal and published documents.

Though this study is designed to be descriptive, it is significant on three fronts. First, much of the knowledge of crisis preparation have been practitioner-derived, and practice-driven (Seegar *et al.*, 2003). However, as Cameron *et al.* (2001) have argued, more empirical studies that are grounded in the practitioners' world can add rich layers of context to understanding how theory and practice can integrate. Through this study, it is thus hoped that practitioners as well as scholars can benefit from the insights derived.

Second, we aim to test theoretical rigor and contribute to theory development. Though the contingency theory has been conceived to explain inter-organizational conflicts, this is arguably the first study applying the theory in an intra-organizational setting. In doing so, it is hoped that this case study can illuminate insights on whether the findings critical in an inter-organizational context is equally applicable in an intra-organizational context.

Third, through this case study, we seek to understand, if – after all the rhetoric about the importance about the role of practitioners in crisis communication

(Fishman, 1999) and corporate communication as a critical managerial function (Cutlip *et al.*, 2000) – crisis corporate planning is, in actuality, an ancillary or auxiliary function.

Literature review
Contingency planning for crisis

Crisis planning, argued Seegar *et al.* (2003, p. 164), was considered to be the "most critical" strategic activity an organization could undertake. It involved two overarching components: first, identifying possible conditions/scenarios of crises; second, allocating resources, capacities, and structures to deal with these conditions. The goals of crisis planning were to reduce uncertainty, decision time, response, and recovery, so that management knew what it should do, and allowed it to maintain some form of control (Lerbinger, 1997).

Though critical, studies have revealed some common reasons why organizations did not plan. These ranged from management inertia, resource constraints, to avoidance and denial that crisis would strike. Mahoney (1993, p. 45) asserted that organizations had too many pressing issues related to the profitability, marketing, and production aspects of the business "to worry about 'what-ifs.'"

Consistently, the following components form the core of a crisis plan. First, identify general and specific vulnerabilities (Lerbinger, 1997). Second, identify key stakeholders (Gonzalez-Herrero and Pratt, 1996). Third, identify the key team members (Nudell and Antokol, 1988). Fourth, identify communication channels (Fearn-Banks, 2002). Seegar *et al.* (2003, p. 171) argued that as the organization's "formal symbol of authority and control," in a crisis, the CEO or President would be the "most credible crisis spokesman." Penrose (2000) suggested another critical component in crisis planning, which he argued to be post-crisis communication. These mainly focused on crisis recovery and reputation management.

Even though possessing a crisis plan does not necessarily mean that the crisis will be managed efficiently, as Marra (1998, 2004) argued, these plans have come to symbolize the "bedrock" of crisis management (Gonzalez-Herrero and Pratt, 1996).

Contingency theory of conflict management

The contingency theory of conflict management is used as the theoretical lens for this study. A theoretical perspective diametrically different from the excellence theory, which positioned two-way symmetrical model as normative theory (Grunig, 1996), contingency theory argued that a more realistic description of how strategic communication was practiced could be ascertained by the examination of one's stance towards the other. The stance adopted need not be static, and could change based on the influence of organizational factors (Cancel *et al.*, 1997). Stances were measured through a continuum, which has at one end, advocacy, which meant insisting on one's stand; and at the other end, accommodation, which meant giving in. Between the two ends were a wide range of operational stances and these entailed "different degrees of advocacy and accommodation" (Cancel *et al.*, 1997, p. 37). Within an organization, the contingency theory had identified six thematic categorization of factors that could affect stance movement along the continuum at a given time (Cancel *et al.*, 1999).

Though all of the studies using contingency theory (Jin *et al.*, 2006; Pang *et al.*, 2004; Reber *et al.*, 2003; Yarbrough *et al.*, 1998) had been to analyze how conflicts were

managed between an organization and its external publics, we argue that the versatility of the theory allows it to be applied internally within the organization to capture the movement of stance along the continuum between various parties. For this study, for instance, we have operationalized the dominant coalition as one public, and the corporate communications practitioners as another public. Within an organization, one could argue that perhaps the most important public is the dominant coalition. The dominant coalition authorizes and enables actions, making strategic conflict management regarding the dominant coalition a crucial function of the corporate communications department.

Contingency factors in crisis planning
Studies using the contingency theory had shown that certain key variables predisposed a party to the enactment of a stance while others prohibited any form of accommodation. Then, there were also those that were in between, depending on the situation, that either steered the party towards more accommodation or advocacy.

Predisposing variables were factors that influenced a public's location along the continuum before it entered into a particular situation involving a public. Some of the well-supported predisposing factors included:

- the size of the organization;
- corporate culture;
- business exposure;
- public relations to dominant coalition;
- dominant coalition enlightenment; and
- individual characteristics of key individuals, like the CEO (Cancel *et al.*, 1999).

These factors were supported in the crisis management literature. For instance, organizational culture had been found to be a key factor in ensuring the formulation of a sound crisis plan and excellent crisis management (Marra, 1998).

Situational variables were factors that were most likely to influence how a public relates to another public by effecting shifts from a predisposed accommodative or adversarial stance along the continuum during an interaction. Some of the supported situational factors included:

- urgency of the situation;
- characteristics of the other public;
- potential or obvious threats; and
- potential costs or benefit for the organization from choosing the various stances (Cancel *et al.*, 1999).

Cameron *et al.* (2001) argued that there were times when accommodation was not possible at all, due to moral, legal, and regulatory reasons. They identified six proscriptive variables when:

(1) there was moral conviction that an accommodative or dialogic stance towards a party may be inherently unethical;

(2) there was a need to maintain moral neutrality in the face of contending parties;

(3) legal constraints curtailed accommodation;

(4) there were regulatory restraints;

(5) dominant coalition prohibited an accommodative stance; and

(6) the issue became a jurisdictional concern and resolution of the issue took on a constrained and complex process of negotiation.

Research questions

Based on the literature, we seek to explore and understand the tensions, issues, and contradictions that arise in the implementation and synchronization of a regional crisis communication master plan in a *Fortune* 500 organization.

The research questions are:

RQ1. How was the crisis plan conceptualized, coordinated, synchronized, and implemented?

RQ2. What factors under-girded this process? What stances, accommodative or advocating, were evident among the internal publics?

RQ3. How was the role of corporate communications practitioners defined in crisis corporate communication?

Methodology

The qualitative approach using the case study method was most appropriate to this study because it was able to capture, interpret, and understand the nuances of relationships and identify the factors under-girding the formulation and implementation of the crisis communication plan. It allowed the researcher to delve into and explain the uniqueness and complexity of the management processes, and as Gummesson (2000) argued, to capture the essential processes of decision making, implementation and change. Wimmer and Dominick (1997) asserted that case studies were time-tested means of evaluating business practices. Stake (1995) argued that case study enabled researchers to understand the embeddedness and interactions these processes had with their larger contexts.

In this study, we aim to understand the particularity and complexity of this single case, coming to understand "its activity within important circumstances" (Stake, 1995, p. xi). This study, primarily descriptive (Yin, 2003, p. 73), is positioned as a "representative of a process of public relations" that provide "insights into similar situations and solutions."

The organization

The organization is a *Fortune* 500 company and a leading consumer goods producer. It has plants and joint ventures in every continent. The organization has four regional centers, in the Americas, Europe, Central Asia/Middle East, and Pacific Rim. The regional headquarter under study oversees more than 20 national units or countries.

Data collection

Interviews. An interview guide (Lindlof, 1995) was used. Utilizing a combination of semi-structured and unstructured questions, the guide accords the researcher a menu of questions to cover, and at the same time, leaves room for spontaneity and

unstructured responses. Owing to the highly sensitive nature of this research, only the regional communications director who was responsible for initiating, formulating, synchronizing, and enforcing the regional plan agreed to be interviewed. The first interview was conducted in July 2003; the second interview, in August 2003. Each interview lasted approximately one hour. Between 2003 and 2005, continued access to the communications director was available for clarification and requests for additional information. Despite the fear of reprisals, the communications director agreed to be interviewed because:

> ... we need to know that crisis planning is not just about relating to external constituents when a crisis hits ... the greatest challenge in coming up with the plan is to persuade your internal constituents before the crisis hits (personal conversation, August 4, 2003).

Documents. More than 200 pages of internally circulated as well as published documents about the organization were scrutinized and studied. These documents included the organization's historical records, annual reports, performance reports, notices to shareholders, a transcript of a vision-casting speech by the organization's CEO in 2002 to senior executives. Collectively, these shed insights on organizational practices, culture, philosophy, and directions.

Artifact. The highly confidential crisis management plan was obtained and analyzed. This 25-page plan formed the template on how crisis communication processes would take place at the regional headquarter in coordination with the national units.

Data analysis

All the transcripts, documents, and the plan were analyzed to develop a sense of the data as a whole. Stake (1995) argued that data from these sources enables methodological triangulation to take place. Additionally, attempts to verify viability of the findings were facilitated through member-checking processes. As Stake (1995, p. 115) argued, member checks were opportunities for researchers to solicit informants' views for "accuracy and palatability" of the findings. Member checks were conducted in April 2005 with the regional communications director. Minor changes were requested, and acceded to.

To ensure objectivity of data, the following measures were taken. First, ensuring the authenticity of data. The interview guide was used to ensure that critical issues were rigorously addressed while allowing for spontaneous interjections. By maintaining interview distance, the interviewer was cognizant of his preconceptions and ensured that these did not contaminate the data. Second, ensuring the plausibility of data. The interview data was constantly compared with documents and artifacts. In doing so, special attention was paid to patterns of consistency and contradictions from the multiple sources of evidence. Such systematic analysis of data, as Plowman *et al.* (1995, p. 245) argued, served as "a record of the process of reflection and analysis." Third, ensuring criticality of data. Assumptions, conjectures, and possibilities were related to existing crisis literature so that new knowledge were matched against existing knowledge, yielding further understanding in the field. Golden-Biddle and Locke (1993) argued that implementing these safeguards of authenticity, plausibility, and criticality were time-tested measures to ensure the quality of qualitative data. In their study using the same method, Plowman *et al.* (1995, p. 243) attested to the veracity of these

safeguards as they were able to "capitalize on the advantages of the long interview and case study approaches while control for inherent disadvantages."

Results and discussion
RQ1 examined how the crisis plan was conceptualized, coordinated, synchronized, and implemented in this regional headquarter. *RQ2* examined the factors that under-girded this process, and what stances, accommodative or advocating, were evident. Both these questions are examined together.

Advocacy embedded in accommodation: polycentric approach, ethnocentric values
With the regional headquarter in existence for more than 20 years, it was only recently that a crisis plan was initiated. In 2000, the regional communications director, who was hired, realized there was no such plan in the organization. The director proposed the idea of the plan to the dominant coalition. With the help of consultants, a crisis communication plan, as opposed to crisis management plan, was conceived within a year. The former, instead of the latter, was conceptualized because it was beyond the scope of the communications department to include production and operational plans, the director asserted. The conception of the plan was an accommodative act on the part of the dominant coalition, spurred largely by two situational factors, potential threats, and potential costs for the organization if it was caught unprepared. The communications director said, "They saw what others were doing, maybe not out of conviction, but a recognition that there was a need to at least have the basics" (personal communication, August 4, 2003). The trigger appeared to be that around the time when the plan was proposed, the organization was facing several scares that could have escalated into crises. The fear that these would generate negative publicity for the organization lent further weight to the accommodative stance. Cancel *et al.* (1999, p. 184) argued that the threat of "negative media coverage" was found to be a compelling situational factor. Additionally, the threat of potential damage to the organization's reputation and business costs did much to persuade the dominant coalition to concede that a plan was necessary.

Analysis of the plan showed that the thrusts were five-pronged: identify possible crises; establish a standardized set of procedures and protocols; identify key publics; strategize key messages; and establish coordination of information between the regional and corporate headquarter. These components were pillars in a crisis plan (Fearn-Banks, 2002; Ray, 1999; Seegar *et al.*, 2003). At the same time, it was agreed that during a crisis, the operational head, rather than the corporate communications head, would be the spokesman. If a crisis happened at a national unit, the operational head would be the country manager. If it affected the region, the president of the regional headquarter would be the spokesman. Seegar *et al.* (2003) argued that identifying a credible spokesman showed the importance the organization placed in the crisis.

Operationally, should a crisis hit a member country, the national unit would activate its plan. The regional headquarter would be activated to help with the coordination of corresponding actions in the other countries as well as globally. Precise coordination is a way to deal with cross-national conflict shifting, or the rapid transference of conflicts from one country to another within the same organization, argued Molleda and Quinn (2004).

Once the regional shell plan was ready, the national units were encouraged to establish their individual plans, with the regional plan as reference. One year after the

master plan was conceived, of the 20 or so national units, all except two countries had not aligned themselves to the regional plan. Beyond establishing shell plans, the communications director had hoped to further the implementation into action through three stages:

(1) conduct drills, test major scenarios;
(2) integrate the regional plan with the plans of the national units; and
(3) integrate regional plans with the plan of the corporate headquarter.

Thus, far, only stage 1 had been tested. Even then, the communications director argued that he was not entirely convinced that the dominant coalition wanted to do more with the plan. The director asserted:

> We've only tested scenarios and the fundamental applicability of the processes ... The top management had indicated that no more time should be taken for media training, citing costs and time taken away from work (personal communication, August 4, 2003).

The apparent lack of conviction on the dominant coalition's part to accommodate to a corporate communications initiative began to assume a more advocating stance even as it appeared to accommodate. The corporate communications department, the director conceded, had little power to convince the dominant coalition otherwise. Hierarchically, it sat below all the "key portfolios" (personal communication, August 4, 2003) of sales and marketing, production, and human resource. Indeed, analyses of historical documents of the organization revealed that much of what the organization had emphasized through the years were production targets like technological innovation, product development, increasing market share, and financial performance.

Several contingency factors were identified to explain this conundrum. The singular weight of the dominant coalition enlightenment appeared to outweigh the collective persuasiveness of the corporate communications practitioners to the exigency of the plan.

Documents and reports attested to the dominant coalition's reputation for its conservative values, production-driven, and patriarchal management style. Coupled with its apparent lack of support and understanding of communication functions, all described in the contingency theory as indicative of its level of enlightenment (Cancel *et al.*, 1999), these factors had predisposed it to adopt a more advocating stance towards what it perceived as non-critical, non-production-based initiatives. Another predisposing factor that appeared to work against the corporate communications practitioners was its lack of access to the dominant coalition, hierarchically and physically. As mentioned, the corporate communication, in industry parlance, "did not sit at the table," and among the departments, was physically located furthest away from the dominant coalition.

Thus, it appeared the dominant coalition accommodated as far as the formulation of the plan. Beyond that, communication-related functions appeared to take a back seat to the more important business of running a business. The communications director attributed this to the embodiment of ethnocentric ethos embedded in the organization, that even when attempts were made to encourage polycentric managerial approach in decentralized centers like the regional headquarter, much of the ethnocentric values continued to be manifested, through the key executives. The communications director said:

> The senior management of this company are essentially engineers, born and bred on the factory floor, and having risen through the ranks (after long years) have imbibed the values and perspectives of their work unit. Every decision, every consideration, is predicated upon getting the goods produced, and investors happy. Management thinking is groupthink, and this is inextricably linked to the production line. Managers bring this production mentality to the world outside the factory, and apply its engineering-based logic unthinkingly, coldly, to everything in corporate life (personal communication, April 11, 2005).

Support and understanding of corporate communications functions appeared academic. Though the situational factors were instrumental in moving the dominant coalition to agree to the formulation of the crisis plan, it did not appear to be sufficient to hold the dominant coalition to its accommodative stance because the predisposing factor of dominant coalition enlightenment moved it towards an advocating stance. This supported Cameron *et al.*'s (2001) assertion that a public (in this case, the dominant coalition) may not move from its predisposed stance if the other variables were not compelling nor powerful enough to influence its position, or if the opportunity costs of the situational variables did not lead to any visible benefits. In this case, the situational factors appeared only powerful enough to convince the dominant coalition to accommodate in principle, with the long shadows of predisposing factors casting its advocating influence when further accommodation was needed in practice.

Advocacy: schisms between communication objectives and corporate prerogatives
The tussle between what the corporate communications practitioners hoped to achieve and what the dominant coalition placed as priority issues could be examined through three schisms.

Schism of attitude. The communications director asserted that the dominant coalition regarded communication functions as, at best, a "necessary evil rather than a critical tool." It was "indulgent and tolerant" of it, "but remained essentially unconvinced and unsupportive" (personal conversation, August 4, 2003). The director said:

> They don't understand that this discipline can really contribute to the business indirectly and directly and they view this as something to be resorted to, but not necessarily treasured or nurtured. And the regional President shares the vision of the global management (personal communication, August 4, 2003).

Corporate culture, which is a predisposing factor in the contingency theory, appeared to play a big role in defining global management. Founded more than 90 years ago, historical records showed that it began as a family-owned business that rapidly expanded in the last 30 years. Still, its tradition of apprenticeship on the manufacturing floor remained very much entrenched in organizational folklore and culture even as CEO at the corporate headquarter proposed, in a speech to senior executives in 2002, that the organization should move beyond production and manufacturing targets if it truly wanted to develop into a global company. However, many of its senior staff who had risen through the ranks in the manufacturing plants continued to maintain a provincial mindset. The exclusivity of being part of this special group of locally raised staff tended to lead to a homogenous organizational culture of inclusiveness rather than integration, argued Schneider *et al.* (1998). This is supported by Hofstede's (1999) assertion that organizational cultures were most likely shaped by management practices. Though the CEO said in the 2002 speech he had the vision to re-strategize the organization to be more responsive to society, the reality was that this vision had not

been translated by senior management in day-to-day functions. Cancel *et al.* (1999, p. 178) argued that such a vision, often set by the CEO and executed by "various level of management," would take time to "become ingrained into companies."

In the meantime, however, the preponderance of the predisposing factor of "old" culture, if you may, remained, and dispersed to key regional centers. This "old" culture, when confronted with "newer" cultures in the form of recent hires like this communications director, managed to retain its stronghold, and continued to exert its ingrained beliefs. A manifestation of such a stronghold was a predominantly conservative attitude towards more "touchy-feely" functions like communication.

Schism of expectations. The differences in approach extended to crisis communication. The communications director asserted that the dominant coalition expected the regional headquarter to drive the campaign in times of crises, while the corporate communications department believed the country managers should be at the forefront, with input from the regional headquarter. It was a contest between "local knows best" versus "let's dig in" (personal conversation, August 4, 2003).

The differences in views regarding the role of corporate communications appeared to be consistent with the ethnocentric values the dominant coalition maintained, and the resulting expectations of it. The approach of the dominant coalition appeared to be: "The communications people ought to do their job and get us out of this mess. The more we can control from the regional headquarter, the better it is."

The communications director, on the contrary, believed that the country managers had a firmer grasp of the ground. These line managers, who have dual portfolios of marketing and communication, understood the local market, the publics, and the media better than the regional director did. Where they lacked in communications expertise, for instance, how to communicate the appropriate messages without jeopardizing the organization's legal position, the communications director would be there to help. This is supported by analysis of the crisis plan. The key messages (and implications of these messages), the list of stakeholders, and tips on how to handle the media during crises, and what communication strategies to use, were exhaustively enumerated and explained in the regional master plan.

Schism of style. The communications director believed in direct communication; the dominant coalition believed in limited communication. The director said:

> Our principle is that we preempt as much as possible a situation from developing hostile or negative for us. That means we recognize the need to communication proactively before the s*** hits the fence. That is not always welcomed advice (personal communication, August 4, 2003).

The dominant coalition's preference for restricted communication with its publics extended to pre-crisis media relations. The dominant coalition did not believe in the need to liaise with the media unless it was absolutely necessary to do so. This lack of media savvy could be attributed to its belief in its abilities. While the corporate communications practitioners viewed communication as a function to help management "run things," the domination coalition believed they had the abilities to "run things" simply because they had undergone the rigorous process of apprenticeship to become the managers they were. The former view regarded communication function as a means to an end; the latter view regarded management function as an end.

The dominant coalition's advocating stance towards communication practitioners and functions could be attributed to two predisposing factors, the dominant coalition's support of relations with its publics and corporate culture, influencing this stance. Cancel *et al.* (1999, p. 191) found that these influencing factors played critical roles in determining "more or less accommodation." In this case, the dominant coalition appeared unconvinced about the benefits of communication initiatives and decided to advocate by practicing a, "I-know-best" stance.

Accommodation embedded in advocacy: enlightenment of line managers

Cancel *et al.* (1999, p. 180) suggested that the predisposing factor involving the influence of line managers (i.e. managers under the dominant coalition) should not be under-estimated or "overlooked." These managers possess a "wealth of power to handle or assist in handling interactions with publics" (p. 180), in this case, the corporate communications department and the dominant coalition. In this organization, the structural gap in the diffusion of control and decentralization of decision-making power between the regional headquarter and the individual national units meant that the stance advocated by the dominant coalition at the regional headquarter could be attenuated at the discretion of line managers at the national units, either by design or circumstance.

For instance, while proactive media relations was discouraged by the dominant coalition at the regional headquarter, it was, by circumstance, practiced by the line managers in the respective countries by virtue of their dual portfolios in marketing and communication. In the course of carrying out their marketing tasks, they were, in effect, executing a concomitant communications function. Consequently, how entrenched these media relations became depended on the designs and initiatives of the individual managers.

As far as the line managers' relationships with the corporate communications at the regional headquarter were concerned, by most accounts, these line managers had proved to be accommodating in instituting sound communications practices as directed by the regional headquarter. This was evident in two particular aspects. First, crisis plans initiated at the regional headquarter were quickly followed through by the national units. Second, as a result of the line managers' enlightenment in proactive media relations, when a crisis hit, all they needed was communication guidance. Most would have established strong media relations to know how to get their messages across. Thus, it made the job of the regional communications director easier. The director said, "From the point of view of steerage and guidelines, and alignment with our regional and international audiences, that's where I come in" (personal communication, August 4, 2003).

Guidelines had been carefully enunciated in the regional master plan. Analysis of the plan showed clear instructions on the communications process; and sample holdings statements pertaining to different crises. For instance, if there was a product recall, the possible key messages to convey were to emphasize that the product did not meet the organization's stringent specifications; and that it was committed to ensuring all products were subjected to detailed evaluation. Analysis of the plan also showed that as far as relating to stakeholders were concerned, the organization recommended four strategic options: to leverage; maintain; neutralize; or contain.

Three reasons were proffered on why the line managers accommodated to the corporate communications at the regional headquarters, all of which pointed to

the predisposing factor of the enlightenment of line managers. First, in terms of hierarchical power, the regional headquarter was regarded as the higher coordinating body to the individual units. Requests from the regional headquarter (in this case, alignment of crisis plans) would have been perceived by line managers as a command to be followed. Second, the line managers, straddling communication as part of their portfolios, understood the importance of crisis plans because they would be on the frontlines of a crisis when it hits. Implementing them would only be to their benefits. Third, the rapport the regional communications director had built with the line managers in helping them understand the value of a sound, well-coordinated corporate campaign. This rapport was built through regular visits and consultations. Thus, even though the corporate communications practitioners in the regional headquarter faced resistance from the dominant coalition in the implementation of the crisis plan, they found crucial support and accommodation from the line managers they needed to work with.

RQ3 examined the role of corporate communications practitioners in crisis corporate communication, and asked if it was an ancillary or auxiliary function.

Crisis corporate communication: from advocacy to accommodation?
If Vercic's (2003) characterization of transnational corporate communications, such as that practiced by the organization under study was true, it must then be one of contradictions. Given that more of such practitioners were highly educated and experienced, more was expected of these practitioners in terms of diversity of relations, functions, and management of issues, yet, at the same time, they had fewer resources to fall back on.

Resources aside, more importantly, it is the importance placed on crisis corporate communication that needs to be addressed. Crisis corporate communication as an auxiliary function is a secondary function to be humored, and tolerated. As an ancillary function, it is to be treasured, nurtured, and empowered. As an auxiliary function, the organization tended to be product-centric, with narrowly defined product goals; as an ancillary function, the organization tended to be people-centric, with broadly defined goals that encompassed both product and people.

In this study, with the collective weight of factors like corporate culture, dominant coalition enlightenment, lack of support for media relations, and lack of access of corporate communications that predisposed the dominant coalition toward an advocating stance in relation to the corporate communications practitioners, it could only mean that crisis corporate communication was regarded an auxiliary rather than ancillary function. This supports Yarbrough *et al.*'s (1998) findings that some of the crucial advocacy practiced by organizations was leveled at their own corporate communications department. An auxiliary function, characterized by restrictive communication policies, and a weak communications office, are classic symptoms of a crisis waiting to happen within a crisis. Marra (2004), however, argued such a scenario severely curtailed practitioner initiatives and called for greater empowerment and autonomy accorded to corporate communications practitioners through a more supportive organizational culture and dominant coalition.

How then can corporate communications practitioners position themselves as fulfilling the critical function of "management of credibility" (Stacks, 2002, p. 18), and steer the overall organizational approach to crisis corporate communication from one

of covert advocacy to overt accommodation? Scholars have offered three practical insights. First, maintain professionalism. Plowman (2005) argued this could be exhibited through displays of sound judgment and trust. Moss *et al.* (2000) argued for a manifestation of personal credibility.

Second, understand the key factors that under-gird organizational stances and work on them. Understanding what predispose the dominant coalition to adopt a certain stance can help practitioners examine what appropriate strategies can be used to change the dominant coalition's perspective. For instance, Yarbrough *et al.* (1998, p. 49) argued one way practitioners could do to change the dominant coalition's mind was to advocate "outside in" by accentuating situational factors like the expectations of external publics to pressure the dominant coalition to change its mind. Cancel *et al.* (1999, p. 185) argued that exposing the expectation of external publics to dominant coalition is a viable situational factor as the dominant coalition would be more "willing to rapidly address the concerns of external public." Another way is what Lukaszweski (2004, p. 13) described as "talk management talk" so as to win the management over. Third, the continual process of impressing management of the importance of corporate communication may probably earn it a place among the top management hierarchy, which will further its ability to influence (Moss *et al.*, 2000; Plowman, 2005).

Conclusion

This present study has investigated the decision-making processes at the regional headquarter of a Fortune 500 organization. Using the contingency theory of conflict management, the study examined the decisions corporate communications practitioners at the regional headquarter had to contend with as they conceptualized the regional crisis master plan; the issues they faced as they related to their superiors while coordinating their efforts with their colleagues at the individual national units; and the challenges they faced, from the corporate headquarter as well as individual national units, as they nurtured the plans from conception, coordination, synchronization, to implementation.

One limitation is restricted access to more interviewees and fieldwork to further triangulate the study. However, given the highly sensitive nature of the issue, it is a restriction the authors willingly accept in exchange for privileged access to an elite interviewee who was willing to participate in the research, and access to a highly confidential physical artifact, and internal circulated as well as published documents.

Since, this is arguably the first case study exploring the intricate and complex processes corporate communications practitioners face in formulating a crisis plan, it has provided a fruitful exploratory area of research. Findings suggest theoretical rigor in the contingency theory, that the factors that influence stance movement inter-organizationally are also relevant when applied intra-organizationally. In this study, it was found that the collective weight of factors that predispose the dominant coalition to advocate posed enormous challenges for the corporate communications practitioners to nurture the crisis plan to fruition. A less enlightened dominant coalition, a conservative corporate culture, a hesitant approach towards engaging its external constituents, and the lack of access and representation of corporate communications in the dominant coalition, made the job of practitioners even more strenuous than it already is. The situational factors, like the urgency of the situation, threat posed by not having a crisis plan, and potential costs to the organization, posed

minimal resistance to move the dominant coalition's predisposing stance of advocacy. In the absence of strong situational factors, factors that predispose an existing stance of advocacy are unlikely to "cancel out" (Cancel *et al.*, 1999, p. 191) the other's influence. The saving grace for the practitioners at the regional headquarter is the enlightenment and accommodation shown by line managers from the national units, a factor that may, at best, affirm what the practitioners are attempting to do.

Another practical insight for practitioners is the wisdom of "working in," if you may, the unique intra-organizational factors they are likely to encounter, such as a conservative corporate culture or less supportive dominant coalition, even as the plans are drawn. While it may be ideal to develop an all-encompassing crisis plan, this may prove futile to impose and embed if intra-organizational factors were to prove to be stumbling blocks in its subsequent implementation. Thus, rather than develop a "best practice" plan only for it to be undermined by less supportive corporate factors, practitioners would be better served if they were to factor in the organization's unique circumstances right from the planning stage so that approaches to the plan could be modified for them to gain advocacy from the beginning rather than to cede too much accommodation when the plans are finally ready to be tested and implemented. For instance, if practitioners know that the dominant coalition is less likely to agree to conduct more drills to test the plans, they can possibly advocate for more test drills in the plan to allow for the dominant coalition to rationalize them to a figure that the practitioners originally had in mind. So if the practitioners think that three test drills would suffice to integrate the regional plans with local plans, they could propose to conduct five drills to the dominant coalition, who may eventually rationalize to three, instead of proposing three drills only for the dominant coalition to rationalize to one. The stance the practitioners could thus take is to advocate at the first instance so that they need not accommodate too much subsequently.

Future studies can be conducted to find out if the factors that are found to be pertinent in this study are relevant to other organizations so as to generate what Yin (2003, p. 33) termed "analytic generalization." Yin (1993) argued that case studies are much more concerned with analytic generalization which is predicated upon the "cogency of theoretical reasoning" (Mitchell, 1983, p. 207). Analytical generalization is achieved by testing empirically a theoretical model to enhance its potency and rigor. Analytic generalization, or what Bennett (2004, p. 22) called "theory confirming and infirming," is achieved when "two or more cases" support the theoretical assertions (Yin, 2003, p. 33). The generalizations derived are essential as they provide critical insights to ground how decisions are made, and what factors under-gird the decision-making process. The findings from this study can provide the initial roadmap.

With the plethora of studies continuing to focus on the importance and composition of crisis plans and planning (Barton, 1994; Benoit, 1997; Coombs, 2001; Fearn-Banks, 2002; Lerbinger, 1997; McConnell and Drennan, 2006; Seegar *et al.*, 2003; Wilcox and Cameron, 2005), researchers ought now to take a step back to examine the antecedents of these plans, and more crucially, the challenges corporate communications practitioners face in overcoming these challenges. Firmer insights gleaned would shed further light into how decisions are manifested and filtered in a networked organization and provide practical help to practitioners on how to negotiate through potential minefields.

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