Research in Brief

Predictors of organizations' crisis communication approaches: Full versus limited disclosure

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ARTICLE INFO

ABSTRACT

This study investigates predictors of the public relations (full disclosure) versus legal (limited disclosure) approaches that may be used by organizations during a preventable crisis. Both tangible and intangible aspects of an organization were explored. The results reveal that degree of crisis preparation, public relations influences, and the perception of crisis as an opportunity were significant predictors that determine full versus limited disclosure selection.

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1. Introduction

While crisis management is often considered an important public relations function, we are still learning about how and why particular crisis communication strategies are selected. Although previous studies have identified crisis response strategies adopted by organizations in crises (e.g., Coombs, 1995), there has been little focus on specific information disclosure strategies. For example, public relations strategies tend to support full disclosure of information, while legal perspectives are more likely to endorse limited disclosure (e.g., Fitzpatrick & Rubin, 1995). However, what makes organizations choose a certain disclosure approach over another is not clearly understood.

This study attempts to fill this void by investigating the use of these opposing approaches during a preventable crisis, including factors that may predict decisions related to information disclosure. Both tangible (e.g., crisis communication plan) and intangible (e.g., perception of crisis) aspects of an organization are explored. Identifying predictors that determine the selection of either full or limited disclosure is imperative to better understanding disclosure-related actions that are taken.

2. Hypotheses and research question

H1. Both tangible and intangible factors of (a) organization type and size, (b) crisis preparation, (c) communication culture, (d) public relations department's influence, (e) perception of crisis as an opportunity, and (f) public relations decision autonomy will be significant predictors in the organizational adoption of PR versus legal strategies in crisis communication.

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H2. Public relations strategy (full disclosure) will be adopted more often than legal strategy (limited disclosure) when (a) the degree of crisis preparation is higher, (b) communication culture is more open, (c) public relations department's influence is greater, (d) crisis is viewed more as an opportunity, and (e) public relations autonomy is greater.

RQ1: Are there any differences in adopting public relations and legal strategies depending on (a) an organization's type and (b) its size?

3. Method

Survey instrument items were adapted from previous research (e.g., Fitzpatrick & Rubin, 1995). Drawn from the Public Relations Society of America directory, a total of 262 crisis managers participated in the survey (14.7% response rate) in February 2012. A majority of respondents were male (50.4%), Caucasian/white (88.5%), older than 45 years (60.4%), had a graduate degree (62.7%), had worked more than 10 years professionally (76.3%), and held a rank higher than director (62.8%). Forty-four percent work for corporations, 38.9% for government/military organizations, and 14.9% for non-profit organizations. Organization sizes ranged from more than 1000 employees (50.4%), 501–1000 employees (9.2%), and 1–500 employees (40.5%).

4. Findings

To test the hypotheses, hierarchical regression analyses were performed. All factors proposed in H1, except communication culture and public relations decision autonomy, were significant predictors in the organizational adoption of PR versus legal strategies in crisis communication (partial support of H1). Non-profit organizations tended to adopt PR strategies more often than corporations ($\beta = -.11$, $p < .05$) and larger organizations tended to adopt PR strategies less often than smaller organizations ($\beta = .11$, $p < .05$). PR strategies were more likely to be used by organizations during a crisis when they were well prepared for crises ($\beta = .21$, $p < .001$) and when the influence of a public relations department was greater ($\beta = .20$, $p < .01$). Finally, organizations that perceived crisis as an opportunity were more likely to adopt PR strategies ($\beta = .21$, $p < .001$). These results support H2. All these factors explained 31% of the total variance ($R^2 = .031$, $p < .001$).

On the other hand, for the selection of legal strategies, the factors of organization size, crisis preparation, public relations department's influence, and perception of crisis as an opportunity were found to be significant predictors. Larger organizations tended to adopt limited disclosure strategies more often ($\beta = .18$, $p < .001$). Legal strategies were also more likely to be adopted by organizations when they were less prepared for crises ($\beta = -.14$, $p < .01$) and the public relations department's influence was smaller ($\beta = -.14$, $p < .05$). Finally, the less an organization perceived a crisis as an opportunity, the higher its chance of adopting a legal strategy ($\beta = -.13$, $p < .05$).

Our results regarding RQ1 suggest that corporations ($M = 3.25$, $SD = 1.39$) adopted legal strategies significantly more often than both non-profit ($M = 2.56$, $SD = 1.31$, $p < .005$) and government/military organizations ($M = 2.47$, $SD = 1.04$, $p < .001$) (F (2, 249) = 11.16, $p < .001$, $\eta_p^2 = .08$). Larger organizations (more than 500 employees, $M = 5.19$, $SD = 1.41$) tended to adopt a full-disclosure approach (PR strategy) significantly less often than smaller organizations ($M = 5.55$, $SD = .96$) (F (1, 260) = 5.12, $p < .05$, $\eta_p^2 = .02$).

5. Discussion

The strongest predictors in an organization's selection of crisis disclosure approaches were the degree of crisis preparation and perception of crisis as an opportunity. Organizations that were more prepared for crises tended to take a full disclosure approach, whereas the less prepared organizations were more likely to endorse a limited disclosure approach. Prepared organizations choosing more full disclosure strategies may be a result of organizational confidence that is cultivated during pre-crisis preparation. In other words, well-prepared organizations tend to reveal higher levels of confidence regarding the organization's ability to respond effectively during crises. However, when organizations are unprepared, they must rely on legal advice that includes more limited disclosure strategies.

The more organizations considered a crisis as an opportunity, the more likely they were to adopt a full disclosure approach and the less likely they were to endorse a limited disclosure approach. This might lead one to believe that it is fear of repercussions from open communication that causes organizations to select more limited strategies. This is consistent with previous literature, that has suggested organizations that feel threatened tend to "limit the amount of information they process and communicate" (Jackson & Dutton, 1988, p. 370) during crises. Considering that a crisis is an opportunity to correct issues and improve existing systems, it is imperative to determine how willing organizations are to communicate with stakeholders.

In addition, the degree of influence a public relations department or practitioner felt they have within an organization, and its positive correlation with full disclosure strategies found in our study, is encouraging. When given the opportunity, public relations practitioners chose to more freely disclose information to publics. Finally, while previous research has supported that larger organizations may have a greater tendency, when compared with their smaller counterparts, to include public relations staff in decision-making processes, this study suggests that larger organizations are more likely to adopt a limited disclosure approach. This might be attributed to larger organizations having increased concerns related to disclosure of

information, such as confidentiality issues related to proprietary rights and privacy issues resulting from having a larger number of stakeholders.

This study argues that previous items (i.e., Fitzpatrick & Rubin, 1995) that were used to classify public relations or legal strategies may not be valid as measurements because our factor analyses found that they contained seemingly different factors. Simply stated, only measurement items that were related to open versus closed crisis information disclosure approaches were loaded on the same dimension. For example, items that were related to traditional PR strategies such as "tries to be candid" or "taking corrective measures" were not loaded onto the same dimension. Thus, we suggest that, to better identify different organizational approaches to crisis information disclosure, the typology of public relations or legal strategies should be reframed by full and limited disclosure strategies. These include an organization using a full disclosure approach during crises by (1) taking an open information policy, (2) informing news outlets of both bad and good news, and (3) voluntarily admitting that a problem exists. For a limited disclosure approach, the following could be adopted: an organization (1) takes a no-comment approach, (2) says as little as possible, and (3) releases information as quietly as possible. This study also confirms that the choice for full and limited disclosure strategies is indeed on a continuum between the two perspectives rather than a separate construct.

Finally, by identifying the relative predictive power for both tangible and intangible factors of organizations in the selection of a full or limited disclosure approach, this study helps better understand and possibly predict an organization's information disclosure decisions during a crisis.

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