Crisis and Culture
- A study on Cultural Influence on Crisis Response

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Abstract

In today’s globalised information society communication plays a central role. Especially for corporations who depend on continuous communication with stakeholders; particularly since society seems to have ever increasing expectations to corporations and the media eagerly report any corporate mishap. Thus, reputational crises and crisis management are something that any corporation needs to consider. Therefore crisis communication, and its ability to protect one of the corporation’s most valuable assets, the reputation, has become an immensely important part of corporate communication. Furthermore, as the world becomes even more globalised corporations grow and become multinational. When this happens the diversity of cultures around the world naturally poses a number of challenges; much of which lies within the field of communication. However, Pepper (1995) argues that: “Culture is communication” (p.3) – Thus culture and communication are closely intertwined, and in this case does culture also affect crisis communication?

The paper analyses the crisis response of two cases, first Toyota’s 2009 recall crisis and later BP’s Deepwater Horizon oil spill. The analysis applies Coombs’ (2007) Situational Crisis Communication Theory in a retrospective manner in order to uncover if the corporations acted according to the normative framework’s recommendations. After having uncovered the deviations from the theoretical recommendations, these are explained by comparing the decisions to the cultural traits of the case corporations, in order to uncover the cultural influence on the crisis response.

The analysis finds that the response of the case corporations on numerous occasions deviates from recommended theory. It furthermore, explains these deviations as a natural result of the respective cultural traits of the case corporations. Thus, this paper indicates that culture does indeed influence crisis response. Lastly other perspectives including recommendations for further research on the subject is given.
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1. Introduction

Imagine being the executive of a large multinational corporation, maybe you are having breakfast, maybe you are not even awake when the phone rings and somebody tells you that your company is being held responsible for the deaths of innocent people. Ahead waits a press conference, interviews and possibly weeks or months of stressful scrutiny of an accident that nobody knows the cause of yet – this is not just another day at the office. Luckily for you there are plenty of scholars that have given their advice on just how to act, before, during and after a situation like this; as both you and your team have studied these theories and have been trained for this exact moment. Nevertheless, theory and training is one thing and reality something entirely different, and the thing about both is that they demand interpretation which inevitably is subjective.

A scenario like the one described above is probably what happened, or at least should have happened, for the CEO of Toyota, Akio Toyoda, on the 28th of August 2009, when an alleged out of control Lexus crashed and killed four people on a California highway. Likewise it happened for the CEO of BP, Tony Hayward, on the 20th of April 2010, when an explosion at an oil rig killed 13 workers, in the Gulf of Mexico. So how did Toyota and BP handle the crises in a foreign market and to what extent did subjective circumstances, as culture, affect the response?

1.1 Motivation

My motivation for this thesis is rooted in the notion of globalisation. My generation have experienced globalisation first hand; I remember when McDonalds first opened in my home town and I experienced the development from when I first heard of the internet till today where children play videogames with other children from around the globe. Much of this globalisation happen as a natural development of information technology – thus the key to globalisation is communication; as information technology made communication easier.
accessible, we started interacting with people from all over the globe (Carroll and Buchholtz 2007).

Furthermore, James Lull (2007) argues that the knowledge sharing and sharing of popular culture have created a somewhat globalisation of culture as well. Additionally, Pepper (1995) states that: “Culture is communication.” (p. 3) and elaborates by stating that culture is everywhere; everything we do or say is culture – a result of culture and at the same time forming culture. Thus, as we communicate with people from different cultures the communication projects our culture and at the same time ads to it – as what we do is essentially what forms our culture. Furthermore, Carroll and Buchholtz (2007) argue that information technology and the rising living standards that follow globalisation have increased expectations and thus fostered a socio-critical approach to major institutions; a conception that is supported by the individuals increasing need to express himself through association with brands and corporations which holds values similar to his own. This socio-critical approach has not only increased expectations but simultaneously increased scrutiny into business practices. Hence, now more than ever it is vital for businesses to build a strong reputation projecting values consumers want to associate with; and thus also to manage the greatest reputational threat of all – crisis. Therefore crisis communication has become a significant field within corporate communication. However, assuming that Pepper’s (1995) notion: “Culture is communication” (p. 3) is true – does culture then affect crisis communication?

1.2 General Objectives

Seen in the light of the societal development and the increasing focus on organisations’ business practices, the general objectives of this thesis are to shed light on the limitations of the normative crisis communication theory; specifically Coombs’ (2007) Situational Crisis Communication Theory. The thesis therefore seeks to apply normative theory to actual events in a retrospective manner, in order to uncover how cultural aspects can affect the application of the theory.
1.3 Problem Statement

In order to investigate culture as an influential parameter in crisis response, this paper will use the normative framework from Coombs’ *Situational Crisis Communication Theory* as the structural foundation for an analysis of the crisis response to the Toyota’s 2009 recall crisis and BP’s 2010 Deepwater Horizon oil spill.

2. Method

*In this section I will first present my delimitation to account for the boundaries of the thesis. Furthermore, I will also present an explanation of the structure of the thesis in order to guide the reader; and before presenting my scientific approach I will evaluate my sources.*

2.1 Delimitations

In the process of writing this thesis I became aware of several aspects that could be subject to much more extensive research than what was possible in this case. First off, seeking to conduct an adequate and accurate analysis of for instance the case corporations’ culture or their reputation in the American public would be naïve and could have formed an entirely different thesis on its own. Therefore I have based much of my thesis on secondary data. For the analysis of the crisis response I relied primarily on press releases directly from the corporation in question, supported by relevant articles; thereby I intentionally left out a variety of communication efforts in order to simplify the analysis and make it more comparable.

Furthermore, an investigation of the technical details surrounding the crises and in that connection a conclusion of guilt was left out, partially due to the engineering nature of such a task and partially due to irrelevance; as the pivotal aspect of crisis communication is perception rather than facts (Coombs 2007). Likewise, the legal aftermath of the crises are not considered due to the focus on
communicative response. Furthermore, I as a writer was concerned that thorough examination of the court’s rulings would influence my perception of the crises and thus my analysis.

Subsequently, it should be noted that the thesis concerns the American market, unless otherwise stated. Furthermore, as the theoretical focus of the paper is Coombs’ Situational Crisis Communication Theory, there are numerous aspects within the broader field of crisis communication that have been left out.

### 2.2 Explanation of Structure

The paper’s background section provides the theoretical point of departure into the analysis by accounting for context, corporate reputation and image, crisis and crisis response, culture and finally an overview of the case crises.

As the background is outlined the thesis moves into the analysis of the two cases. The objective of the analysis is to apply the normative theory of *Situational Crisis Communication Theory* (SCCT) to the actual cases, in order to uncover how the corporations’ responses match the normative theoretical recommendations.

Both case analyses follow the same structure. Initially the crisis history and the reputation prior to the crisis in question are investigated in order to apply the SCCT. Thereafter, three pivotal point of the crises are analysed by applying the SCCT framework; first the initial response, second the response to rumours and speculation and third the response to congressional hearings. The initial response has been chosen due to the general agreement in crisis communication theory that the initial response is a pivotal part of crisis communication (Ulmer et al. 2007; Coombs 2007); Coombs (2007) explains why: “The focus on the initial response stems from the fact that first impressions form quickly and colour the remainder of the stakeholders’ reception of the crisis communication efforts.” (p.128). Thus Coombs (2007) argues that the initial response is key as it affects stakeholders collected perception of the response. Likewise, rumours are an area of immense importance as it challenges the credibility of the organisation and
therefore jeopardise the entire communication effort (Coombs 2007); furthermore, as we will see, both cases were very much a subject to speculations and rumours. The third and last of the main areas of analysis is response to congressional hearings. This aspect of the crisis have been chosen as the congressional hearings have great influence on the American legislative system and thus pose a threat to the legitimacy of corporations’ activities by questioning their behaviour. The congressional hearings therefore provide an image of how seriously the American people and their electives, perceived both crises (Frulla 2012; Cook, Barabas and Page 2002). Furthermore, as both crises’ aftermath were dragged out, and to some extent are on-going today, the congressional hearings provided a natural culmination of the SCCT analysis.

After the response analysis the thesis moves into a cultural analysis. Firstly, the cultures of Toyota and BP are presented. Subsequently, the results found in the response analyses are compared with the cultural traits of the case corporation, in order to uncover the possible connection between crisis response and culture. Lastly, the conclusion provides answers to the problem statement and further perspectives are considered.

2.3 Source Evaluation

W. Timothy Coombs’ award winning book: *Ongoing Crisis Communication* (2007) is the main theoretical point of departure, as Coombs in it presents his notion of *Situational Crisis Communication Theory*, which is a pivotal part of the problem statement. The book is built on some of the most respected theorists within the field and is already considered a classic by some (Cox n.d.). Coombs’ book has been supported by several additional articles: Coombs (2004; 2006; 2007), Coombs and Holladay (2002), Benoit (2004) and Mitroff and Anagnos (2001), in order to understand the Situational Crisis Communication Theory in depth. On the more general aspect of crisis communication Ulmer, Sellnow and Seeger’s *Effective Crisis Communication* (2007) has been applied to support the work of Coombs.
Carroll and Buchholtz’s book *Business and Society* from 2008 provide the framework for the societal context; and for the more general corporate communication and especially corporate image and reputation the thesis is based on Joep Cornelissen’s work: *Corporate communication* (2008). His work has likewise been seen as a point of departure and thus been supplemented by several others as for instance Tench and Yeomans (2009), Hatch and Schultz (2008) and Hearit and Courtright (2004).

The work of Gert Hofstede (n.d.) has been applied as the foundation for the cultural analysis. Hofstede’s ground breaking work has received a great deal of criticism; Baskerville (2003) mentions four main points of criticism: First, the assumption that nation equals culture, has been widely criticised as each nation can hold numerous cultures; likewise cultures can spread across borders. Second, the study have been criticised for the limitations due to the quantification represented by the cultural dimensions. Some scholars particularly within anthropology reject the notion that culture can be measured and quantified. Third, Hofstede as an observer is outside the cultures, something that anthropologists point out as a vital flaw. Instead they maintain that culture can only be understood and described from within the culture. Fourth and last, Baskerville (2003) mentions the fact that the foundation of Hofstede’s work, the IBM survey from the 1970’s makes the findings outdated. Here the globalisation and mingling of cultures that follows are mentioned as arguments for considerable change and instability in the concept of culture today. Nakata (2009) also emphasise the more fluid perception of culture today as one of the main criticisms of Hofstede. Nonetheless, she also states that Hofstede is by far the most dominant cultural paradigm within business studies, where it has become a superclassic. Something that she explains by partially the quantitative nature of the study, specifically the size of the survey, and partially to the dimensions’ ability to describe any national culture. She further emphasise the dimensions’ foundation in theory as a positive aspect. Lastly, Nakata (2009) states that very few alternatives to Hofstede’s model have been investigated. Baca et al. (1999) argue that although Hofstede’s work have been widely
criticised it has also been widely praised; they further highlight that Hofstede’s dimensions are highly useful and applicable in concrete cases, especially specific organisations. Therefore, as Hofstede is the most cited cultural author within business studies and few alternatives are available, I apply his framework knowing that it has limitations. Additionally I will apply Nisbett’s (2005) philosophical *The Geography of Thought – how Asians and Westerners think differently and why?* In order to supply another view and support the work of Hofstede (n.d.).

In regards to the cases Liker and Ogden’s book *Toyota under Fire* (2011) and Reed and Fitzgerald’s *In Too Deep* (2011) created the foundation for each of the cases. However, both were supplemented by numerous articles, interviews and reports as well as the corporate website of both corporations, including their archives of press releases. I am aware that the books are written from a journalistic point of view and the main goal might be to sell as many books as possible, nevertheless they created a firm point of departure into the research. Furthermore, Jeffrey K. Liker has published several books on Toyota and thus made a name for himself writing about and with Toyota. I am therefore aware that his professional relationship with Toyota might bias him.

All of these sources have been supplemented by numerous articles, primarily found in the EBSCOhost-databases *Business Source Complete* and *Communication and Mass Media Complete* between them covering more than 2000 journals. According to the EBSCO host website the database is the: “Most-used, premium online information resources for tens of thousands of institutions worldwide, representing millions of end-users.” (EBSCOhost, n.d.)

### 2.4 Scientific Approach

In order to establish a nuanced view, this thesis takes an eclectic approach. Halloram (1983) argues that no one approach can foster a nuanced view, as all research approaches have limitations due to their specific perspective. Halloram (1983) further states: “Our [scholars within eclecticism] acceptance of empirical
method does not imply indifference to values and social concerns, any more than does our willingness to adopt complementary perspectives.” (p. 274). Thus he argues that the eclectic approach does neither reject nor favour any perspective, but merely recognises the complexity and seeks to critically select the approaches that can contributed to the research in question (Halloram 1983). Although eclecticism has traditionally been widely criticised, the acceptance of the concept grows. Thus Søgaard (2012) argues that as there is no best way of conducting research within social sciences as it always depends on context; furthermore he states: “social realities are bound to be far more complex than any of the mental model with which we are trying to grasp them.” (p.23); hence, he claims that the logical solution is to critically asses the different elements of research in connection with the context in order to choose the best fit.

As the thesis is communication based, the main approach is a social constructionist. The social constructionist approach takes a critical stance to the notion of knowledge and holds that knowledge can only be sustained through social processes; knowledge is thus affected by history and culture. Hence, we create our own knowledge from our specific perspective and the very aspect of objectivity is therefore rejected (Burr 1995).

This thesis mainly moves within the field of social constructionism as it departs from communication theory and conduct a retrospective analysis of real events, with focus on cultural influence; thus subjective interpretation is very much a part of the analysis. Furthermore, as the thesis moves within the field of crisis, which is essentially bound in emotion, Gergen (2010) supports the logic in the choice of social constructionism as he states that emotions play no role except from when in a social context. Additionally the same argument can be made for culture, as culture conceptualise our understanding of and interaction with others, it only plays a role in a social context. However, in order for me to stay within the scope of this thesis secondary data was a necessity – especially in regards to measurement of reputation and cultural traits. Therefore, data sources of a more quantitative and empirical nature have been applied in order to support the arguments made from the interpretations of social processes.
Nevertheless, as the empirical data also demand a level of interpretation the social constructionism prevails as the main factor.

The social constructionist focus also means that I, as an author, am well aware that even as I continuously seek to critically and objectively interpret and present data, I cannot release myself from my past and will therefore always be consciously or unconsciously affected by my prejudiced understandings. Thus the analysis and the conclusions in this thesis cannot and should not be considered the absolute truth but merely my subjective creation of reality.

3. Background

*In this section I will provide the background information in order to establish a common point of departure into the analysis. I will first account for the societal context, before presenting the theoretical foundation, including corporate image and reputation, crisis communication, crisis response and finally culture.*

3.1 Context

Cornelissen (2008) argues that today’s society is dominated by socioeconomic theory; a theory that rejects the neo-classical stakeholder view that stakeholders are limited to investors and customers. The socioeconomic theory on the other hand recognises the interdependency between businesses and society. A significant factor in this theory is that all organisations need to be considered legitimate by society; he elaborates: “The notion of legitimacy stretches further than financial accountability to include accountability for the firm’s performance in social and ecological terms.” (p. 40). Thus expectations to businesses are no longer purely financial but also social and environmental. Carroll and Buchholtz (2008) concur with the notion that society as a whole has increasing expectations to businesses. Something they explain as a result of a combination of two factors: First, an increasing standard of living and as a result of that better education. They stated: “As society becomes prosperous and better educated, higher
expectations of its major institutions, such as business, naturally follows.” (Carroll and Buchholtz 2008, p. 12). Therefore, as living standards and education increase, the public can focus on other aspects and values. Second, a growing level of awareness in society, this is of course connected to the higher level of education, but also very much due to technology such as the television and in particular the Internet; televisions 24 hour news broadcasts and the Internet’s endless stream of news updates have increased awareness dramatically (Carroll and Buchholtz 2008).

From a business perspective these increasing expectations result in increased scrutiny of every aspect of the business. Thus media have become watchdogs ready to alert the public of any misstep businesses might make. Furthermore, Carroll and Buchholtz (2008) argue that ever since Enron and the following scandals, in 2001, the media frame towards business have been overwhelmingly negative; besides Enron, numerous other business scandals have surfaced and it seemed like the more the media dug the more they found. A BusinessWeek article from 2003 stated: “Watching executives climb the courthouse steps became a spectator sport.” (In Carroll and Buchholtz 2008, p.4). Thus, corporate scandals became a somewhat everyday phenomenon and therefore naturally created a negative perception of businesses amongst the public. Most criticism concerns businesses’ use or abuse of power, and/or other questionable or down right unethical behaviour. Especially the aspect of businesses’ power is commonly associated negatively, thus the bigger and the more powerful corporations are, the more scrutiny and criticism they receive. However, this is also a question of newsworthiness as larger corporations are more salient and therefore make the better story. Furthermore, there seems to be industry specific patterns as well, thus large manufacturing corporations are the most criticised as they often pollute the most and provide though work conditions etc.; it is even argued that the auto industry in particular receives more criticism, according to Carroll and Buchholtz (2008) due to the volume of sales. Hence, if one car pollutes or is unsafe, there is a good chance that millions of cars just like it drive around somewhere.
To sum up, rising living standards and increasing awareness in today’s society have resulted in higher expectations to businesses. As a result, the media scrutinise every aspect of businesses, in order to reveal it whenever businesses do not live up to the increasing expectations. Therefore, now more than ever corporations need to manage their reputation and especially crises.

3.2 Corporate Reputation

“Reputation is an extremely valuable intangible organizational resource” (Coombs 2007, p. 7) with this quote Coombs argues that this quote sums up a generally accepted notion within reputation theory. Thus, he states that there is an agreement among scholars that corporate reputation is a vital asset for organisations. Cornelissen (2008) support this notion as he states that: “It [reputation] ensures acceptance and legitimacy from stakeholder groups, generate returns, and may offer a competitive advantage as it forms an asset that is difficult to imitate.” (p. 69). Hence, he agrees with Coombs statement. Coombs (2007) supplements his case further by arguing that: “Favourable reputations have been linked to attracting customers, generating investment interest, attracting top employee talent, motivating workers, increasing job satisfaction, generating more positive media coverage, and garnering positive comments from financial analysts.” (p. 7-8). Consequently, there is little doubt that a favourable reputation is an asset to an organisation. Therefore, I will now move on to clarifying what the term actually covers.

“The overall estimation and assessment of an organisation held by its multiple stakeholders; established over a considerable time, corporate reputation emerges from the aggregated perceptions (corporate images) stakeholders form and use to communicate with one another about the organisation’s ability to fulfil their expectations.” (Hatch and Schultz, 2008, p. 231). With this definition Hatch and Schultz (2008) state that they see the corporate reputation as the sum of collected images over time. Cornelissen (2008) supports this notion. His definition is closely aligned with that of Hatch and Schultz, as he states: “An individual’s collective representation of past images of the organisation established over time”
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(Cornelissen 2008, p.254). Löwensberg (2009) agrees as he compares the connection between corporate image and corporate reputation with that of a photo taking at a given time (corporate image) and a photo album collecting a number of photos over time (corporate reputation). Thus, with reputation defined it is logical to shed light on the process creating a reputation.

3.3 Corporate Image

Cornelissen (2008) defines the corporate image as: “The way a company is perceived, based on a certain message and at a certain point in time. The immediate set of meanings inferred by an individual in confrontation or response to one or more signals from or about a particular organisation at a single point in time.” (p.254). Hence, he states that a corporate image is a single perception of an organisation. This view is supported by Tench and Yeomans (2009) as they state: “The impression gained by an individual of an organisation at one moment in time.” (p. 649). They go on to stress the present time aspect and the individuality of the term by stating: “Organisational image can differ from individual to individual and also throughout time.” (Tench and Yeomans 2009, p.649). Thus as mentioned earlier the main difference between the term image and the term reputation is time. The definitions of a reputation emphasise over considerable time, on the other hand the definitions of an image stress immediate and certain point in time. Hatch and Schultz (2008) also agree, as their definition of stakeholder image also emphasise the immediate nature of the concept: “The meanings associated with an organisation by its external stakeholders; the outside world’s overall impression of the company at a particular time.” (p.231).

3.4 Crisis

As often in theory, there is no generally accepted definition of the term crisis. However, Hearit and Courtright (2004) discuss some of the main characteristics of the term. Their review of the literature reveals that it is generally accepted that a crisis is a rare situation, with short response time which often requires innocent victims. Furthermore, they state another reappearing aspect of
definitions “… the fact that crises threaten the most basic goals of an organisation – its reputation, its financial viability, indeed its very survival.” (Hearit and Courtright 2004, p.203). On the other hand, Ulmer, Sellnow and Seeger (2007) emphasise a crisis situation’s potential as a natural driver of change and development of the organisation. They use the Mandarin sign for crisis to describe their view on crisis; in Mandarin the word crisis consist of two signs: the sign “Dangerous” and the sign “Opportunity” (p.4). Thus they state that following every crisis is an opportunity to improve the organisation. This view is logical if seen from the hypothesis that if something is wrong it triggers a crisis which thus makes the organisations weaknesses very visible (Ulmer et al. 2007). On the other hand, this limits the definition of crisis to situations where the organisation is indeed responsible.

Hearit and Courtright (2004) quote Weick’s definition from 1988: “[crises are] Characterized by low probability/high consequence events that threaten the most fundamental goals of the organization.” (In Hearit and Courtright 2004, p.203). Coombs (2007) concurs with Hearit and Courtright’s (2004) notion that crisis is a somewhat flux term. However, he too puts forward a definition that according to him sums up the literature on the subject: “A crisis is the perception of an unpredictable event that threatens important expectancies of stakeholders and can seriously impact an organisation’s performance and generate negative outcomes.” (Coombs 2007, p. 2-3). Thus he agrees with the fact that a crisis threatens the very essence of an organisation. However, he adds two very important aspects to the discussion: Stakeholders and perception. Coombs (2007) acknowledge that a crisis merely exists in the mind of stakeholders, thus he elaborates his notion by stating that: “If the stakeholders believe an organisation is in crisis, a crisis does exist.” (Coombs 2007, p. 3). Ulmer et al. (2007) support Coombs’ (2007) view on stakeholder perception as an important aspect of crisis with their definition: “An organizational crisis is a specific, unexpected, and nonroutine event or series of events that create high levels of uncertainty and threaten or are perceived to threaten an organization’s high-priority goals.” ( p.7). Thus according to both Coombs (2007) and Ulmer et al. (2007) a crisis can tarnish
the image and reputation of a completely innocent organisation, as long as the relevant stakeholders hold the organisation responsible. This view is further supported by Beniot (2004) who states that: “Fundamentally, an attack on an image, face, or reputation has two components A: An act occurred that is considered offensive, and B: the accused is held responsible for that action.” (p.264).

To sum up, there seems to be a broad agreement among crisis communication scholars that a crisis is the result of a negative incident that the stakeholders perceive the organisation responsible for. Furthermore, there is a general agreement that a crisis can potentially ruin the image and reputation of the organisation; and in extreme cases it can even destroy the organisation (Ulmer et al. 2007; Coombs 2007; Benoit 2004; Courtright and Hearit 2004).

The aspect of perception makes the media a very important factor in any crisis. As the media is often the main source of information available to the public or as Tim Conner describes it: “They grind the lens through which society views and judges your company.” (In Sellnow and Ulmer 2004, p.251) Coombs (2007) too supports this view as he quotes Fearn-Banks who describes the media’s influence as: “The media portrayals of the organization and the crisis can be critical in shaping the perceptions of other stakeholders involved in the crisis.” (In Coombs 2007, p.156). Ulmer et al. (2007) emphasise the need to acknowledge the importance of stakeholder relationships. They especially stress the media as a vital partner in any crisis but also other organisations as for instance CDC (Center for Disease Control) or more relevant for this paper NHTSA (National Highway Traffic Safety Administration).

However, the creation of goodwill among stakeholders in general is also proposed as a key element as a: “Reservoir of goodwill, positive reputation, or credibility is often essential to surviving a crisis.” (Ulmer et al. 2007, p.52). Coombs (2007) concur with this notion, as he states that a strong prior reputation can ease the crisis situation; as it can work as a bank account of goodwill; hence, in the event of a crisis the organisation merely makes a withdrawal from that account. This
can of course only be done a limited number of times. Furthermore, he adds the factor of crisis history to the discussion as he states that: “If the organisation has had similar crises in the past, the current crisis will be a much greater reputational threat” (p.142) this is also referred to as “The Velcro-effect” (Coombs 2007, p.142). Both Ulmer et al. (2007) and Coombs (2007) also argue that the establishment of positive stakeholder relationships before a crisis optimise communication during a crisis as the ground work is already done. Thus, as a reputational crisis exists merely in the minds of the stakeholders and the outcome is determined by three factors affecting the stakeholder perception of the situation: prior reputation, crisis history and crisis response.

3.5 Crisis Response

Coombs (2007) argues that crisis response consists of two aspects: Form and content. The form describes how the organisation communicates and the content illustrates what is communicated. He further argues that the form of a crisis response is a vital aspect of the response. He stresses the importance of the initial response as the first impression often strongly affects the stakeholders’ perception of the crisis. Coombs (2007) argues that the form of the crisis response must be quick, consistent and open.

3.5.1 Form

The need for a fast crisis response is created by the immediate information void that arises among stakeholders as soon as a crisis situation occurs. Thus, in order for the organisation to stay in control, they need to be the ones filling this void – if not, the organisation runs the risk of it being filled with rumours and speculations; Or as Coombs (2007) put is: “A quick response helps ensure that stakeholders receive accurate crisis-related information and hear the organizations’ side of the story.” (p. 129). Ulmer et al. (2007) supports this notion as they state the immediate contact is an absolute necessity; even if the organisation does not have any relevant information to provide, the contact is an important tool to eliminated uncertainty. Hence, a quick response can decrease
the risk of rumours and speculation as it avoids uncertainty. Furthermore, it adds to the credibility and the perception of control which are both important aspects. On the other hand a slow or no immediate response suggests that the organisation is incompetent and have lost control of the situation, besides the already mentioned risk of rumours and speculation (Coombs 2007).

Consistency is absolutely necessary in a crisis situation. The organisation speaking with one voice is vital in order to convey a clear message. That being said, not everything has to go through the official spokesperson; as the matter a fact every member of the organisation is a potential spokesperson – whether talking to friends and family, or when not able to resist when a nosy reporter confronts him on his way home from work. Therefore, internal communication and clear updates of the situation are vital, but it is often a complicated and difficult thing to do in practice. It is often the best solution to discourage employees from becoming unofficial spokespersons, they should however still be kept in the loop to avoid them becoming a source of rumours and speculations (Coombs 2007). Ulmer et al. (2007) supports Coombs’ (2007) viewpoints as they state that clear information is vital, and intentionally creating ambiguity or mislead are both unethical and will more than likely backfire. However, they do acknowledge that uncertainty and ambiguity can be a natural part of a crisis as there can be more than one interpretation of the given events. Furthermore, Ulmer et al. (2007) state that situations might occur where it is best to avoid certain and absolute answers – for instance when waiting for a final report.

Openness, in this connection, covers three main points according to Coombs (2007): Availability to the media, willingness to disclose information and honesty. Basically this covers the before mentioned need to fill the information void that naturally emerges from a crisis situation. Thus, the important aspect is to honestly disclose information, not only to the media, but all stakeholders with an information need, in a timely manner (Coombs 2007). Again Ulmer et al. (2007) concur, as they too state that leaders should be available, open and honest following a crisis situation.
3.5.2 Content

Needless to say, the form of the crisis response does not do it alone. Crisis communicators must therefore choose carefully what should be said and done during a crisis. Coombs (2007) argues that the three main focus areas for every crisis are: “Minimize damage, maintain the organization’s operations, and repair reputational damage” (p.133). Therefore communication should be aimed at those specific goals and in that specific order. The following sections are based on Coombs (2007).

The first step is instructing information – information explaining the stakeholders how to deal with the situation, especially how to protect themselves. Furthermore, it is argued that some crises call for instructing information about how the crisis will affect the business operations of the organisation, e.g. stockholders or suppliers would be interested in this kind of information.

Second step is adjusting information – this is where the organisation guides the stakeholders through the situation. What happened? How could it happen? What are you doing to prevent it from happening again? Etc. These are the questions that should be answered at this point. Basically, it is information to put the stakeholders at ease and show that the organisation is in control. This is also the point in time where it is expected of the organisation to show concern and sympathy for possible victims. However, it should be noted that this can in some cases be used against the organisation in a court of law, if the victims attempts to sue. Therefore it is important to show sympathy without necessarily taking responsibility.

When the stakeholder has the instructing and adjusting information they need, it is time for step three, reputation management – this is a far more tactical effort than the two previously mentioned, as there are a larger variety of crisis response strategies and it is thus a question of picking the right one for the specific situation. Situational Crisis Communication Theory, or SCCT, utilises the framework from attribution theory to match crisis situations with the proper response or as Coombs (2007) puts it: “SCCT utilize attribution theory to
evaluate the reputational threat posed by the crisis situation and then recommends crisis response strategies based upon the reputational threat level.” (p. 138).

3.5.3 Situational Crisis Communication Theory (SCCT)

The following section is based on Coombs (2007), Coombs and Holladay (2002), and Coombs (2004). SCCT was developed from the notion that organisations which merely apologised for a crisis could end up with legal headaches down the road, as apology is often perceived as an admission of guilt. Thus Benson was the first to suggest a situational approach; an approach to selecting crisis response strategies in accordance with the situation in order to protect the organisation’s reputation. Therefore the main goal of SCCT is to provide a theoretical background for crisis communication that seeks to protect the organisation’s reputation without complicating the legal matters (In Coombs and Holladay 2002). Of course SCCT accepts that there are more urgent aspects of crisis to address with a much higher priority than reputational and legal matters. Thus SCCT provides strategies to follow the initial instructing information and later adjusting information. As mentioned earlier, instructing information covers what the public need to know about the crisis in order to protect themselves and the basics of what happened. Adjusting information seeks to relieve stakeholders psychologically, thus remove as much uncertainty as possible i.e. what, when, where, why and how information about the crisis. Stakeholders are reassured by knowing. The next part of adjusting information is informing stakeholder of what is being done to prevent the crisis from happening again and/or what corrective measures are taken. Instructing and adjusting information should always be the first priority of crisis communication, when this is covered the organisation can move on to protecting/repairing the reputational damage caused by the crisis (Coombs and Holladay 2002; Coombs 2004, Coombs 2007).

Attribution theory serves as the connection between crisis response strategies and the crisis situation. Basically attribution theory holds that people will always attribute the cause of an event to a person involved or an outside factor;
especially unexpected and negative events. Thus in a crisis situation stakeholders will make a judgement as to what or who they believe to be the cause of the event. Therefore, crisis history and reputation prior to the event plays an important role in the judgement. Coombs (2004) use the example: “If a person spills red wine on your new carpet and you believe the cause was personal, you are likely to be angry with that person and behave toward him differently in the future.” (p. 267) Thus saying that organisations, which stakeholders believe have done wrong before, are easier deemed to be guilty the next time. Attribution is therefore an important aspect of crisis communication, as the more responsibility is attributed the organisation the more negative emotions and views stakeholder will hold towards the organisation; thus if we return to the photo metaphor, attribution of a crisis will put a negative photo (image) in the photo album (reputation) and thereby result in reputational damage.

It is further argued that crisis managers can influence the stakeholders’ attributions through crisis communication. Hence, crisis response strategies can shape attribution. Attribution theory shows that people usually use three dimensions when making their attributions  

A: stability, covering the frequency of the event.  
B: External Control, indicating if an outside person controlled the cause of the event.  
C: Personal Control, whether or not the actor, or in this case the organisation, controlled the cause of the situation. Using these three dimensions, attribution theory states that most responsibility is attributed when an event is repeated and there is a high personal control and low external control. On the other hand less responsibility is attributed when the event is unique and there is high external control and low personal control, like for instance a terrorist attack. Coombs (2007) argues that these patterns should be transferable to crisis responsibility. Furthermore, surveys document the link between attribution of crisis responsibility and reputational threat. Hence, the more responsibility attributed the greater the reputational damage.

This posed another challenge as a range of response strategies and crisis types were shattered across several theories. Thus SCCT has over the years specified
the crisis types and response categories. Based on his research Benoit (2004) has identified five main categories and 14 specific image restoration theories which he argues sums up the literature on the subject. He states that his theory is applicable both to individuals and organisations, and it can be applied to an already damaged image or as a direct response to a crisis. Coombs (2007) later compared Benoit’s theory to the work of other scholars and concluded: “Trying to specify the exact number of crisis response strategies is a losing proposition: A more productive approach is to identify the most common strategies and to organize them in a useful fashion” (p.139). He did just that identifying 10 crisis response strategies, divided into the four postures: Denial, Diminishment, Rebuilding and Bolstering (Coombs and Holladay 2002, Coombs 2004, Coombs 2007).

The denial posture covers the strategies: Attacking the accuser, Denial and Scapegoating. The Diminishment posture covers the Excusing strategy – seeking to minimise the organisation’s responsibility of the crisis, and Justification – seeking to minimise the scope of the crisis. The rebuilding posture includes the strategies: Compensation and Apology. Lastly the bolstering posture contains Reminding – reminding stakeholders of positive memories, Integration – the organisation praises stakeholders and lastly Victimage – seeking to be perceived as a victim. The bolstering posture is special as Coombs (2007) does not recommend using it without it being combined with at least one other strategy, due to their self-centred subtext. In addition to the ten strategies which Coombs (2007) identifies as the most common, it is appropriate for this paper also to include one of Benoit’s (2004) original strategies, namely what he refers to as Corrective action, initiatives to correct the mistake and/or prevent a reoccurrence. In order to select the appropriate strategy the reputational threat must be analysed according to three factors: Crisis type, Crisis history and Prior reputation.

Thus the first step is to identify the crisis type. Coombs has again identified 10 crisis types. Early on, Mitroff and Anagnos (2001) recommended that the crisis
types should be categorised into families or clusters in order to simplify the preparation for crisis. Thus Coombs 10 crisis types are divided into three clusters: the victim cluster – which leaves the organisation with little or no responsibility as it too is a victim to e.g. a natural disaster. The accidental crisis cluster – here too is the organisation assigned a low level of responsibility. Lastly the preventable crisis cluster – here there is a high level of attribution of responsibility as the public believe the organisation could have prevented the crisis. Furthermore, it should be duly noted that the organisation and stakeholders do not necessarily have the same perception of the situation; in this case the organisation needs to adopt the stakeholders’ perception. This mismatch of perception might even occur within the organisation. Jaques (2007) supplements by stating that a crisis situation and type often changes as the crisis progresses; thus a crisis might very well contain several different crisis situations and crisis types depending on the development of the given scenario.

The crisis history is another important factor, as it, like the situation, affects the stakeholders’ perception of responsibility and thus reputational damage. Hence, if, as mentioned earlier, the organisation has experienced a similar crisis before, the stakeholders are more likely to attribute responsibility and thus the reputational risk increases. Likewise, a negative prior reputation increases the attribution of responsibility as the stakeholders already perceive the organisation of guilty and vice versa (Coombs 2004, Coombs 2007, Benoit 2004).

### 3.6 Culture

Joep Cornelissen (2008) defines culture as: “The general values and beliefs held and shared by members of an organisation.” (p. 254). This definition indicates that Cornelissen (2008) is merely referring to what others refer to as organisational culture. However, according to other scholars this is merely the tip of the iceberg or in this case actually the bottom of the iceberg. Löwenberg (2009), Yeomans (2009), Hatch and Schultz (2008), and Liker and Ogden (2011) all argue that there are two part of the notion of culture. The iceberg metaphor has been applied to clarify this, by both Löwenberg (2009) and Liker and Hoseus (2008).
What Cornelissen (2008) describes with his quote is the bottom of the iceberg, which we all know is the larger part – organisational culture which covers, among other things, the internal values, beliefs, heritage, attitudes. Organisational culture are characterised by being difficult to uncover, define and alter, Löwenberg (2009) therefore also refers to it as covert culture. Above the surface we find the part that is obvious and visible for everyone – the tip of the iceberg. The tip of the iceberg is corporate culture, which Hatch and Schultz (2008) define as: “The values, beliefs and basic assumptions espoused by an organisation’s top-level executives; expressed in official corporate documents, company brochures, and PR messages and advertising about the firm.” (p. 231). Löwenberg (2009) agrees as he refers to this as overt culture.

The following is based on Hofstede (n.d.). Geert Hofstede’s research Culture’s Consequences: International Differences in Work-related Values from 1980 is known throughout the world and translated into 20 languages and have since 1980 been expanded several times. His research of the IBM organisation measured the culture of the different nations, and later regions, according to five dimensions: Power Distance, Individualism, Masculinity, Uncertainty avoidance, and Long term orientation. Each of the dimensions receives a score on a scale from 0-100, thus the tool is useful only as it compares nations either to one another or to the world average.

Power distance expresses to which degree less powerful members of society accept this hierarchical system. Thus in cultures with low power distance members of the lower hierarchy seek equality, whereas they in cultures with a high power distance are more likely to accept the inequality. Individualism or the, on Hofstede’s scale numerically lower, counterpart collectivism refer to the degree of independence or interdependence in a society. Hence, in highly individual cultures the individual is expected to take care of itself, and focus is on individual rights and freedom. On the contrary, in high collectivistic societies the individual is first and foremost seen as a part of a group or in fact many groups; and the relationship between individual and group are seen as interdependent.
Masculinity and Femininity describe the values of society. Thus in the high end of the scale lies the highly masculine cultures which are characterised by traditional masculine values such as achievement, assertiveness and material rewards. On the other hand, feminine cultures are influenced by softer values as modesty and quality of life. Next, Uncertainty avoidance expresses the members of society’s feelings about uncertainty or ambiguity. Therefore, societies with a high level of uncertainty avoidance do everything they can to try to control the future and the environment. Rigid rules, codes of conduct and restrictions characterise these cultures. Societies with low uncertainty avoidance, on the other hand, have a more relaxed attitude towards uncertainty. Lastly long-term versus short-term orientation, like the terms indicate, refer to the members’ attitude towards time. Thus short-term oriented cultures are bound up in traditions and seek the absolute truth. Moreover they tend to strive for quick results. On the other hand, Long-term oriented societies are more likely to adapt and change traditions to the conditions, as they believe the truth depend on the context. Lastly they seek security and harmony in the long run before quick achievements. The extensive investigation and mapping of these five dimensions provide a useful tool for explaining cross cultural communication and the interactions happening when cultures meet.

In his book, *The geography of thought – how Asians and Westerners Think Differently… and why*, Nisbett (2005) seeks to account for the differences in eastern and western culture, primarily from a philosophical point of view. He further supports his findings with the work of researchers, such as Hofstede and Hampden-Turner and Trompenaars (In Nisbett 2005); Nisbett generally supports Hofstede’s findings regarding the differences between eastern and western culture. Nisbett (2005) explains the differences between eastern and western culture by the influence from the ancient philosophies. Thus he states that: “More than a billion people in the world today claim intellectual inheritance from the ancient Greece.” (p. 1). This is of course primarily the western world. On the other hand more than 2 billion people today have their inheritance from the ancient Chinese. This aspect of different intellectual heritage has shaped the
culture through centuries and to this day sticks out as one of the key influences on culture.

Nisbett (2005) emphasise that any cultural generalisation have exceptions, thus none of the characteristics described match every individual in the group. Furthermore, the cultural aspects of both Hofstede (n.d.) and Nisbett (2005) will be presented more in depth in connection to the analysis of the case corporations.

4. Analysis

In this section I will analyse the Toyota’s response to the 2009 recall crisis and later BP’s ditto to their Deepwater Horizon crisis. The analysis will compare the actual response with the normative Situational Crisis Communication Theory in order to shed light on the process. The two analyses follow the same structure, first the prior reputation and the crisis history is analyse and later three core areas of the crises are analysed by applying the SCCT framework.

4.1 Toyota – The Recall Crisis

On the 28th of august 2009, a tragic accident killed Mark Saylor and three of his family members. The accident and the concerning 911 call ignited a swarm of allegations about sudden unintended acceleration (SUA) in Toyota cars. In spite of the total lack of evidence proving unintended acceleration in Toyota cars, the situation spun out of control and resulted in a historic reputational crisis for Toyota; by February 2010 Toyota had recalled more than 8.5 million cars and experienced the first annual loss for the corporation in more than 50 years (Liker and Ogden 2011).

4.1.1 Prior Reputation

As mentioned earlier on, prior reputation is known to be an important factor strongly affecting the outcome of a crisis situation. Thus in order to investigate
In 2007 Toyota sold more than 9.3 million cars, spread across its various brands such as Toyota, Lexus, Scion etc. In 2008 Toyota overtook GM as the biggest car manufacturer in the world. By then Toyota had been continuously profitable for almost 50 years, something that was unheard of in manufacturing industries, especially during the recession where both Ford and GM struggled, and in the end was saved by government bail outs. In 2007 Toyota’s stocks were worth two times the nearest rival (at the time DaimlerChrysler) and almost 14 times what the stock of GM was worth (Liker and Ogden 2011). The financial success is not necessarily synonymous with a strong reputation, nevertheless theorist do agree that a strong reputation can further a competitive advantage which would lead to success (see section 3.2).

Furthermore, according to Osono et al. (2008) Toyota had: “Become synonymous with strong engineering, durability, and dependability.” (p. 3). Liker and Ogden (2011) describe Toyota as: “The most admired company in the world” (p.1) and refer to how not only customers loved their cars but how the entire production industry benchmarked themselves against Toyota. They even argue that Toyota had made the term made in Japan a brand of quality instead of doubtful standard Japan and Asia was associated with earlier (Liker and Ogden 2011). Many others agree, thus Cullen (2010) states that: “Survey after survey in North America and Europe places Toyota near the top for reliability.” (p. 58), and Tedlow (2010) concurs with his statement: “Toyota was certainly counted among the best of the best.”(p. 76).

In 2007 Fortune magazine ranked Toyota 3rd on their list of America’s most admired companies (no other car manufacturer was even in the top 20), and 2nd on their global ditto, which put Toyota in the top two of all nine key attributes, including quality of products/services, Innovation and Community/Environment (Fortune Magazine 2007 A; Fortune Magazine 2007 B; Fortune Magazine 2007 C). In a survey among 415,000 car owners, published by Consumer Reports in
January 2008, Toyota produced models took 10 of the 39 top spots, including the first place which went to the Prius (for comparison second and third place went to BMW 335i coupe and Porsche Boxster accordingly, thus vehicles of an entirely different price range). Thus, 92% of Prius car owners stated that they would definitely buy or lease a Prius again (Consumer Reports 2008). To sum up, I believe that based on all these different factors it is safe to say that Toyota had a generally favourable reputation prior to the crisis (Liker and Ogden 2011, Osono et al. 2008).

4.1.2 Crisis History

The crisis history of an organisation plays a significant role in any crisis situation as the so called Velcro-effect can affect the public’s perception of the situation (see section 3.4).

As stated in the section above (4.1.1), before the crisis Toyota had long had a solid reputation for quality and safety; an obvious result of their years of impeccable production performance and innovation. From the near bankrupt in 1950 to the millennium, Toyota experienced ups and downs as the rest of the industry, recessions, oil crises, failing market entry’s, failing models and even natural disasters etc. Nevertheless, in spite of the environmental challenges, they managed to stay profitable for more than 50 consecutive years and avoid any noteworthy reputational crisis. Nevertheless, it would be too much to say that Toyota had no crisis history, as there had been events leading to the reputational disaster of 2009-10 (Liker and Ogden 2011).

As early as 2003 “unwanted acceleration” (Steinmetz 2010) in some models appeared as an internal issue in Toyota, and already in 2004 the first Sudden Unintended Acceleration (SUA) complaints started coming in. The National Highway Traffic Safety Admission (NHTSA) even conducted their first investigation of SUA in Toyota vehicles in 2004. In the fall of 2005, the NHTSA again put Toyota under loop, this time with a questionnaire among Toyota car owners. The survey revealed hundreds of reports concerning problems with
acceleration and braking, nevertheless, the NHTSA waved the allegations of as: “Ambiguous significance” (Steinmetz 2010) due to the variety in the reported issues (Steinmetz 2010). In 2006, Toyota workers, according to Morgan O’Rourke (2010) made their safety concerns known to the Toyota management – in an internal memo in which they stated: “We are concerned about the process which are essential for producing safe cars, but that ultimately may be ignored, with production continued in the name of competition” (O’Rourke 2010, p. 2). In 2007, it seemed that Toyota’s management became aware of how the rapid growth could pose a threat to the pivotal Toyota culture. Thus new training and introduction processes were initiated (Welch and Rowley 2007).

During 2007 the SUA issue took off, the NHTSA initiated an investigation of Lexus vehicles suspecting that the floor mats could cause unintended acceleration. A few months later, in July, a Toyota Camry accelerated out of control, the driver, Troy Edwin Johnson was killed in the following crash. Toyota settled with the depraved family out of court for an undisclosed amount. In the mist of the Johnson accident, the NHTSA in August 2007 upgraded the investigation to an Engineering analysis – An extensive engineering investigation and testing which eventually lead to the 2007 floor mat recalls concerning 55,000 cars. (Toyota 2007; Emison 2010). During the same period Toyota issued series of additional recalls. This scenario combined with the fact that Toyota doubled their production capacity since 2000 made critics question whether the rapid growth came at the expense of quality and safety. A concern that Toyota president Akio Toyoda also shared before congress in February 2010: “Quite frankly, I fear the pace which we have grown may have been too quick. […] We pursued growth over the speed at which we were able to develop our people and our organisation” (O’Rourke 2010, p. 3).

Nonetheless, compared to the recalls in the industry, there is nothing to differentiate Toyota from their competitors before 2010. However, according to Gene Grabowski (In Tsikoudakis 2011) Toyota had until 2009 appeared to make the recalls voluntarily and it had thus been perceived as a preventive measure to ensure their customers safety. In 2009-10 it seemed like the recalls was the
NHTSA’s decision not Toyota’s. He further adds that the recalls in 2009-10 differed from earlier recalls as millions of cars were recalled for the same issue, indicating a serious general flaw in production rather than minor engineering defects on the single models. However, it might merely be a result of Toyota’s efficiency efforts as they use the same components, in this case the accelerator pedal, across their portfolio.

4.1.3 Sub-conclusion

To sum up, Toyota had for decades had a strong prior reputation of quality and safety. However, they did seem to struggle with some quality issues in the years leading up to the crisis. Nonetheless, there is nothing indicating that any of the previous aspects were perceived as a crisis by the stakeholders. Nonetheless, it cannot be excluded that the accumulation of recalls affected the public’s perception of the actual crisis. Furthermore, as the crisis developed over more than six months, the crisis history grew accordingly.

4.1.4 Crisis Response

In this section I will analyse Toyota’s response to the 2009 recall crisis, by keeping the Coombs’ best practices for form and content in crisis response in mind. Furthermore, by utilising the SCCT framework I will shed light on Toyota’s response initiatives.

4.1.4.1 The Saylor Accident

The point of departure for this crisis analysis will be the Saylor accident that triggered what became the biggest crisis in Toyota history. On the 28th of august 2009, veteran Highway Patrol officer Mark Saylor, his wife, daughter and brother in law were travelling on highway 125 in Santee, Northeast California. When the car, a Lexus ES350 on loan from the local dealership, accelerated out of control, collided with another vehicle, and ran off the road. The car caught fire and all four passengers were killed. While the out of control vehicle raced down the highway at speeds exceeding 100 mph one of the passengers dialled 911. The recorded 911 call allowed the public to witness the tragedy by hearing how the
terrified passenger reported: “The accelerator is stuck” and “The car has no brakes” (Youtube.com n.d.). It was later concluded that the reason for the accident was the accelerator pedal getting trapped in a wrongly installed floor mat. (Liker and Ogden 2011; MacKenzie and Evans 2010).

Half a month later on the 14th of September, Toyota responded in a press release stating that: “Our [Toyota] deepest sympathies go out to the friends and family of Mark, Cleofe, Mahala, and Cleofe’s brother Chris Lastrella.” (Toyota 2009). On the other hand, the same statement included a less sensitive message: ”All-weather floor mats are installed by dealers or customers as an accessory item. Driver’s floor mat interference with the accelerator pedal is possible in any vehicle make with any combination of floor mats when the floor mat is not properly secured or if it is not the factory designed floor mat for the vehicle.” (Toyota 2009). Thus, besides showing sympathy for the family and their relatives, Toyota diminished their responsibility for the accident by stating that floor mat entrapment can happen in all vehicles and implicitly explaining that Toyota did not install the floor mats in question. In the same statement Toyota also included instructions to all dealers and vehicle owners to assure correct floor mat installation.

On the 29th of September, Toyota reacted further by issuing a recall concerning 4.2 million Toyota and Lexus vehicles. Three days later on the 2nd of October, Toyota president Akio Toyoda publicly offered his condolences to the bereaved family and friends of the Saylor family and apologised to everybody affected by the recall (Liker and Ogden 2011, MacKenzie and Evans 2010).

In accordance with the crisis communication theory there are several aspects of Toyota’s response, at this point in the crisis, worth taking a closer look at. First off, Toyota’s total lack of response for more than two weeks, gave the media plenty of time to speculate and publish their conjectures. A response this slow is potentially disastrous. Toyota lost their chance to condemn the situation and take control of the information stream. Instead they left it up to the media to fill in the public’s information void. According to Coombs (2007) a slow or no
response signals lack of control or willingness to take control. In addition, Toyota failed to follow two of the basic criteria for the form of crisis response: Quick and open. In this case it resulted in rumours and speculations running rampant, an issue that will be discussed further in the next section.

The press release, however late it was, provided instructing information, as dealers and owners were instructed to inspect vehicles. However, no adjusting information was provided. Toyota’s perception of what actually had happened and why was merely present implicitly as the floor mat issue was mentioned. However, there was nothing conclusive as to Toyota’s side of the story. Ulmer et al. (2007) argues that in some cases it is best not to inform stakeholders in order to avoid given the public false securities, and that uncertainty, in some cases, can work in the organisation’s favour. That being said, there is little to argue against actually communicating that an on-going investigation would provide a conclusion at a later point in time.

In regards to the reputational management, Toyota’s press release indicates that Toyota sought to diminish their responsibility in the accident by focusing on floor mats and even stating it as a potential problem in all vehicles. Furthermore, the extensive recall was an ambitious corrective action; Toyota was definitely backing up their reputation of safety and quality, and taking responsibility. The corrective action supplemented the diminishment strategy well, as Toyota then stated that they were not responsible for the accident, but were willing to go to extreme length to ensure that it will not happen again. In addition, the apology by Toyota president Akio Toyoda is a fine match with both diminishment and the corrective action; but can on the other hand be associated with guilt and thus a source to further speculation. However, the combination of diminishment, apology AND corrective action result in some level of inconsistency in the communication as well. The diminishment strategy seeks to distance Toyota from the responsibility and the apology combined with the corrective action pulls in the other direction. The level of speculation also suggests that the media interpreted this as a guilty organisation seeking to cover their tracks.
To sum up, Toyota’s initial response did not live up to even one of Coombs (2007) three basic recommendations, quick, consistent and open. Furthermore, they failed to provide adjusting information and instead went directly from instructing to reputation management which resulted in a lack of information control. The reason for the lack of adjusting information could be found in the fact that the NHTSA’s report on the Saylor accident was not yet conclusive. However, both Coombs (2007) and Ulmer et al. (2007) recommend that the organisation still communicates that investigations are initiated and shows willingness to share information, when it becomes available.

Lastly, the analysis indicates that Toyota did not grasp the scope of the situation and the need to communicate with the public; this view is supported by Daniel Diermeier, IBM Professor of Regulation and Competitive Practice at the Kellogg School of Management, who argues that Toyota failed to address the reputational issues connected to the recalls as they focused solely on the engineering aspects (In Kellogg School of Management Faculty Member 2010). Of course it should also be noted that Toyota have millions of cars on the roads around the world, thus a car crash, even a fatal one, is probably not normally something that receives a lot of attention (Coombs 2007, Benoit 1997, Ulmer et al. 2007, Liker and Ogden 2011).

4.1.4.2 Rumours, Speculation and Media Handling
The tragic events of the Saylor accident threw Toyota into a full blown media storm. Speculation and rumours quickly filled the media, led by the Los Angeles Times. A number of incidents from the Saylor accident to February 2010 affected the media’s interpretation of the crisis. Next is a list of issues that contributed to the public speculation, followed by an analysis of Toyota’s response to these issues.

4.1.4.2.1 The Saylor Accident
The tragedy plays a central role in the media driven aspect of the 2009 recall crisis. The dramatic 911 call from inside the car just moments before the fatal crash obviously caught the public’s attention. Not only did a passenger call from within the car, but during the less than a minute long recording, it was reported
that “the accelerator is stuck” and “the car has no brakes” (Youtube.com, n.d.); inevitable a freighting scenario for every car owner. However, as the accident got the public’s attention it also got the media’s attention, thus it became the point of departure into an extensive flow of speculation (Liker and Ogden 2011).

4.1.4.2.2 NHTSA Toyota Miscommunication
On the 30th of October 2009, Toyota started to notify its customers of an unspecified upcoming recall in order to eliminate any risk of SUA. Toyota further stated that “Defects does not exist in vehicles in which the driver seat floor mat is compatible with the vehicle and properly secured” (Liker and Ogden 2011, p. 123), and that the NHTSA after an extensive investigation had conclude that incorrect use of floor mats posed the sole risk of SUA. A few days later on the 2nd of November, the NHTSA publicly rebuked Toyota’s statement as “Inaccurate” and “Misleading” (Liker and Ogden 2011, p. 123). Toyota quickly offered a public apology. This was definitely an episode that, even though Toyota quickly apologised, invited to more speculation. By then the perception of the crisis started to shift character from a technical error to organisational misdeeds as it was no longer just about SUA, but about Toyota trying to deceive its customers (Liker and Ogden 2011, MacKenzie and Evans 2010).

4.1.4.2.3 Me-too Claims
As the situation developed, more and more people stepped forward and claimed that they too had experienced SUA in their Toyotas. The NHTSA complaint database experienced a steady rise in Toyota SUA complaints from around the industry average on less than 20 in August 2009 to almost 200 by the end of the year, and an absolute explosion during the congressional hearings to more than 1,300. According to Wallace this is a typical public reaction (2010 A). Furthermore, the number of complaints became a self-enforcing factor as it was used to support the claims of SUA. As Wallace (2010 A) phrases it: “From the public’s viewpoint, the sheer number of unverified “me, too” claims somehow support the original story” (para. 4). It should also be noted that at least part of the explanation for the rising claims could be that by this point in time the
situation had caught the attention of plaintiff lawyers, and lawsuits started to pile up against Toyota (Liker and Ogden 2011).

4.1.4.2.4 Recalls
The recalls, the actual efforts by Toyota to correct the alleged problems, became a subject to rumours as well. If there was nothing wrong with the cars, why in the world would Toyota recall millions of cars? Thus the fact that Toyota did not communicate clearly in connection to the recalls made it possible to interpret the recalls as an admission of guilt. This applies to all the recalls Toyota made. First, the floor mat issue. Second, the issue concerning sticky accelerator pedals – It was discovered that in very rare circumstances (wear, high humidity, high temperatures) the accelerator pedal could retract slowly and stay half depressed, however it was concluded that it only happened at low speed and it was merely the feeling in the pedal not the actual ETC (Electronic Throttle Control) system. Third the Prius brake recall, again a problem concerning the feeling of the pedal not the effect (Liker and Ogden 2011).

4.1.4.2.5 U.S Transportation Secretary
On the 2nd of February 2010, U.S transportation secretary Raymond LaHood criticised Toyota for being “A little safety deaf” (Liker and Ogden 2001, p. 124) and reacting too slow. At the same time he stated that Toyota was taking responsible actions at the time, but too late. The next day LaHood was quoted warning Americans against driving their recalled Toyotas, however, the statement was later withdrawn as a misstatement (Liker and Ogden 2011).

4.1.4.2.6 Congressional Hearings
On the 23rd and 24th of February 2010 Toyota was called before congress to clarify their efforts to deal with the apparent safety issues. It is a well known move from politicians in order to appear to take action. The actual nature and outcome of the hearings will be uncovered later. However, the fact that Toyota was hauled before congress, to stand at attention, again gave the media the opportunity to blow the situation out of proportions (Liker and Ogden 2011, Appendix A). Wallace (2010 B) even called the hearings a witch hunt as the witnesses were primarily associated with, or even financed by the plaintiff lawyers that sued
Toyota. Furthermore, no third party engineers or mechanics witnessed during the hearings. Wallace (2010 B) states: “Nobody believes Toyota, even if the final facts prove it’s correct. Everyone believes the witnesses, even when the engineering evidence often disproves their testimony. It is impossible to come to a scientifically valid conclusion under those two circumstances.” (Cut to the Bonfire section).

4.1.4.2.7 Sub-conclusion
All of these factors, and more, fed the hungry beast of rumours and speculation about Toyota. The rumours covered everything from faulty computer software to Toyota cutting shady deals with the NHTSA. However, the main issue was that the public simply did not seem to buy into the idea that ill-fitting floor mats was the cause. Liker and Ogden (2011) argue that the 2007 floor mat recall caused a Velcro effect, (see section 3.4) thus affected the public’s perception of the floor mat in a negative way. Instead the media quickly turned its attention to Toyota’s Drive-by-wire electronic throttle control system, which was blamed for the reported unintentional acceleration without any proof what so ever. According to Liker and Ogden (2011) a result of the “Our concern that machines we do not truly understand can run amok and put us in danger” (p. 71); hence they argue that science fiction movies for years have projected stories about complicated machines turning evil and dangerous.

Each of the above listed situations was serious enough to demand a separate strategic response from Toyota. However, as with the Saylor incident the response was slow and inconsistent. Toyota’s spares communication came in a press release stating that: “Defect does not exist in vehicles ...” (In Liker and Ogden 2011, p. 123). A statement which, as mentioned, was then rebuked only a few days after; this resulted in a public apology from Toyota. After that Toyota kept to their silent corrective action tactics. According to the SCCT framework the obvious strategic response for rumours or unwarranted challenges is quick and evidence based denial. However, Toyota chose to ignore instead of deny as there was no public statements denying any of the allegations. Again the fact that Toyota might have been doing internal investigations at the time might be
the reason for the lack of response. Nevertheless, communication should still have been initiated in order to project control and willingness to disclose information (Liker and Ogden 2011; Coombs 2007).

4.1.4.3 Congressional Hearings
As mentioned above, the American congress called in Toyota to clarify the safety issues and explain what they were doing to ensure the American customers’ safety.

On the 23rd of February 2010, the Committee on Energy and Commerce called in James E. Lentz, COO of Toyota Motor Sales U.S.A. Inc., to clarify Toyota’s response to the SUA claims. Also witnessing was Eddie and Rhonda Smith - who had allegedly experienced SUA in their Lexus 350 ES, Sean Kane – President of Safety Research & Strategies Inc., David Gilbert – Associate Professor of Automotive Technology at Southern Illinois University, and Raymond LaHood – Secretary of Transportation.

At the hearing Rhonda Smith explained how her Lexus had one day accelerated out of control, and how she was unable to stop the car with neither the brakes nor the emergency brake. Furthermore, she stated that she had tried every gear, even reverse, to stop it; none of which had worked. However, suddenly the car had “Decided” (Liker and Ogden 2011, p. 116) to stop. It later came out that the local dealership’s and the NHTSA’s investigation of the car concluded that the car showed no sign of an application of the emergency brake, and that it had unfastened all weather floor mats. Furthermore, the family that bought the car from the Smith family had never experienced any SUA incidents. David Gilbert testified that he had, in less than three hours, found a glitch in Toyota’s electronic system that could cause SUA. However, the whole investigation later proved to be one big hoax, and Gilbert admitted at the testimony that he was hired by Sean Kane – who likewise admitted that his company was primarily founded by plaintiff lawyers with pending cases against Toyota (Liker and Ogden 2011).
LaHood was on the other hand somewhat in the same boat as Toyota, as he was representing the NHTSA, which was accused of not doing enough to find the cause of SUA in Toyota vehicles. However, he merely listed the already known results of the NHTSA investigations and pointed out that the NHTSA’s investigations in just three years had resulted in 524 recalls in which safety issues concerning 23.5 million vehicles had been addressed.

In his testimony, James Lentz admitted that Toyota had: “Not lived up to the high standards our customers and the public have come to expect from Toyota.” (Appendix A, Lentz, para. 3). He further stated that Toyota were aware that it had taken too long to react, and that they had communicated insufficiently. Lentz also took the time to praise the dealer’s efforts to correct the problems, before he stated that the problem was not in the ETC system. The latter fact is accredited by the fact that Toyota had given an unwilling third party engineering company unlimited resources to investigate the problem, an investigation which concluded that the ETC system “Works as Designed” (Appendix A, Lentz, para. 9). Lentz concluded his testimony by stating that “We [Toyota] acknowledge these mistakes, we apologize for them and we have learned from them.” (Appendix A, Lentz, para. 11).

Lentz continued Toyota’s rebuilding posture by taking full responsibility of the situation and apologising. Furthermore, the fact that he emphasised the customers’ and the public’s expectations to Toyota and praised Toyota’s dealers add a bolstering posture, as it reminded the receiver about good work in the past and praised stakeholders. According to the SCCT framework this is a clever response as rebuilding postures are fit for any preventable crisis. The fact that Lentz also denied the rumours about problems with the ETC system is likewise in line with the theory. However, Lentz’s testimony was not entirely perfect, when he was asked if Toyota’s efforts would eliminate unintended acceleration he answered: “Not totally” (Toyota 2010) a statement that quickly caught the public’s attention. However the next day Toyota, in a press release, stated that Lentz’ statement should be understood in accordance with the entire category of SUA’s, thus Toyota’s efforts did not address pedal misapplication and other
minor issues present in all vehicles. Nevertheless, it was an unfortunate situation as Lentz in the same testimony stated that Toyota have had communication problems but have learned from them (Coombs 2007, Toyota 2010).

The next day, on the 24th of February 2010, the Committee on Oversight and Government Reform had called in Yoshimi Inaba, president and COO of Toyota Motor North America and Chairman and CEO of Toyota Motor Sales, and Akio Toyoda, president of Toyota Motor Corporation. The headline of the hearing was *Toyota Gas Pedals: Is the Public at Risk?* Among the other testifiers was Raymond LaHood, Joan Claybrook – former administrator of NHTSA, Clarence M. Ditlow – Executive director of Center for Auto Safety, a witness experiencing SUA, and a family member of a deceased in an alleged SUA accident. In his testimony, Akio Toyoda clarified to the committee that quality; safety and continuous improvement are key elements in Toyota’s philosophy. He further stated that: “I myself, as well as Toyota, am not perfect. At times, we do find defects. But in such situations, we always stop, strive to understand the problem, and make changes to improve further.” (Appendix B, Toyoda, para. 3). He also, like Lentz the day before, took full responsibility. Before explaining the new measures to the committee, Toyoda explained how the rapid growth of Toyota might have confused the priorities. Thus growth had become a priority at the expense of safety and quality. Yoshimi Inaba, more or less rephrased what was said by Toyoda. However, he added the fact that he, as head of the North American division, would be responsible for initiating better communication between Toyota and their customers and regulators, especially in safety matters. He also clarified the single recalls and the actions taken to deal with them (Appendix C).

As Lentz did the day before, Toyoda and Inaba continued the rebuilding posture as they took full responsibility for any quality glitch. Furthermore, like Lentz, they both reminded the committee about their past, thus adding a blostering posture. Toyoda and Inaba also put a lot of emphasis on the adjusting information concerning the corrective actions Toyota initiated in order to deal
with the problem. As mentioned above, these postures are very much in line with theory, furthermore, the fact that Lentz, Toyoda and Inaba’s statements were relatively similar signifies better internal communication and projected a consistent message to the public. It should also be noted that all three executives refrained from accusing the attacker by proving the other witnesses wrong or even questioning the otherwise highly questionable claims (Coombs 2007). According to Wallace, this was a good move as: “No company in U.S. history has called its customers stupid and survived.” (2010 A, Perceived risk vs. genuine risk section). Thus he argues that the claims were a question of human error, but Toyota would never say it as it would insult its customers.

**4.1.4.4 Sub-conclusion**
The SCCT analysis of Toyota’s response to the crisis indicates a clear gap between Toyota and their stakeholder’s interpretation of the crisis. The lack of initial communication from Toyota can only suggest that the situation was, at that point in time, not perceived as a crisis. The theory suggests that in case of a perception-gap it is vital to adopt the stakeholders’ view – however if you do not realise the perception-gap that is not really an option is it? Furthermore, the handling of the media and excessive rumours and speculation again suggests that Toyota does not grasp the scope of the situation. Nonetheless, the much more open, consistent and timely response to the congressional hearings indicates that Toyota finally shared the public’s perception of the almost five month long line of events. Furthermore, it is noteworthy that Toyota refrained from any attacking of the accusers, when the fact is that Toyota was bombarded with accusations about, seen from an engineering point of view, more or less impossible scenarios; here it should be noted that from this point of view no investigation have ever proven any case of unintended acceleration in Toyota vehicles. Nevertheless, Toyota took the moral high road and took full responsibility.
4.2 BP Deepwater Horizon

On the 20th of April 2010, an explosion in the middle of the Gulf of Mexico became the starting shot for the largest oil spill in US history. Less than two days later the Deepwater Horizon, or what was left of it, sank to the bottom of the ocean, along with 11 crewmembers; on top of this, it took 56 days to cap the well – by then it had leaked almost 5 million barrels, or 596,250,000 litres, of crude oil into the ocean. The disaster did not only cost the BP billions of dollars in lost profit, clean-up cost, compensation cost, fines etc., it also threw the company into a reputational crisis of epic proportions (Reed and Fitzgerald 2011).

4.2.1 Prior Reputation

As mentioned earlier, prior reputation is known to be an important factor, strongly affecting the outcome of a crisis situation. Thus, as in the Toyota analysis an analysis, of BP’s reputation prior to the Deepwater Horizon oil spill is in order.

In 1998 BP started their efforts to distance the brand from the negative connotations connected to the industry; first of all, by shortening the name to BP thus leaving out the word ‘petroleum’. Second, the CEO at the time, John Browne, was the first of the big oil executives to accept and talk openly about climate change. Lastly, in 2000, BP headed by Browne re-launched the brand under the new slogan ‘Beyond Petroleum’. The re-launch was closely connected to new investments in renewable energy. At the same time, BP was the absolute industry top when it came to finding new oil reserves; as of 2009, BP had found more oil than exploited for 17 consecutive years. This was possible because BP constantly pushed the frontier of the business, finding oil in more and more difficult areas. It is therefore not surprising that BP was the leading deep water company in the industry (Reed and Fitzgerald 2011).

However, as it is often the case there is a backside of the medal; the environmental branding have been strongly criticised and brushed off as greenwashing, according to Friends of the Earth campaigner Craig Bennett (In
Marketing Week 2007). BP spent 75% of their marketing budget on reporting on their quest for alternative and renewable energy sources; nevertheless, only 5% of their capital expenditure is spent on this specific task. On the other hand 75% is spent on traditional oil exploration. Moreover, BP had been cited in the media as the oil industry’s top spender when it comes to lobbying. However, in spite of the criticism that inevitably follows a multinational oil giant’s CSR attempts, BP succeeded in creating a reputation as the greenest in an otherwise entirely ‘black’ industry (Brand Therapy 2007, De Wolf and Mejri 2013).

In 2010 (Survey conducted in 2009) Fortune Magazine ranked BP 5th in the industry’s world’s most admired. The same list ranked BP 3rd in social responsibility in front of American competitors Exxon and Chevron, ranked 11th and 6th respectively (Fortune Magazine 2010). Hence, BP might had succeeded in creating a greener reputation than competitors, prior to the Deepwater Horizon; nevertheless, the safety record had been less than flattering for a long time. In 2004 The Texas Public Interest Group reported that BP had had 3,565 accidents happened in BP’s US facilities from 1990-2004, numbers that gave BP the worst safety record in the industry, resulting in a poor reputation among regulators. In the industry BP was known for unnecessarily complicating things (Elder 2005; Reed and Fitzgerald 2011). The reputation of poor safety was a direct result of the corporation’s crisis history.

4.2.2 Crisis History

The crisis history of an organisation plays a significant role in any crisis situation as the before mentioned Velcro-effect can affect the public’s perception of the situation.

BP’s crisis history is as long as the company’s history. The oil industry has always been connected to a high level of risk, and BP is no exception. However, much of the incidents fall outside the realms of our definition of crisis. Nevertheless, in recent time, there have also been significant incidents that must be described as crisis situations.
On the 23rd of March 2005, BP’s Texas City refinery became the scene of one of the worst industrial disasters in US history. The accident continued BP’s poor safety reputation and put BP permanently on the radar of US regulators. A flooded refining tower with open pressure reliefs and no flare created a geyser of flammables, which in turn led to a series of explosions and firestorms killing 15 and injuring 180. The US Chemical Safety and Hazard Investigation Board (CSB 2005) investigated the disaster and found it: “Caused by organizational and safety deficiencies at all levels of the BP corporation” (p.18). The report further states that the accident could have been prevented; according to the report BP ignored several warning signs prior to the disaster, some present for years. Furthermore, the CSB (2005) stated concern of the insufficient: “Safety culture” (p. 18) within the corporation. The disaster led to a companywide third party investigation into the BP alleged inadequate safety culture. Two years later BP pleaded guilty to the criminal charges of not having established adequate procedures for maintaining and working equipment, and failing to inform contractors of the risks related to the temporary trailers on the refinery; BP paid a $50 million fine and got three years of probation. Later BP paid an additional fine of $21 million to the Occupational Safety and Health Administration (OSHA) (Reed and Fitzgerald 2011, Sweet and Chazan 2010).

One year later on the 2nd of March 2006, a BP pipeline across the Alaskan tundra leaked 6,000 barrels of crude oil. A month later the same pipeline leaked 12,000 cubic feet of natural gas. BP stated that the leaked were due to corrosion of the 30 year old pipeline in the harsh environment. When the same pipeline five month later leaked again, the House of Energy and Commerce Committee started an investigation. The committee found that BP had neglected the maintenance of the pipeline, but not until incriminating documents earlier withheld from the committee surfaced in later 2006, did the scope of the neglect become clear; the internal documents clearly showed how BP had disregarded anti-corrosion chemicals in order to meet budget cuts. Thus the oil spill became yet another costly affair for BP – both from a financial and reputational point of view (Reed and Fitzgerald 2011, De Wolf and Mejri 2013, Schwartz 2006).
Besides these disastrous accidents, BP has been involved in and charged with several cases of market manipulation and price fixing. To name a few: in 2009 the Oklahoma attorney general filed a lawsuit against BP for manipulating gasoline prices from 2002-2009 (Haldis and Franco 2009), in 2007 the US Commodity Futures Trading Commission (CFTC) reach a $300 million settlement in a case against BP concerning manipulating and attempting to manipulate the American propane gas prices in 2004 (Reed and Fitzgerald 2011, Haldis 2007), and in 2010 BP agreed to pay $50.8 million to settle 270 outstanding violations (Reed and Fitzgerald 2011). Lastly in 2011 the Federal Energy Regulatory Commission (FERC) and the Commodity Futures Trading Commission (CFTC) initiated investigations into allegations about BP manipulating natural gas prices (Energy Daily 2011). Contrary to the before mentioned crises which could be categorised as part of Coombs Accidental Crisis Cluster, the latter can only be described as part of the Preventable Crisis Cluster, namely organisational misdeeds (Coombs 2007).

4.2.3 Sub-conclusion

To sum up, BP had at least partially succeeded in creating a favourable reputation of the [most] environmental conscious of the major oil corporations in the general public. However, the crisis history shows an extensive list of minor incidents and accidents, combined with full blown crisis situations ranging from technical errors to organisational misdeeds. Thus, before the biggest oil spill in US history, BP already had an extensive crisis history and several experts, former employees and investigations had repeatedly accused BP of putting profit before safety (Reed and Fitzgerald 2011).

4.2.4 Crisis response

This section I will analyse BP’s response to the Deepwater Horizon crisis, by keeping the Coombs’ best practices for form and content in crisis response in mind. Furthermore, by utilising the SCCT framework I will get a nuanced view of BP’s response initiatives.
4.2.4.1 Explosion and Sinking of the Deepwater Horizon
On the 20th of April 2010, in the Gulf of Mexico 41 miles off the Louisiana coast, disaster struck at the BP operated oil rig Deepwater Horizon. A malfunction caused a blowout of methane gas resulting in a series of explosions followed by a fire; 36 hours later the rig sank into the ocean. At the time of the explosion, 126 crewmembers were working on the rig, 11 of them perished. In addition to the casualties, oil and hydrocarbons leaked into the ocean. Ten days later on the 30th of April, BP announced that oil was still leaking from the well at a rate of 5,000 barrels a day; later it was announced that this number were in fact approximately 62,000 barrels a day! Furthermore, capping the well was complicated by the extreme depth of the well and therefore dragged out for several weeks before the well was finally capped on the 15th of July. By then it was estimated that 4.9 million barrels of oil had leaked into the ocean, making it the world’s largest oil spill ever (Reed and Fitzgerald 2011).

On the 20th of April, BP reacted promptly by forwarding a press release from Transocean Ltd. (the owner of the Deepwater Horizon oil rig). The information in the initial press release was spares, but contained information of the fire, mentioned the efforts done to secure crewmembers and notify family, and finally linked to the Transocean website for more information. Over the next ten days BP released further ten press releases. The press releases provided adjusting information as it described the accident and status on what was being done. Later, statements expressed BP’s condolences to the victims’ families, and accepted responsibility. BP made their CEO, Tony Hayward, visual and available to the press almost from day one of the crisis. In a press release on the 30th of April BP stated that they estimated the flow rate from the well to be up to 5,000 barrels a day (BP, n.d. A; BP 2010 April 21; BP 2010 April 22; BP 2010 April 23; BP 2010 April 24; BP 2010 April 25; BP 2010 April 28 A; BP 2010 April 28 B; BP 2010 April 30 A; BP 2010 April 30 B; Robertson and Krauss 2010).

BP’s initial response is clearly dominated by rebuilding strategies, thus, besides the instructing and adjusting information, BP sticks to compensation and apology. Tony Hayward’s statement from the 21st of April: “Our concern and
thoughts are with the rig personnel and their families. We are also very focused on providing every possible assistance in the effort to deal with the consequences of the incident.” (BP 2010 April 21) sums up BP’s use of compensation, the apology posture and corrective action. This Strategy is very much in line with what the theory suggests for an accident crisis when there is a crisis history and an unfavourable prior reputation.

However, on the 29th of April Tony Hayward appeared on CNN and stated: “The responsibility for the safety at the drilling rig is with Transocean.” (Hayward 2010 A). Thus made Transocean the scapegoat or at least diminished BP’s responsibility; a strategy that is not recommended for an organisation with a crisis record the size of Hayward’s BP. This analysis of BP’s initial response is supported by Harlow et al. (2011) who states that BP’s response was centred on corrective action and compensation but also indicated elements of scapegoating and excusing; however, it should be noted that Harlow et al. (2011) did not include Tony Hayward’s appearance on CNN in their analysis.

To sum up, BP did react quickly, openly, but had some inconsistencies in their communication regarding the responsibility, as BP at first accepted responsibility and later implicated Transocean (elaborated further in section 4.2.4.2.3). Furthermore, they provided instructing and adjusting information, and even in the initial hours, before the actual scope of the situation was clear they communicated. Thus the initial response is generally within the recommendations of the SCCT framework, except from the diminishment of BP’s role and scapegoating of Transocean (Coombs 2007).

4.2.4.2 Rumours, Speculation and Media Handling
After the explosion of the Deepwater Horizon, BP did a good job filling the before mentioned information void that naturally occurs after an accident of these proportions. However, even though BP communicated daily with the public, even when no new information was available, a disaster like this, and particularly with a crisis history as BP, does not go by without speculation and rumours; different incidents had a strong effect on these.
4.2.4.2.1 Lowballing the Spill
One of the big issues that created a media frame of corporate misdeeds was BP’s statements about the volume of the spill. Initially the statement from BP was that there was no spill, four days later on the 24th of April, BP estimated that up to 1,000 barrels a day leaked from the well (BP 2010 April 24). Later estimates were 5,000 barrels a day and eventually experts concluded that the flow rate had been close to 62,000 barrels a day. BP’s extremely low initial estimates shattered its credibility, and rumours about a cover up started swirling. The public simply did not accept that the corporation, a world leader in deep water drilling and the responsible for the spill, could be that far off by mistake. According to theory, BP did exactly as recommended and communicated even in a situation where facts were not available. Furthermore, the estimates were made in cooperation with the US National Oceanic and Atmospheric Administration (NOAA). However, the magnitude of the estimation mistake provided the public with a suspicion that the situation was a question of corporate misdeeds and not just an accident. BP’s reputation and crisis history further sustained the idea that there was something crooked going on. Nevertheless, BP did again react according to theory, and tried to deny rumours, as they in a press release on the 20th of May argued that third party estimates of the flow rate where wrong, however neither the third party nor BP’s estimates were mentioned in the press release; adding to descending credibility (BP 2010 May 3; BP 2010 May 20; Reed and Fitzgerald 2011).

4.2.4.2.2 Hayward as a Spokesperson
Right from the start of the crisis, BP chose their CEO Tony Hayward as the main spokesperson. Hayward arrived early at the scene and remained available and open to the press more or less throughout the crisis – all very much in congruency with the theoretical recommendations. However, a combination of unfortunate statements and situations made Hayward’s efforts the beginning to the end of his career at BP.

First off; Hayward repeatedly described BP’s response to the spill as an overreaction and stated that: “The gulf of Mexico is a very big ocean. The amount of volume of oil and dispersant we are putting into it is tiny in relation to the
total water volume.” (Snyder 2010), and “I think the environmental impact of this disaster is likely to be very, very modest” (Snyder 2010). Thus, Hayward downplayed the environmental consequences of the spill. Furthermore, the probably most infamous quotes of them all was when Tony Hayward in late May told reporters that “We're sorry for the massive disruption it's caused their lives. There's no one who wants this over more than I do. I would like my life back.” (Snyder 2010). Often the quote was cut down to the last two sentences “There’s no one who wants this over more than I do. I would like my life back” (Reed and Fitzgerald 2011, p. 150) This quote created an outrage in the public, which was choked by such selfishness and insensitivity from the CEO of the company, which they perceived responsible for 11 people losing their lives and thousands more losing their livelihood. In fact the statement resulted in The New York Daily News calling Hayward “The most hated – and the most clueless – man in America.” (Reed and Fitzgerald 2011, p. 150), and even president Obama commented on the quotes saying: “He wouldn’t be working for me after any of those statements.” (Reed and Fitzgerald 2011, p. 150).

To make matters worse, Hayward travelled back to the UK in late June to take part in a yacht race around the Isle of Wright, also something that the American public had difficulties understanding and accepting. On top of all this, Reed and Fitzgerald states that Hayward’s personality – his natural cockiness and straightforwardness combined with his British accent was a very poor match with what the American public expected from a CEO in a situation of these proportions (Snyder 2010, Reed and Fitzgerald 2011).

To sum up, the intentions from BP to make their CEO the public face during the crisis was good and very much in line with the theoretical recommendations. However, Hayward capabilities as a spokesperson were, to say the least, inadequate, which turned the efforts into a catastrophe. A catastrophe that not only created even more resistance in the public, but also fed the media with everything it needed to frame BP as unprofessional and incompetent.
4.2.4.2.3 The Blame Game
Throughout the crisis the discussion of responsibility continued between BP who leased and managed the Deepwater Horizon, Transocean who owned the rig and employed the crew, and Halliburton who did the cementing. BP stated early that they would take full responsibility for the clean-up and any other consequences due to the spill. However, that did not keep them from indicating that they did not hold the responsibility for the spill itself. Thus Hayward stated in a BBC interview on the 3rd of May: “It’s not our drilling rig, not our equipment, it was not our people, not our system or our processes. This was Transocean’s rig, their systems, their processes, their people”, and elaborated further “we are responsible, not for the accident, but we are responsible for the oil” (Hayward 2010 B) Thereby Hayward more than hinted that BP saw the owner of the rig, Transocean, as the culprit. His statement was later backed up by BP’s internal investigation showing inadequate maintenance of the blowout preventer and a bad cementing job, which implicated Halliburton as well as Transocean. Both replied by criticising BP’s management for taking shortcuts in order to make up for massive delays on the project, and brushed the report of as biased by BP. According to Halliburton, BP allegedly ignored several warnings and tests during the last critical time of the drilling.

The fact that the reason for the disaster and thus the responsibility was disputed and the partners turned on each other made it seem like each of them tried to cover up their role in the spill; a situation where BP again suffered from their poor crisis history. A government report later concluded that none of the three was without responsibility. Nevertheless, the tactic of shifting blame is in strong contrast to what theory recommends for an organisation with a so extensive crisis history as the case of BP. Furthermore, it created insecurity and left control of the frame to the media (Reed and Fitzgerald 2011; Coombs 2007).

4.2.4.2.4 Sub-conclusion
All these factors contributed to the continuous discrediting of BP and their communication in the media and later in the public. Instead the rumours and speculation grew every day. A popular subject that even entered congress was
speculations of BP’s knowledge of the risk of the disaster; and BP knowingly taking excessive risks in order to meet budgets and deadlines. Other rumours regarded the volume of the spill and many more or less credible experts gave their unwilling estimates of the volume, both before and after the official report concluded the 62,000 barrel a day leak. Furthermore, BP was accused of knowingly lowballing the flow estimates.

BP addressed most rumours and speculation by either denying them or seeking to prove them wrong. However, due to BP’s history and the many discrepancies in information, BP’s credibility was low and denial thus added to the speculation of BP trying to cover up the facts; which in some instances turned out to be the case. To sum up, BP followed the SCCT frameworks recommendations by denying rumours; nevertheless, this actually reinforced the rumours of BP trying to cover things up. Thus BP’s history and reputation made their efforts to contain the situation backfire (Reed and Fitzgerald 2011; Goldenberg 2011; Bryant 2011; The Guardian 2013; Coombs 2007).

4.2.4.3 Congressional Hearings
In the three months after the Deepwater Horizon sank to the bottom of the ocean, Congress committees and subcommittees held more than 30 hearings concerning the spill (Bar 2011). BP, Deepwater Horizon partners Transocean and Halliburton and the oil industry at large was drilled about everything from the cause of the accident over the clean-up efforts to the future of deep water drilling. Most of the hearings were theatrical politics making congressmen and senators seem vigorous. The subject for most of BP’s hearings was the technical details of the cause of the accident, the efforts to stop the leak and the response to the spill, all areas where BP statements seemed to follow the same pattern of expressing remorse and taking responsibility for the spill, but not for the actual accident. Furthermore, BP’s testimonies contain numerous technical details concerning the accident, the leak (and efforts to stop it) and the spill.

However, one hearing stood out in terms of response – on the 17th of June, Tony Hayward testified before the Subcommittee on Energy and Environment. Prior to
the hearing Hayward received a 14 page letter from the chairman of the Energy and Commerce Committee Henry Waxman and chairman of the Oversight and Investigation subcommittee Bart Stupak. The letter revealed incriminating allegations against BP in connection with the disaster. The letter led BP to believe that the Committee had already condemned BP as the villain, and maybe that is why Hayward decided to act like just that. Throughout the hearing Hayward repeatedly refused or avoided answering any of the questions. As the committee members became more and more frustrated, Hayward continued brushing of questions by stating that he was not involved in the decision process, which he stated at least 23 times during the hearing (Reed and Fitzgerald 2011), and/or that he had no knowledge about the specific question. The Chairman Henry Waxman even confronted Hayward with the frustration his lack of cooperation caused, stating that he was: "Extremely frustrated with your lack of, and/or inability to answer questions." (Reed and Fitzgerald 2011, p. 151). He continued to describe Hayward’s tactics as “stonewalling”; an accusation to which Hayward calmly responded: “I am not stonewalling.” (Reed and Fitzgerald 2011, p. 151).

Stonewalling or not, reluctance to answer questions is in strong contrast to what the theory recommends, and furthermore it breaks the otherwise consistent communication from BP. Thus Hayward’s appearance before congress fails to maintain two of the three composites of good form in crisis communication namely openness and consistency. Even more so, Hayward’s testimony contained several statements resembling the no comment tactics that theorists repeatedly advice against. Hayward’s so called stonewalling made him appear as if he had something to hide and thus guilty; especially combined with BP’s reputation, crisis history and the incriminating statements from the committee, third party experts as well as BP’s competitors and partners (Coombs 2007). Reed and Fitzgerald (2011) support this as they state that Hayward’s response not only enraged lawmakers but also gave the public the impression that he had something to hide. Likewise, Smithson and Venette (2013) argue that this response is against the theoretical frameworks recommendations for good crisis
communication as it obstructs the clarification of events and reinforces suspicions. Nevertheless, they also note that there can be conflicting interests in a crisis situation in connection with legal prosecutions, which is definitely the case in BP’s situation.

**4.2.4.4 Sub-conclusion**

The SCCT analysis of BP’s response to the Deepwater Horizon oil spill shows that BP, in general, responded in accordance with the theory’s recommendations. The response was, in general, timely, open and consistent, and the applied strategies were congruent with the theory. However, the long crisis history and the following reputation of poor safety created numerous difficulties in their response as the corporation’s credibility and intentions were questioned repeatedly. Furthermore, serious communication failures, as the early estimates of the flow and Tony Hayward’s less fortunate appearances as a spokesperson and in congress, seriously sabotaged BP’s response. Therefore, the analysis indicates that the theory lacks recommendations of how to react when a corporation with an extensive crisis history and a bad prior reputation finds themselves in yet another crisis; however this issue is not within the scope of this paper.

**4.3 Crisis and Culture**

In this section I seek to explain how the cultural traits of a corporation can influence crisis response. I will uncover the case corporation’s cultural background, before analysing how they can be utilised to shed light on the inconsistencies between the normative theory and the actual responses uncovered in the analysis above.

**4.3.1 Japanese Culture**

The following section is based on Hofstede (n.d.) and Nisbett (2010). It is important to note that the Toyota’s culture is thoroughly rooted in the Japanese culture. Geert Hofstede’s almost legendary research characterise the Japanese
culture as collectivistic, highly masculine, with a low power distance (compared to most Asian countries), and a high level of uncertainty avoidance and long term orientation. First off, the Japanese culture is actually individualistic compared to the world average, however, compared to western cultures and especially the US, Japan must be characterised as a collectivistic culture. Hofstede states that: “Japanese are experienced as collectivistic by Western standards and experienced as individualistic by Asian standards.” (Individualism section). The Japanese society strives towards harmony whereas western cultures focus more on the individual’s rights and freedom. According to Nisbett this difference stems from ancient philosophies, thus the western, and especially Greek, philosophers talked about the individual’s freedom and “Pursuit of excellence in a life free from constraints” (Nisbett 2010, p. 3). On the other hand, the focus of the ancient Asian religions was harmony. Thus, in order to reach harmony the individual is first part of a collective and second an individual, opposite the western mentality. This becomes visible in the Japanese’s extreme loyalty to their companies and their strong sense of shame for losing face or making others lose face. In addition Nisbett argues that eastern cultures tend to solve problems through compromise as they have an obligation to create a solution workable for everybody. In the corporate world this often results in managers avoiding conflict with other managers. Moreover, Asian cultures tend to attribute context more responsibility than the actor himself; nevertheless, he argues that Easterners insist on apologising even for actions that they could never have predicted nor prevented. He even reports how managers resign after making mistakes no matter how unintentional or indirect.

The Japanese culture is masculine; this means that society is dominated by masculine values such as focus on achievement and heroism. However, combined with the above mentioned collectivism competition is mostly team based. Hofstede argues that the masculinity in the Japanese culture is expressed through the Japanese’s drive for perfection and excellence. Moreover, it is still hard for women to climb the corporate ladder.
The Japanese culture scores very close to the world average in Hofstede’s power distance dimension. This makes Japan a lot less hierarchical than most other eastern nation. Nevertheless, Japan is often understood as very hierarchical because most decision have to go through a long line of superiors. However, according to Hofstede this is exactly a picture of the flat hierarchy as nobody is ready to take the final decision.

Japanese culture is also described as having a high level of uncertainty avoidance. Uncertainty avoidance covers the view on the future and in which degree society seeks to eliminate uncertain and ambiguous outcomes. In the US the level of uncertainty avoidance is low, thus Americans are more open to taking risks and fear being held back by rules and restrictions. On the other hand, the Japanese is conservative, risk-averse and standardised. In the corporate world this is express by extensive analyses and investigations before any decision is made, and very long term goals; also an expression of the extreme focus on context emphasised by Nisbett (2005).

In close connection to this is the long term orientation, thus Hofstede states that Japanese: “See their life as a very short moment in a long history of mankind.” (n.d., Long term orientation section). Therefore, Japanese corporations also often think very long term. Hence, there is a lot of focus on R&D investments, a steady growth in market share instead of creating a high quarterly profit and again very long term goals.

Thus from Hofstede’s dimensions we get a picture of the Japanese culture as a masculine collective striving for long term excellence and harmony. Nisbett further ads that Japan has, unlike most eastern countries, had capitalism for years, however it has been altered to fit into the traditional Japanese values; something that in time has affected how eastern businesses think.

Lastly, it should be noted that even though Toyota’s culture is firmly rooted in the Japanese culture, Liker and Hoseus argue that Toyota holds characteristics such as independence and self-reliance, which separates Toyota from the traditional Japanese culture. They further argue that it is Toyota’s unique
branch of the Japanese culture that makes it possible to integrate it into new locations (2008). This adaption into its foreign operations creates a hybrid culture combining the original Toyota culture with the local culture. Thus Liker and Hoseus (2008) state: “The culture at a Georgetown, Kentucky plant is not identical to that of a Cambridge, Ontario plant, not is it the same as the culture in Jakarta, Indonesia. Each plant has certain unique cultural elements based on its specific context, [...] However, while local culture certainly is a strong influence in the company’s widespread branches, Toyota has developed certain core principles that must be present in every Toyota operation regardless of location.” (p. 37)

4.3.2 Toyota Culture
Now, with a common ground for the Japanese culture in place, we will move on to the Toyota culture.

The following section is primarily based on Liker and Hoseus (2008). The corporate culture, or what Löwenberg (2009) refers to as overt culture, of Toyota is expressed in the Toyota way 2001. The Toyota way was published in 2001 as an internal training document describing Toyota’s culture to new employees. It took Toyota ten years to uncover the culture and create this document; Toyota’s executives originally aimed for 100% consensus as to exactly what described the Toyota way; a clear expression of the Japanese detailed and slow decision making process, and their striving for excellence. However, after ten years they realised that this was simply not possible and printed it in spite of minor discrepancies. Thus there seemed to be an agreement of the main aspects, but the perception of the Toyota culture differed from employee to employee; furthermore it seemed to change over time as well.

The Toyota way was later, in 2004, dissected into 14 principles by Jeffrey K. Liker (2004) in his bestseller The Toyota Way. The original from 2001 explains how Toyota consists of the two pillars Continuous Improvement and Respect for People. The first pillar is founded in three core values: Challenge – the long term vision that becomes the ultimate goal, met with courage and creativity and a will
to work with the problems until they are resolved; *Kaizen* – a concept other organisations have tried to copy for years. Kaizen is the process of securing continuous improvement by recognising and acting upon even the smallest failures in an innovative and evolutionary manner. Thus if even the smallest defect is discovered at the Toyota production line, the entire line is brought to a halt until the problem is solved. This firm approach is to ensure that problems are discovered as early as possible. Both Kaizen and the Challenge value can directly be converted into the description of the pursuit for excellence and perfection in the Japanese culture. The last core value supporting the continuous improvement pillar is *Genchi Genbutsu*, loosely translated to “go and see to deeply understand” – a concept with two main aspects. First, every decision should be made on the hard core facts, thus no problem should be addressed without extensive investigation and first-hand experience, as the Japanese tradition. Second, decisions should be made by the people closest to the problem as they have the best understanding of the situation.

The second pillar, *Respect for People* is founded upon two core values: *Teamwork*, a common factor, at least in words, in most organisations, at Toyota integrated in every process. Moreover, something that stem from the collectivism and notion of harmony in the national culture. Jeffrey K. Liker (2011) explains it: “At Toyota the view that individual success can happen only within the team and the team benefit from the personal growth of individuals is built into the promotion process and incentives for performance” (p. 15). He further explains that individuals are responsible, however, in order to fulfil their tasks everybody dependent upon the rest of the team to create perfection and ensure harmony. Liker refers to the last value, *Respect*, as the most important and comprehensive of the five core values. It extents to every corner of the organisation from respect for the planet, society and community, over respect for customers, employees and business partners to respect for each other, by taking responsibility for ones actions; again an aspect that can be traced back to the traditional striving for harmony in Japanese culture.
The *covert* culture, or the organisational culture as it is also called, is much more difficult to analyse and define as it is not written and large parts of it might be unconscious and taken for granted within the organisation. Furthermore, as mentioned before, Liker and Hoseus (2008) argue that the culture exists in different versions according to the geographical location. However, there are a number of basic characteristics that any Toyota culture consists of. First and foremost the Toyota culture focuses on two aspects *people* and *product*. Investments in people are seen as the single most valuable investment in Toyota. Throughout the recent recession Toyota has not laid off any employee involuntarily. The continuous improvement of the product and the production is another pivotal factor. These two factors are combined as Toyota is a learning organisation, determined to develop by learning from error and thus continuously improve. This aspect of evolution and innovation permeates the entire organisation. Therefore people become a vital factor, Toyota’s employees are trained to become problem detectors and solvers; striving for excellence. The Kaizen culture, emphasising continuous improvement, combined with the lean structure, eliminating waste, creates a system where errors “…surface quickly and thus challenge team members to respond to and learn from the obstacles that they encounter on the job.” (Liker and Hoseus 2008, p. 39).

At any Toyota production line there is an *andon-cord*. The cord that runs throughout the production line, which workers pull in order to notify managers of any mistakes. If any fault, no matter how small, is detected, the worker on the line pulls the cord and his manager quickly appears to inspect the mistake. If the mistake cannot be fixed immediately, the entire line comes to a halt until the problem is solved. This system works entirely due to a high level of mutual thrust between the managers and the team members, which creates an environment where detecting an error, even in your own work, is applauded rather than mocked. Part of this system is the view that managers are teachers; at Toyota the managers’ primary function is to support the workers to add value to the product. Therefore, if a worker does not perform well the solution is not to fire him, instead the manager takes responsibility as he has failed in training him.
adequately. Through this *servant leadership* managers coach and train team members, and assist wherever the worker needs them. Servant leadership ensures the knowledge of the organisation in the long run, as no knowledge will leave with the older generation. Moreover, it is in strong contrast to the more traditional hierarchy where workers make an effort to please managers (Liker and Ogden 2011, Liker and Hoseus 2008).

### 4.3.3 British Culture

BP is just like Toyota a corporation based in a foreign country, operating within the US. Unlike Toyota’s Japanese roots, BP is rooted in a culture much more similar to the American; in fact the culture from which large parts of the American culture sprung before the independence – the British. Hofstede (n.d.) describes the British culture as one with a low power distance, a high level of individuality, masculine, a low level of uncertainty avoidance and long term orientation. The low power distance is a strong contrast to the traditional British class system, where some were born into nobility. However, the strong British sense of fair play creates a strong belief that it is possible to evolve from where you were born. Thus there is a sense that everybody is equal. Nevertheless, even as everybody is seen as equals, the high level of individualism creates a self-centred “me-culture”; Nisbett (2005) concurs as he argues that attribution is also focused on the individual rather than the context. This individuality makes it important for British people to make something of themselves thus personal fulfilment and goals are put before contributing to society. The US is one of the few cultures with a higher ranking of individualism than the UK (UK: 89, US: 91) (Hofstede n.d.). Furthermore, the masculinity of the British culture ads to the competitiveness. Under the modest and polite exterior, the British culture is highly success oriented, and driven by competition and achievement. The masculinity combined with low uncertainty avoidance and short term orientation create a culture where planning is primarily kept to the end goal; where different and new is attractive and where: “A bird in the hand is worth more than two in the bush” (Hofstede n.d., Long term orientation section). According to Hofstede
(n.d.) this is reflected in the London Stock Exchange where quarterly results seem to be the main factor when valuating stocks. Thus British corporations are comfortable exploring new and risky fields as long as it is a driver for immediate achievement. In connection with this, Nisbett (2005) argues that westerners in general perceive the environment as something that can be manipulated for individual gain, whereas the traditional eastern perception is that the environment is something you need to adjust to.

From a simple comparison of the British and American rankings in Hofstede’s (n.d.) framework, it is clear that the cultures are very similar. Thus a comparison between the two cultures makes little sense. Furthermore, the aspect discussed by Liker and Hoseus (2008) in section 4.2.2 of integration into other cultures also becomes less relevant as the cultures are very similar. However, it should be noted that this aspect might be relevant in other BP cases where the host culture has another unique set of traits (Hofstede, n.d.).
4.3.4 BP Culture

BP describes its corporate culture on its corporate website under the headline *Our Values*. Furthermore, BP has developed a code of conduct. It should be noted that the code of conduct, at least in its present form was published in January 2012, two years after the Deepwater Horizon oil spill. Thus the disaster is very likely to have influenced the content; this could of course also be the case for the website description of the corporation’s values.

BP’s “Our Values” section is divided into *What we do*, *What we stand for* and *What we value*. What we do is answered by the statement: “We deliver energy to the world.” (BP, n.d. B, What we do section) It goes on explaining that BP works to fulfil the world’s growing need for energy by finding and developing “essential sources of energy” (BP, n.d. B, What we do section). The fact that energy covers more than oil is further stressed by the sentence: “This energy will be in many forms.” (BP, n.d. B, What we do section). Lastly, the five line paragraph concludes by stating: “We expect to be held to high standards in what we do. We strive to be a safety leader in our industry, a world-class operator, a good corporate citizen and a great employer. We are BP.” (BP, n.d. B, What we do section). An obvious attempt to bring the aspect of safety into the culture, something BP has been heavily criticised for both before and after the Deepwater Horizon.

To sum up, BP describes what they do as delivering vital energy to the world while expecting to be held to high standards. *What we stand for* describes BP’s strive for excellence and safety in every operation. Respect, consistency and courage to do the right thing are emphasised as well as the quote: “We have a determination to learn and to do things better.” (BP, n.d. B, What we stand for section) Lastly the *What we value* headline contain five key values: “Safety, Respect, Excellence, Courage and One Team” (BP, n.d. B, What we value section). Basically most of this could be applied to any multinational corporation in any industry; aspects as safety and respect for people and planet as well as a striving for excellence hardly makes BP unique.
Furthermore, early on one can get the impression that all of this has been created, as a direct respond to the harsh criticism the corporation received during the Deepwater Horizon crisis. On the other hand, if this description of BP’s values was in fact put in place before April 2010, the wording has a somewhat hollow ring to it. Thus, as the corporate culture before the Deepwater Horizon is what is relevant to this paper, and there is now public records of when the website was updated both the material from the website and especially the code of conduct is less useful. However, BP’s annual report from 2009, published only months before the accident (26th of February 2010), uses more or less the same vocabulary to describe BP’s values and “priorities that drove our success in 2009” (BP 2009, p. 14), namely safety, people and performance. Thus the report states that: “Safe, reliable and compliant operations remain the group’s first priority.” (BP 2009, p.14). On the other hand, the report also has strong emphasis on performance and especially: “Enhanced efficiency and high-quality earnings and returns” (BP 2009, p. 14), which is logically as the annual report is targeted stockholders. Hence, the annual report supports the overt culture stated on the corporate website, but at the same time leads us to the covert culture driven by performance and achievements.

The following section is based on Reed and Fitzgerald (2011). The covert culture of BP has received a fair amount of attention both before and after the Deepwater Horizon oil spill. Government investigations following the Texas City explosion concluded that BP had a broken safety culture. Something that Tony Hayward himself concluded and pled to change when he was put in place as CEO. Nevertheless, a number of incidents, including the Alaska pipeline spill and the Deepwater Horizon spill, indicates, that he failed. Andrew Gould states that: “Tony had the right intentions but not enough time.” (In Reed and Fitzgerald 2011, p. 144).

One reason for the lack of focus on safety could be another pivotal part of BP – working at the frontier. BP has since the beginning in 1908, in a rugged corner of Persia, been pushing the frontier of where and how to extract oil. BP has operated in war-torn middle-east, in the icy north Alaska and Siberia, and deep
under the seabed. The pursuit to push the borders for what is possible is a strong part of BP and is driven by a strong focus on profit. Profit is, as mentioned above, repeatedly seen as the cause for compromising safety, as budgets are stretched and corners are cut in order to create profits. An example of a situation where short term profit was prioritised over long term responsibility was the decision to stop the use of anti-corrosion chemicals in the maintenance of BP’s Alaskan pipeline, which resulted in a 6,000 barrel oil spill. Furthermore, some experts indicate that more or less the same scenario was the case of the Deepwater Horizon.

BP’s numerous incidents of breaking trade regulations also support the notion that the culture within the company is more focused on profit than being a responsible citizen. Nevertheless, the notion that short term profits are a top priority is very congruent with the British cultures masculinity and focus on achievements and short term profits. This also became evident when BP in 2002 had to adjust their earnings with $100 million, a relatively small hit for a major oil company; not only was it a huge embarrassment to Lord Browne (CEO at the time), but it damaged BP’s reputation in the investment community severely.

The focus on achievement is also something that is present in a more personal level where colleagues and managers compete with each other for promotions and projects. For instance, Reed and Fitzgerald (2011) report that the former CEO Lord Browne required young hopeful executives to complete an 18 month term as turtles for him. Being a turtle was much like a personal assistant, thus also including jobs well below the pay grade of even a young executive. However, as it turns out those who performed well were rewarded, thus both Hayward and his successor Dudley received this ‘special training’. Another example of the achievement driven culture in BP is that senior managers often have performance contracts including specific goals (Reed and Fitzgerald 2011).
4.3.5 Comparison

In this section I will compare the two cases in order to shed light on similarities and differences in the two corporations’ crisis response; furthermore I will seek to explain their actions from their cultural background.

Toyota and BP are both multinational giants with operations’ all over the world. Both corporations are based in a foreign country but in the absolute top of the American market, which is also both corporations core markets.

4.3.5.1 Prior Reputation and Crisis history
First off, there is a clear difference in the way BP and Toyota were perceived before the crises. Toyota was the market leader and had a strong reputation for impeccable quality, service and safety. Furthermore, Toyota’s production systems have been used as a benchmark for production companies all over the world. BP on the other hand had partly succeeded in creating an image as the responsible oil corporation; however this was mainly a result of aggressive environmental branding and less due to actions. On the other hand BP also had a reputation of taking safety risks and cutting corners in order to meet tight budgets and generate profit. This is also depicted in the corporations’ crisis history. BP has an extensive crisis history, especially concerning safety issues, but also other examples of mishaps where profit was prioritised before responsibility. On the other hand, Toyota’s crisis history was limited to a few issues leading to the 2009 recall crisis.

There are cultural indications present that could at least partially explain the above mentioned differences. Toyota’s culture, rooted in the Japanese culture, focus on harmony and the individual is thus to serve the society; thus Toyota focus less on immediate profit as the main goal is quality products creating harmony. Thus Toyota focuses on being a responsible corporation and deliver value to society. BP on the other hand is rooted in the highly individualistic and masculine British culture where achievement and performance are absolute key features, and quarterly profits are seen as a pivotal measure of success. This can explain BP’s history of cutting corners and taking risks in order to meet budgets.
4.3.5.2 Initial Response

Before comparing the initial response of the two crises it should be taken into consideration that the Toyota crisis was instigated by an accident of much less disastrous character than the Deepwater Horizon oil spill; surely car crashes and especially fatal ones are tragic, that being said, it happens every day. Therefore, BP did not face the same risk of misinterpreting the severity of the crisis. Nevertheless, the reputational threat of the crises ended up more or less similar.

Apart from the fact that Toyota’s reaction was untimely, there were several similarities in the initial response. Firstly, both Toyota and BP took responsibility and apologised thus taking the rebuilding posture, furthermore, they also both took a diminishment posture seeking to minimise their role in the accident. Toyota stated that floor mat problems could arise in any car and BP by stating that the Deepwater Horizon was property of Transocean. Thus both companies suggested that they were not the culprit but took corrective action.

A pivotal difference was that BP sought to shift blame to Transocean by mentioning them by name and thereby moved from the diminishment to the denial posture by scapegoating Transocean, something that is not recommended for organisations with a crisis history; Toyota on the other hand did not shift blame to another party but merely stated that there could be contextual factors to blame, something that can be explained by looking at Toyota’s culture. The strong roots in Japanese culture makes Toyota refrain from causing others to lose face, thus they seek to maintain harmony and do not wish to embarrass others, especially not the customers by claiming for instance that the accident happened due to pedal misapplication. In addition, eastern cultures tend to attribute the context rather than the actor – thus it is possible that Toyota not even considered the drivers of the cars responsible but instead the context. BP on the other hand might already had been thinking of the legal matters and thus the financial aftermath and contrary to Toyota, BP had no cultural value prohibiting them from making Transocean, and later also Halliburton, the scapegoat(s).
On the more basic level of crisis communication theory concerning form, BP comes out on top; their communication were quick, consistent and open. BP quickly stated everything they knew and communicated that they would make any new information available as soon as possible. Toyota on the other hand failed to grasp this as their initial response did not come until more than two weeks after the accident, and no adjusting information was given, thus leaving it to speculation to determine the cause of the crash. This particular difference in reaction could also be explained by culture, in this case the cultural differences between Toyota and the American public. Toyota executives in Japan simply did not share the American public's perception of the crisis. Furthermore, Toyota’s core value of *Genchi Genbutsu* and the Japanese culture’s high level of uncertainty avoidance made it natural for Toyota to postpone adjusting information until the investigation could provide hard core facts of what had happen. On the other hand BP and their British executives shared most cultural traits with the American public and immediately shared their point of view. Simultaneously the British culture’s low level of uncertainty avoidance and short term orientation made BP communicate everything they knew even if the information was based on estimates and educated guesses. Hence, much of the initial response for both companies is very congruent with their respective cultural traits.

4.3.5.3 *Rumours, Speculation and Media Handling*

Rumours and speculation played a role in both crises. Most noteworthy is the fact that rumours in both cases pushed the crisis type more and more towards the crisis type organisational misdeeds and away from the technical- or human error accident. In the case of BP, the bad estimates of the oil spill and scapegoating partners created the rumour that BP tried to cover up their role in the spill; whereas, speculations of faulty electronics was the big story in the Toyota case.

Common for both responses to the rumours were that there actually was not much of a response. As with the initial response Toyota remained more or less passive and stuck to their corrective actions, even though SCCT suggests that simple denial is an effective tactic against rumours for organisations without a
crisis history. However, as during their initial response, a response to the
rumours and accusations would suggest that the accusations were false and thus
cause the accuser to lose face. Furthermore, without finalised investigations
Toyota had no basis for making such accusations and would thus themselves be
speculating – all aspects that would be against their cultural traits. Instead
Toyota’s demand for quality and strive for continuous improvement made them
recall cars that basically worked as intended, but had details that could make the
driver believe that it did not; a clear picture of the eastern point of view that you
cannot alter your environment but instead need to adapt to it. Basically they
were idiot proofing their cars. Toyota’s long term orientation made them focus on
what they know best – producing fail proof vehicles. Nevertheless, it is possible
that if Toyota had had a more western culture and with a higher level of
individuality, the crisis might not even had evolved into the spectacle it was.
Toyota had an impeccable safety record and a solid prior reputation; furthermore
there was never any proof of actual SUA. Thus according to SCCT Toyota could
simply had denied and disproved the claims and explained it with pedal
misapplication and/or ill fitted floor mats – nonetheless Toyota’s strive for
harmony made this approach unthought-of.

Like Toyota, BP again acted in accordance with their cultural traits; British
culture’s short term orientation, individualism and masculinity. Public
statements that down played the disaster and lowballing the flow rate were a
huge and maybe even unnecessary risk, something that can be explained by the
British culture’s low uncertainty avoidance and short term orientation, and BP’s
culture of living on the edge. As a response to the rumours, BP also took the risk
and sought the immediate solution trying to deny or disprove most of the
rumours, in order to fight the accusations and create a stronger basis for the
inevitable trials. However, BP’s crisis history and prior reputation made the
denial of rumours incredible and added to the public’s perception that BP was
merely covering their own tracts. Furthermore, the high individuality made it
easy for BP time and time again to shift blame to their partners.
4.3.5.4 Congressional Hearings
As a result of the crises the two corporations were called before congress to explain themselves. BP got more attention from Congress’s countless committees and sub-committees as the consequences of the oil spill affected several different areas: oil rig safety, work ethics, clean up, well capping, compensation, future deep water drilling etc., whereas the Toyota crisis was more concentrated on the possibility of runaway Toyota vehicles and their drivers’ safety. Hence, Toyota’s executives were called before congress two times against BP’s more than 30 hearings!

As mentioned in the analysis, BP’s response to most of these hearings was merely reports and status updates. However, on the 17th of June, Tony Hayward was called before congress’ Subcommittee for Energy and Environment; the response to this hearing was very unique. Hayward’s reaction of stonewalling the committee was a very bold and risky move, and has afterwards been strongly criticised. Once again BP’s response can be seen as a direct result of culture. BP’s short term orientation and low uncertainty avoidance made it okay to take the risk. Furthermore, the individuality and masculinity and the achievement drive that follows might have made BP consider the forthcoming trials and the monetary aspects of the situation and decided to counter the efforts to prove them guilty. Hence, in some way you might say that BP already started the plaintiff trials in congress; something that backfired seen from a reputational perspective, but might have help secure the financial future of the corporation. Toyota on the other hand took the total opposite approach to the hearings, where they rolled onto their backs and accepted everything the committees threw at them. Toyota’s executives took full responsibility and focused on the corrective action as well as past deeds. Thus they focused on the company’s culture and tradition for quality. A reaction typical to Toyota’s cultural background as it restored harmony without making anybody lose face. Furthermore, the long term orientation and high uncertainty avoidance in the Japanese culture made them focus on the long term aspects and thus disregarded the immediate economic consequences connected to accepting the full responsibility.
5. Discussion

Several examples in the analysis and comparison clearly suggest that culture influences crisis response. Both corporations’ response strategies could of course have been applied for any number of reasons and there is no way of knowing the exact decision making process. For instance BP’s very business minded response with focus on costs is not necessarily directly connected to British and BP’s cultural tradition of achievement, but might be merely a depiction of a multinational corporation under a lot of pressure. In the Toyota case there was never any actual evidence suggesting defects in Toyota vehicles, thus accusations could have been characterised as rumours and then the SCCT recommendations for an organisation with no crisis history and a favourable prior reputation is denial (Coombs 2007). On the other hand this could also be a result of Toyota trying to learn from Audi’s crisis in the late 1980’s; here Audi took a denial posture towards SUA accusations without success (Hearit and Courtright 2003).

It is of course also possible that other theoretical recommendations or at least another interpretation of the used theory were followed. However, as Coombs’ theory (2007) build on other respected crisis communication theories and is in general congruent with Ulmer et al. (2007), it is less likely that another theory would deviate dramatically from what is utilised in the analysis. Nevertheless, it is more likely in the case of Toyota, as it is possible that there are other, less known, recommendations for dealing with crisis within Asian cultures.

Nonetheless, the analysis shows that the response, in both cases, is very much in line with the culture traits of the corporation. Hence, there are clear indications that culture is at least one of the parameters in the process; especially since the response deviates from the theoretical recommendations for no other obvious reason. Furthermore, the cultural influences on the response might be less apparent when looking at specific examples. However, it is striking that the response in general, and in both cases, is consistent in the congruency between cultural traits and crisis response strategies.
Moreover, the idea is further supported by Pepper (1995) who states that “Organisations are decision environments and culture plays a primary role in the shaping of decisions made by organisations and organisation members.” (p. 244) Thus he emphasises culture as a primary factor of the decision making process. Additionally, Marra (1998) is even more specific as he stresses culture as one of the vital factors for success in any crisis communication efforts.

The notion that culture plays an influential role in the process of crisis communication challenges the normative theoretical framework of SCCT, as the retrospective application of the theory to actual cases shows limitations. SCCT provides a normative guideline for how organisations should act during a crisis situation, taking its point of departure in attribution theory it connects crisis types to response strategies. The factors used to determine these actions is one factor determined by perception of the crisis, crisis type, and two factors specific to the organisation namely crisis history and prior reputation. However, as the theory focuses on normative recommendations and thus neglects culture, the analysis indicates that it has limitations in actual application. Of course the recommendations might still be valid, nevertheless only the totally rational organisation would be able to follow these recommendations. However, Pepper quotes Simon: “Any choice an individual makes will be subjected to any number of conscious and unconscious influences” (In Pepper 1995, p.256) (1995), thus he argues that we as human beings do not have the ability to be 100% rational as nobody can act without being influenced by its culture. That being said SCCT might still be the best theoretic guidelines of best practices within crisis communication. Nevertheless, the mere awareness of the influence culture has on the process could help organisations make better decisions.
6. Conclusion

In today's market, reputation seems to have an ever increasing importance. The more and more educated and aware public keep expecting more from corporations; these expectations go hand in hand with increasing attention and scrutiny. Thus, business is no longer a private matter, but very much a part of the public sphere and nothing stays secret for long. This development has made crisis communication even more important as the alert public, and especially the media, are just waiting for corporations to make the mistake of not fulfilling the rising expectations. Hence, in the fight to protect the pivotal reputation of the corporation, crisis communication has become a key weapon. However, are there contingency factors affecting this vital process?

The analysis shows several inconsistencies between two of the world’s largest multinational corporations’ responses to crises and the normative framework of Situational Crisis Communication Theory. Standing alone there is nothing unusual about that, as mistakes in crisis response are far from unheard of. However, the cultural comparison, between the two corporations’ responses, shows numerous examples of congruency between the deviations from the theoretical recommendations and their cultural traits; thus indicating that culture does indeed influence crisis response – maybe even more than theoretical recommendations. The analysis thereby suggests that culture, whether consciously or unconsciously, affects the process of crisis response. Thus, this cultural influence limits the practical application of Situational Crisis Communication Theory. That being said Situational Crisis Communication Theory might still be the best guidelines available at the time.

7. Reflection

It is clear that more research should be conducted in order to finally conclude the matter of cultures influence on crisis communication. For instance first hand data such as interviews and observational field work would be extremely
valuable in creating a more nuanced view. However, I find it unlikely that any corporation will allow researchers to observe them during the decision making process of a crisis response. Furthermore, the timing poses a major challenge as you would have to predict the crisis before it happens in order to conduct the relevant field work to investigate the covert culture. Furthermore, additional research could include other crisis response theories, other cases and other cultural approaches in order to shed more light on the matter. Likewise would an investigation into whether the influence is positive, negative or both be highly relevant. Additionally, research on how to incorporate culture into crisis communication theory is also highly relevant. Marra (1998) supports this as he argues that culture is often neglected in crisis communication research. Specifically interesting would be the incorporation of culture into the SCCT framework; one possibility might be to add culture to the list of factors describing the organisation. Hence, all other things equal more research on the subject would be beneficial.

Another interesting thought, drawn from the notion that culture affects crisis response, is that it might be recommendable to hire external assistance during a crisis; in order to liberate the response from the cultural constraints and thus get a more rational response. The external consultant might be able to see where the decisions are based on culture and where they have basis in theory. Of course, the consultant would be affected by his own cultural background. Naturally there will be a myriad of both pros and cons connected to such an approach, thus extensive research is essential.
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(June 17, 2010). Hearing on The Role of BP in the Deepwater Horizon Explosion & Oil Spill (Part 3). http://www.youtube.com/watch?v=w_5FLILa8Ms.


Crisis and Culture
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9. List of Appendices

Appendix A


Appendix B

Prepared Testimony of Akio Toyoda President of Toyota Motor Corporation – Committee on Oversight and Government Reform, February 24, 2010.

Appendix C

Prepared Testimony of Yoshimi Inaba President and Chief Operating Officer of Toyota Motor North America (TMA) and Chairman and CEO of Toyota Motor Sales – Committee on Oversight and Government Reform, February 24, 2010.