THE ESTIMATION OF A CORPORATE CRISIS COMMUNICATION
BASED ON PERCEIVED CEO’S LEADERSHIP, PERCEIVED SEVERITY
OF THREATS, AND PERCEIVED OPPOSING PUBLIC’S SIZE

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SUNGWOOK HWANG
Dr. Glen T. Cameron, Dissertation Supervisor
MAY 2008
The undersigned, appointed by the dean of the Graduate School, have examined the dissertation entitled

THE ESTIMATION OF A CORPORATE CRISIS COMMUNICATION
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Presented by Sungwook Hwang,
a candidate for the degree of doctor of philosophy,

and hereby certify that, in their opinion, it is worthy of acceptance.

Dr. Glen T. Cameron, Chair

Dr. Wayne Wanta

Dr. Glenn Leshner

Dr. Fritz Cropp

Dr. Phil Wood
DEDICATION

I would like to dedicate this dissertation to my parents, HyunHo Hwang and Sook Lee, and my lovely wife Soyoun Kang. Thank you for your countless support and love.
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Sungwook Hwang
Dr. Glen T. Cameron, Dissertation Supervisor

ABSTRACT

A latent public outside an organization can become an active public who applies social pressure that influences an organization’s stance in a crisis. Based on the contingency theory (Cancel, Mitrook, & Cameron, 1999), this study examined whether the perception of leadership as a powerful inner organizational factor influences the outside latent public’s assessment of an organization’s crisis communication. This study also looked at whether the perception of the severity of threats and the opposing public’s size as important external situational factors moderate the organizational stance and strategy assessment.

The study design was 2 (perceived leadership: transformational leadership vs. transactional leadership) x 2 (perceived severity of threats: strong vs. weak) x 2 (perceived opposing public’s size: large vs. small) mixed-subjects administered in a computer laboratory setting. Leadership and Severity of threats were within-subject factor, whereas opposing public’s size and stimulus message order were between-
subject factor. Dependent variables were the participants’ estimation of corporate
stance and message strategies.

This study found the main effect of perceived leadership and the interaction
effect of perceived leadership and perceived severity of threats on the participants’
estimation of organizational crisis responses. The results theoretically indicate that the
contingent theoretical argument explaining the dynamics of organizational factors and
situational factors in real public relations practices can also be applied when
explaining the outside latent public’s thought patterns predicting an organizational
stance and strategy.

Based on the supported main findings and some unexpected variations, this
study provides implications for public relations theory and particularly for the
contingency theory of public relations.

Keywords: Contingency Theory; Crisis Communication; Leadership; Threats;
Opposing Public’s Size; Accommodation; Advocacy; Latent Public
CHAPTER 1

INTRODUCTION

Some people would insist that the world is managed by a few leaders. When we think about historic leaders, the argument sounds correct. In a one-way dominant communication environment that depends on traditional media, a few authorities with valuable information were able to easily control the power dynamics between themselves and publics. However, since the advent of the Web, a two-way communication tool, the general audience has been exposed to a wide and diverse range of political, social, and economic information. This means that due to technological developments, elites and those with a narrow class of interests cannot control information and communication like in the past (Bimber, 2003, p. 248). Rather than a simple exposure to information in diverse media, a contemporary interactive media environment surely offers more opportunity for people outside an organization to participate in a politically and socially sensitive discourse about the organization, as well as the opportunity to share their interests and concerns.

Scholars explained that publics are not static but evolving. Speech communication scholars argued that a public is a rhetorical community developing collective consciousness regarding certain issues through communication (Vasquez & Taylor, 2001). Grunig and Hunt (1984) also explained that there are five types of publics: nonpublic, latent public, apathetic public, aware public, and active public. This evolving public opinion often has a powerful impact on an organization’s behavior (Sturges, 1994).
According to the group opinion formation process (Sturges, 1994, p. 301), public opinion could be a potential or explicit pressure by conveying social action and social norm steps.

Although the latent public outside an organization watches the organization’s crisis communication and sometimes becomes a powerful active public through easily accessible contemporary online media or offline demonstrations, crisis communication scholars have not carefully examined the thought patterns of the outside latent public, particularly about how the latent public predicts or assesses organizational crisis communication. Rather than the effort to understand the outside latent public, for instance, many contingent scholars have mainly contributed to understanding the inside practitioners’ perspectives regarding the relationship between an organization and an opposing public that the organization faces in a certain crisis. (Cancel, Mitrook, & Cameron, 1999; Jin & Cameron, 2006; Pang, Jin, & Cameron, 2006; Reber & Cameron, 2003; Reber, Cropp, & Cameron, 2001; Shin & Cameron, 2004, 2006; Shin, Cheng, Jin, & Cameron, 2005).

a. Purpose of the Study

Some recent experimental studies (Hwang & Cameron, 2008, 2008a) spotlighted the outside latent public’s estimation of an organization’s stance in a crisis. Extending the studies based on the contingency theory, this present study aims to test whether the contingent theoretical argument can be applied to the outside latent public’s thought pattern when predicting a corporation’s stance as well as further message strategies in a crisis. The theoretical argument is that predisposing factors set the initial organizational stance, while situational factors moderate the initial stance if situational factors are
powerful enough (Cancel, Mitrook, & Cameron, 1999). Thus, the central research questions are 1) whether the participants can estimate a corporate stance and strategy based on perceived leadership as a likely important predisposing factor (the main effect of perceived leadership on the stance and strategy estimation) and 2) whether a perceived severity of threats and perceived opposing public’s size as likely powerful situational factors can moderate the stance and strategy estimation based on perceived leadership (interaction effects among the factors on the stance and strategy estimation). To answer the questions, this study conducts an experiment.

b. Theoretical Significance of the Study

As a theoretical frame, this study employs Cameron’s Contingency Theory of Public Relations. As mentioned above, many contingent scholars have mainly studied professionals’ perspectives in diverse PR practices rather than the outside latent public’s mind which could influence the professional PR practices. Thus, studying the outside latent public’s thought patterns when predicting an organizational crisis communication leads the theory into a new valuable research stream. Although this study examines people’s thought patterns based on three likely important contingent factors by referring to selected literature (Cancel, Mitrook, & Cameron, 1999; Hwang & Cameron, 2008, 2008a; Pang, 2006; Reber & Cameron, 2003), more studies involving numerous contingent factors are possible (Kim, 2003) and necessary in order to understand the outside latent public’s thought patterns when estimating an organizational crisis communication. Cameron and his colleagues argued that 87 contingent factors could influence an organization’s stance and noted that this influence is a reality in complex PR
Likewise, people reading or watching media coverage regarding an organization’s crisis could perceive other contingent factors as well as the three factors which this study currently notes. The author believes that this study extends the application of the contingency theory to a new area and as such, is a first-of-a-find study into a better understanding of the outside latent public regarding crisis communication.

In addition to the contribution to the contingency theory in public relations, this study adds more knowledge about the influence of leadership often studied by management scholars. Examining the role of perceived leadership on the outside latent public’s thoughts about corporate crisis communication will offer fresh knowledge to most leadership scholars in the management field who mainly have studied the relationship between leaders and followers (Avolio et al., 2004; Avolio & Locke, 2002; Ehrhart & Klein, 2001; Gardner et al., 2005) or the direct role and guideline of leadership in crisis communication (Coombs, 1999; Mitroff, 2001; Seeger et al., 2002, 2003; Valle, 2001; Weick, 1988).

In other words, this study extends the scope of traditional leadership studies from how leaders manage internal followers to how the outside latent public, who don’t know the intent of public relations but watch organizational crisis communication, perceives leadership styles, and from how leaders should act in crisis communication to how perceived leadership image influences the outside latent public’s prediction of an organization’s crisis communication. Particularly, this study investigates the perception of two main leadership styles, transformational leadership and transactional leadership.
Hwang and Cameron (2008, 2008a) noted that these styles are classified as the way of motivation.

c. Practical Significance of the Study

This study examined how the outside latent public estimates an organization’s crisis communication based on the perception of an inner organizational predisposing factor and external situational factors. When practitioners know the latent public’s expectation based on the perception of the contingent factors, practitioners can utilize the information for strategic consulting with top management decision makers. For example, if the gap between an organization’s intended real stance and strategy and the outside latent public’s expected stance and strategy in given situations is large enough to induce a more severe conflict with the public, practitioners should report the mutual gap to their clients or CEOs. In addition, they need to try to reduce the gap, if possible, in order to avoid further conflict with the active public, which could happen in the near future, even if the organization’s leaders could maintain and execute the dissonant stance and strategy by considering its own diverse interests. The stance and strategy estimation based on hypothetical situations in this study will be valuable information to practitioners who face similar situations and factors in reality.

For a consonance between an organization’s stance and expected stance by the public, practitioners can proactively manage the outside latent public’s expectation rather than reactively changing the organization’s real stance, which sometimes would be more difficult. If this study shows combinations of factor levels producing certain directional stance estimation, practitioners can consider emphasizing or de-emphasizing certain
attributes of the factors in messages of various strategic campaign tools such as press releases, advertorials, advertisements, and press kits, in order to produce the same directional stance estimation as is consonant with the organizational stance and interests.
CHAPTER 2
LITERATURE REVIEW

PR practitioners manage relationships with diverse publics. Managing the relationship is not always stable or peaceful. More often than not, the task involves a conflict with certain publics. Effective conflict management is a core task of practitioners. This literature section first explains PR as a conflict management process. Then, this study introduces two major PR theories, Grunig’s Excellence Theory and Cameron’s Contingency Theory, which many PR scholars note for effective conflict management. Acknowledging the relative usefulness of the Contingency Theory, this study also extensively explains what contingent studies have been done so far. Based on some findings in common, this research notes three likely important contingent factors in the outside general public’s thought pattern. Considering the attributes of factor levels, hypotheses are proposed.

a. PR as Strategic Conflict Management

Wilcox and Cameron (2005) defined conflict as “any sharp disagreement or collision of interests and ideas” (p. 243). Complex PR situations almost always involve a conflict or multiple conflicts with diverse publics because each organization or public tends to have different interests or concerns around a common issue. When practitioners use public relations to detect and solve a conflict, we call it strategic conflict management (Wilcox and Cameron, 2005). That is, public relations is an important function managing
a conflict through understanding the role of communication over evolutionary conflict development stages (Seeger, Sellnow, & Ulmer, 2001).

Wilcox and Cameron (2005) classify conflict management into four phases: proactive phase, strategic phase, reactive phase, and recovery phase. At the first proactive phase, issue management is a core task. Practitioners scan the environment around their organization, monitor a found conflicting issue, and suggest a general future crisis guideline (Wilcox & Cameron, 2005). At this point, an organization has to consider reducing the gap between its behavior and stakeholders’ expectation to effectively manage an issue (Heath, 1997). That is, the purpose of searching issues is to know what standards of corporate responsibility stakeholders have and expect (Heath, 1997). Issue management consisting of “issue identification, scanning, monitoring, analysis, and priority setting (Heath, 1997, p. 81)” exactly describes what issue managers in corporate PR teams do on a daily basis. In the issue analysis step, issues could be opportunities or threats to an organization and its practitioners.

At the strategic phase, practitioners detect an emerging conflict out of the issues (Wilcox & Cameron, 2005). To prevent that the conflict from becoming a real crisis, practitioners should conduct risk communication, position the conflict and an organization’s actions in favor of the organization, and specifically develop a crisis management plan (Wilcox & Cameron, 2005). For effective risk communication, Lerbinger (1997) suggests the following guidelines: build trust, focus on media and consumer relations, let key publics know benefits and risks, estimate issues, etc. Regarding crisis planning, Seeger, Sellnow, and Ulmer (2003) explained two different crisis plan models: CPM (crisis planning model) and FEMA’s emergency management
guide. The former only focuses on components of written plan while the latter included execution of a crisis plan and further modification by the lessons learned. To avoid any confusion or errors in urgent crisis situations, the latter seems to be more effective and desirable. Although Marra (2004) argued that “autonomy of PR staff” (p. 313) and “organizational communication culture” (p. 321) are more important than crisis planning in risk communication, crisis planning is generally recommended. Crisis planning can be realized with CEOs who strongly perceive the necessity of crisis planning; a centralized task force, which make it possible to integrate and allocate resources in the organization as a crisis response; and crisis simulation practices (McConnell & Drennan, 2006).

Once a crisis occurs, practitioners should conduct crisis communication by executing the crisis management plan (Wilcox & Cameron, 2005). By referring to the lessons learned from crisis cases, Seeger, Sellnow, and Ulmer (2001) developed the following crisis communication guidelines: communication through a single spokesperson; open, fast, and true communication with constituents; and open communication with external publics. As for rhetorical strategies for crisis communication, Benoit (1995a) suggested five typologies of image restoration strategies: denial, evasion of responsibility, reducing the offensiveness of the event, corrective action, and mortification. Scholars have actively utilized these categories to analyze the crisis communication of diverse organizations (Benoit, 1995b; Benoit & Pang, 2007), public figures (Benoit, 1997, 1999; Benoit & Brinson, 1999; Benoit, Gullifor, & Panici, 1991), and a country (Zhang & Benoit, 2004). The essays commonly emphasized that the public’s perception is more important than reality in understanding the nature of a crisis.
Finally, the recovery phase requires reputation management through systematic research to diagnose an organization’s reputation and diverse tactics to build favorable reputation (Wilcox & Cameron, 2005). Although Roux-Dufort (2000) pointed out that organizations tend to maintain the status quo through normalization after a crisis, it is necessary for organizations to show appropriate efforts based on social responsibility. The experimental study of Lyon and Cameron (2004) examining the interplay of prior reputation and crisis response overall supported the importance of reputation management. Considering the ongoing nature of conflict, the recovery phase and the proactive phase are overlapped to some extent. In the overlapped zone, a search to know the standard of corporate social responsibility and an execution of corporate social responsibility campaign exist together.

Conflict has a negative connotation in general, but practitioners should keep in mind that effective conflict management over the various phases can become an opportunity to improve an organization’s interests and security rather than just deal with threats (Cameron, Wilcox, Reber, & Shin, 2008; Seeger, Sellnow, & Ulmer, 2001). This study examined the outside latent public’s estimation of a corporation’s crisis communication as valuable knowledge to reduce conflict, to change it into a chance for organizational development, and to ultimately build better relations with opposing publics.

b. Normative PR Theory vs. Practical PR Theory

This study explained that PR is an important function to strategically manage diverse conflicts. If so, what theoretical frames of PR are useful for effective conflict
management? This section studies the Excellence Theory by Grunig and the Contingency Theory by Cameron as major PR theories.

Grunig and Hunt (1984) understood PR activities as “part of the management of communication between an organization and its publics” (p. 6). They explained that PR is an organizational subsystem that helps top managers make decisions, promotes products, supports employee communication, and communicates an organizational idea to external publics. This well defines PR and its scope.

Grunig and Hunt (1984) also classified PR into four typologies: one-way asymmetric press agency/publicity model; one-way symmetric public information model; two-way asymmetric model; and two-way symmetric model. Out of those four models, Grunig emphasized the two-way symmetric model and argued that practitioners should follow the model in real practices. In the two-way symmetric model, source and receivers have a balanced effect on each other. With mutual understanding, both of them change to some extent. That is, the model emphasizes mutual compromise, negotiation, and dialogue. Through a theoretical modification, Dozier, Grunig, and Grunig (1995) insisted that communication “Excellence” can be performed by the mixture of both the two-way asymmetric model and two-way symmetric model.

Excellence theory scholars (Grunig, 1992; Sriramesh, Grunig, & Dozier, 1996; Sriramesh & White, 1992) noted organizational culture as an influential factor for public relations communication. According to Sriramesh, Grunig, and Dozier (1996), the dominant coalition’s characteristics affect organizational culture. By surveying employees in 321 organizations, Sriramesh, Grunig, and Dozier (1996) quantitatively explained that organizational culture consists of two dimensions, participatory culture
and authoritative culture. Furthermore, they argued that participatory culture is more closely related to the two-way symmetrical Excellence in public relations practices, management processes, and job satisfaction, although Excellence is still possible in an authoritative culture.

Pointing out that the theory lacks an explanation about the complex reality because it oversimplifies the reality into only four models, Cancel, Cameron, Sallot, and Mitrook (1997) developed an alternative theory called the Contingency Theory. They explained that PR activities are organizations’ or practitioners’ stances in the continuum from pure advocacy to pure accommodation (see Figure 1). Here, advocacy refers to the degree to which organizations maintain standpoints favorable for organizations rather than the public. Accommodation refers to the degree to which organizations accept the public’s standpoint or argument. That is, organizations and their practitioners choose their stances toward a public in a given time and situation (Cancel, Cameron, Sallot, & Mitrook, 1997). These stances can move quickly or slowly as situations change. The theory also suggests contingent internal organizational or external environmental factors, which influence an organization’s stance decision and movement.

Describing the Excellence Theory as an ideal normative theory, the contingent scholars argued that the Excellence Theory does not explain how an organization chooses its stance toward a public, how the chosen stance changes, or what factors are influential in the relationship between an organization and its publics (Cancel, Cameron, Sallot, & Mitrook, 1997). That is, the Excellence Theory is an ethical theory, while the Contingency Theory explains PR in favor of real practices by an organization. Contingency theory puts its ethical focus on practicality matching organizational needs.
and environmental factors. Focusing on the practicality and rich explanatory power based on factors, this crisis communication study applied the Contingency Theory as a main theory.

c. Overview of Contingency Studies

This section studies what contingent studies have been done for the last ten years by classifying them into seven themes.

*Diagnosis of Strongly Influential Contingent Factors*

By interviewing 18 PR practitioners, Cancel, Mitrook, and Cameron (1999) elaborated their contingency theory. They classified 87 factors in the contingency matrix into two dimensions: predisposing and situational factors (see Appendix A). Predisposing factors influence initial organization stances by setting the predisposition of organizations before entering a situation with a certain public, while situational factors could shift the organization’s stances in relation to a public (Cancel, Mitrook, & Cameron, 1999). Some contingent scholars (Reber & Cameron, 2003; Shin, Cameron, & Cropp, 2002, 2006) quantitatively supported the idea that the thematic classification of the contingent factors is valid because it finds existing categories under two dimensions through surveys with practitioners.

Cancel, Mitrook, and Cameron’s (1999) study interviewing PR practitioners revealed strongly supported predisposing and situational factors. The strongly supported predisposing factors were “corporation business exposure; public relations access to dominant coalition; dominant coalition’s decision power and enlightenment; corporation size; and individual characteristics of involved persons” (p. 189). Interviewees also
emphasized the “urgency of situation, characteristics of external publics’ claims or requests, characteristics of external public, potential or obvious threats, and potential cost or benefit for a corporation from choosing various stances” as strongly supported situational factors (p. 189).

Reber and Cameron (2003) noted five theoretical constructs through a survey with ninety one top public relations practitioners: “external threats, external public characteristics, organizational characteristics, public relations department characteristics, and dominant coalition characteristics” (p. 431). Recently, Pang (2006) also emphasized that five factors are most influential through extensive literature review regarding crisis communication: involvement of dominant coalition; influence and autonomy of public relations practitioners in the crisis; influence and role of legal practitioners in the crisis; importance of the primary publics to the organization in a crisis; and organization’s perception of threat in a crisis.

Based on the results above, scholars commonly claimed that dominant coalition characteristics, perception of threat, external public characteristics, and influence of public relations practitioners are the most influential factors in deciding an organization’s stance in a crisis.

Proscriptive Contingent Factors

As mentioned before, Excellence Theory emphasizes the two-way symmetric model through mutual understanding, dialogue, and negotiation as the most ideal and ethical PR practice. However, contingent scholars argued that even two-way symmetric model sometimes could be unethical such as when an organization faces morally
problematic publics (Cancel, Cameron, Sallot, & Mitrook, 1997). That is, practitioners could deny negotiation and dialogue with the unethical publics.

Supporting the argument, Cameron, Cropp, and Reber (2001) examined whether some factors preclude an organizational accommodation. The study found that there exist six proscriptive factors: “moral conviction, multiple publics, regulatory constraints, management pressure, jurisdictional issues, and legal constraints” (p. 247, 248). That is, when practitioners meet a public which insists on discussing morally repugnant matters, practitioners could stop talking with the unethical public. More than often, an organization faces multiple publics around an issue or conflict. When the different publics have extremely diametric standpoints, it is not easy for practitioners to accommodate a certain public. Sometimes, the government regulation might preclude the practitioners’ accommodation to a public. On an international negotiation table, practitioners representing a country should follow instructions from their mother country government. CEOs’ advocative commands should be strongly influential in an advocative stance decision. For a certain public, each department in an organization might insist different arguments. Because of the inconsistency, practitioners could not randomly choose an accommodative stance. Finally, practitioners might experience a legal obstacle against accommodation. The proscriptive factors empirically played out in a major PR case: CSX vs. Norfolk Southern Corporation (Reber, Cropp, & Cameron, 2003). These studies supported the idea that the Contingency Theory reflects a complex PR reality and the normative PR practice is not always possible or ethical.
Understanding the Relationship between Practitioners and Journalists

Practitioners as sources often strategically pitch press releases to be reported in target media outlets. Considering the core task of practitioners, journalists are one of the most important publics practitioners should deal with.

As initial contingent studies to understand media relations, Shin and Cameron (2003a, 2003b, 2003c) examined offline relationships and/or online relationships between practitioners and journalists. The study of Shin and Cameron (2003a), which surveyed 300 Korean practitioners and journalists, compared how both professionals perceive informal offline relations in media relations and the informal relations’ ethics. Compared with perceptions of journalists, practitioners showed a more confident belief that informal relations are strongly influential in media coverage and that the personal approaches are ethical. Shin and Cameron (2003a) discussed that this belief tends to produce practitioners’ practices depending on informal relations. Also, they suggested that practitioners need to understand journalists’ viewpoints by pointing out practitioners’ incorrect prediction that journalists consider informal relations more ethical than do practitioners.

In addition to informal offline relations in the South Korean context, Shin and Cameron (2003b) looked at which online and offline communication techniques were useful, influential, credible, ethical, and professional by interviewing Korean and American practitioners and journalists. Regarding offline relationships, Korean professionals in Asian culture were more favorable than American professionals in Western culture, which is a consistent finding with the study of Shin and Cameron about informal relations (2003a). Overall, practitioners perceived that online techniques
improve professionalism in media relations. Shin and Cameron (2003c) added a more optimistic evaluation about online techniques that Korean practitioners and journalists expect that online relationships would be helpful to reduce conflicts in media relations.

Exploring the underlying nature of conflict in media relations, Shin and Cameron (2004, 2005) conducted a Web survey with 641 practitioners and journalists. The studies operationalized the perceived source-reporter conflict in terms of roles, values, independence, dyadic adjustment, and attitudes in conflict. Both professionals insisted that oppositions are more problematic and induce the conflict (Shin & Cameron, 2005). That is, the two professions revealed perceptual dissonance (Shin & Cameron, 2004). Overall, practitioners tend to be accommodative when pitching their stories, while journalists tend to strategically deepen the conflict when dealing with the source (Shin & Cameron, 2004, 2005). In order to reduce the unrelenting tension in media relations, journalists need to understand that the practitioners’ pitch is natural and valuable rather than unnecessary, while practitioners should understand that the journalists’ strategic standpoint escalating the conflict is the need to maintain the objectivity of information and the independence of journalism (Shin & Cameron, 2005).

Understanding the Relationship between Practitioners and Lawyers

In dealing with a conflict with an external public, practitioners often work with lawyers, particularly for litigation PR. Reber, Cropp, and Cameron (2001) examined the relationship between practitioners and lawyers, traditionally perceived as antagonistic, through Q methodology and in-depth interviews. The study questioned how each profession understands its counterparts. Lawyers more accurately predicted practitioners’
answers, while practitioners’ estimation about their counterparts’ responses was not relatively accurate (Reber, Cropp, & Cameron, 2001). Unlike practitioners’ thoughts, lawyers showed more cooperative attitudes in the relationships between the two professions (Reber, Cropp, & Cameron, 2001). The study pointed out that when practitioners predicted that lawyers would not be collaborative but lawyers actually were cooperative, then the relationship could be conflicting. Overall, lawyers’ favorable belief that practitioners should take a role in conflict management at an early stage indicated that the negatively perceived relationship seemed to be changing constructively (Reber, Cropp, & Cameron, 2001).

Supporting the findings of the study by Reber, Cropp, and Cameron (2001), an in-depth analysis of a major corporate PR case by Norfolk Southern Corporation found that practitioner and lawyer teams did and could contribute together for the successful campaign (Reber, Cropp, & Cameron, 2003). In this case, lawyers took their own roles to influence public opinions not by interrupting the PR domain (Reber, Cropp, & Cameron, 2003).

Contingent Studies in Diverse PR Domains

Contingent scholars also have extended the study domains from corporate PR practitioners’ inter organizational practices to diverse PR domains such as intra organizational conflicts (Pang, Cropp, & Cameron, 2006), high profile conflicts (Shin, Cheng, Jin, & Cameron, 2005), public health crisis (Jin, Pang, & Cameron, 2006, 2007; Pang, Jin, & Cameron, 2004; Qiu & Cameron, 2007), and international PR campaigns (Choi & Cameron, 2005; Zhang, Qiu, & Cameron, 2004).
Pang, Cropp, and Cameron (2006) examined an inner organizational conflict, particularly about practitioners’ corporate crisis planning. They studied how a Fortune 500 organization’s practitioners plan and execute crisis planning. The study pointed out that practitioners face serious inner obstacles against effective crisis planning when a dominant coalition is less enlightened, organizational culture is conservative, and practitioners have difficulty accessing the dominant coalition.

Shin, Cheng, Jin, & Cameron (2005) content-analyzed media coverage of high profile conflicts: the U.S Department of Agriculture, American Airlines, Massachusetts Military Reservation, United Parcel Service (p. 399). Overall, their study supported the dynamism of conflict management, i.e., the essence of the Contingency Theory by arguing that organizational stances, strategies, and public’s stances were changed as time goes on by influential contingent factors such as internal and external threats. The content analysis study supported that the Contingency Theory is applied in high profile conflicts as well.

As a sensational international health crisis, severe acute respiratory syndrome (SARS) and the conflict management of some Asian governments involved in the crisis were recently studied by contingent scholars (Jin, Pang, & Cameron, 2006, 2007; Pang, Jin, Cameron, 2004; Qiu & Cameron, 2007). Three studies by Jin, Pang, and Cameron examined how the Singaporean and/or the Chinese government strategically managed its stances and crisis communication strategies toward multiple publics and analyzed influential contingent factors in the conflict management. The studies based on quantitative content analysis found that the two governments chose different directional stances and strategies toward publics. The Singaporean government regarded the crisis as
an internal political threat and the government’s stance toward the quarantined public and the general public was advocative (Jin, Pang, & Cameron, 2006, 2007). On the other hand, the Chinese government was concerned about external pressures from international organizations and society, and therefore the government’s stance was accommodative toward the external publics (Jin, Pang, & Cameron, 2007; Pang, Jin, & Cameron, 2004). A qualitative case study about the Chinese government’s SARS crisis management (Qiu & Cameron, 2007) also supported that WHO moved from accommodation to advocacy to push China to cooperate against SARS. The comparison of the conflict management between the Singaporean government and the Chinese government spotlighted the difference of culture and political environment (Cameron, Pang, & Jin, 2007).

Choi and Cameron (2005) examined the PR practices of multinational corporations (MNCs) in South Korea. The study found that practitioners for MNCs felt fearful of Korean media, local culture, and national identity. Korean media took a critical role in MNCs’ accommodative PR practices by reporting MNCs’ business activities in a viewpoint of nationalism (Choi & Cameron, 2005). Also, Korean people’s indigenous cultural feeling, Cheong, which emphasizes “We-ness” (Choi & Cameron, 2005, p. 177) functioned as another strongly influential factor to move MNCs’ practices into accommodative stances. That is, the study noted the role of the local culture in international corporate PR practices.

As an initial study testing the Contingency Theory in an international government conflict, Zhang, Qiu, and Cameron (2004) examined how the Bush administration practiced its stance toward the Chinese government after a U.S. Navy plane collided with a Chinese air craft. Their study argued that, overall, an organization’s characteristics,
some public relations characteristics, a dominant coalition’s characteristics, internal threats, individual characteristics, and relationship characteristics influenced the Bush administration’s advocative stance. The study pointed out that a two-way balanced communication through a dialogue was impossible to the Bush administration in essence because of its national interest as a moral defense and because it was facing a morally repugnant public.

More applications of the Contingency Theory in unexamined diverse PR domains are still recommended because the efforts will be able to add a more refined explanatory and more robust predictive power to the theory.

Elaboration of Contingency Theory

Recently, contingent scholars have elaborated the Contingency Theory by considering the emotional aspects of the contingent factors (Jin & Cameron, 2004), suggesting stance measurement items (Jin & Cameron, 2006), specifying the dimensions of threat and threat appraisal (Jin & Cameron, 2007; Jin, Pang, & Cameron, 2005; Pang, Jin, & Cameron, 2006), and integrating the Contingency Theory and Image Restoration Theory (Pang, 2006).

Applying emotional dimensions, emotional temperature, emotional weight, and emotional tone, to the existent contingent factors, Jin and Cameron (2004) upgraded the degree of understanding contingent factors. That is, the study argued that how publics perceive emotional temperature, weight, and tone of the factors is strongly influential in the publics’ stances toward an organization. This multi-dimensional conceptualization of the factors is visualized in the Emotional-laden contingency model (see Figure 2). Few
contingent studies have empirically examined the emotional dimensions of influential
contingent factors yet. Contingent case studies such as the study of Cho and Cameron
(2006), which emphasized the power of angry online users in a South Korean public
nudity case as a potential contingent factor, could be more refined by additionally
analyzing the emotional aspects of the strong factors.

As another major elaboration of the Contingency Theory, Jin and Cameron (2006)
developed stance measurement items to operationalize the concept of stance in the
continuum of advocacy-accommodation. The survey study with practitioners conducted
both an exploratory factor analysis and a confirmative factor analysis in order to extract
and confirm two factor structures of ten measurement items: Action-based
Accommodations and qualified-Rhetoric-mixed Accommodations (Jin & Cameron, 2006).
The reliable and valid measurement items can be utilized in numerous future contingent
studies measuring an organization’s or a public’s stance in a crisis.

Regarding threat, Cancel, Mitrook, and Cameron (1999) defined it as “a potentially
negative situation involving publics” (p. 184). Jin, Pang, and Cameron (2005) further
suggested three dimensions of threat consisting of threat type (internal vs. external),
threat duration (short term vs. long term), and threat level (low vs. high) (see Figure 3).
Also, they conceptualized the threat appraisal model dealing with cognitive threat
appraisal, affective level of threat, and conative level of threat.

Pang, Jin, and Cameron (2006) applied the three dimensions of threat and
cognitive threat appraisal model in order to compare how terror threats and the threat
dimensions were assessed and communicated by the Department of Homeland Security
(DHS), a conservative public, i.e., *The Washington Times*, and a liberal public, i.e., *The
Washington Post. Press releases of DHS and news coverage of the two newspapers were content-analyzed in terms of the following cognitive threat appraisal items:

First, a primary appraisal (situational demands) including danger; uncertainty (lack of prediction and control make it difficult for meeting adequately); and required effort. Next, a secondary appraisal (resources) which includes knowledge and skill, time, finance, and the support from the dominant coalition (Pang, Jin, & Cameron, 2006, p. 87).

More specifically, required effort was classified into situational difficulty and the situational duration of the threat. Danger was conceptualized as severity of the threat. Uncertainty was categorized as the organization’s uncertainty about how to deal with the situation and the organization’s unfamiliarity with the situation. Their study pointed that DHS and the conservative medium, WT, showed similar threat appraisals while the liberal WP diagnosed different primary threat appraisals. But, communication of threat dimensions by DHS was evaluated as successful because of the consistency with that of the examined media.

Jin and Cameron (2007) also measured 116 practitioners’ cognitive threat appraisal, affective arousal, and stance decision in a 2 (threat type: internal vs. external) x 2 (threat duration: short term vs. long term) within-subject design experiment through an online instrument. The interaction effect of threat type and threat duration showed that a long term and external threat was perceived as a severe threat requiring high situational demands and producing strong emotional responses.

As explained so far, contingent scholars have elaborated factors by adding emotional dimensions, stances by creating measurement items, and threats as a specific and important contingent factor by assessing them with multi-dimensions. These micro
approaches have trimmed each conceptual component in the theory, while Pang (2006) advanced the theory in a macro perspective by integrating it with the Image Restoration Theory of Benoit as mentioned before. As a main rationale of the integration, Pang noted conflict positioning, which means positioning an organization to let it favorably anticipate and prepare for a conflict (Wilcox & Cameron, 2005). For efficient conflict positioning, Pang (2006) argued that practitioners need to understand what factors are influential, what factors produce an organization’s stances, and what stances yield strategies. That is, factors produce stances that in turn produce strategies such as denial, evading responsibility, reducing offensiveness, corrective action, or mortification (Pang, 2006). This argument regarding effective conflict positioning could be reinterpreted as follows: perceived factors produce the public’s estimation of a corporate stance that in turn, produces strategy estimation. Based on the interpretation, this study examined the outside latent public’s estimation of both a corporate stance and strategy in a crisis.

*Exploration of the Outside Latent Public’s Mind*

Contingent studies for the last ten years have mainly examined practitioners’ opinions or viewpoints regarding the influence of contingent factors in diverse PR practices. Recently, Hwang and Cameron (2008, 2008a) examined a new domain of the outside latent public’s thought patterns about an organization’s crisis communication in a corporate setting and an international diplomacy domain.

As explained before, contingent scholars (Cancel, Mitrook, & Cameron, 1999; Pang, 2006; Reber & Cameron, 2003) have commonly emphasized the dominant coalition’s characteristics, perception of threat, external public’s characteristics, and the
influence of practitioners as strongly influential contingent factors. Hwang and Cameron (2008) noted dominant coalition’s characteristics and severity of threat as likely important contingent factors in the outside latent public’s estimation of the organization’s stance. Considering the theoretical argument about the interplay of predisposing factors and situational factors in an organizational stance decision and movement (Cancel, Mitrook, & Cameron, 1999), Hwang and Cameron (2008) tested whether there is a main effect of perceived leadership as a likely important predisposing factor on the participants’ estimation of a corporation’s stance and whether there exists an interaction effect of perceived leadership and perceived severity of threat (as a likely important situational factor) on the stance estimation.

Their study conceptualized and operationalized the dominant coalition’s characteristics with four leadership styles from the management field: transformational leadership, transactional leadership, democratic leadership, and autocratic leadership. Transformational leadership style asserts that followers trust their leaders and motivate followers to work more than expected (Yukl, 2002). To build the leadership, Yukl (2002) summarized the following guidelines: suggest a clear vision, explain the way vision is accomplished, show confident and positive behavior and expression, and encourage followers towards the vision. Transactional leadership, which many management scholars (Bass, 1985, 1996; Northouse, 1997; Yukl, 2002) have noted as the opposite concept of transformational leadership, emphasizes “an exchange process that may result in follower compliance with leader requests but is not likely to generate enthusiasm and commitment to task objectives” (Yukl, 2002, p. 253). Such transactional leaders show the following behaviors often: “contingent reward, active management by exception, and passive
management by exception” (Yukl, 2002, p.254). Contingent reward behavior is, informally speaking, emphasizes give and take. That is, such behavior clearly explains what work should be done to get rewards and what rewards will be given (Yukl, 2002). Passive management by exception refers to using punishments when the work is not satisfactorily completed (Yukl, 2002). Further, active management by exception means finding errors and strengthening rules to prevent errors (Bass and Avolio, 1990). The two contrasting leadership styles, transformational leadership and transactional leadership, are placed at each end of a continuum (Northouse, 1997, p. 134).

Democratic/egalitarian leadership vs. autocratic/authoritarian leadership is multi-dimensional including other types of leadership. The two different leadership styles mainly consist of three dimensions: how leaders distribute their power; whose needs are satisfied; and how leaders make a decision (Bass, 1990). Unlike democratic leaders, authoritarian leaders use their power to coerce followers (Bass, 1990).

The second dimension is related to a task oriented v. relation oriented leadership distinction (Bass, 1990). When leaders have more “concerns for the group’s goals and the means to achieve the goals” (Bass, 1990, p. 472), the leadership is termed task oriented leadership. But, when leaders “pursue a human relations approach and try to maintain friendly, supportive relations with their followers” (p. 472), it means relation oriented leadership. Finally, the third dimension explains a directive v. participative leadership distinction (Bass, 1990). According to Bass (1990, p. 437), the directive leader “decides and announces his decision without consulting subordinates beforehand.” Conversely, participative leadership emerges when leaders encourage their followers “to participate actively in discussions, problem solving, and decision making” (p. 437).
Applying these leadership styles, Hwang and Cameron (2008) found the main effect of perceived leadership, but not the interaction effect of perceived leadership and perceived severity of threat on the stance estimation. That is, when the experimental participants were exposed to the transformational leadership message and the democratic/egalitarian leadership message, they expected that the corporation would be the most accommodative. On the other hand, Exposure to the autocratic/authoritarian leadership message produced the most advocative stance estimation. Exposure to the transactional leadership message showed relatively neutral stance estimation.

Referring to the results of their study, this study also hypothesized the main effect of perceived leadership on the participants’ estimation of a corporation’s stance in a crisis. Out of the four leadership styles investigated by Hwang and Cameron (2008), this study only noted two contrasting leadership styles, transformational leadership and transactional leadership, classified as the way of motivation. Since the underlying dimensions for transformational leadership vs. transactional leadership and democratic/egalitarian leadership vs. autocratic/authoritarian leadership are different, i.e., motivation and power use, this study first investigated only two opposite leadership styles: transformational leadership vs. transactional leadership. As shown in the study of Hwang and Cameron (2008), perception of a transformational leadership style will produce more accommodative stance estimation than perception of a transactional leadership style:

H1: Participants will estimate a more accommodative stance when exposed to transformational leadership than transactional leadership.
Stance estimation might produce the same directional strategy estimation according to the reinterpretation of efficient conflict positioning (Pang, 2006) dealing with dynamics of factors, stances, and strategies:

H1-1: Participants will estimate more accommodative strategies when exposed to transformational leadership than transactional leadership.
H1-2: Participants will estimate more advocative strategies when exposed to transactional leadership than transformational leadership.

Changing the domain of conflict, Hwang and Cameron (2008a) also examined which contingent factors are stronger predictors to be associated with people’s estimation about the U.S. government’s stance toward North Korea in the North Korean nuclear threat. Arguing that the influence of practitioners are not often reported in media coverage, they noted three strongly influential contingent factors that scholars (Cancel, Mitrook, & Cameron, 1999; Pang, 2006; Reber & Cameron, 2003) commonly pointed to as likely important factors in people’s mind as well: perception of leadership styles, perception of threat, and perception of external public’s characteristics.

The contingency regression model including three major factors accounted for approximately 62% of the total variance of the participants’ stance estimation. Particularly, the study revealed that perception of situational factors, threat appraisal items and external public’s characteristics, is more strongly associated with the participants’ stance estimation than perception of leadership styles before and after the exposure to the worst situational change, i.e., a war plan scenario bombing nuclear weapons. That is, the participants at a given time and situations strongly associated the
attributes of the matter itself and the characteristics of the key external public inducing the matter with the prediction of the American diplomatic movement.

Like the Hwang and Cameron study (2008a), this present study noted the influence of the three likely important contingent factors in the outside latent public’s estimation of a corporation’s stance. Also, this study assumed the moderating effect of perceived situational factors on the stance estimation, which Hwang and Cameron (2008) tested but did not support. That is, this study expected that the theoretical argument that situational factors could moderate an organization’s initial stance when they are strong enough (Cancel, Mitrook, & Cameron, 1999) would be applied to the outside latent public’s thought pattern predicting an organization’s stance. Since transformational leadership is a leadership style open to changes, people might expect that an organization managed by transformational leadership will show the most accommodative stance particularly when situational factors are strongly serious:

H2: Participants will estimate the most accommodative organization stance when they perceive transformational leadership, a strong threat, and a large external public.

Similarly, the participants will predict the most accommodative strategies in the given conditions:

H2-1: Participants will estimate the most accommodative strategies when they perceive transformational leadership, a strong threat, and a large external public rather than any other conditional combinations.

Conversely, transactional leadership is a leadership style that emphasizes less change, and therefore people could predict that an organization managed by transactional
leadership will practice the most advocative stance, especially when situational factors are not that serious:

H3: Participants will estimate the most advocative organization stance when they perceive transactional leadership, a weak threat, and a small external public. In the given conditions, the participants will also expect the most advocative strategies:

H3-1: Participants will estimate the most advocative strategies when they perceive transactional leadership, a weak threat, and a small external public rather than any other conditional combinations.

In addition to the three-way interaction effects among perceived leadership, perceived severity of threat, and perceived external public’s characteristics, two-way interactions between perceived predisposing factor and perceived situational factor are also possible. People could expect that an organization with a transformational leadership style open to changes would show an accommodative stance in a strong threat while an organization with a transactional leadership style less emphasizing changes would not be accommodative in a weak threat:

H4: Participants will estimate a more accommodative stance when they perceive transformational leadership and a strong threat than transactional leadership and a weak threat.

The same logic is applied into strategy estimation:

H4-1: Participants will estimate more accommodative strategies when they perceive transformational leadership and a strong threat than transactional leadership and a weak threat.
H4-2: Participants will estimate more advocative strategies when they perceive transactional leadership and a weak threat than transformational leadership and a strong threat.

The main interest of this study is to examine any interaction effects between perceived predisposing variable and perceived situational variable(s) on the stance and strategy estimation. In that sense, another interaction effect could happen between perceived leadership and perceived external public characteristics. People would predict that an organization with transformational leadership would accommodate when facing highly a visible external public, while an organization with transactional leadership would not sensitively react when facing a less visible external public:

H5: Participants will estimate a more accommodative stance when they perceive transformational leadership and a large external public than transactional leadership and a small external public.

H5-1: Participants will estimate more accommodative strategies when they perceive transformational leadership and a large external public than transactional leadership and a small external public.

H5-2: Participants will estimate more advocative strategies when they perceive transactional leadership and a small external public than transformational leadership and a large external public.
a. Study Design

To test the hypotheses, this study conducted an experiment using online instruments. The study was a mixed-subject 2 x 2 x 2 factorial design in which leadership (transformational leadership vs. transactional leadership), severity of threat (strong vs. weak), external public’s size (large vs. small) were manipulated to produce eight different treatments. Between-subject design was applied to the external public’s size variable, while within-subject design was applied to the leadership and severity of the threat variable. That is, each participant was exposed to four different treatments. The dependent variable was the participants’ estimation of a corporation’s stance and message strategy in a crisis.

This study recruited 128 student participants in two large undergraduate classes (journalism and sociology) at a mid-western university. 64 students were exposed to the large external public between factor condition, while the other 64 students were required to read the small external public between factor condition. According to Basil et al. (2002), non-random selection of participants such as students is useful for an experimental research testing hypothesized process regarding multi-variate relationships, which can also be applied to the general population. The required sample size was calculated through G power software based on the following conditions: two-tailed, effect size (d) = .5, type I error rate = .05, and power = .80.
For message variation, each leadership factor level and each threat factor level were described in two slightly different stories in terms of wording. Both external public size factor levels, large and small, were varied in four slightly different stories. Also, four different corporate settings were considered. For example, Table 1 shows the pool of message combinations for within subjects exposed to large external public stories. One treatment (message combination) consists of a news story describing situations (threat and size of the opposing public) and another related news story describing the company’s CEO (leadership).

When selecting different message combinations from each corporate setting, totally 4! (4 x 3 x 2 x 1 = 24) number of orders is possible. Using Latin Square counterbalancing to control order effects (Watt & Van Den Berg, 1995), the following eight different order combinations were randomly selected: 1234, 1324, 2134, 2431, 3412, 3214, 4231, 4321. Eight participants were randomly assigned to each treatment order.

To prevent sensitization or carry-over effects which could often happen in a within-subject design, this study conducted maximization of the time between treatments in addition to counterbalancing (Reeves & Geiger, 1994). That is, participants were required to read an irrelevant advertisement and to answer three subsequent questions about the feature of the advertisement between each treatment message.

b. Stimuli

Regarding the severity of threat, this study referred to the study results by Jin and Cameron (2007) that practitioners perceived a long term external threat as a strong threat. Thus, this study noted one of the external threat variables in the contingency theory to
operationalize a strong threat: “scarring of company’s reputation in business community and in the general public” (Cancel, Cameron, Sallot, and Mitrook, 1997, p. 60). The manipulation assumed that the corporation has offered illegal political bribes to congressmen (strong threat story 1) and government officials (strong threat story 2) for the last decades. On the other hand, a short term internal threat was perceived as a relatively weak threat (Jin & Cameron, 2007). Thus, this study noted one of the internal variables in the contingency theory, “marring of the personal reputations of the company decision makers (image in employees’ perception and general public’s perception)” (Cancel, Cameron, Sallot, and Mitrook, 1997, p. 63). The manipulations, weak threat story 1 and 2, dealt with recent CEO’s sex scandal rumors with his employee.

The size of the involved external public was manipulated as small v. large. For the small size of external public, the manipulation stated that the corporation faces sporadic demonstrations by a handful of pressure group members in front of the headquarters of the company to criticize the company’s immorality. The manipulation of the large external public was: the corporation faces ongoing mass demonstrations by a pressure group in front of the headquarters to criticize the company’s immorality. For message variations, a similar but slightly different group size was described with certain numbers (large public story 1 to 4 and small public story 1 to 4).

Regarding the manipulation of transformational leadership, this study referred to the guidelines of Yukl (2002): suggest clear vision, explain the way vision is accomplished, show confident and positive behavior and expression, and encourage followers toward the vision. Transformational leadership story 1 suggests the vision of the 21st world’s best company in the industry. Also, the CEO insists that in addition to
investment and employee education, unrelenting self development efforts and innovative changes are required from all employees for accomplishing the vision. He is positively confident that the corporation can realize the big goal with employees. Further, the CEO encourages followers by emphasizing that attaining the goal will ultimately contribute to the community and the national economy, not to mention the employees’ quality of life. The transformational leadership story 2 suggests a corporate vision of becoming the top company by 2015. The CEO announces intensive investment plans for the employees’ education and welfare to enhance their ability and morale. He also shows his strong belief that this investment should be ultimately helpful to both the organization and its employees as a win-win strategy. Finally, he asks his employees to actively participate in the educational opportunities and fully utilize welfare facilities in order to reach the company’s vision together.

On the other hand, transactional leadership shows “contingent reward, active management by exception, and passive management by exception” (Yukl, 2002, p.254). The news of the transactional leader emphasizes management style through punishment, through layoffs, and promotional rewards. Also, the news story includes the CEO’s efforts to find employees’ errors and to establish rules to prevent the errors. Transactional leadership story 1 and story 2 show a similar number of promotion and layoff records. Also, the stories include installing a computer system to identify lazy employees who privately use MSN messenger (transactional leadership story 1) or trade stocks online (transactional leadership story 2) during working hours.

In different corporate settings, CEO’s names were varied: mobile phone company A CEO John Miller, jeans company B CEO Jeremy Foxx, ice cream company C CEO
Daniel Johnson, and apartment construction company D CEO Michael Hudson. Three former journalists reviewed the stimulus messages to make them more realistic in a journalistic style (see Table 2 summarizing the stimulus messages).

c. Pilot Test

Twenty eight students from a journalism undergraduate class at a midwestern university participated in pretesting the stimulus messages from February 5 to February 7, 2008. The participants read sixteen messages: two transformational leadership stories, two transactional leadership stories, two strong threat stories, two weak threat stories, four large public stories, and four small public stories (see Appendix B). The operational definition of perceived leadership was the strong perception of leadership features explained above. This study used seven-point Likert scales (strongly disagree to strongly agree) to measure perception of each leadership. As shown in Table 3, means of the detailed items and indexed mean scores for each leadership overall supported that participants perceived intended leaderships through the stimulus messages. However, the pretest participants did not strongly perceive the second attribute of transformational leadership story 1, the first attribute of transactional story 1, and the first attribute of transactional leadership story 2. Therefore, the attributes were strengthened by adding utilization of education facilities and a more specific employee evaluation standard and reward, respectively.

Regarding the perception of severity of threats, the participants answered whether “I think that the issue in the message is a severe threat” which was measured on a seven-point Likert scale (strongly disagree to strongly agree). The results of ANOVA test were
statistically significant at $p < .001$ level ($F [3, 108] = 58.95$, $\eta_p^2 = .62$): political bribe story 1 ($M = 5.50$, S.D. = .92), political bribe story 2 ($M = 6.04$, S.D. = .92), CEO’s scandal story 1 ($M = 2.86$, S.D. = 1.27), and CEO’s scandal story 2 ($M = 3.07$, S.D. = 1.33).

Finally, the participants answered whether the size of the external public involved in the issue is large. The questions were also measured using a seven-point Likert scale (strongly disagree to strongly agree). According to the results of ANOVA tests, the participants perceived differences of external public’s size: large external public story 1 ($M = 4.86$, S.D. = 1.21), story 2 ($M = 4.25$, S.D. = 1.43), story 3 ($M = 4.61$, S.D. = 1.19), and story 4 ($M = 4.46$, S.D. = 1.35); and small external public story 1 ($M = 3.43$, S.D. = 1.45), story 2 ($M = 2.79$, S.D. = 1.57), story 3 ($M = 3.11$, S.D. = 1.37), and story 4 ($M = 2.93$, S.D. = 1.49). The statistical difference was significant at $p < .001$ level ($F [7, 216] = 9.99$, $\eta_p^2 = .25$).

d. Procedure

To recruit student participants, this study posted a recruiting announcement in an online recruiting Web site managed by the journalism department and directly circulated a recruiting sheet in a sociology undergraduate class. Students who wanted extra credits voluntarily filled in their names and student numbers in a time slot convenient for them. Students participated in the study at a computer laboratory classroom from February 11 to February 22, 2008. After checking attendance, the participants were required to click links given by email. When participants entered the assigned Web site, they were requested to read a written consent form. Then, they were exposed to four treatment
conditions, three interim advertisements, subsequent questions, manipulation check questions (the same as those of the pilot test), and demographic questions. Overall, participants spent about 20 to 25 minutes completing the task. They were rewarded with extra credit.

e. Participant Demographics

The 128 participants’ demographic information is as follows: freshmen (81.3%), sophomores (10.2%), juniors (6.3%), and seniors (2.3%); male (30.5%) and female (69.5%); White (87.5%), African American (3.9%), Hispanic (2.3%), and Asian-Pacific Islander (6.3%); Protestant Christian (32%), Roman Catholic (29.7%), Evangelical Christian (1.6%), Jewish (3.9%), Muslim (1.6%), Buddhist (14.1%), and no religious affiliation (15.6%). Participants were 19 years old on average.

f. Dependent Variable Measurement

Public estimation about a corporation’s stance in crisis communication was measured as participants’ estimation of the degree of accommodation or advocacy of the corporation. This study utilized ten stance measurement items that Jin and Cameron (2006) developed by surveying practitioners and running factor analyses (see Table 4).

Strategy estimation was measured with five measurement items by referring to the typologies of Benoit’s image restoration strategy (Benoit, 2004): denial, evasion of responsibility, reducing offensiveness of event, corrective action, and mortification (see Table 5).
g. Data Analysis

Jin and Cameron (2006) found that Action-based Accommodations and Qualified-Rhetoric mixed Accommodations are constructs underlying ten stance measurement items. To check whether there are the same numbers of constructs, this study ran an exploratory factor analysis through Principal Axis Factoring. Only one factor had eigenvalue bigger than 1. Scree plot leveled off with the second factor, which supported the one-factor solution (see Figure 4). The factor accounted for the proportion of variance at 57.37%. Communalities for the ten stance measurement items ranged from .432 to .690 and therefore this study retained all items in the scale. Table 6 shows the correlation between each item and the factor of stance.

Based on the one-factor solution, this study calculated one index score (mean) of ten stance measurement values (Cronbach’s $\alpha = .93$). The main effect of perceived leadership and the interaction effects of two or three factors on the stance estimation were analyzed by using ANOVA.

For the purpose of analysis, this study also conducted an exploratory factor analysis through Principal Axis Factoring in order to determine constructs underlying the five strategy items. Two factors had eigenvalues bigger than 1. Scree plot leveled off with the third factor. Therefore, examination of the scree plot again supported the two-factor solution (see Figure 5). The two factors accounted for the amount of variance at 26.25% and 24.24%, respectively. Communalities for the strategy measurement items ranged from .379 to .574. Since communalities were larger than .3, all the items were retained in the scale.
Regarding rotation method, since the author did not know if factors are correlated or not, the author first used Direct Oblimin rotation method. According to the factor correlation matrix, the correlation between the two factors was weak (r = .03). Thus, this study again used orthogonal Varimax rotation to obtain a simple structure. Each factor accounted for the proportion of variance at 26.21% and 24.28%, respectively. After examining the items, the constructs underlying items were advocative strategy and accommodative strategy. That is, denial, evading responsibility, and reducing offensiveness measured advocative strategy, while corrective action and mortification measured accommodative strategy (see Table 7).

After calculating the means of advocative strategy and accommodative strategy (α of advocative strategy = .67 and α of accommodative strategy = .70), ANOVA analysis was run in SPSS 15.0.
CHAPTER 4

RESULTS

a. Manipulation Check

All manipulations worked as intended. According to the detailed means and index scores in Table 8, participants perceived the attributes of transformational leadership and transactional leadership in each story. Also, the participants showed a different perception of severity of threat by answering the question “I think that the issue in the message is a severe threat,” which was measured using a seven-point Likert scale (strongly disagree to strongly agree): political bribe story 1 (M = 5.36, S.D. = 1.37), political bribe story 2 (M = 5.67, S.D. = 1.21), CEO scandal story 1 (M = 2.49, S.D. = 1.36), and CEO scandal story 2 (M = 2.78, S.D. = 1.37). The differences were significant at \( p < .001 \) level \( (F[3, 508] = 202.33, \eta^2_p = .54) \). Bonferroni pairwise comparisons confirmed that the political bribe stories and the CEO scandal stories were bundled as strong threats and weak threats.

Regarding the eight stories describing the size of external public, participants also evaluated the size differently, which was measured using a seven-point Likert scale (strongly disagree to strongly agree): large external public story 1 (M = 5.00, S.D. = 1.16), story 2 (M = 4.48, S.D. = 1.16), story 3 (M = 4.95, S.D. = 1.35), and story 4 (M = 4.88, S.D. = 1.36); small external public story 1 (M = 3.31, S.D. = 1.48), story 2 (M = 3.04, S.D. = 1.56), story 3 (M = 3.30, S.D. = 1.37), and story 4 (M = 3.02, S.D. = 1.51). According to ANOVA analysis, there were significant mean differences \( (F[7, 1016] = 55.71, \eta^2_p = .28, p < .001) \). Bonferroni pairwise comparisons again indicated that the
participants perceived the opposite pressure groups in each of the four stories as large or small size.

b. Statistical Assumption Check

Before running ANOVA in order to test hypotheses, analyses were conducted to assure the statistical assumptions of ANOVA were met: normal distribution and equality of error variances. The index score of stance measurement values (mean) was normally distributed. The Shapiro-Wilks (S-W) statistics were not significant and therefore accepted the null hypothesis assuming the normality of the data, S-W (df = 512) = .995, p = not significant. Additionally, the normal probability plot showed a diagonal line indicating the normality (see Figure 6). The homogeneity of error variances was checked by the Levene’s test. The null hypothesis that the error variances are homogeneous was accepted, Levene [7, 504] = 1.13, p = ns. Therefore, the index score data of stance measurement was appropriate for ANOVA analysis.

Regarding the advocative strategy and the accommodative strategy index scores, Shapiro-Wilks (S-W) test results were significant at p < .001 level: S-W (df = 512) = .984 for the advocative strategy and S-W (df = 512) = .974 for the accommodative strategy. However, most of the data values were near the diagonal normal lines (see Figure 7 and Figure 8). Therefore, the normality of the data was overall acceptable. Levene’s test results confirmed that the error variances were homogeneous: Levene [7, 504] = .837, p = ns for advocative strategy index score; Levene [7, 504] = .753, p = ns for accommodative strategy index score. So, the data were not problematic for the ANOVA tests.
c. Testing Hypotheses

Assuming the main effect of perceived leadership on the participants’ stance estimation, H1 predicted that participants would estimate a more accommodative stance when exposed to transformational leadership than transactional leadership. As predicted, participants showed a more accommodative stance estimation after reading transformational leadership stories (M = 4.08, Standard Error = .07) than transactional leadership stories (M = 3.63, S.E. = .07). That is, exposure to transactional leadership conditions produced an advocative stance estimation, while exposure to transformational leadership conditions produced a more accommodative stance estimation. The means were statistically different at $p < .001$ level ($F[1, 504] = 20.21, \eta^2_p = .04$). The effect size was modest. The main effect of perceived leadership accounted for 4% of the variance of stance estimation. The results supported H1.

Focusing on specific strategy estimations, H1-1 assumed that participants would estimate more accommodative strategies (corrective action and mortification) when exposed to transformational leadership than transactional leadership. Unlike the expectation, participants did not show statistically different accommodative strategy estimation after reading transformational leadership stories (M = 4.51, S.E. = .09) and transactional leadership stories (M = 4.31, S.E. = .09), $F[1, 504] = 2.71, p = ns$. Therefore, H1-1 was not supported.

H1-2 expected that participants would estimate more advocative strategies (denial, evading responsibility, and reducing offensiveness) when exposed to transactional leadership than transformational leadership. Participants estimated the companies managed by transactional leadership (M = 4.82, S.E. = .07) would use more advocative
strategies than the companies by transformational leadership ($M = 4.60$, S.E. $= .07$). The mean difference was statistically significant at $p < .05$ level. ($F [1, 504] = 3.88$, $\eta^2_p = .01$).

Therefore, H1-2 was supported, but the effect size was small. The main effect of perceived leadership accounted for 1% of the overall variance of advocative strategy estimation.

Analyzing the three-way interaction effect among perceived leadership, perceived severity of threats, and perceived size of the external public on the participants’ estimation of the organizational stance, this study tested H2 that participants would estimate the most accommodative organization stance when they perceive transformational leadership, a strong threat, and a large external public and H3 that participants would estimate the most advocative organization stance when they perceive transactional leadership, a weak threat, and a small external public. ANOVA result did not show the three-way interaction effect on the stance estimation ($F [1, 504] = .38$, $p = \text{ns}$). Thus, H2 and H3 were not supported.

In the same vein, this study assumed the three-way interaction effect on the participants’ estimation of accommodative and advocative strategy. ANOVA again did not find the three way interaction effect on the accommodative strategy estimation ($F [1, 504] = .29$, $p = \text{ns}$) and the advocative strategy estimation ($F [1, 504] = 0$, $p = \text{ns}$). Thus, the results did not support H2-1, which predicted that participants would estimate the most accommodative strategies when they perceive transformational leadership, a strong threat, and a large external public rather than any other conditional combinations. Also, the results did not support H3-1, which expected that participants would estimate the
most advocative strategies when they perceive transactional leadership, a weak threat, and a small external public rather than any other conditional combinations.

Although ANOVA analysis did not find the three-way interaction effect, the results of this study showed the two-way interaction effect between perceived leadership and perceived severity of threats on the participants’ estimation of the corporate stance. Mean values of stance estimation in the four different conditions are as follows (see Figure 9): strong threat and transformational leadership (M = 4.01, S.E. = .09), strong threat and transactional leadership (M = 3.81, S.E. = .09), weak threat and transformational leadership (M = 4.15, S.E. = .09), and weak threat and transactional leadership (M = 3.46, S.E. = .09). As H4 predicted, participants estimated a more accommodative stance when they were exposed to the condition of transformational leadership and a strong threat than the condition of transactional leadership and a weak threat.

The mean differences were significant at p < .017 level (F [1, 504] = 5.96, $\eta_p^2 = .012$) and therefore H4 was supported. However, the effect size was again small. The interaction effect between perceived leadership and perceived severity of threats accounted for 1.2% of the total variance of stance estimation. Interestingly, the participants showed the most accommodative stance estimation when they were exposed to the condition of a weak threat and transformational leadership among the four different conditions. That is, the participants estimated that companies managed by transformational leadership would sensitively respond even in the relatively less severe threat, CEO’s scandal.
Regarding accommodative strategy estimation, this study again found the two-way interaction effect between perceived leadership and perceived severity of threats. As predicted in H4-1, participants estimated more accommodative strategies when they perceived transformational leadership and a strong threat (M = 4.47, S.E. = .12) than when they perceived transactional leadership and a weak threat (M = 4.07, S.E. = .12). The other two conditions, transactional leadership and strong threat (M = 4.55, S.E. = .12) and transformational leadership and weak threat (M = 4.55, S.E. = .12), showed similar extent of mean values to the condition of transformational leadership and strong threat (see Figure 10). That is, unlike the other three conditions, the participants estimated that companies managed by transactional leadership would not clearly use accommodative strategies when facing a weak threat. The difference was significant at $p < .025$ ($F[1, 504] = 5.20, \eta_p^2 = .01$). Thus, H4-1 was supported, but the effect size was small.

Unlike expectations, there was no two-way interaction effect between perceived leadership and perceived severity of threats on the advocative strategy estimation ($F[1, 504] = .29, p = \text{ns}$). Therefore, the result did not support H4-2 that participants would estimate more advocative strategies when they perceive transactional leadership and a weak threat than when they perceive transformational leadership and a strong threat.

This study also predicted the two-way interaction effect between perceived leadership and perceived the external public’s size on the participants’ estimation of stance, accommodative strategies, and advocative strategies. The predictions were not found: stance estimation ($F[1, 504] = .04, p = \text{ns}$); accommodative strategy estimation ($F[1, 504] = .01, p = \text{ns}$); and advocative strategy estimation ($F[1, 504] = .41, p = \text{ns}$).
Therefore, the following hypotheses related to the two-way interaction effect were not supported: participants will estimate a more accommodative stance when they perceive transformational leadership and a large external public than when they perceive transactional leadership and a small external public (H5); participants will estimate more accommodative strategies when they perceive transformational leadership and a large external public than when they perceive transactional leadership and a small external public (H5-1); and participants will estimate more advocative strategies when they perceive transactional leadership and a small external public than when they perceive transformational leadership and a large external public (H5-2).
a. Summary of the Results

This study examined how the outside latent public estimates an organizational (corporate) stance and message strategy in a crisis based on the perception of three important contingent factors: organizational leadership, severity of threats, and opposing public’s size as a characteristic. Particularly, this experimental study tested whether the contingent theoretical argument, which states that predisposing factors set up the initial stance and that situational factors moderate the stance, (Cancel, Mitrook, & Cameron, 1999) can also explain the outside latent public’s thought patterns predicting a corporation’s crisis responses.

Although this study did not find the three-way interaction effect among perceived leadership, perceived severity of threats, and perceived opposing public’s size on the stance and strategy estimation, the results of this study did highlight both the main effect of perceived leadership, and the two-way interaction effect between perceived leadership and perceived severity of threats on the participants’ estimation of corporate stance and strategy. As predicted in H1, the participants estimated that companies managed by transformational leadership would show a more accommodative stance than companies managed by transactional leadership. In specific strategy estimation, the participants also expected that companies managed by transactional leadership would use more advocative message strategies (denial, evading responsibility, and reducing offensiveness) than companies managed by transformational leadership (H1-2). The perception of the two
factors, leaderships and threats, let the participants consider that companies managed by transformational leadership facing a strong threat would be more accommodative than companies managed by transactional leadership facing a weak threat (H4). Also, the participants estimated that companies managed by transformational leadership facing a strong threat would choose more accommodative message strategies (corrective action and mortification) than companies managed by transactional leadership facing a weak threat (H4-1).

In addition to these main results, this study notes some other interesting findings. First, out of the four conditions involving perceived leadership and perceived severity of threats, the participants estimated the most accommodative stance when they perceived transformational leadership faced a weak threat. Second, the participants predicted a similar extent of accommodative strategy use when reading the conditions of transformational leadership and a strong threat, transformational leadership and a weak threat, and transactional leadership and a strong threat. This was contrary to the condition of transactional leadership and a weak threat. The following sections discuss contingency implications based on these findings. Table 9 summarizes the results.

b. Contingency Implications

Theoretical Extension

Most importantly, the results of this study indicate that the contingency theory can explain the outside latent public’s thought patterns predicting a corporation’s crisis responses as well as practitioners’ real practices. Cancel, Mitrook, and Cameron (1999) argued that inner organizational factors influence an organizational initial stance, while
external environmental factors can change the stance if they are powerful enough. As noted before, this study found the main effect of perceived leadership (as a powerful inner organizational factor) and an interaction effect of perceived leadership and perceived severity of threats (the moderation by a powerful external environmental factor) on the participant’s predictions regarding crisis responses.

That is, individuals’ perception of the dominant coalition’s leadership produces certain estimations of an organization’s crisis responses, but the perceived nature of the issue (threat) moderates individuals’ estimation of organizational crisis responses. The contingent dynamics of perception of the inner organizational factor and the situational factor work in the estimation by the outside latent public, who does not know the intent of public relations but could become an active public by expressing their opinions through various media. The extension of the contingency theory from practitioners’ practices to the outside latent public’s viewpoint regarding organizational crisis responses is a main implication that this study offers.

Considering efficient conflict positioning, Pang (2006) argued that contingent factors produce an organization’s stance, which in turn produce concrete message strategies. Although the hypotheses regarding strategy estimation were only partly supported, the perception of important contingent factors, leadership and severity of threats, affected the participants’ estimation of an organization’s concrete message strategies as well as abstract stances. The participants in this study would not have clearly recognized the dynamics among factors, stances, and strategies argued by Pang (2006). However, the results in this study indicate that, similar to Pang’s argument, perceived important contingent factors, to some extent, are associated with the outside latent
public’s estimation of organizational overall stances and further concrete message strategies.

Moreover, this study extends not only Contingency Theory but also Excellence Theory to a new level. As explained before, Excellence scholars (Grunig, 1992; Sriramesh, Grunig, & Dozier, 1996; Sriramesh & White, 1992) noted organizational culture as an influential factor in public relations practices. Sriramesh, Grunig, & Dozier (1996) found that participatory culture cultivates Excellence in public relations communication, but Excellence is still possible in an authoritative culture. That is, they spotlighted the relationship between the type of organizational culture (IV) and real public relations communication (DV). Meanwhile, this study examined how perceived leadership and perceived situational factors (IVs) produce the outside latent public’s estimation of organizational stance and strategy (DVs). To some extent, the starting point of the two studies is similar because both studies make note of the powerful inner organizational factors of organizational culture and leadership, which strongly affect organizational culture (Sriramesh, Grunig, & Dozier, 1996). However, this study is more extensional because it directly focuses on the leadership factor closely connected to organizational culture, and adds more realistic environmental factors, changes the domain of dependent variables from inner organizational employees to external latent public, and finally refines the measure with contingent measurement items (Jin & Cameron, 2006) as well as more specific message strategy measurement items (Benoit, 2004). Considering these points, the directions and findings of this extensional study will become a literature to build a possible connection and productive convergence between the two major PR research theories.
**Main Effect of Perceived Leadership on the Stance and Strategy Estimation**

Like the findings in the study by Hwang and Cameron (2008), this study found the main effect of perceived leadership on the participants’ estimation of organizational crisis communication. Perception of the CEO’s leadership styles through mass media can influence people’s different estimation of organizational stance and strategy.

First, perception of transactional leadership produces an advocative stance and strategy estimation. If a corporate leader’s image is reflected as a transactional leader in the mass media, people can selectively perceive that the company won’t be accommodative. Even if companies show accommodative stances and actions in spite of the cost, time, and human resources, the selective perception based on the leadership image might make people think that the companies’ actions are not accommodative enough. Therefore, practitioners need to assert that when they choose accommodation, their decisions, compensations, and apologies should be thoughtful and measured responses (Hwang & Cameron, 2008).

On the other hand, when people strongly perceive transformational leadership, they are likely to estimate an organization’s relatively more accommodative stance than when they perceive transactional leadership. Also, people are likely to estimate that companies managed by transformational leadership would use less advocative message strategies (e.g., simple denial, evasion of responsibilities, and reducing offensiveness of event) than companies managed by transactional leadership. If corporate decision makers choose and execute advocative stances and strategies, although the corporation’s accumulated leadership image is a transformational leadership open to changes, people
might be surprised and disappointed with the overall unexpected actions. The decision might evoke a further conflict with the outside latent public viewing the original conflict between the corporation and an opposing public (Hwang & Cameron, 2008). Although an organization managed by transformational leadership can choose even pure advocacy due to their strategic management plans and resource constraints, practitioners at least need to advise the dominant coalitions that “we might have to consider a more accommodative action, if possible, to prevent another further conflict we don’t want.”

In order to know the CEO’s leadership styles, practitioners need to consider content-analysis about how their CEO has been described in the company’s press releases, news articles, feature stories, advertorials, press kits, CEO’s greetings on the corporate Web sites, and CEO’s blogs. In addition to the content analysis, reputation audits are also effective ways to know the leadership styles. These efforts to learn how the outside latent public perceives an organizational leadership style need to be performed before a crisis in the conflict management cycle, the proactive phase, the strategic phase, and the reputation management phase, in order to create more efficient conflict management. Also, it will be desirable for practitioners to regularly investigate perceived leadership. The two contrasting leadership styles, transformational leadership vs. transactional leadership, are placed at each end of a continuum (Northouse, 1997, p. 134). Probably, the outside latent public’s perception of transformational leadership or transactional leadership could be changed on the continuum to some extent. For an exact diagnosis, regular checkups will be necessary.
Interaction Effect of Perceived Leadership and Perceived Severity of Threats on the Stance and Strategy Estimation

Considering the interaction effect of perceived leadership and perceived severity of threats on the outside latent public’s estimation of organizational crisis responses, this study suggests practitioners analyze the nature of the conflicting issues (strong vs. weak) in addition to perceived CEO leadership styles for the purpose of understanding the outside latent public’s prediction regarding organizational crisis responses. When analyzing a threat, practitioners should note its type (external vs. internal) and duration (long term vs. short term) as Jin and Cameron (2007) would argue. This study showed that people estimate a more accommodative stance and strategy when they perceive a transformational leadership style and a long-term external threat than a transactional leadership style and a short term internal organizational threat. That is, people are likely to expect that companies managed by transformational leadership would be open to constructive changes and would be easily accommodative in the long term external strong threat circumstance (e.g., a political scandal for decades), while companies managed by authoritative transactional leadership would be advocative in the short-term internal weak threat circumstance (e.g., a CEO’s recent scandal).

When intended organizational stance and strategy are extremely different from the stance and strategy expected by people, so there could be an additional conflict that makes the latent public become an active public. For example, when organizations continue to execute a “simple denial or evasion of responsibility” strategy, although people perceive a transformational leadership and a severe political/legal threat for a long time, people may feel surprised, disappointed, and angry. In this case, a more
accommodative movement seems to be desirable, if possible. If corporations strategically have to execute advocative actions in spite of the serious situation, practitioners need to internally prepare for an additional crisis management plan targeting “future active publics” just in case. If the corporate CEO is enlightened about crisis planning, practitioners at least won’t have difficulty preparing for the crisis management plan as Pang, Cropp, and Cameron (2006) argued.

When the participants perceived transactional leadership and a short-term internal weak threat, they expected the most advocative organizational stance and the least use of accommodative strategies compared with the four conditions. Considering the result, the following two scenarios are possible. On the one hand, advocacy by a company with a transactional leader would not be that surprising to people. People are likely to think that authoritative transactional leaders would not accommodate in a short term internal weak threat such as CEO’s personal scandal. Similar to the prediction, the company’s real advocacy in the weak rumor could be reasonably accepted by people, which is desirable to practitioners who want a calm solution without spending organizational resources.

On the other hand, unlike practitioners’ desire, when the weak rumor is becoming a highly visible hot issue enough to severely damage the corporate reputation due to the failure of omnidirectional risk communication, the corporate decision makers might want to choose an accommodative movement. In this case, the strong perception by people that transactional leadership would not be accommodative in the weak threat could be an obstacle against the successful soft landing of accommodative public relations strategies, corrective action and mortification. Thus, corporate communication practitioners need to be more assertive in launching the accommodation strategies. For instance, they can
clarify why they execute compensations and what corrective actions the company is systematically doing through various communication outlets.

Weak Threat?

According to the manipulation check results, the participants in this study perceived the political bribe scandal for decades as a strong threat and the CEO’s scandal rumor as a weak threat. That is, when people logically compared different threats, a long term external threat and a short term internal threat were perceived differently in terms of the severity of the threats (Jin & Cameron, 2007). However, when exposed to the condition of transformational leadership and a weak threat (CEO scandal rumor), interestingly, the participants in this study estimated that the company managed by a transformational leadership style would show the most accommodative stance and strategy. People seem to expect that companies managed by transformational leadership would respond in a very accommodative way even in dealing with the logically weak threat. In this condition, weak threat is not literally “weak.” Although it is logically weak, the outside latent public might want to see some accommodative actions by companies led by a transformational CEO who is open to changes. Considering the result, simply ignoring the “weak” threat that transformational leaders are involved in will be very risky. More careful accommodative strategy execution can be requested when a company managed by transformational leadership is engaged in a short term internal threat.
Size of Opposing Public

Based on the literature (Cancel, Mitrook, & Cameron, 1999; Hwang & Cameron, 2008, 2008a; Pang, 2006; Reber & Cameron, 2003), this study noted three important contingent factors in the outside latent public’s mind in regards to predicting crisis responses. The findings of this study indicated that perceived organizational leadership and perceived severity of threats were influential factors in the participants’ estimation of organizational crisis responses. However, this study did not find any interaction effects between perceived leadership and the perceived opposing public’s size. There was no main effect of perceived opposing public’s size on the participants’ estimation of stance ($F[1, 504] = .79, p = \text{ns}$), accommodative strategy ($F[1, 504] = .33, p = \text{ns}$), and advocative strategy ($F[1, 504] = .97, p = \text{ns}$). That is, the perceived opposing public’s physical size was not influential in the participants’ predictions of organizational crisis responses. Although conflicting public’s physical size can be an important factor to be considered for practitioners’ strategic crisis response decisions, the factor does not necessarily seem to be a significant factor for the dependent variables in this study, i.e., the outside latent public’s estimation of organizational crisis responses.

People perceive the clear physical differences in terms of size (as shown in the results of manipulation checks), but people could regard the different size of the opposing public in the same weight influencing the overall conflict. More importantly, this study suggests that practitioners need to pay attention to analyzing the perceived leadership styles and perceived nature of threats rather than the size of the opposing public in understanding the outside latent public’s prediction about organizational crisis responses.
People seem to be concerned with “who” is in charge of an issue and “what” the issue is when predicting organizational responses.

Efficiency of the Stance Measurement

This study measured the participants’ estimation of an organizational stance with the ten stance measurement items developed by Jin and Cameron (2006). The measurement items were systematically developed by the exploratory factor analysis and the subsequent confirmatory factor analysis of the data from surveyed practitioners. The two factors of Action-based Accommodations and Qualified-Rhetoric mixed Accommodations were constructs underlying the ten stance measurement items. Unlike their study surveying practitioners, this study only found the one-factor solution. That is, the outside latent public, who don’t know the intent of corporate public relations, does not seem to perceive the two conceptual dimensions underlying the ten stance measurement items.

However, in addition to the studies of Hwang and Cameron (2008, 2008a), this study asserts that the measurement items are useful in measuring the construct, organizational stance estimation by the outside latent public as well as the intended stance by practitioners, with the evidences of fully acceptable reliability values: α in the study by Hwang and Cameron (2008) = .947; α in the study by Hwang and Cameron (2008a) = .899; α in this study = .93. This solid reliability indicates that it is reasonable to recommend utilizing the measurement items for future contingent studies which measure organizational stance, opposing public’s stance, and the outside latent public’s estimation of organizational stances.
d. Limitation of the Study & Suggestion of Future Studies

Independent Variables

This study found the main effect of perceived leadership and the interaction effect of perceived leadership and perceived severity of threats on the participants’ prediction of organizational crisis communication. The clear differences in thought patterns produced by the factors should be noteworthy, but this study cannot argue that one or two factors examined are absolutely influential in the outside latent public’s estimation of corporate crisis communication. Notably, the effect sizes in this study are small to moderate, and therefore the examined factors only partly explain the variance of the dependent variables. In other words, a more exact explanation of individuals’ prediction about organizational crisis communication is possible by examining the perception of more likely influential contingent variables. For instance, perception of industry environment and general political/social environment could influence the outside latent public’s prediction about organizational crisis communication. Testing more factors is required in future studies for a more exact answer.

Regarding the leadership factor, this study only employed two styles – transformational leadership and transactional leadership. There is another leadership dimension emphasizing the use of power, democratic/egalitarian leadership and autocratic/authoritarian leadership. Although the two concepts partly share similar attributes with the dimensions of transformational leadership and transactional leadership, strictly speaking, democratic/egalitarian leadership and autocratic/authoritarian leadership are fundamentally different. A future study applying democratic/egalitarian
leadership and autocratic/authoritarian leadership will answer whether the outside latent public estimates similar organizational crisis communication patterns based on the same main or interaction effect as this study found.

Third, this study operationalized the size of external opposing public with hundreds of pressure group members and a handful of interest group members. If this study had operationalized a much larger group, then the main effect of large size or the interaction effect of perceived size of opposing public and perceived leadership might have been detected. This study does not rule out the possibility. However, this study did not operationalize the factor level of an extremely huge number but instead considered a realistically plausible number.

**Dependent Variables**

Next, future studies need to examine more diverse dependent variables such as attitude toward the organization and behavioral intention of product or stock purchase in addition to the stance and strategy estimation. Examining how the perception of various contingent factor level combinations influence the attitude or behavioral intention will also be an interesting topic for corporate communication practitioners who are responsible for promotional activities.

**Sample & Organizational Settings**

Fifth, this experimental study tested the contingent theoretical argument by sampling non-random samples of students. As indicated before, student samples are fine for testing the hypothesized multi-variate relationship in a scientific study as Basil et al.
(2002) argued. However, the other segment of the outside latent public, non-student sample, can show different values of stance/strategy estimation. Future survey research for predicting univariate estimates such as the average of stance estimation by the population will definitely have to recruit a more generalizable random sample.

Sixth, this study only explored how the outside latent public estimates an organizational crisis communication based on the perception of contingent factors. A study comparing the outside latent public’s answers and practitioners’ answers will be able to give a more practical implication to practitioners by directly spotlighting any similarity or difference in the expected crisis responses and the intended responses.

Seventh, similar studies can be performed in different organizational settings. This study examined a corporate setting. However, there are so many diverse organizations such as non-profit organizations and governmental organizations. Exploring the powerful contingent factors in the people’s mind predicting different organizational crisis responses can be another research agenda.

Statistical Analysis

Eighth, this study analyzed independent variables as fixed effects. Considering that the operationalized stories are drawn from a pool of possible stories, the independent variables in this study can be treated as random effects. The ANOVA tests assuming random effects could show the result that stories have variable effects. Future studies analyzing random effects could indicate further insights regarding message variations.

Finally, employing a structural equation model will be a good idea for comparing the degree of influence among different contingent factors on the dependent variables:
stance estimation, strategy estimation, attitude toward the organization, behavioral intention to purchase products (in profit organizations) or to use of services (in non-profit organizations), etc. The advanced statistical analysis will help us understand the mechanism among the variables.
CHAPTER 6
CONCLUSION

This study examined how the outside latent public estimates a corporation’s stance and strategy based on the perception of leadership, severity of threats, and opposing public’s size. The results of this study did not support the three-way interaction effect among the contingent variables on the participants’ estimation of organizational crisis communication. But, this study found the main effect of perceived leadership and the interaction effect of perceived leadership and perceived severity of threats on the stance and strategy estimation. The findings indicate that the contingent scholars’ theoretical argument about the dynamics of predisposing and situational factors can also be applied in terms of explaining the latent public’s prediction patterns about a corporation’s accommodative or advocative stance and strategy. That is, individuals estimate an organizational stance and strategy based on the perception of inner organizational leadership (transformational leadership vs. transactional leadership), while the estimated stance and strategy can be moderated by the perception of the nature of threats (strong vs. weak).

This study does not argue that the perception of certain factor levels or accommodation is always desirable or recommended. Organizations can ultimately choose their stance and execute message strategies by considering organizational interests, strategic plans, and limited resource constraints. In complex public relations situations, practitioners need more information in designing their strategic movement. If practitioners utilize the information about how perceived contingent conditions influence
people’s prediction patterns about organizational crisis communication, they will be able to
diagnose the similarities and/or differences between expected responses by people and intended responses by organizations. More scholarly efforts exploring the influence of contingent factors in the latent public’s mind estimating organizational responses will continue to offer the information necessary for efficient strategic mapping, but the decision of reducing or maintaining the possible gap of expectations and practices is still the responsibility of the organization’s practitioners.
Table 1

*The Pool of Message Combinations for Within-Subjects Exposed to Large Opposing Public Stories*

<table>
<thead>
<tr>
<th>Corporate setting</th>
<th>Message combination</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. Strong threat 1 + large public 1 + TFL 1</td>
</tr>
<tr>
<td>Information</td>
<td>2. Weak threat 1 + large public 2 + TFL 2</td>
</tr>
<tr>
<td>Technology</td>
<td>3. Strong threat 2 + large public 3 + TSL 1</td>
</tr>
<tr>
<td></td>
<td>4. Weak threat 2 + large public 4 + TSL 2</td>
</tr>
<tr>
<td>Clothes</td>
<td>1. Strong threat 1 + large public 1 + TFL 1</td>
</tr>
<tr>
<td></td>
<td>2. Weak threat 1 + large public 2 + TFL 2</td>
</tr>
<tr>
<td></td>
<td>3. Strong threat 2 + large public 3 + TSL 1</td>
</tr>
<tr>
<td></td>
<td>4. Weak threat 2 + large public 4 + TSL 2</td>
</tr>
<tr>
<td>Food</td>
<td>1. Strong threat 1 + large public 1 + TFL 1</td>
</tr>
<tr>
<td></td>
<td>2. Weak threat 1 + large public 2 + TFL 2</td>
</tr>
<tr>
<td></td>
<td>3. Strong threat 2 + large public 3 + TSL 1</td>
</tr>
<tr>
<td></td>
<td>4. Weak threat 2 + large public 4 + TSL 2</td>
</tr>
<tr>
<td>Construction</td>
<td>1. Strong threat 1 + large public 1 + TFL 1</td>
</tr>
<tr>
<td></td>
<td>2. Weak threat 1 + large public 2 + TFL 2</td>
</tr>
<tr>
<td></td>
<td>3. Strong threat 2 + large public 3 + TSL 1</td>
</tr>
<tr>
<td></td>
<td>4. Weak threat 2 + large public 4 + TSL 2</td>
</tr>
</tbody>
</table>

Note: The pool of message combinations for within-subjects exposed to small opposing public stories has only small opposing public stories instead of large opposing public stories.
<table>
<thead>
<tr>
<th>Factor</th>
<th>Factor Level</th>
<th>Message Variation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Transformational</td>
<td>Story 1: The vision of the 21st world’s best company in the industry + innovative changes + contribution to the community and the national economy</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Story 2: The vision of becoming the top company by 2015 + employees’ education &amp; welfare + appeal for active participation</td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td>Transactional</td>
<td>Story 1: Promotion of 300 employees + 300% bonus + layoff of 400 employees + identifying lazy employees who privately use MSN messenger</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Story 2: Promotion of hundreds of employees + stock options at $10,000 + layoff of part time employees + identifying lazy employees who trade stocks online</td>
<td></td>
</tr>
<tr>
<td>Threat</td>
<td>Strong</td>
<td>Story 1: Political bribes to congressmen</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Weak</td>
<td>Story 2: Political bribes to government officials</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Story 1: CEO’s sex scandal rumors with his secretary</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Story 2: CEO’s sex scandal rumors with the company’s line manager</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Large</td>
<td>Story 1: Hundreds of members of the pressure group People’s Voice</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Story 2: Hundreds of members of the protest group Neo Capitalism</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Story 3: More than five hundred people in the group Society &amp; Justice</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Story 4: An estimated five hundred members of Bright Future Communication</td>
<td></td>
</tr>
<tr>
<td>Opposing Public’s Size</td>
<td>Small</td>
<td>Story 1: Chase Lyon, a member of the group People’s Voice</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Story 2: A man who belongs to a group called Neo Capitalism</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Story 3: Katherine Moore, a thirty-something member of the interest group Society &amp; Justice</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Story 4: Two members of the pressure group Bright Future Communication</td>
<td></td>
</tr>
</tbody>
</table>

Note: Corporate settings: mobile phone (A); jean (B); ice cream (C); and construction (D)
<table>
<thead>
<tr>
<th>Operationalization</th>
<th>Story1</th>
<th>Story2</th>
</tr>
</thead>
<tbody>
<tr>
<td>The CEO suggests clear vision</td>
<td>4.82 (1.28)</td>
<td>5.32 (1.42)</td>
</tr>
<tr>
<td>The CEO clearly explains the way vision is accomplished</td>
<td>4.14 (1.21)</td>
<td>5.04 (1.59)</td>
</tr>
<tr>
<td>TFL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The CEO shows confident and positive behavior and expression</td>
<td>5.25 (1.27)</td>
<td>5.46 (1.73)</td>
</tr>
<tr>
<td>The CEO encourages followers towards vision.</td>
<td>4.86 (1.49)</td>
<td>5.46 (1.50)</td>
</tr>
<tr>
<td>• Indexed score</td>
<td>4.77 (1.09)</td>
<td>5.32 (1.38)</td>
</tr>
<tr>
<td>The CEO clearly explains what work should be done to get rewards and what will be given.</td>
<td>3.79 (1.50)</td>
<td>4.39 (1.32)</td>
</tr>
<tr>
<td>The CEO often seems to use punishments when work is not satisfactory.</td>
<td>5.54 (1.67)</td>
<td>5.32 (1.42)</td>
</tr>
<tr>
<td>TSL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The CEO finds employees’ errors and strengthens rules to prevent errors.</td>
<td>4.57 (1.84)</td>
<td>4.64 (1.39)</td>
</tr>
<tr>
<td>• Indexed score</td>
<td>4.63 (1.18)</td>
<td>4.78 (.84)</td>
</tr>
</tbody>
</table>

Note: TFL: transformational leadership; TSL: transactional leadership
Table 4

Operationalization: The Estimation of an Organization’s Stance in a Crisis

Given the situation, the company will ____________ (1 = Completely Unwilling, 7 = Completely Willing)

**AA: Action-based Accommodations**

1. To yield to the public’s demands
2. To agree to follow what the public proposed
3. To accept the public’s propositions
4. To agree with the public on future action or procedure
5. To agree to try the solutions suggested by the public

**QRA: Qualified-Rhetoric-mixed Accommodations**

1. To express regret or apologize to the public
2. To collaborate with the public in order to solve the problem at hand
3. To change its own position toward that of the public
4. To make concessions with the public
5. To admit wrongdoing
Table 5

*Operationalization: The Estimation of an Organization's Strategy in a Crisis*

Given the situation, the company will __________________________ (1 = strongly disagree, 7 = strongly agree)

1. Deny that it or its CEO performed the problematic act or say that the act was performed by another (Denial)

2. Evade responsibility by saying that it or its CEO only responded to act of another, it or its CEO was lack of information or ability to deal with the act, the act was only a mishap, or it or its CEO meant good intentions (Evasion of Responsibility)

3. Reduce offensiveness of event by stressing its good traits, minimizing the seriousness of act, differentiating the act from similar ones, emphasizing more important considerations, reducing credibility of accuser, or reimbursing victims (Reducing Offensiveness of Event)

4. Show correct actions by announcing or executing a plan to solve or prevent problem (Corrective Action)

5. Apologize for act (Mortification)
Table 6

*Factor Loadings of Stance (N = 128)*

<table>
<thead>
<tr>
<th>Items</th>
<th>Stance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company will yield to the public’s demands.</td>
<td>.810</td>
</tr>
<tr>
<td>The company will agree to follow what the public proposed.</td>
<td>.815</td>
</tr>
<tr>
<td>The company will accept the publics’ propositions.</td>
<td>.831</td>
</tr>
<tr>
<td>The company will agree with the public on future action or procedure.</td>
<td>.735</td>
</tr>
<tr>
<td>The company will agree to try the solutions suggested by the public.</td>
<td>.788</td>
</tr>
<tr>
<td>The company will express regret or apologize to the public.</td>
<td>.673</td>
</tr>
<tr>
<td>The company will collaborate with the public in order to solve the problem at hand.</td>
<td>.784</td>
</tr>
<tr>
<td>The company will change its own position toward that of the public.</td>
<td>.673</td>
</tr>
<tr>
<td>The company will make concessions with the public.</td>
<td>.783</td>
</tr>
<tr>
<td>The company will admit wrongdoing.</td>
<td>.658</td>
</tr>
</tbody>
</table>

Note: Factor extracted by Principal Axis Factoring
Table 7

*Factor Loadings of Advocative Strategy and Accommodative Strategy (N = 128)*

<table>
<thead>
<tr>
<th>Factor</th>
<th>Advocative strategy</th>
<th>Accommodative strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denial</td>
<td>.678</td>
<td>-.190</td>
</tr>
<tr>
<td>Evading responsibility</td>
<td>.712</td>
<td>-.005</td>
</tr>
<tr>
<td>Reducing offensiveness</td>
<td>.560</td>
<td>.256</td>
</tr>
<tr>
<td>Corrective action</td>
<td>.125</td>
<td>.747</td>
</tr>
<tr>
<td>Mortification</td>
<td>-.121</td>
<td>.745</td>
</tr>
</tbody>
</table>

Note: Factors extracted by Principal Axis Factoring and rotated by Varimax method
Table 8

*Manipulation Checks: Perceived Leadership*

<table>
<thead>
<tr>
<th>Operationalization</th>
<th>Story1</th>
<th>Story2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean (S.D.)</td>
<td>Mean (S.D.)</td>
</tr>
<tr>
<td>The CEO suggests clear vision</td>
<td>5.34 (1.31)</td>
<td>5.42 (1.20)</td>
</tr>
<tr>
<td>The CEO clearly explains the way vision is accomplished</td>
<td>4.87 (1.35)</td>
<td>5.31 (1.19)</td>
</tr>
<tr>
<td>TFL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The CEO shows confident and positive behavior and expression</td>
<td>5.74 (1.07)</td>
<td>5.52 (1.17)</td>
</tr>
<tr>
<td>The CEO encourages followers towards vision.</td>
<td>5.66 (1.11)</td>
<td>5.52 (1.14)</td>
</tr>
<tr>
<td>• Indexed score</td>
<td>5.40 (.99)</td>
<td>5.44 (.99)</td>
</tr>
<tr>
<td>TSL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The CEO clearly explains what work should be done to get rewards and what will be given.</td>
<td>4.91 (1.61)</td>
<td>4.24 (1.54)</td>
</tr>
<tr>
<td>The CEO often seems to use punishments when work is not satisfactory.</td>
<td>5.75 (1.29)</td>
<td>5.53 (1.24)</td>
</tr>
<tr>
<td>The CEO finds employees’ errors and strengthens rules to prevent errors.</td>
<td>5.23 (1.28)</td>
<td>4.88 (1.33)</td>
</tr>
<tr>
<td>• Indexed score</td>
<td>5.29 (.95)</td>
<td>4.88 (1.03)</td>
</tr>
</tbody>
</table>

Note: TFL: transformational leadership; TSL: transactional leadership
<table>
<thead>
<tr>
<th>Measured Effects</th>
<th>Hypotheses</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main effect of perceived leadership</strong></td>
<td>H1: Participants will estimate a more accommodative stance when exposed to transformational leadership than transactional leadership.</td>
<td>S</td>
</tr>
<tr>
<td></td>
<td>H1-1: Participants will estimate more accommodative strategies when exposed to transformational leadership than transactional leadership.</td>
<td>NS</td>
</tr>
<tr>
<td></td>
<td>H1-2: Participants will estimate more advocative strategies when exposed to transactional leadership than transformational leadership.</td>
<td>S</td>
</tr>
<tr>
<td><strong>Three-way interaction effect among perceived leadership, perceived severity of threats, and perceived opposing public’s size</strong></td>
<td>H2: Participants will estimate the most accommodative organization stance when they perceive transformational leadership, a strong threat, and a large external public.</td>
<td>NS</td>
</tr>
<tr>
<td></td>
<td>H2-1: Participants will estimate the most accommodative strategies when they perceive transformational leadership, a strong threat, and a large external public rather than any other conditional combinations.</td>
<td>NS</td>
</tr>
<tr>
<td></td>
<td>H3: Participants will estimate the most advocative organization stance when they perceive transactional leadership, a weak threat, and a small external public.</td>
<td>NS</td>
</tr>
<tr>
<td></td>
<td>H3-1: Participants will estimate the most advocative strategies when they perceive transactional leadership, a weak threat, and a small external public rather than any other conditional combinations.</td>
<td>NS</td>
</tr>
<tr>
<td><strong>Two-way interaction effect between perceived leadership and perceived severity of threats</strong></td>
<td>H4: Participants will estimate a more accommodative stance when they perceive transformational leadership and a strong threat than transactional leadership and a weak threat.</td>
<td>S</td>
</tr>
<tr>
<td></td>
<td>H4-1: Participants will estimate more accommodative strategies when they perceive transformational leadership and a strong threat than transactional leadership and a weak threat.</td>
<td>S</td>
</tr>
<tr>
<td>Two-way interaction effect of perceived leadership and perceived opposing public’s size</td>
<td>H4-2: Participants will estimate more advocative strategies when they perceive transactional leadership and a weak threat than transformational leadership and a strong threat.</td>
<td>NS</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>H5: Participants will estimate a more accommodative stance when they perceive transformational leadership and a large external public than transactional leadership and a small external public.</td>
<td>NS</td>
</tr>
<tr>
<td></td>
<td>H5-1: Participants will estimate more accommodative strategies when they perceive transformational leadership and a large external public than transactional leadership and a small external public.</td>
<td>NS</td>
</tr>
<tr>
<td></td>
<td>H5-2: Participants will estimate more advocative strategies when they perceive transactional leadership and a small external public than transformational leadership and a large external public.</td>
<td>NS</td>
</tr>
</tbody>
</table>

Note: S: Supported; NS: Not Supported
Figure 1

The Advocacy-Accommodation Continuum

Pure Advocacy I--------------------------------------------I Pure Accommodation

Figure 2

Emotional laden contingency model

For a Public at a Given Time
Figure 3

*Dimensions of Threat*

[Diagram showing the dimensions of threat with axes for Threat Type (External, Internal), Threat Level (High, Low), and Threat Duration (Short-term, Long-term). A line marked "Leading to Crisis" connects the High External and Long-term axes.]
Figure 4

Scree Plot: Stance

Note: Only one factor has eigenvalue bigger than 1 (One-factor solution)
Figure 5

Scree Plot: Advocative Strategy and Accommodative Strategy

Note: Two factors have eigenvalues bigger than 1 (Two-factor solution).
Figure 6

Normal Q-Q plot of the Index Score of Stance Measurement Items

Note: The diagonal line indicates the normality of the index score data of stance measurement items.
Figure 7

*Normal Q-Q plot of the Index Score of Advocative Strategy*

Note: The diagonal line indicates the normality of the index score data of advocative strategy measurement items.
Figure 8

Normal Q-Q plot of the Index Score of Accommodative Strategy

Note: The diagonal line indicates the normality of the index score data of accommodative strategy measurement items.
Interaction effect between Perceived Leadership and Perceived Severity of Threats on the Stance Estimation

Note: TFL: transformational leadership; TSL: transactional leadership
Figure 10

*Interaction effect between Perceived Leadership and Perceived Severity of Threats on the Accommodative Strategy Estimation*

Note: TFL: transformational leadership; TSL: transactional leadership
APPENDIX A

The Contingent Factors

Situational variables

Threats

- Litigation
- Government regulation
- Potentially damaging publicity
- Scarring of company’s reputation in the business community and in the general public
- Legitimizing activists’ claims

Industry environment

- Changing (dynamic) or static
- Number of competitors/ level of competition
- Richness or leanness of resources in the environment

General political/social environment/ external culture

- Degree of political support of business
- Degree of social support of business

The external public (group, individual, etc.)

- Size and/ or number of members
- Degree of source credibility/ powerful members or connections
- Past successes or failures of groups to evoke change
- Amount of advocacy practiced by the organization
- Level of commitment/ involvement of members
- Whether the group has public relations counselors
- Public’s perception of group: reasonable or radical
- Level of media coverage the public has received in past
- Whether representatives of the public know or like representatives of the organization
- Whether representatives of the organization know or like representatives from the public
- Public’s willingness to dilute its cause/request/claim
- Moves and countermoves
- Relative power of organization
- Relative power of public

Issue under question
- Size
- Stake
- Complexity

**Predisposing variables**

Organization characteristics

- Open or closed culture
- Dispersed widely geographically or centralized
- Level of technology the organization uses to produce its product or service
- Homogeneity or heterogeneity of officials involved
- Age of the organization/ value placed on tradition
- Speed of growth in the knowledge level the organization uses
- Economic stability of the organization
- Existence or nonexistence of issues management officials or program
- Organization’s past experiences with the public
- Distribution of decision-making power
- Formalization: number of roles or codes defining and limiting the job
- Stratification/hierarchy of positions
- Existence or influence of legal department
- Business exposure
- Corporate culture

Public relations department characteristics

- Number of practitioners and number of college degrees
- Type of past training: trained in PR or ex-journalists, marketing, etc.
- Location of PR department in hierarchy: independent or under marketing umbrella/experiencing encroachment of marketing/persuasive mentality
- Representation in the dominant coalition
- Experience level of PR practitioners in dealing with crisis
- General communication competency of department
- Autonomy of department
- Physical placement of department in building (near CEO and other decision makers or not)
- Staff trained in research methods
- Amount of funding available for dealing with external publics
- Amount of time allowed to use dealing with external publics
- Gender: percentage of female upper-level staff/managers
- Potential of department to practice various models of public relations

Characteristics of dominant coalition (top management)

- Political values: conservative or liberal/closed or open to change
● Management style: domineering or laid-back
● General altruism level
● Support and understanding of PR
● Frequency of external contact with publics
● Departmental perception of the organization’s external environment
● Calculation of potential rewards or losses using different strategies with external publics
● Degree of line manager involvement in external affairs

Internal threats

● Economic loss or gain from implementing various stances
● Marring of employees or stockholders’ perception of the company
● Marring of the personal reputations of the company’s decision makers

Individual characteristics (public relations practitioners, domestic coalition, and line managers)

● Training in diplomacy, marketing, journalism, engineering, etc.
● Personal ethics
● Tolerance or ability to deal with uncertainty
● Comfort level with conflict or dissonance
● Comfort level with change
● Ability to recognize potential and existing problems
● Extent to openness to innovation
● Extent to which individual can grasp others’ worldview
● Personality: dogmatic, authoritarian
● Communication competency
● Cognitive complexity: ability to handle complex problems
● Predisposition toward negotiations
● Predisposition toward altruism
● How individuals receive, process, and use information and influence
● Familiarity with external public or its representative
● Like external public or its representative
● Gender: female versus male

Relationship characteristics

● Level of trust between organization and external public
● Dependency of parties involved
● Ideological barriers between organization and public
Threat: Strong Threat Story 1

CNN news recently reported that company A has been offering illegal political bribes to dozens of House Representatives and nine senators for the last ten years. The alleged bribes were an attempt to block a newly strengthened environment protection bill. According to CNN, the company has not built environment protection facilities or purchased the equipment required by the bill. Prosecutors are set to file charges in this bribe scandal.
Threat: Strong Threat Story 2

ABC news recently reported that company B has offered illegal political bribes to approximately thirty taxation government officials in the last ten years. According to the ABC story, the company is delinquent on 50 percent of its back taxes. Prosecutors are preparing an indictment.
Examples of Stimulus Messages

Threat: Weak Threat Story 1

Recently, an online rumor has become big news. The rumor accuses Daniel Johnson, the CEO of ice cream corporation C, of having an affair with his secretary Susan Brown. Currently, there is no clear evidence to support the idea that Johnson and Brown are involved in an affair; but nonetheless, the rumor is producing many questions and some plausible speculations. People close to Johnson say they expect that the situation will settle down soon.
APPENDIX B (continued)

Examples of Stimulus Messages

Threat: Weak Threat Story 2

A rumor about apartment construction company D CEO Michael Hudson is spreading quickly throughout the online communication sphere. The origin of the rumor is unknown. The rumor deals with affairs between the CEO and the company’s line manager Rachel Fisher that allegedly took place while Hudson and Fisher attended a foreign convention. In spite of there being no tangible evidence, the rumor about the CEO has become one of the hottest online issues. However, business experts are optimistic that the rumor will disappear sooner or later.
Examples of Stimulus Messages

Opposing Public’s Size: Large External Public Story 1

A pressure group called “People’s Voice” has strongly criticized the immorality of the company, and hundreds of members have demonstrated in front of the company’s headquarters on Michigan Avenue in Chicago. The mass demonstration has been causing severe traffic jams around the area. “The company must apologize and must take appropriate actions,” said Chase Lyon, a representative of the group.
APPENDIX B (continued)

Examples of Stimulus Messages

Opposing Public’s Size: Large External Public Story 2

Hundreds of members of the protest group “Neo Capitalism” organized and led a demonstration at the company’s New York headquarters to denounce the company’s alleged wrongdoings. The group demanded that the company voluntarily reveal all the history around the scandal and to correct the problems. Furthermore, they insisted that the company “clean up its management” and offer a sincere apology.
APPENDIX B (continued)

Examples of Stimulus Messages

Opposing Public’s Size: Large External Public Story 3

The employees working at the Seattle headquarters were not able to work normally due to the boisterous demonstration by more than five hundred people, today. The group “Society & Justice” orchestrated the mass demonstration. One of the members, Katherine Moore, warned the company and its CEO by saying “We are so disappointed about the news and the company. Without a true apology and real solutions, the company won’t find any exit.”
APPENDIX B (continued)

Examples of Stimulus Messages

Opposing Public’s Size: Large External Public Story 4

The interest group “Bright Future Communication” condemned the company during a street demonstration at the company’s headquarters. Currently, an estimated five hundred members of the group are occupying an area around the headquarters building in Dallas, TX. The group is demanding a full apology and immediate action from the company.
APPENDIX B (continued)

Examples of Stimulus Messages

Opposing Public’s Size: Small External Public Story 1

Chase Lyon, a member of the group “People’s Voice,” held sporadic demonstrations in front of the headquarters of the company on the Michigan avenue in Chicago criticizing the company’s alleged immorality. “The company must fully apologize and provide some acceptable action,” Lyon said.
APPENDIX B (continued)

Examples of Stimulus Messages

Opposing Public’s Size: Small External Public Story 2

A man who belongs to a group called “Neo Capitalism” demonstrated in front of the headquarters of the New York company and openly denounced the company’s wrongdoings. He demanded the company voluntarily reveal all the history around the scandal and that the company correct any problems. Further, he insisted that the company clean up its management and offer a sincere apology.
Opposing Public’s Size: Small External Public Story 3

The employees working at the headquarters of the Seattle company met with Katherine Moore, a thirty-something member of the interest group “Society & Justice,” who has reportedly criticized the immorality of the company. She warned the company and its CEO, “I am so disappointed about the news and the company. Without a true apology and real solutions, the company won’t find any easy exit from this situation.”
Opposing Public’s Size: Small External Public Story 4

Two members of the pressure group “Bright Future Communication” have condemned the company by conducting street demonstrations around the Dallas headquarters. The employees working at the building have heard the group’s arguments demanding a full apology and thorough solutions from the company.
Examples of Stimulus Messages

Leadership: Transformational Leadership Story 1

Mobile Phone company A CEO John Miller has managed the phone company since 2003. In a New Years greeting to his employees, Miller said, “It’s time to prepare for the next hurdle – time to become the first and best mobile phone company in the world.”

To accomplish this vision, the CEO made an intensive investment in new strategic products. At the present time, the company is allocating most of its resources in developing the products. A more important factor in making that dream come true, he said, will be “the unrelenting efforts of everyone – from top managers to the newest employees – who will push for self-development and innovative changes.” As an example of innovative change, Miller suggested moving the standard work hours from 8am-5pm to 7am-4pm.

The CEO said that change is not just an attempt to avoid the rush hour, but rather an idea that will give employees more of a chance to learn new knowledge and skills for improving job proficiency at the company’s ten specialized institutions. It also gives employees a chance to take care of their health without having to worry about missing work. He expects they’ll work more intensely as a result.

Using bi-monthly announcements, Miller also reminds his employees of the confidence he has that the company A can reach its goal of being the best of the best. Reaching that goal will boost the local and national economy, he says, but it will also do a lot for employee’s quality of life.
Leadership: Transformational Leadership Story 2

Johnson has been head of the ice cream company C for the last four years. In a meeting with the employees, he said, “we need to strategically invest our resources to become the top ice cream company in the world by 2015.”

The most important factor in making that dream come true, he said, will be to expand employees’ training and enhance their morale. He announced intensive investment plans for employees’ education and welfare. As examples of the investment, he suggested adding a new computer education program, offering opportunities to participate in foreign language programs to current and prospective regional experts, and constructing five well-being facilities including large fitness centers.

“Due to the immense costs, these investments were not easy decisions for me and the company executives, but we strongly believe that doing so will be ultimately a win-win strategy for both our organizational goals and for individual employees’ welfare,” the CEO said.

Johnson also asked his employees to actively participate in the educational opportunities and fully utilize the new welfare facilities in order to ultimately reach the company’s vision of being the top ice cream company in the country.
Leadership: Transactional Leadership Story 1

Five years ago, Jeremy Foxx became the CEO of Jean manufacturing company B. Foxx has introduced a management style that rewards employees for good performances and punishes employees who do not embrace corporate growth.

During the last year, Foxx promoted 300 employees, which is the largest number of promotions in the company’s history and an outstanding achievement considering the general trend in the industry.

“Everyone who had received over 90 points on the employee performance rating system I devised was promoted to manager positions,” he said.

Foxx also gave newly promoted managers bonuses of up to 300 % of their monthly salaries. But in the same period, Foxx fired all 400 of the employees who organized a strike in a factory in Bulgaria.

Recently, pointing out that many employees spend too much time sending personal instant online messages during working hours, the CEO said he’s thinking about installing a computer system to identify such lazy laborers and warn them that they’re being watched. Behind the fast growth of the company is the CEO’s stringent management philosophy.
APPENDIX B (continued)

Examples of Stimulus Messages

Leadership: Transactional Leadership Story 2

Construction company D appointed Michael Hudson as its third CEO on April 1st of 2003. Many business experts describe his management style as “carrots and sticks.”

Last year, several economic newspapers reported the company had the best promotion record in the industry. At that time, Hudson said “We offered stock options valued at amount of $10,000 and a line-manager promotion to hundreds of employees ranked in the upper 30% in the company’s performance appraisal.” However, the CEO also fired hundreds of part time employees who participated in a strike at a factory in Mexico. Business scholars often talk about the two incidents as typical examples of Hudson’s leadership style.

Recently, many corporate leaders expressed concern that their employees are likely to spend too much time trading stocks online during working hours. Hudson again showed his management style by saying “this company does not need lazy employees. I am thinking about installing a computer system that will help us identify them. Anyone identified by the system will be punished.”
REFERENCES


Sungwook Hwang was born February 14, 1975, in Daegu, Republic of Korea. He received B.A. in Public Administration from Pusan National University (1997) in Republic of Korea, M.A. in Journalism from the University of Missouri – Columbia (2003), and Ph.D. in Journalism from the University of Missouri – Columbia (2008). His professional careers as a personnel officer in Korean Army (1997-1999) and public relations account executive in the largest South Korean strategic communication agency Cheil Communications (2004-2005) offer practical insight for his research interest, public relations as strategic conflict management.