

CORPORATE SOCIAL RESPONSIBILITY AND CRISIS COMMUNICATION: NIKE
TAIWAN JORDAN CRISIS VS. PAOLYTA BULLWILD CRISIS

By

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Yi-Shan Hsu

I would like to dedicate this thesis to my dear family, particularly my parents.
For their permanent love and support.

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Few previous studies have investigated the relationship between corporate social responsibility and crisis communication in terms of public relations. Thus, the primary purpose of the current research is to compare the Nike Taiwan Jordan crisis and Paolyta Bullwild crisis to examine the potential correlation between corporate social responsibility and crisis communication.

This study adopted a textual analysis using related English and Chinese language news articles to gain information on how the corporations dealt with their crises. In addition, a self-administered survey was conducted to better understand public perceptions of corporate social responsibility and crisis communication by comparing the two crises in Taiwan.

The results of the study illustrate the significance of corporate social responsibility as a whole. The study also notes that corporate social responsibility in crisis communication is similar in different socioeconomic and cultural contexts. Most

importantly, it found that the more publics perceive the corporation as practicing corporate social responsibility in a crisis, the more they support the corporation. Therefore, the corporation that did not practice corporate social responsibility during its crisis was unsuccessful in its crisis communication. Corporate social responsibility is positively associated with crisis communication in terms of public perceptions. The study also indicates that brand recognition is helpful to crisis communication.

In terms of crisis communication, the present study suggests that corporations should think and act ethically by practicing corporate social responsibility, which has the ability to influence public perceptions in crisis communication. Ultimately, an organization cannot sustain itself legitimately without considering its publics and the environment.

CHAPTER 1 INTRODUCTION

Corporate social responsibility and crisis communication are key subjects in the field of public relations, as numerous researchers have conducted separate studies on these focal points (Edmunds, 1977; Shrivastava, Mitroff, Miller, & Maglani, 1988; Coombs, 1998; Ulmer & Sellnow, 2000; Knox & Maklan, 2004; Garriga & Melé, 2004; Stone, 2005). However, few studies explore the potential correlation between corporate social responsibility and crisis communication. In view of the lack of research regarding their correlation, this study investigates the role of corporate social responsibility in crisis communication by examining Nike and Paolyta public relations crises in Taiwan.

Though Bernays (1980) pointed out early on that “public relations is the practice of social responsibility” (cited in Stone, 2005, p. 31), the majority of corporations rely on public relations for profit rather than a sense of civic duty. Likewise, Friedman (1962, 1970) argued that “the only responsibility of business is to maximize profits within the rules of the game” (Wartick & Cochran, 1985, p. 759).

Yet, with the onslaught of globalization, corporate social responsibility has been regarded as a key factor influencing corporations: “Business practices, even those conducted a very long way from their home markets, can be subject to intense scrutiny and comment by customers, employees, suppliers, shareholders, and governments, as well as other groups upon whose support the business relies” (Knox & Maklan, 2004, p. 509). Steiner and Steiner (2003) have similarly indicated that corporate social

responsibility is “the duty a corporation has to create wealth by using means that avoid harm to, protect, or enhance societal assets” (p. 126).

In addition, crisis communication has emerged as a considerably significant topic in the arena of public relations research since it helps organizations diminish possible losses when faced with a crisis (Ulmer & Sellnow, 2000). Corporate social responsibility also seems to influence the effectiveness of crisis communication. Tombs and Smith (1995) noted that socially responsible corporations are more likely to make crisis-avoiding decisions.

Furthermore, “many communication crises stem from CSR issues” (“Senior PR,” 2003, ¶ 5), including Johnson & Johnson's Tylenol crisis in 1982, Pepsico's syringe crisis in 1993, the Exxon Valdez oil spill crisis, and the Jack-in-the-Box crisis, among others (Stone, 2005). Thus, it is worthwhile to examine how corporate social responsibility affects crisis communication.

The following chapters present a literature review and a study of Taiwan's Nike and Paolyta, as well as the methodology, findings, and a discussion of the research provided. The literature review introduces the concepts of corporate social responsibility (e.g., instrumental theories, political theories, integrative theories, and ethical theories) and crisis communication. The following chapter offers a broad analysis of the Taiwan Nike and Paolyta crises while presenting hypotheses and research questions associated with the study. The methodology chapter shows how the primary research (i.e., survey) and secondary research (i.e., textual analysis) were conducted and analyzed for this study. Analyzed data are presented in the findings chapter, while the final discussion chapter addresses how the findings were associated with corporate social responsibility and crisis

communication. This chapter also notes limitations of the study, proposes suggestions for future research, and provides a conclusion to the study.

CHAPTER 2 LITERATURE REVIEW

Corporate Social Responsibility: Origin And History

Bowen (1953) first explored the concept of corporate social responsibility when he asserted that “businessmen have an obligation to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society” (p. 6).

Wartick and Cochran (1985) further argued that corporate social responsibility asserts the importance of duty and morality. “Duty” refers to a corporation's obligation to obey societal rules because corporations also benefit from society, while “morality” references a corporation's moral obligation to consider other factors beyond the company in identifying legitimate forms of social conduct (Ozar, 1979; Rawls, 1971).

The concept of corporate social responsibility has varied over time with the evolution of economic and political structures. Under the previous prevailing authority structure of economics and politics, corporations considered stockholders and profits their sole responsibility (Edmunds, 1977). However, three notable events shifted the concept of corporate social responsibility: the industrial, financial, and distributional revolutions in the United States (Edmunds, 1977).

Due to the Civil War, a number of enterprises began to “incorporate” and become so-called “trusts”. These trusts faced opposition from populist and grange movements threatened by the power of trusts to manipulate commodity prices (Edmunds, 1977).

Thus, the industrial revolution was spurred by the growing need for socially responsible corporations, which lead to labor laws and the legislation of fair trade practices.

The public loss of confidence in business after the Great Depression incited a financial revolution circa 1930. As Edmunds (1977) noted, severe unemployment at that time mostly resulted from business failures and consequently, “the social responsibility of business had been augmented to be commensurate with its power over the livelihood of individuals” (p. 40). Thus, more labor and social legislations affecting business were passed in an effort to prevent unemployment and other potential problems. Furthermore, the public economic system was revised to reduce the power of the private economic system.

The distributional revolution was born of the new balance created between the private and public economic systems. The government could now regulate prices when the private economic system was out of control, while the private economic system could influence the government via political contributions or consumer opinion (Edmunds, 1977). With the advent of consumerism and environmentalism, corporations faced new social responsibilities from the government and the public, such as environmental legislation and consumer protection measures. As Hess, Rogovsky, and Dunfee (2002) pointed out, “more is implicitly and explicitly expected from corporations extending beyond their economic purpose and legal responsibilities” (cited in Tracey, Phillips, & Haugh, 2005, p. 329).

Corporate Social Responsibility: Ideologies

As Votaw noted, “Corporate social responsibility means something, but not always the same thing to everyone” (cited in Garriga & Melé, 2004, p. 51). Researchers have developed a variety of different definitions and theories with regard to corporate social

responsibility. For instance, social issues management, stakeholder management, corporate accountability, corporate citizenship, and corporate sustainability are all different terms representing the concept of corporate social responsibility (Garriga & Melé, 2004).

Referencing ideology, Carroll (1994) contended that corporate social responsibility is “an eclectic field with loose boundaries, multiple memberships, and differing training/perspectives; broadly rather than focused, multidisciplinary; wide breadth; brings in a wider range of literature; and interdisciplinary” (p. 14). Acknowledging that it is difficult to classify the numerous theories of corporate social responsibility, some scholars still attempted to provide their own classifications. Brummer (1991), for instance, identified six criteria (e.g., motive, relations to profits, group affected by decisions, type of act, type of effect, expressed or ideal interest) to classify the various theories of corporate social responsibility.

This study categorizes the theories of corporate social responsibility via the classification method developed by Garriga and Melé (2004). The authors divided these theories into four groups in virtue of economics, politics, social integration, and ethics: a) instrumental theories, b) political theories, c) integrative theories, and d) ethical theories.

Instrumental Theories

The purpose of instrumental theory is to maximize the value of shareholders (Garriga & Melé, 2004). For instance, the most famous saying in this field is, “The only responsibility of business towards society is the maximization of profits to the shareholders within the legal framework and the ethical custom of the country” (Friedman, 1970, p. 32).

Friedman (1962, 1970) also contended that so-called social responsibility is “unethical” because corporate resources and earnings belong to the corporation and not the society. To spend corporate resources and earnings on society confuses the objective of corporations and takes away the property of shareholders. The only social responsibility of corporations, therefore, is the economic responsibility of producing profits.

Similar to Friedman’s conceptualization of economic responsibility, Porter and Kramer (2002) held that “philanthropic investments by members of cluster, either individually or collectively, can have a powerful effect on the cluster competitiveness and the performance of all its constituents companies” (pp. 60-61). That is, organizations can invest in social and ethical activities outside normal business practices to increase competition and productivity.

Moreover, Murray and Montanari (1986) pointed out that the goal of organizations is “to enhance company revenues and sales or customer relationships by building the brand through the acquisition of, and association with the ethical dimension or social responsibility dimension” (cited in Garriga & Melé, 2004, p. 55).

Walters (1977), however, noted that this kind of economic responsibility is unrealistic because it “neglects the long run consequences of profit maximization and fails to identify the appropriate relationship between the manager and changing political and legal conditions” (Wartick, & Cochran, 1985, p. 760). In short, it is myopic to ignore the other larger factors, such as the political system, affecting corporate productivity.

Political Theories

Based on Locke, Donaldson (1982) offered a distinct point of view regarding corporate social responsibility. He argued that “a sort of implicit social contract between

business and society exists. This social contract implies some indirect obligations of business towards society” (cited in Garriga & Melé, 2004, p. 56). Thus, organizations operating in society agree to their responsibility toward society. Likewise, it is society's “consent” that allows organizations to operate.

The concept of “corporate citizenship” (Altman & Vidaver-Cohen, 2000) echoes Donaldson's notion of corporate social responsibility, implying that corporate responsibility originates in societal rights. In addition, Wood and Logsdon (2002) asserted that “business citizenship cannot be deemed equivalent to individual citizenship – instead it derives from and is secondary to individual citizenship” (p. 86).

Ultimately, most scholars share the common view of political theories that corporations should have “a strong sense of business responsibility towards the local community, partnerships, which are the specific ways of formalizing the willingness to improve the local community and for consideration for the environment” (Garriga & Melé, 2004, p. 57).

Integrative Theories

Unlike instrumental and political theories, integrative theories take social demands into account. More specifically, “integrative theories are focused on the detection and scanning of, and response to, the social demands that achieve social legitimacy, greater social acceptance and prestige” (Garriga & Melé, 2004, p. 58). As Preston and Post (1981) suggested, the legitimate scope of corporate social responsibility is within “the framework of relevant public policy” (p. 57). Namely, corporate social responsibility is public responsibility. For them, the definition of “social responsibility” can vary for different interest groups; however, the term “public responsibility” clearly indicates a responsibility to the public by allowing for public policy. Here, public policy includes

“not only the literal text of law and regulation but also the broad pattern of social direction reflected in public opinion, emerging issues, formal legal requirements, and enforcement or implementation practices” (Preston & Post, 1981, p. 57). Thus, corporations must take public policy into account alongside profits.

Likewise, the term “social responsiveness” focuses on corporate social involvement (Wartick, & Cochran, 1985, p. 763), which proponents argue can substitute for “social responsibility” since it is a more tangible concept. Social responsiveness means “the capacity of a corporation to respond to social pressures” (Frederick, 1978, p. 6). This term later evolved into “issue management” which means “the processes by which the corporation can identify, evaluate, and respond to those social and political issues which may impact significantly upon it” (Wartick & Rude, 1986, p. 124).

Another noteworthy concept in integrative theories is Carroll’s (1979) Corporate Social Performance (CSP) model. The three components of Carroll’s (1979) CSP model, as Garriga and Melé (2004) noted, are “a basic definition of social responsibility, a listing of issues in which social responsibility exists and a specification of the philosophy of response to social issues” (p. 60). Carroll (1979) argued that corporations have economic, legal, and ethical obligations to operate in society. Therefore, businesses should perform in economically, legally, and ethically responsible ways for the whole of society.

Ethical Theories

Ethical theories emphasize the importance of ethics while responding to social demands. Thus, “ethics” is the essence of corporate social responsibility. Although Carroll’s (1979) CSP model noted the significance of ethical obligations, the model is classified into integrative theories rather than ethical theories because it relies on obligation rather than morality. As noted before, the “enlightened self-interest” identified

by Curtin and Boynton (2001) is not corporate social responsibility. Rather, “enlightened self-interest” means that “you must do well in order to do good” (Cutlip, Center, & Broom, 1994, p. 470). However, corporate social responsibility is not merely recycling paper and using energy-efficient light bulbs in the office (Anthony, 2005). It is about sustainability. In other words, corporate social responsibility is a “must-do” rather than a “nice-to-do.”

Mohr, Webb, and Harris (2001) suggested that firms take society into account as well as its bottom line, arguing that corporate responsibility means bringing as much good as possible to society as a whole. A number of scholars equate corporate duty with public rights (Curtin & Boynton, 2001; Heath, 1997; Martinson, 1994, 1995-1996). More specifically, corporations should view publics as stakeholders and treat them as the end, rather than a means to an end (L’Etang, 1996; Curtin & Boynton, 2001; Kent & Taylor, 2002).

To respect the rights of all stakeholders and act socially responsibly, organizations must understand the environment (e.g., society) and identify the interests of different publics (Curtin & Boynton, 2001; Heath, 1997; Heath & Ryan, 1989, L’Etang, 1996). In addition, corporate social responsibility is vital to the longevity of corporate relationships with different publics since an organization cannot operate and develop without considering the environment, which includes different publics and communities, the physical environment, and society as a whole. Often, an organization's success is determined by its ability to meet the needs and expectations of publics (L’Etang, 1994). Frankental also noted that “corporate social responsibility is the long-term footprint in

society” (cited in Starck & Kruckeberg, 2003, p. 33). If the sole purpose of building corporate relationships with publics is to generate profits, the relationship will fail.

Furthermore, corporate social responsibility is philanthropic, which means understanding and satisfying the needs of publics. For instance, nonprofits rely on corporate donations to address social problems (Waddock, Bodwell, & Graves, 2002). However, to effectively implement corporate social responsibility, corporations must recognize and consider all the publics and environments that they may affect. It is not enough to make a one-time donation of a large sum of money. In contrast, corporate endeavors to better understand and cooperate with publics to exhibit social responsibility (Waddock, Bodwell, & Graves, 2002).

Most publics today want to communicate with corporations and understand their operations, since corporate actions affect the environment as a whole. Thus, organizations must balance the needs of stakeholders and profit generation to achieve social responsibility (Sarbutts, 2003).

Corporate Social Responsibility And Public Relations

Ethics is the primary factor determining professionalism in public relations, as failing to consider ethics leads to the inability to reflect “real” publics (Day, Dong, & Robins, 2001). J. Grunig and Hunt (1984) suggested two-way symmetrical communication as a means of practicing ethical public relations. Public relations practitioners practice two-way symmetrical communication to communicate with, rather than persuade, key publics and therefore implement corporate social responsibility. As Bernays (1980) noted, “public relations is the practice of social responsibility” (cited in Stone, 2005, p. 31).

J. Grunig and Hunt (1984) identified four additional relationship models in addition to the two-way symmetrical communication model: the press agency model, the public information model, and the two-way asymmetrical model. Arguing the existence of two different communication types between organizations and their constituencies, J. Grunig and White (1992) identified the “asymmetrical” and the “symmetrical” perspectives. Organizations that adopt the asymmetrical perspective tend to be conservative, concentrate power in the hands of authority, and allow subordinates little autonomy. Organizations following the symmetrical perspective are more liberal, supporting decentralized power and autonomy for constituents.

The press agency model and the public information model are examples of one-way communication (Shannon & Weaver, 1949), or linear communication transmitted by the sender (encoder) to the receiver (decoder). Public relations practitioners who employ the press agency or public information models attempt to change the attitudes and behaviors of publics rather than organizations, thus enforcing an unequal relationship between an organization and its key publics.

Though not as amiss as one-way communication, the two-way asymmetrical model is still asymmetrical and unethical. In the two-way asymmetrical model, an organization collects feedback from various key publics in an attempt to persuade those key publics (J. Grunig & Hunt, 1984). The organization gains feedback from the key publics that allow it to develop persuasive messages without giving publics the ability to influence or negotiate change. Therefore, the relationship is still asymmetrical because it is unbalanced and unethical.

Another asymmetrical public relations model presented by Sriramesh (1996) is the personal influence model. The personal influence model indicates that public relations practitioners develop personal relationships with individuals of interest in the media, government, or political activist groups in order to seek favors. This model is also known as “hospitality relations” and its purpose is to build relationships with individuals who hold key decision-making powers (Sriramesh, 1996).

The two-way symmetrical model is based on mutual understanding between an organization and its key publics, since each influences the other. The goal of two-way symmetrical communication is understanding rather than manipulation or persuasion (J. Grunig & Hunt, 1984). Thus, organizations and key publics are equal and actively cooperate in creating an open dialogue to affect change. As J. Grunig and Hunt (1984) suggested, effective and ethical public relations practitioners practice the two-way symmetrical model, building long-term relationships with their key stakeholders through mutual understanding. Ultimately, social responsibility is a key component in achieving two-way symmetrical communication.

Crisis Communication

What is a crisis? One definition for a crisis is “a specific, unexpected and non-routine event or series of events that create high levels of uncertainty and threaten or are perceived to threaten an organization’s high priority goals” (Seeger, Sellnow, & Ulmer, 1998, p. 233). Similarly, Shrivastava, Mitroff, Miller, and Maglani (1988) described crises as “organizationally based disasters which cause extensive damage and social disruption, involve multiple stakeholders, and unfold through complex technological, organizational and social processes” (p. 285). In general, to be in a crisis means that an organization and its stakeholders are at risk of great damage. Therefore, crisis

communication has emerged as a considerably important issue in the public relations' research arena.

Coombs (1998) stated that a "situation influences communicative choices, the crisis situation should influence the selection of crisis responses" (p. 177). In other words, communicative response in a crisis depends on the type of crisis (Lerbinger, 1997). Crises can be divided into several categories. According to Lerbinger's explanation (1997), a crisis occurs either inside or outside of an organization and an organization has direct or indirect culpability in a crisis.

Similarly, Weiner (1986) distinguished crises by "locus" and "controllability": According to Lee (2004), "Locus, in a crisis context, specifies the location of the cause of a crisis as internal or external to the organization. Controllability refers to whether the prevention of a crisis is within the control of the organization" (p. 602). As such, crises occurring inside an organization are always considered controllable, while crises occurring outside an organization are deemed uncontrollable. Crises can also include natural disasters (e.g., floods and typhoons) and human error (Ho & Kirk, 2004).

There are a variety of perspectives on how to conduct crisis communication. Fink (1986) provided the chronological crisis communication which has four stages: the prodromal stage, the acute stage, the chronic stage, and the resolution stage. Crisis management is easiest in the prodromal stage if the decision-maker can anticipate or detect the early warning signals of crises. Following the prodromal stage is the acute stage, which is "what most people have in mind when they speak of a crisis" (p. 22). According to Fink, the speed and intensity of crises are always determined by this stage. Next, organizations attempt to correct and recover from a crisis within the chronic stage.

“Chronic stage can linger indefinitely. But crisis management plans can and do shorten this phase” (p. 24). For example, timely and honest communication with key stakeholders is one way to shorten the chronic stage. The final resolution stage is total crisis recovery. “This natural history approach offers a comprehensive and cyclical view of a crisis” (Dean, 2004, p. 194).

In addition, “apologia,” as its literal meaning implies, is a basic symbolic approach of crisis communication. Ware and Linkugel (1973) noted that “Apologia examines how individuals use communication to defend their character (image) from public attacks” (cited in Coombs, 1998, p. 178). Another kind of symbolic approach is “accounts.” Simply speaking, “accounts” is an explanation of what, why, and how a crisis happened. “Accounts are statements used to explain one’s behavior and are invoked when one’s behavior is called into question, thereby threatening one’s face (image)” (Coombs, 1998, p. 179). Moreover, most research concluded that explanations should be complete, timely, and accurate (Greer & Moreland, 2003).

Combining apologia and accounts, Benoit (1995) provided a classification of communication strategies to help organizations restore their image. The first strategy is “denial”- “the communicator can simply deny that the incident happened or shift the blame in hopes of absolution of culpability” (Benoit, 1995, p. 75).

Instead of denying it, Benoit’s second strategy is “evading responsibility.” This strategy is used in four situations: “(1) Defeasibility: a lack of information or control over elements within the crisis communication situation occurs; (2) Provocation: the action occurs in response to the initiation of a detrimental step, and thus the behavior is defensive in nature; (3) Accidental: the action occurs inadvertently, and there are factors

that mitigate the occurrence of the offensive behavior; (4) Good intentions: the wrongful activity occurs, but it was premised upon good and sincere intentions” (Fishman, 1999, p. 351).

Moreover, the third strategy is “reducing offensiveness.” For instance, “to bolster, or mitigate, the negative effects on the actor by strengthening the audiences’ positive effect on the rhetor” (Benoit, 1995, p. 77), “to minimize the amount of negative affects associated with the offensive act” (Benoit, 1995, p. 78), “attacking the accuser to lessen the impact of the accusation,” or “offering to compensate the injured path” (Benoit & Brinson, 1994, p. 77).

The fourth strategy is “corrective action” - to recognize and address the source of the injury. In other words, this strategy is to “mend one’s ways” (Benoit, 1995, p. 79). Sellnow, Ulmer and Snider (1998) argued that the corrective action strategy “can expedite the organization’s effort to rebuild its legitimacy” (p. 60). Benoit’s last strategy is called “mortification,” which means that those in crisis admit their wrongdoing, expresses regret, and seek forgiveness.

Similar to Benoit’s image restoration strategies, Bradford and Garrett (1995) noted that corporate responses (i.e., not responding, denying, offering an excuse, half agreeing, or agreeing and accepting responsibility) to a crisis vary with four different prevailing conditions: (a) the organization can prove that their action is ethical; (b) the organization can prove that they had no control over the event; (c) the organization can prove that what was described in the media is much worse than the real situation; and (d) the organization takes full responsibility for the event. Among these conditions, Bradford and

Garrett (1995) recognized that the “agree and accept responsibility” response is the ideal communication strategy.

Likewise, Marcus and Goodman (1991) argued that there were two kinds of crisis responses: accommodative and defensive. “Accommodative strategies accept responsibility, take remedial action, or both, whereas defensive strategies claim there is no problem or try to deny responsibility for the crisis” (Coombs, 1998, p. 180). Overall, these crisis communication strategies are located between the endpoints of accepting responsibility and denying the crisis.

Crisis Communication And Public Relations

Generally, successful crisis management is based on good crisis communication. Public relations also acts as the key to helping an organization communicate with its publics. “Public relations is an important element in almost all successful crisis management efforts” (Marra, 1998, p. 461), because it can promote effective communication during a crisis like developing communication plans, assembling a crisis team, and assigning the most credible spokesperson (Newsom, Turk, & Kruckeberg, 2004).

Most importantly, public relations help organizations develop a communication culture and communication autonomy which is vital for crisis communication (Marra, 1998). “Effective communication is essential to maintaining a positive relationship with key stakeholders such as employees, customers, suppliers, and shareholders” (Fishman, 1999, p. 348). Rather than exploring the technical role of public relations in crisis communication, Marra’s model of crisis public relations illustrates how effective public relations help organizations perform during a crisis. Well-known public relations scholar J. Grunig (1992) noted that “excellent public relations practice requires more than a

knowledgeable and skillful public relations practitioner or department” (p. 465).

Specifically, “the underlying communication culture of an organization and the level of autonomy or power of the public relations department within an organization can easily prevent (or enhance) practitioners from implementing the best crisis communication plan” (Marra, 1998, p. 464). Therefore, the basis of communication culture and communication autonomy is two-way symmetrical communication via excellent public relations that build “open and honest” relationships with key publics (J. Grunig, 1992).

Corporate Social Responsibility And Crisis Communication

In most cases, crises are inevitable (Fink, 1986; Perrow, 1984). Nevertheless, as Coombs (1999) noted, “a crisis is unpredictable but not unexpected” (pp. 2-3).

Organizations can survive a crisis and even benefit from it provided that they handle it properly and efficiently. Proactive and reactive crisis communications are pivotal for organizations to cope with crises properly and efficiently (Cralle, & Vibbert, 1985).

Although it is hard to make a plan to prevent a crisis, there are still many crisis scenarios that organizations can envision and devise proactive crisis management in order to decrease any potential losses. Proactive crisis management will be achieved by having appropriate spokespersons and mechanisms to define crises, identify affected publics, and offer the most proper procedures (Penrose, 2000).

One noteworthy proactive crisis management technique is reputation management. As Dean (2004) noted, having a reputation for social responsibility prior to the crisis has been identified as an important factor influencing the crisis. For example, it seems that the sterling reputation of Johnson & Johnson helped manage the Tylenol crisis.

In terms of reactive crisis communication, it is effective and socially responsible to communicate with the key publics affected by the crisis. As Barton suggested, there are

several steps to communicating with key publics; they can “provide accurate information, show compassion, and demonstrate corporate responsibility” (Strother, 2004, p.291). To apply social responsibility means to act as public citizens and thus feel an obligation to contribute to society (Ho & Kirk, 2004). In other words, organizations considered as socially responsible are expected to act ethically. In the context of social responsibility, generosity is not only a marketing function, but a real societal obligation (Himmelstein, 1997).

Tombs and Smith (1995) have shed light on how to employ social responsibility when faced with a crisis. They argued that practicing “democratic” forms of corporate social responsibility embodies true social responsibility. In addition, “liberal” and “paternalist” forms of corporate social responsibility are limited definitions of social responsibility. Liberal corporate social responsibility is the economic responsibility discussed above in regards to instrumental theories. In liberal corporate social responsibility, “the only corporate social responsibility is to conduct the business in accordance with the employer’s desires, which generally will be to make as much money as possible while conforming to the basic rules of society” (Friedman, 1970, p. 33). According to this point of view, the firm only has to take responsibility for their shareholders and make the maximum profit for them.

The paternalist form of corporate social responsibility contends that “corporations respond to more general concerns in society – to take on commitments over and above those placed upon them by the market, by shareholders, or by legal duties” (Tombs & Smith, 1995, p. 138). Thus, the organization will respond to current social demands and shape strategies accordingly. It is a “technocratic” perspective because the corporation

itself decides which interested publics will be addressed. Hence, the dialogue between the corporation and key publics is tightly controlled by the corporation.

In contrast, the democratic form of corporate social responsibility considers and listens to plural voices in a society rather than solely relying on a technocratic perspective. Beyond simply sticking to existing corporate norms, it takes the whole environment into account; the corporation will change with the mercurial circumstance. Corporate social responsibility is integrally related to each part of the corporation. Thus, compared to liberal and paternalist forms of corporate social responsibility, the democratic form is deemed as real corporate social responsibility.

In the same vein, Coombs (1995) noted that perceptions of stakeholders are vital for crises since how stakeholders perceive crises determines crisis responsibility. Based on the study by Coombs (1995), there are three factors influencing stakeholders' perception of crisis responsibility: crisis attributions, organizational performance, and severity of the crisis.

In terms of crisis attributions, Weiner (1986) pointed out that “when an event is negative, unexpected, or important, people are likely to engage in causal attribution theory” (Lee, 2004, p. 602), which leads to varied public opinions. Coombs and Holladay (1996) also noted that “Publics will make attributions about the cause of a crisis. The more publics attribute responsibility for the crisis to the organization, the greater the risk should be of reputational damage (a threat to legitimacy is part of the reputation)” (p. 292).

Crisis attributes can be classified by external control and personal control (Coombs, 1995). The former means the severity of crises is controlled by external agents. However,

the latter is determined by the organization itself. According to Coombs (1998), “stronger perceptions of external control should lessen crisis responsibility and image damage because the organization could do little or nothing to prevent the crisis. Stronger perceptions of personal control should increase crisis responsibility and image damage because the organization could have acted to prevent the crisis” (p. 182). Nevertheless, Coombs’s (1998) study showed that crisis responsibility appeared not to be related to external control factors but positively related to personal control factors.

As for organizational performance, it is believed that “good” organizations more easily receive positive publicity than “bad” organizations during a crisis. Specifically, “when a crisis hits, these credits are used to offset the reputational damage generated by the crisis. Conversely, an organization with a history of poor performance such as repeated crises or shady practices, will see the image damage amplified rather than offset” (Coombs, 1998, p. 182). Dean (2004) noted that “reputation is expected to interact with firm response such that a good firm offering an inappropriate response will remain favorably regarded by consumers, whereas a bad firm offering the same response will experience a loss of favor” (p. 198).

Lastly, it is reasonable to argue that the severity of the crisis makes an impact on crisis responsibility. For a crisis, severe damage (e.g., death) will bring more crisis responsibility than trivial damage.

As noted above, the key to determining a firm’s fate in a crisis appears to depend on whether it accepts responsibility for the crisis. Crisis communication may be helpful to lessen the potentially dangerous consequences of a crisis and corporate social responsibility should play an important role in crisis communication.

CHAPTER 3
CASES IN TAIWAN: NIKE VS. PAOLYTA

Nike and Paolyta both face serious crises in Taiwan and are of great concern to the Taiwanese people. However, the way they handle crises and outcomes are totally different from each other. The former failed in its crisis and the latter succeeded. Moreover, these examples show that the former did not practice corporate social responsibility in crises but the latter did.



Figure 1 Picture of brands. A) Nike brand and B) Paolyta brand.

Based on a report in *The China Post* (2004, May 27) titled “Angry reporters walk out on Nike reps,” basketball superstar Michael Jordan arrived in Taiwan as part of his Asian promotional tour on May 21, 2004. Before Jordan’s arrival, Taiwan’s Nike division publicized his visit in their advertisements and also held a “winning the ticket of Nike” promotional event. Seven hundred lucky Jordan fans were selected in a drawing to

attend the promotional event. To participate in the drawing, Jordan fans had to spend a certain amount of money on Nike products and went through a competitive contest.

To the contestants' disappointment, Michael Jordan showed up to the promotional event for only 90 seconds. The uproar over Michael Jordan's brief appearance intensified when a growing number of fans accused Taiwan's Nike of showing no remorse for its unreasonable and deceptive event arrangements. They also accused Taiwan's Nike division of cheating them into buying its products by promising a "close encounter" with Michael Jordan during the event ("Investigation," 2004).

Angry fans vented in Internet chat rooms and on bulletin boards. Some filed complaints against Taiwan's Nike with the Consumers' Foundation in Taiwan, which demanded an apology from Taiwan's Nike and threatened a possible consumer boycott (Chen & Chen, 2004; Li, 2004). Meanwhile, Taiwan's Ministry of Justice investigated fraud allegations against Taiwan's Nike issued by enraged fans who accused Nike of using false advertising to lure customers into purchasing their products ("Investigation," 2004; Societal Center, 2004).

After more than a week of controversy over Jordan's 90-second appearance at the promotional event, Taiwan's Nike eventually delivered a formal apology to the fans in a press conference and offered some compensation. However, the belated apology damaged not only its customer relations but also its corporate image (Di & Yang, 2004; Yang, 2004). The outcome of Paolyta's crisis, however, was totally different.

After consuming energy drinks from Paolyta in Taiwan, five people were poisoned and one person died. These drinks were suspected to be contaminated with cyanide ("Court orders," 2005). Paolyta immediately recalled two products, Bullwild and Paolyta-

B. A total of approximately 1.68 million bottles of Bullwild were destroyed. Paolyta's spokesperson also noted that the company suspended production and distribution of the drink until a police investigation was completed ("Energy drinks," 2005).

The five victims purchased the drinks at four convenience stores in close proximity to each other. An investigation showed that someone tampered with the drinks by lacing them with cyanide and placing them back on the shelves. The suspect even left a note saying, "I am poisonous, don't drink me!" However, the four victims regarded it as a new slogan, so they still bought the drinks ("Energy drinks," 2005).

Paolyta's spokesperson announced that manufacture of the Bullwild energy drink would resume after three weeks. There would be changes made to the product, but the name and ingredients would remain the same. Aside from new designs on the bottle, Bullwild drinks now featured an extra protection layer under the bottle cap. To accomplish this, Paolyta purchased new machinery and integrated it into the production process ("DOH," 2005).

The problems were neither directly nor indirectly caused by Paolyta, but the company accepted full responsibility for the safety and well being of its customers and corrected the problem at a considerable expense. Although Paolyta's decision to recall its products caused huge financial losses, it established itself as a responsible institution and gained credibility with its consumers.

Hypotheses And Research Questions

Corporate social responsibility is one key factor to deal with crisis communication (Strother, 2004). In light of different socioeconomic and cultural contexts in different countries (i.e., the United States and Taiwan), the concepts behind corporate social

responsibility and crisis communication may be different. Therefore, two hypotheses are presented:

***H1:** Communication with stakeholders, concerns for the environment, and charity are regarded as corporate social responsibility in Taiwan.*

***H2:** The democratic form of corporate social responsibility (e.g., accepting responsibility and ethical behavior) is regarded as socially responsible crisis communication in Taiwan.*

According to Fink (1986), crises are inevitable. In addition, Shrivastava, Mitroff, Miller, and Maglani (1988) noted that crises are “organizationally based disasters which cause extensive damage and social disruption, involve multiple stakeholders, and unfold through complex technological, organizational and social processes” (p. 285).

Because crises are inevitable and harmful to organizations, it is important for organizations to employ effective crisis communication. Likewise, the aforementioned discussion shows that corporate social responsibility plays an important role in crisis communication. Based on Ahluwalia, Burnkrant, and Unnava (2000), brand recognition may help decrease the negative impact experienced by a corporation during a crisis. Dean (2004) noted that “reputation is expected to interact with firm response such that a good firm offering an inappropriate response will remain favorably regarded by consumers, whereas a bad firm offering the same response will experience a loss of favor” (p. 198). Thus, the first two research questions are:

***RQ1:** Is corporate social responsibility helpful to crisis communication with regard to public perception?*

***RQ2:** Is brand recognition helpful to crisis communication with regard to public perception?*

Coombs and Holladay (1996) noted that “Publics will make attributions about the cause of a crisis. The more publics attribute responsibility for the crisis to the organization, the greater the risk of reputational damage (a threat to legitimacy is part of the reputation)” (p. 292). To identify whether crisis responsibility influences the image of a corporation, the final research question was developed:

***RQ3:** Does corporation socially responsible behavior in a crisis influence brand recognition with regard to public perception?*

CHAPTER 4 METHODOLOGY

Method

Based on the hypotheses and research questions, this study was conducted by primary research (i.e., survey) to gain a general understanding of the perceptions of publics, and secondary research (i.e., textual analysis) to examine how corporations respond to crises.

This dual research technique (survey and textual analysis) ensured the accuracy and reliability of the results. With the help of surveys, this study could: “1) investigate problems in realistic settings; 2) collect data with relative ease from a variety of people; and 3) not be constrained by geographic boundaries” (Wimmer & Dominick, 2003, p. 168). A survey was ideal for obtaining direct and objective public reactions concerning two corporate crises in Taiwan.

In addition, textual analysis was the best way to gain more complete information on how the two corporations dealt with a crisis in Taiwan. From this analysis, this study obtained a wide spectrum of evidence to examine the two corporations and their crises.

Overall, the primary goals of this research were to conduct the survey and the textual analysis through documentation. The results of the survey showed the publics’ attitude toward the concept of corporate social responsibility and crisis communication by comparing two corporate crises in Taiwan. A textual analysis examining the two corporations and their crises in Taiwan through a variety of information and opinions led to an objective conclusion.

Sampling

Textual Analysis

This study gathered information about the two corporations and their crises by means of textual analysis. The textual analysis provided a general knowledge of these two crises from several different sources, including media outlets, academic databases, and Taiwan's Nike and Paolyta' Web sites. The media coverage of the two crises was generated by Taiwan, the United States, and other countries. Both English-language and Chinese-language news were included.

Chinese-language news stories were collected from the archival news collection featuring the two crises on Yahoo! Inc. and the electronic database Factiva.com. English-language news stories, on the other hand, were collected from two major Taiwanese English news outlets (i.e., FTV English News Edition.com and *TaipeiTimes.com*) and three electronic databases: LexisNexis, Gale Group and Factiva.com. A total of 74 English-language and Chinese-language news articles were gathered.

News archives from FTV English News Edition.com and *TaipeiTimes.com* provided major English news stories about the two corporations and their crises. Some of the English news stories were collected through the LexisNexis database using the terms "Nike," "Paolyta," and "Taiwan" with the "headline, lead paragraph(s)" parameter in World News and General News (in the "major newspapers" category). Other English news stories were collected through the Info Trac OneFile databases within Gale Group using the terms "Nike," "Jordan," "Paolyta," and "Taiwan" with the "key word(ke)" parameter. Factiva.com was the last database used to collect English news stories which were found using the terms "Nike," "Jordan," "Paolyta," and "Taiwan" with the "key word" parameter. After preliminary screening, 18 English-language news articles were

yielded. The English-language news articles were distributed by news agencies and newswire stories, such as Central News Agency and Asia Africa Intelligence Wire.

Chinese news stories on the two crises were mainly gathered through Yahoo! Inc.'s archival news site. Yahoo! Inc. was chosen because it is one of Taiwan's largest Internet companies, accounting for more than 50 percent of the "searching tools" market share in Taiwan (He, 2006). In addition, Yahoo! Inc. is the most frequently visited Web site, with more than 345 million individual users each month worldwide (Yahoo! Inc., 2005). The last source of Chinese news stories was collected through the Factiva.com database using the terms "Nike," "Jordan," "Paolyta," and "Taiwan" with the "key word" parameter. After screening, the archived news yielded 56 Chinese-language articles, including news stories and commentaries distributed by prominent Taiwanese news outlets (e.g., ETtoday.com and *Libertytimes.com*) as well as newspapers (e.g., *United Daily News*).

Self-Administered Survey

In addition to the textual analysis, a survey was also conducted to examine the hypotheses and research questions. The survey method for this research was group administration, which meant that the researcher gave individual copies of a questionnaire to a group of participants. This method offered advantages that other survey methods (e.g., mail survey or Internet survey) did not offer. For example, group administration surveys allowed the researcher to know exactly who answered the questions and afforded a higher response rate. Most importantly, the researcher could solve individual problems immediately and other respondents were not bothered (Wimmer & Dominick, 2003).

After considering the following situations, this survey used a non-probability convenience sample. The focus of this study was not to generalize the population, but given the constrained resources and time, it was only possible to sample part of the

Taiwanese population and draw conclusions based on the data gathered in this sample. The main purpose was to test the association between crisis communication and corporate socially responsible behavior from the two corporations in question. Thus, the population of this study was chosen from two universities in Taiwan: Ching Yun University and Oriental Institute of Technology. The overall sample size was 335.

The researcher administered the survey in Taiwan during the Christmas break of 2005. Respondents were informed that by completing the survey they were giving their explicit consent for the data to be used for this research only. Each subject responded to the same questions, which yielded more comparable data than interviews or focus groups. However, there were understandably some error and bias in this research given that it utilized a non-probability convenience sample of university students who were not representative of all Taiwanese people. Although non-probability sampling were not allowed to be used to calculate the sampling error, it was still useful for obtaining a general idea of the reactions of publics concerning two corporate crises in Taiwan.

Survey Questionnaire Construction

First, according to Fowler (1993), a self-administered questionnaire should: 1) be clear and understandable in content, layout, and type; 2) contain closed-ended questions; and 3) have a limited number of questions. As a result, the survey questionnaire here mainly adopted closed-ended questions and was limited to 21 questions. The only open-ended question was that of “age.” Additionally, the questionnaire used dichotomous (e.g., yes/no), rating scales (e.g., 5-point Likert scales), and semantic differential scales (e.g., a 7-point scale with 1 = “not interested” and 7 = “very interested”) for the closed-ended questions (Wimmer & Dominick, 2003). Overall, the survey questionnaire had been constructed to minimize any influence on respondents’ answers.

To better understand the specificity of hypotheses and research questions, this questionnaire was divided into three sections: a) respondents' brand recognition about the corporations and their perception of corporate social responsibility; b) respondents' perception of corporate social responsibility during a crisis; and c) the correlation between corporate social responsibility and crisis communication (see questionnaire in Appendix A).

The first section was used to test respondents' brand recognition about the corporations with these questions: 1) How knowledgeable do you believe you are about Taiwan's Nike? 2) What is your level of interest in Taiwan's Nike? 3) Have you ever bought products made by Taiwan's Nike before? 4) How knowledgeable do you believe you are about Paolyta? 5) What is your level of interest in Paolyta? 6) Have you ever bought products made by Taiwan's Paolyta before?

These results were analyzed in combination with the results of questions in the last section with questions such as: How important do you think the corporate ethics of corporate social responsibility are in a crisis? Do you think that Taiwan's Nike practiced corporate social responsibility in its crisis? Will you support Taiwan's Nike after its crisis by buying or promoting its products? Do you think that Paolyta practiced corporate social responsibility in its crisis? Will you support Paolyta after its crisis by buying or promoting its products? The data collected from the analysis helped to answer RQ2. Is brand recognition helpful to crisis communication with regard to public perception? and RQ3. Does corporation socially responsible behavior in a crisis influence brand recognition with regard to public perception?

Also, hypothesis one—Communication with stakeholders, concerns for the environment, and charity are regarded as corporate social responsibility in Taiwan—was explored through questions in the first section: 1) the corporation is socially responsible when it sponsors community development; 2) the corporation is socially responsible when it actively participates in environmental protection; 3) the corporation is socially responsible when it offers public relations practitioners that communicate with the media or the public; and 4) the corporation is socially responsible when it provides access for publics to communicate (e.g., an email address).

In the second section (i.e., Jordan's and Bullwild's crises), these questions were designed to help test hypothesis two—The democratic form of corporate social responsibility (e.g., accepting responsibility and ethical behavior) is regarded as socially responsible crisis communication in Taiwan. Questions will be asked addressing if: 1) the corporation is socially responsible when it explains problems to the public honestly and immediately; 2) the corporation is socially responsible when the public is its top priority to consider rather than its source of profit; and 3) the corporation is socially responsible when it takes full responsibility for the crisis event (even the final outcome shows that the crisis is not the mistake of the corporation).

In the last section (i.e., after Jordan's and Bullwild's crises), these questions contributed to understanding the association between corporate social responsibility and crisis communication, specifically with regard to first research question: Is corporate social responsibility helpful to crisis communication with regard to public perception?

Survey Data Analysis

The survey data collected were entered into and analyzed by Statistical Package for the Social Sciences (SPSS) 13.0 for Windows. By virtue of SPSS, these statistical tests

were performed with Cronbach's alpha, descriptive statistics, Independent-samples t-tests, cross-tabulations, and Pearson product moment correlation used to answer each hypothesis and research question posed in the study.

Using Cronbach's alpha, this study examined the inter-correlations among items in the questionnaire. More specifically, "Cronbach's alpha was used to assess the reliability of the scale, which provides an indication of the internal consistency of the items measuring the same construct" (Spathis, & Ananiadis, 2005, p. 201). Normally, Cronbach's alpha is unacceptable if it is below .60; .60-.65 is undesirable; .65-.70 is minimally acceptable; .70-.80 is respectable; and .80-.90 is very good. However, if much above .90, the scale is suggested to be shortened (DeVellis, 1991). Thus, the "acceptable" reliability scores of Cronbach's alpha should be equal to or higher than .60.

According to Trochim (2005), "Descriptive statistics are used to describe the basic features of the data in a study. They provide simple summaries about the sample and the measures. Together with simple graphics analysis, they form the basis of virtually every quantitative analysis of data" (n.p.). In short, descriptive statistics were used to summarize quantitative information from data, such as mean, standard deviation, and frequency.

Independent-samples t-tests were designed to examine whether there were significant relationships between two independent groups (Kirkman, 2005; Gardner, 1975). Here, the analysis used Independent-samples t-tests to see whether there were significant variations ($\alpha = 0.05$) in mean scores between one independent variable and two or more dependent variables. If the p-value of the Independent-samples t-tests was equal to or less than 0.05 ($\alpha \leq 0.05$), it could be concluded that there were significant

differences between the independent variable and dependent variables. Conversely, if the p-value was more than 0.05 ($\alpha > 0.05$), there were no significant differences between these variables (Hays, 1973). Moreover, according to Cohen (1988), the effect size of the compared samples could be defined as follows: $d = .2$ is small effect, $d = .5$ is medium effect and $d = .8$ is large effect.

Cross-tabulations and Pearson product moment correlation were also used to test the relationships between the variables. If the p-value was less than 0.05, there were significant relationships between the variables (Steinbrenner & Bent, 1975). Additionally, for Pearson product moment correlation, correlation coefficients usually take on values between -1.0 and $+1.0$ where -1.0 is perfect negative correlation, 0 is no correlation, and $+1.0$ is perfect positive correlation (Hays, 1973).

The descriptive statistics, Independent-samples t-tests, cross-tabulations, and Pearson product moment correlation showed the results of: a) respondents' brand recognition about the corporations and their perception of corporate social responsibility; b) respondents' perception of corporate social responsibility during a crisis; and c) the correlation between corporate social responsibility and crisis communication.

CHAPTER 5 FINDINGS

Textual Analysis

From Taiwan's Nike and Paolyta Web sites, as well as related news articles about Nike and Paolyta's crises, it was obvious that the latter actively practiced social responsibility while the former did not. For example, based on the research of Esrock and Leichty (1998), to determine whether corporations practice social responsibility on their Web sites, the investigator should look into these factors: "fair business practices, worker health and safety, product safety, cultural diversity, environment, charity, children, education, health, volunteerism, support of the arts, civic involvement, and quality of work life"(p. 311). Paolyta's Web site provided information about the safety and reliability of their products, their concerns for consumers, and their efforts to protect the environment; however, Nike's Web site in Taiwan only offered a sales pitch.

Most importantly, most news articles about Paolyta's crisis (21 out of 28) applauded Paolyta's socially responsible attitudes and behaviors in handling the crisis, such as immediately recalling questionable products, Bullwild and Paolyta-B, and introducing an extra protection layer under the bottle cap in their continued products. The following comments represent the most popular opinions about Paolyta found in news articles.

One news article from Asia Africa Intelligence Wire commented that "the Consumers' Foundation applauded Paolyta's decision to recall its products, saying that although the company will suffer huge financial losses, it will establish itself as a

responsible institution and gain credibility with the consumers” (“Energy drinks,” 2005, ¶ 11).

In *United Evening News*, Lin (2005) reported that Paolyta recalled Bullwild and Paolyta-B in order to protect the lives of consumers. For the public, this act embodied corporate social responsibility.

In *Economic Daily News*, Qiu (2005) remarked that Paolyta dealt with its crisis in a clear and positive manner, providing the public with an honest and immediate explanation in its news conference, promising to recall and destroy questionable products without delay, offering rewards (NT \$2 million) to people who could help capture the suspect, and implementing safe changes in their products.

Furthermore, in *Electronic Commerce Times*, Gao (2005) noted that Paolyta exercised ideal crisis communication in its response and care for the public. According to Olive Ting, the president of Era Public Relations (the second largest public relations company in Taiwan), Chen (2005) reported that a 48-hour response time is vital for effective crisis communication. Paolyta not only responded immediately, but also showed that the public was its top priority in recalling the dangerous products. Therefore, Paolyta’s socially responsible behaviors led to successful crisis management.

On the contrary, an overwhelming number of news articles on the crisis of Nike in Taiwan (i.e., 43 out of 46 news articles) concluded that Nike was not socially responsible and their public relations failed. Specifically, Nike denied its mistakes and did not explain or apologize until the boycott statement from Consumers' Foundation in Taiwan was released. The following quotes and comments represent popular views in articles concerning Nike Taiwan.

From Asia Africa Intelligence Wire, one news article noted that “Nike Taiwan stirred up an uproar among fans angry over Jordan's brief appearance when it initially refused to offer a formal apology” (“Nike Taiwan apologizes,” 2004, ¶ 7) and “the Consumers' Foundation, which threatened a boycott against all Nike products, has decided to cease fire but noted that Nike's belated apology not only damaged its customer relations but also its corporate image” (“Nike Taiwan apologizes,” 2004, ¶ 13).

Another article in Asia Africa Intelligence Wire argued that “the two executives, Huang Hsiang-yen and Hu Shan-ming, denied that their company had any intention of cheating customers and said they could not control Jordan's schedule in Taiwan and could not oblige Jordan to stay at the meet-and-greet function any longer” (“Nike Taiwan executives,” 2004, ¶ 2).

According to Huang (2004), “Jordan's short appearance caused a public relations disaster for the company. Furious fans complained for days, demanding compensation from the sportswear giant. For some Taiwanese, Jordan's cameo was a blow to Taiwan's dignity” (¶ 6-7).

One article on the SportsNT Web site cited the reasons why Taiwan's Nike suffered a public relations crisis, including closed, dishonest, unfriendly, unfair, discreditable, and unhelpful attitudes and behaviors toward the media and the public (Li, n.d.).

On the *Manager Today* Web site, Chen (2005) reported that Taiwan's Nike did not respond within the “golden” 48-hour time period, waiting one full week to admit its mistakes. The article concluded that the “arrogant” and “dishonest” behaviors of Taiwan's Nike led to its failure to manage the crisis more effectively. Likewise, Zhao

(2004) of *Libertytimes.com* noted that the mistakes of Taiwan's Nike included improper communication and denial of its mistakes.

These opinions made it clear that the two corporations responded to each crisis differently. The Taiwanese media generally held that Paolyta's socially responsible behaviors led to successful crisis communication. In contrast, Nike Taiwan's poor public relations and irresponsible behaviors resulted in the failed crisis communication. The following section illustrates public attitudes toward socially responsible corporate behavior and crisis communication by comparing popular perceptions of crisis management in two different Taiwanese corporations.

Self-Administered Survey

The survey included four questions (questions 10-13) asking participants about corporate social responsibility in Taiwan. The reliability analysis of these questions yielded .83 Cronbach's alpha, which shows high internal consistency. In addition, the reliability analysis of the three questions (questions 14-16) regarding socially responsible crisis communication in Taiwan was .67 Cronbach's alpha. The reliability analysis of the three questions (questions 3-5) regarding brand recognition of Taiwan's Nike was .63 Cronbach's alpha. The reliability analysis of the three questions (questions 6-8) regarding brand recognition of Paolyta was .64 Cronbach's alpha. The overall scores of Cronbach's alpha were within the acceptable range (see Appendix B).

One hundred and sixty one females (48 %) and 174 males (52 %) participated in the survey. Ages of participants mainly ranged from 19 to 21 years old (see Appendix C).

In addition, 85 percent of participants answered "yes" for "bought products of Taiwan's Nike" (see Appendix C). In accordance with this result, the means of

knowledge and interest about Taiwan's Nike were 4.36 and 4.34, which were high in 7-point scales (see Table 5-1).

Table 5-1 also shows that the means of knowledge about and interest in Paolyta measured 3.77 and 3.04, which were at the middle of the 7-point scales. Consistent with these results, 60 percent of participants answered "yes" for "bought products of Paolyta" (see Appendix C).

Table 5-1. Descriptive statistics of brand recognition

	N	Mean	Std. Deviation
Knowledgeable about Taiwan's Nike	335	4.36	1.577
Interest in Taiwan's Nike	335	4.34	1.651
Knowledgeable about Paolyta Co.	335	3.77	1.669
Interest in Paolyta Co.	335	3.04	1.594

In Table 5-2, the means of "How important CSR is (generally speaking)" was 6.38, which was considerably high in the 7-point scales. Also, the means of the items concerning "general corporate social responsibility in Taiwan" were, individually, "CSR should sponsor community development" (M = 4.13), "CSR should actively participate in environmental protection" (M = 4.31), "CSR should offer public relations practitioners that communicate with the media or the public" (M = 4.19), and "CSR should provide access for publics to communicate" (M = 4.11), which were all high on the 5-point Likert scales.

Table 5-2. Descriptive statistics of CSR

	N	Mean	Std. Deviation
How important CSR is (Generally speaking)	335	6.38	1.087
CSR should sponsor community development	335	4.13	.757
CSR should actively participate in environmental protection	335	4.31	.717
CSR should offer public relations practitioners that communicate with the media or the public	335	4.19	.743
CSR should provide access for publics to communicate	335	4.11	.724

In Table 5-3, the mean of “How important CSR is in a crisis” was 5.91, which was also considerably high in the 7-point scales. The means of “socially responsible crisis communication in Taiwan” were, individually, “CSR in crisis should explain problems to the public honestly and immediately” ($M = 4.29$), “CSR in crisis should consider the public as the top priority” ($M = 4.35$), and “CSR in crisis should take full responsibility” ($M = 3.88$), which were all high on the 5-point Likert scales.

Table 5-3. Descriptive statistics of CSR in crisis

	N	Mean	Std. Deviation
How important CSR is in crisis	335	5.91	1.253
CSR in crisis should explain problems to the public honestly and immediately	335	4.29	.706
CSR in crisis should consider the public as the top priority	335	4.35	.665
CSR in crisis should take full responsibility	335	3.88	.960

Examination Of Hypotheses And Research Questions

Hypothesis one—Communication with stakeholders, concerns for the environment, and charity are regarded as corporate social responsibility in Taiwan—was tested by using the Pearson product moment correlation. The analysis indicated significant differences between “How important CSR is (generally speaking)” and the other four variables: “CSR should sponsor community development” ($r = .261, p < .000$); “CSR should actively participate in environmental protection” ($r = .286, p < .000$); “CSR should offer public relations practitioners that communicate with the media or the public” ($r = .283, p < .000$); and “CSR should provide access for the public to communicate,” ($r = .255, p < .000$) (see Table 5-4). These results show that “How important CSR is (generally speaking)” strongly correlate with “CSR should sponsor community development;” “CSR should actively participate in environmental protection;” “CSR

should offer PR practitioners that communicate with the media or the public;” and “CSR should provide access for the public to communicate.” Accordingly, H1 is supported.

Table 5-4. Correlation test of CSR

		Correlations				
		How important CSR is (General speaking)	CSR should sponsor community development	CSR should actively participate in environmental protection	CSR should offer public relations practitioners that communicate with the media or the public	CSR should provide access for publics to communicate
How important CSR is (General speaking)	Pearson Correlation Sig. (2-tailed) N	1 335	.261* .000 335	.286* .000 335	.283* .000 335	.255* .000 335
CSR should sponsor community development	Pearson Correlation Sig. (2-tailed) N	.261* .000 335	1 335	.632* .000 335	.580* .000 335	.444* .000 335
CSR should actively participate in environmental protection	Pearson Correlation Sig. (2-tailed) N	.286* .000 335	.632* .000 335	1 335	.718* .000 335	.441* .000 335
CSR should offer public relations practitioners that communicate with the media or the public	Pearson Correlation Sig. (2-tailed) N	.283* .000 335	.580* .000 335	.718* .000 335	1 335	.519* .000 335
CSR should provide access for publics to communicate	Pearson Correlation Sig. (2-tailed) N	.255* .000 335	.444* .000 335	.441* .000 335	.519* .000 335	1 335

** .Correlation is significant at the 0.01 level (2-tailed).

Hypothesis two—The democratic form of corporate social responsibility (e.g., accepting responsibility and ethical behavior) is regarded as socially responsible crisis communication in Taiwan—was also tested by using the Pearson product moment correlation. The analysis indicated significant differences between “How important CSR is in a crisis” and the other three variables: “CSR in crisis should explain problems to the public honestly and immediately” ($r = .348, p < .000$); “CSR in crisis should consider the public as the top priority” ($r = .308, p < .000$); and “CSR in crisis should take full

responsibility” ($r = .242, p < .000$) (see Table 5-5). In short, “How important CSR is in a crisis” is significantly related to the responses “CSR in crisis should explain problems to the public honestly and immediately,” “CSR in crisis should consider the public as the top priority,” and “CSR in crisis should take full responsibility.” Therefore, H2 is supported.

Table 5-5. Correlation test of CSR in crisis

Correlations					
		How important CSR is in crisis	CSR in crisis should explain problems to the public honestly and immediately	CSR in crisis should consider the public as the top priority	CSR in crisis should take full responsibility
How important CSR is in crisis	Pearson Correlation Sig. (2-tailed) N	1 335	.348* .000 335	.308* .000 335	.242* .000 335
CSR in crisis should explain problems to the public honestly and immediately	Pearson Correlation Sig. (2-tailed) N	.348* .000 335	1 335	.649* .000 335	.299* .000 335
CSR in crisis should consider the public as the top priority	Pearson Correlation Sig. (2-tailed) N	.308* .000 335	.649* .000 335	1 335	.390* .000 335
CSR in crisis should take full responsibility	Pearson Correlation Sig. (2-tailed) N	.242* .000 335	.299* .000 335	.390* .000 335	1 335

** . Correlation is significant at the 0.01 level (2-tailed).

Research question one asks if corporate social responsibility helps crisis communication with regard to public perception. As shown in Table 6-1 and Table 6-2, “whether Taiwan’s Nike practiced CSR in its crisis” has a significant relationship with “whether or not to support Taiwan’s Nike after its crisis” ($X^2(1, N=335) = 65.701, p < .000$).

The relationship between “whether Paolyta Co. practiced CSR in its crisis” and “whether or not to support Paolyta Co. after its crisis” was also significant ($X^2(1, N=335) = 61.350, p < .000$) (see Table 7-1 and Table 7-2). These results show that the public was

more likely to support corporations that practiced CSR in a crisis. Thus, the answer to RQ1 is confirmed.

Table 6-1. Crosstabulation of whether Taiwan's Nike practiced CSR in crisis and whether or not to support Taiwan's Nike after its crisis

		Whether or not to support Taiwan's Nike after its crisis		Total	
		no	yes		
Whether Taiwan's Nike practiced CSR in crisis	no	Count	220	57	277
		% within whether Taiwan's Nike practiced CSR in crisis	79.4%	20.6%	100.0%
		% within whether or not to support Taiwan's Nike after its crisis	93.6%	57%	82.7%
	yes	Count	15	43	58
		% within whether Taiwan's Nike practiced CSR in crisis	25.9%	74.1%	100.0%
		% within whether or not to support Taiwan's Nike after its crisis	6.4%	43.0%	17.3%
		Count	235	100	335
Total		% within whether Taiwan's Nike practiced CSR in crisis	70.1%	29.9%	100.0%
		% within whether or not to support Taiwan's Nike after its crisis	100.0%	100.0%	100.0%

Table 6-2. Chi-Square Tests of whether Taiwan's Nike practiced CSR in crisis and whether or not to support Taiwan's Nike after its crisis

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	65.701 ^b	1	.000		
Continuity Correction ^a	63.168	1	.000		
Likelihood Ratio	60.520	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	65.505	1	.000		
N of Valid Cases	335				

a. Computed only for a 2x2 table

b. 0 cells (.0%) have expected count less than 5. The minimum expected count is 17.31.

Table 7-1. Crosstabulation of whether Paolyta Co. practiced CSR in crisis and whether or not to support Paolyta Co. after its crisis

		Whether or not to support Paolyta Co. after its crisis		Total	
		no	yes		
Whether Paolyta Co. practiced CSR in crisis	no	Count	35	10	45
		% within whether Paolyta Co. practiced CSR in crisis	77.8%	22.2%	100.0%
		% within whether or not to support Paolyta Co. after its crisis	36.5%	4.2%	13.4%
	yes	Count	61	229	290
		% within whether Paolyta Co. practiced CSR in crisis	21.0%	79.0%	100.0%
		% within whether or not to support Paolyta Co. after its crisis	63.5%	95.8%	86.6%
Total		Count	96	239	335
		% within whether Paolyta Co. practiced CSR in crisis	28.7%	71.3%	100.0%
		% within whether or not to support Paolyta Co. after its crisis	100.0%	100.0%	100.0%

Table 7-2. Chi-Square Tests of whether Paolyta Co. practiced CSR in crisis and whether or not to support Paolyta Co. after its crisis

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	61.350 ^b	1	.000		
Continuity Correction ^a	58.606	1	.000		
Likelihood Ratio	55.330	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	61.167	1	.000		
N of Valid Cases	335				

a. Computed only for a 2x2 table

b. 0 cells (.0%) have expected count less than 5. The minimum expected count is 12.90.

Research question two asks if brand recognition helps crisis communication with regard to public perception. Independent-samples T-tests was used to see if a relationship between brand recognition and crisis communication exists. For the independent variable “whether or not to support Taiwan’s Nike after its crisis,” the analysis showed significant differences for the dependent variable “Interest in Taiwan’s Nike” ($t(333) = -2.87, p = .004$ (two-tailed), $d = -.36$), but no significant differences for the dependent variable “knowledgeable about Taiwan’s Nike” (see Table 8-1). It also indicated that the effect size of the sample is moderate.

Table 8-1. T-test for knowledgeable about Taiwan’s Nike and interest in Taiwan’s Nike regarding whether or not to support Taiwan’s Nike after its crisis

Group Statistics					
whether or not to support Taiwan's Nike after i		N	Mean	Std. Deviation	Std. Error Mean
knowledgeable about Taiwan's Nike	no	235	4.31	1.625	.106
	yes	100	4.47	1.460	.146
Interest in Taiwan's Nike	no	235	4.17	1.714	.112
	yes	100	4.73	1.427	.143

Table 8-1. Continued.

Independent Samples Test											
		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower		
knowledgeable about Taiwan's Nike	Equal variances assumed	1.477	.225	-.869	333	.386	-.164	.188	-.534	.207	
	Equal variances not assumed			-.907	206.658	.365	-.164	.180	-.519	.192	
Interest in Taiwan's Nike	Equal variances assumed	2.152	.143	-2.870	333	.004	-.560	.195	-.944	-.176	
	Equal variances not assumed			-3.088	222.303	.002	-.560	.181	-.917	-.202	

Similarly, for the independent variable “whether or not to support Paolyta Co. after its crisis,” the analysis presented significant differences for the dependent variable “Interest in Paolyta Co.” ($t(333) = -4.583, p = .000$ (two-tailed), $d = -.56$), but no significant differences for the dependent variable “knowledgeable about Paolyta Co” (see

Table 8-2). Thus, the effect size of the sample is large. Generally, these results show that the public was more likely to support corporations where they are more interested.

Therefore, it is verified that brand recognition helps crisis communication in terms of public perception.

Table 8-2. T-test for knowledgeable about Paolyta Co. and interest in Paolyta Co. regarding whether or not to support Paolyta Co. after its crisis

Group Statistics				
Whether or not to support Paolyta Co. after its	N	Mean	Std. Deviation	Std. Error Mean
knowledgeable about no Paolyta Co.	96	3.39	1.644	.168
yes	239	3.93	1.657	.107
Interest in Paolyta Co. no	96	2.43	1.478	.151
yes	239	3.28	1.575	.102

Table 8-2. Continued.

Independent Samples Test									
		Levene's Test for Equality of Variances		t-test for Equality of Means					
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference
									Lower
knowledgeable about Paolyta Co.	Equal variance assumed	.443	.506	-2.720	333	.007	-.543	.200	-.936
	Equal variance not assumed			-2.729	176.656	.007	-.543	.199	-.936
Interest in Paolyta Co.	Equal variance assumed	.000	.998	-4.583	333	.000	-.857	.187	-1.225
	Equal variance not assumed			-4.710	186.039	.000	-.857	.182	-1.217

Research question three asks if corporate social responsibility in a crisis influences brand recognition with regard to public perception. “Whether Taiwan’s Nike practiced CSR in its crisis” does not have a significant relationship with “bought products of Taiwan’s Nike” or “whether or not to support Taiwan’s Nike after its crisis.”

Similarly, there were no relationships between “whether Paolyta Co. practiced CSR in its crisis,” “bought products of Paolyta Co.” or “whether or not to support Paolyta Co.

after its crisis.” Overall, it seemed that socially responsible behavior in a crisis does not influence brand recognition with regard to public perception.

The following chapter presents the larger implications of the study results. It will also note the limitations of this study, offer suggestions for future research, and provide a conclusion.

CHAPTER 6 DISCUSSION

Corporate social responsibility is significant in most cases. For instance, the means of two given survey questions about the importance of corporate social responsibility (i.e., “How important CSR is [generally speaking]” and “How important CSR is in a crisis”) were considerably high (see Table 2 and Table 3).

Additionally, Taiwanese news articles associated successful crisis communication with effective corporate social responsibility. *United Evening News*, *Economic Daily News*, and *Electronic Commerce Times* all suggested that Paolyta successfully dealt with its crisis because of its socially responsible behaviors. In contrast, *The China Post*, *Libertytimes*, and *Manager Today* argued that Taiwan’s Nike failed in its crisis as a result of irresponsible corporate behavior.

This study identified the potential association between corporate social responsibility and crisis communication. First, H1 attempted to see how the Taiwanese perceive corporate social responsibility and whether public perceptions of CSR varied in different socioeconomic and cultural contexts. As H1 assumed, sponsoring community development (i.e., charity), actively participating in environmental protection (i.e., concerns for the environment), offering public relations practitioners that will communicate with the media or the public, and providing access to public communication (i.e., communication with stakeholders) are all features of corporate social responsibility in Taiwan (see Table 4).

Also, it appeared that this concept of corporate social responsibility is similar in different socioeconomic and cultural contexts. First, the Taiwanese identified the four factors listed above as indicative of corporate social responsibility. Moreover, the sponsoring of community development, the active participation in environmental protection, the promise of public relations practitioners who communicate with the media and the public, and the ability to provide access for public communication are all constructed from western concepts of corporate social responsibility.

It demonstrated that corporate social responsibility is determined by ethics. As such, ethical corporate social responsibility equates corporate duty with public rights (Curtin & Boynton, 2001) by treating stakeholders as a priority rather than the means to an end (Kent & Taylor, 2002). More specifically, to effectively implement corporate social responsibility, corporations must recognize and consider all the publics and environments they may affect. Thus, corporations should endeavor to better understand and cooperate with publics to exhibit social responsibility (Waddock, Bodwell, & Graves, 2002), which relies on effective communication with stakeholders.

Here, effective communication refers to two-way symmetrical communication (J. Grunig & Hunt, 1984). Two-way symmetrical communication requires equality between organizations and key publics as well as active cooperation in creating an open dialog to affect change. In addition, as J. Grunig and Hunt (1984) suggested, effective and ethical public relations practitioners can help organizations build long-term relationships with their key stakeholders through two-way symmetrical communication. Therefore, “public relations is the practice of social responsibility” (Bernays, 1980, cited in Stone, 2005, p. 31).

In short, organizations should note the importance of corporate social responsibility and integrate it into its corporate culture. Corporate social responsibility and effective public relations are the best way to achieve a win-win situation for organizations and publics.

Consistent with the notion of “democratic” corporate social responsibility, other factors such as honest and immediate communication with the public (i.e., ethical behavior), identifying the public as the top priority, and accepting full responsibility for crises were considered significant to socially responsible communication (see Table 5). Democratic corporate social responsibility in crisis communication, as Tombs and Smith (1995) suggested, takes the whole environment into account. In other words, corporate social responsibility is integrally related to each part of the corporation. Corporations should consider the best interest of public citizens, contribute to society (Ho & Kirk, 2004), and act ethically.

Moreover, the findings from the textual analysis illustrated that Paolyta practiced democratic corporate social responsibility in crisis communication, while Taiwan’s Nike exhibited poor crisis communication. Paolyta accepted its responsibility, explained the crisis to the public honestly and immediately in its news conference (Qiu, 2005), and considered the public its top priority (e.g., recalling and destroying the problematic products) (Chen, 2005). In contrast, Taiwan’s Nike did not accept responsibility until the boycott threat by The Consumers’ Foundation (“Nike Taiwan apologizes,” 2004) explained the crisis in an unfriendly and dishonest manner (Li, n.d.), and apologized insincerely two weeks after the crisis (Zhao, 2004). As Bradford and Garrett (1995) noted, recognition of mistakes and the acceptance of responsibility are critical to effective

crisis communication. The last thing a corporation should do in a crisis is avoid or deny deserved responsibility.

The aforementioned discussion shed light on how the Taiwanese perceive corporate social responsibility and crisis communication. Most importantly, this study illustrated that corporate social responsibility is helpful to crisis communication with regard to public perception. First, the quantitative findings showed that the positive relationship between “whether Taiwan’s Nike practiced CSR in its crisis” and “whether or not to support Taiwan’s Nike after its crisis (see Table 6-1 and 6-2). Likewise, there was a positive relationship between “whether Paolyta Co. practiced CSR in its crisis” and “whether or not to support Paolyta Co. after its crisis” (see Table 7-1 and 7-2).

Combining these results implies that the more the public perceives Taiwan's Nike or Paolyta as practicing CSR in a crisis, the more likely they are to support each company. Thus, corporate social responsibility has the ability to influence public perception.

Corporate social responsibility in crisis communication is also dependent on public relations. Moreover, as Marra (1998) noted, “Public relations is an important element in almost all successful crisis management efforts” (p. 461). With the help of excellent public relations, organizations practice two-way symmetrical communication to build “open and honest” relationships with key publics (J. Grunig, 1992). Public relations and corporate social responsibility, therefore, are two sides of the same coin. Indeed, Paolyta could succeed in its crisis communication on account of appropriate corporate social responsibility and public relations. Conversely, Taiwan’s Nike failed in its crisis communication because of its inability to act in a socially responsible manner due to its ineffective public relations.

Though this study shows that corporate social responsibility is helpful in achieving successful crisis communication, it may exert a more short-term than long-term impact on corporations, particularly when the organization (i.e., Nike) is large and has maintained such a strong brand image globally. For instance, loyal Nike fans may still support the brand after the crisis. This suggests that future research may prove necessary to understanding the influence of brand management over time.

This research also attempted to explore the correlation between brand recognition, corporate social responsibility, and crisis communication. Coombs and Holladay (1996) stated that “publics will make attributions about the cause of a crisis. The more publics attribute responsibility for the crisis to the organization, the greater the risk of reputational damage (a threat to legitimacy is part of the reputation)” (p. 292). However, Dean (2004) noted that “reputation is expected to interact with firm response such that a good firm offering an inappropriate response will remain favorably regarded by consumers, whereas a bad firm offering the same response will experience a loss of favor” (p. 198).

The quantitative results showed that brand recognition can help crisis communication with regard to public perception, whereas socially responsible behaviors in a crisis do not seem to influence brand recognition in terms of public perception. Thus, the answer to RQ2 is positively confirmed. The variable “whether or not to support Taiwan’s Nike after its crisis” had a significant and positive relationship with “interest in Taiwan’s Nike” but no correlation to “knowledgeable about Taiwan’s Nike” (see Table 8-1). “Whether or not to support Paolyta Co. after its crisis” also had a significant and positive relationship with “interest in Paolyta Co.” but no correlation to “knowledgeable

about Paolyta Co.” (see Table 8-2). These results implied that publics are more likely to support a company when brand recognition is high.

However, my original definition of “brand recognition” no longer seemed appropriate in light of the quantitative results of the study which suggested that “knowledgeable” is not related to “interest.” Hence, the original definition of “brand recognition” should be modified to reflect those who have an interest in a given corporation but that may not necessarily be knowledgeable about that corporation.

The quantitative findings led to a negative response to RQ3. Public perceptions of Taiwan’s Nike and Paolyta’s practice of CSR do not affect consumer support of either company before and after their crises. Consequently, a corporation's socially responsible behaviors in a crisis do not seem to influence brand recognition with regard to public perception.

However, it is interesting to note that though both corporate social responsibility and brand recognition are helpful in crisis communication, no significant correlations exist between corporate social responsibility and brand recognition. This correlation may require further research.

Limitations, Suggestions, And Conclusion

Given the time and resources, the current study applied the non-probability convenience sample which may limit the scope of its findings. Future studies should recognize that the findings of this study do not generalize the opinions of all Taiwanese citizens. In addition, because each organization’s social responsibility policies, programs and actions prior to the crises is unknown, the current study cannot compare each company’s practices before and after the crises.

Another limitation of this study is the potential range of corporate social responsibility and crisis communication responses. Within the survey questionnaire, a limited number of factors were used to describe corporate social responsibility and crisis communication. Thus, it is possible to take other factors into account. Besides, future studies can obtain more detailed and credible information from disinterested third parties on how to evaluate and describe corporate social responsibility and crisis communication. For instance, Kinder, Lydenberg, and Domini devised a set of corporate social responsibility performance ratings (Waddock & Graves, 1997).

Moreover, as McLeod (2000) noted, “the lack of attention paid to social structural antecedents is one of the major obstacles to progress in audience research” (cited in Lee, 2004, p. 615). This study may neglect other factors that affect the perception of corporate social responsibility and crisis communication, such as educational background, financial capability, and crisis types. Therefore, to further enhance validity, future studies should be cautious of these variables and conduct more precise research.

Overall, this study demonstrated the positive relationships between corporate social responsibility and crisis communication management by means of two corporate crises. Corporate social responsibility is essential to bridging the gap between organizations and publics, and to upholding legal and ethical corporate behavior in society.

11. *The corporation is socially responsible when it actively participates in environmental protection.*

Strongly Disagree	Disagree	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5

12. *The corporation is socially responsible when it offers public relations practitioners that communicate with the media or the public.*

Strongly Disagree	Disagree	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5

13. *The corporation is socially responsible when it provides access for publics to communicate (e.g., an email address)*

Strongly Disagree	Disagree	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5

Jordan's and Bullwild's crises

14. *The corporation is socially responsible when it explains problems to the public honestly and immediately.*

Strongly Disagree	Disagree	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5

15. *The corporation is socially responsible when the public is its top priority to consider rather than its source of profit.*

Strongly Disagree	Disagree	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5

16. *The corporation is socially responsible when it takes full responsibility for the crisis event (even the final outcome shows that the crisis is not the mistake of the corporation).*

Strongly Disagree	Disagree	Somewhat Agree	Agree	Strongly Agree
1	2	3	4	5

After Jordan's and Bullwild's crises

17. *How important do you think corporate ethics of corporate social responsibility are in a crisis?*

Not important	1	2	3	4	5	6	7	Very important
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18. *Do you think that Taiwan's Nike practiced corporate social responsibility in its crisis?*

YES

NO

19. *Will you support Taiwan's Nike after its crisis by buying or promoting its products?*

YES

NO

20. *Do you think that Paolyta Co. practiced corporate social responsibility in its crisis?*

YES

NO

21. *Will you support Paolyta Co. after its crisis by buying or promoting its products?*

YES

NO

APPENDIX B
MULTIITEM MEASURES

General corporate social responsibility in Taiwan ($\alpha = .83$)

1. The corporation is socially responsible when it sponsors community development.
2. The corporation is socially responsible when it actively participates in environmental protection.
3. The corporation is socially responsible when it offers public relations practitioners that communicate with the media or the public.
4. The corporation is socially responsible when it provides access for publics to communicate (e.g., an email address).

Socially responsible crisis communication in Taiwan ($\alpha = .67$)

1. The corporation is socially responsible when it explains problems to the public honestly and immediately.
2. The corporation is socially responsible when the public is its top priority to consider rather than its source of profit.
3. The corporation is socially responsible when it takes full responsibility for the crisis event (even the final outcome shows that the crisis is not the mistake of the corporation).

Brand recognition of Taiwan's Nike ($\alpha = .63$)

1. How knowledgeable do you believe you are about Taiwan's Nike?
2. What is your level of interest in Taiwan's Nike?
3. Have you ever bought products made by Taiwan's Nike before?

Brand recognition of Paolyta ($\alpha = .64$)

1. How knowledgeable do you believe you are about Paolyta?
2. What is your level of interest in Paolyta?
3. Have you ever bought products made by Taiwan's Paolyta before?

APPENDIX C
FREQUENCY TABLES

Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	161	48.1	48.1	48.1
	Male	174	51.9	51.9	100.0
	Total	335	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18	25	7.5	7.5	7.5
	19	38	11.3	11.3	18.8
	20	52	15.5	15.5	34.3
	21	40	11.9	11.9	46.3
	22	30	9.0	9.0	55.2
	23	18	5.4	5.4	60.6
	24	16	4.8	4.8	65.4
	25	19	5.7	5.7	71.0
	26	19	5.7	5.7	76.7
	27	14	4.2	4.2	80.9
	28	11	3.3	3.3	84.2
	29	11	3.3	3.3	87.5
	30	10	3.0	3.0	90.4
	31	5	1.5	1.5	91.9
	32	11	3.3	3.3	95.2
	34	1	.3	.3	95.5
	35	3	.9	.9	96.4
	36	4	1.2	1.2	97.6
	37	3	.9	.9	98.5
	40	2	.6	.6	99.1
	42	1	.3	.3	99.4
	45	1	.3	.3	99.7
	48	1	.3	.3	100.0
	Total	335	100.0	100.0	

Knowledgeable about Taiwan's Nike

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not knowledgeable	16	4.8	4.8	4.8
	2	25	7.5	7.5	12.2
	3	51	15.2	15.2	27.5
	4	89	26.6	26.6	54.0
	5	81	24.2	24.2	78.2
	6	32	9.6	9.6	87.8
	Very knowledgeable	41	12.2	12.2	100.0
	Total	335	100.0	100.0	

Interested in Taiwan's Nike

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not interested	25	7.5	7.5	7.5
	2	20	6.0	6.0	13.4
	3	44	13.1	13.1	26.6
	4	97	29.0	29.0	55.5
	5	67	20.0	20.0	75.5
	6	41	12.2	12.2	87.8
	Very interested	41	12.2	12.2	100.0
	Total	335	100.0	100.0	

Bought products of Taiwan's Nike

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	52	15.5	15.5	15.5
	yes	283	84.5	84.5	100.0
	Total	335	100.0	100.0	

Knowledgeable about Paolyta Co.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not knowledgeable	38	11.3	11.3	11.3
	2	40	11.9	11.9	23.3
	3	69	20.6	20.6	43.9
	4	76	22.7	22.7	66.6
	5	57	17.0	17.0	83.6
	6	35	10.4	10.4	94.0
	Very knowledgeable	20	6.0	6.0	100.0
	Total	335	100.0	100.0	

Interested in Paolyta Co.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not interested	78	23.3	23.3	23.3
	2	55	16.4	16.4	39.7
	3	65	19.4	19.4	59.1
	4	82	24.5	24.5	83.6
	5	33	9.9	9.9	93.4
	6	12	3.6	3.6	97.0
	Very interested	10	3.0	3.0	100.0
	Total	335	100.0	100.0	

Bought products of Paolyta Co.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	133	39.7	39.7	39.7
	yes	202	60.3	60.3	100.0
	Total	335	100.0	100.0	

How important CSR is (general speaking)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not important	1	.3	.3	.3
	2	4	1.2	1.2	1.5
	3	2	.6	.6	2.1
	4	20	6.0	6.0	8.1
	5	31	9.3	9.3	17.3
	6	52	15.5	15.5	32.8
	Very important	225	67.2	67.2	100.0
	Total	335	100.0	100.0	

CSR should sponsor community development

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	7	2.1	2.1	2.1
	somewhat agree	56	16.7	16.7	18.8
	agree	159	47.5	47.5	66.3
	strongly agree	113	33.7	33.7	100.0
	Total	335	100.0	100.0	

CSR should actively participate in environmental protection

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	6	1.8	1.8	1.8
	somewhat agree	32	9.6	9.6	11.3
	agree	149	44.5	44.5	55.8
	strongly agree	148	44.2	44.2	100.0
	Total	335	100.0	100.0	

CSR should offer pr practitioners that communicate with the media or the public

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	8	2.4	2.4	2.4
	somewhat agree	43	12.8	12.8	15.2
	agree	163	48.7	48.7	63.9
	strongly agree	121	36.1	36.1	100.0
	Total	335	100.0	100.0	

CSR should provide access for publics to communicate

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	7	2.1	2.1	2.1
	somewhat agree	50	14.9	14.9	17.0
	agree	177	52.8	52.8	69.9
	strongly agree	101	30.1	30.1	100.0
	Total	335	100.0	100.0	

CSR in crisis should explain problems to the public honestly and immediately

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	5	1.5	1.5	1.5
	somewhat agree	34	10.1	10.1	11.6
	agree	156	46.6	46.6	58.2
	strongly agree	140	41.8	41.8	100.0
	Total	335	100.0	100.0	

CSR in crisis should consider the public as the top priority

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	disagree	2	.6	.6	.6
	somewhat agree	30	9.0	9.0	9.6
	agree	153	45.7	45.7	55.2
	strongly agree	150	44.8	44.8	100.0
	Total	335	100.0	100.0	

CSR in crisis should take full responsibility

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	5	1.5	1.5	1.5
	disagree	25	7.5	7.5	9.0
	somewhat agree	72	21.5	21.5	30.4
	agree	137	40.9	40.9	71.3
	strongly agree	96	28.7	28.7	100.0
	Total	335	100.0	100.0	

How important CSR is in a crisis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not important	2	.6	.6	.6
	2	3	.9	.9	1.5
	3	6	1.8	1.8	3.3
	4	39	11.6	11.6	14.9
	5	66	19.7	19.7	34.6
	6	66	19.7	19.7	54.3
	Very important	153	45.7	45.7	100.0
	Total	335	100.0	100.0	

Whether Taiwan's Nike practiced CSR in crisis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	277	82.7	82.7	82.7
	yes	58	17.3	17.3	100.0
	Total	335	100.0	100.0	

Whether or not to support Taiwan's Nike after its crisis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	235	70.1	70.1	70.1
	yes	100	29.9	29.9	100.0
	Total	335	100.0	100.0	

Whether Paolyta Co. practiced CSR in its crisis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	45	13.4	13.4	13.4
	yes	290	86.6	86.6	100.0
	Total	335	100.0	100.0	

Whether or not to support Paolyta Co. after its crisis

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	96	28.7	28.7	28.7
	yes	239	71.3	71.3	100.0
	Total	335	100.0	100.0	

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BIOGRAPHICAL SKETCH

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