Image restoration: An examination of the response strategies used by Brown and Williamson after allegations of wrongdoing

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Abstract
Organizations often respond to allegations of wrongdoing made by whistle-blowers. Response mechanisms may take several forms, from simply denying the wrongdoing, to offering an apology. This study sought to examine the various response strategies an organization employed after a whistle-blowing incident. Using the whistle-blowing case of Brown and Williamson Tobacco Company, this study sought to examine the different image restoration strategies the organization (Brown and Williamson) used in responding to the allegations of wrongdoing made by the whistle-blower, Dr. Jeffrey Wigand. The study found because Wigand accused Brown and Williamson of management misconduct and inappropriate behavior, the organization used a defensive strategy in order to protect its image. Furthermore, a defensive strategy was more likely because Brown and Williamson was accused of a serious wrongdoing. Analyses of each strategy and organizational concerns are provided. © 2006 Elsevier Inc. All rights reserved.

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1. Introduction and background

Allegations of organizational wrongdoing continue to surface in media reports. When accusations are made against a company, senior officials often find themselves in an awkward position, especially in regards to responding to the allegations. An organizational issue that has received considerable media attention, but has not received the same degree of attention within the image restoration literature is whistle-blowing.

Research on whistle-blowing has focused upon topics such as the characteristics of a whistle-blower (Miceli, Dozier, & Near, 1991), interpersonal closeness and whistle-blowing (King, 1997), the process of blowing the whistle (Miceli & Near, 1991), and the ethics of whistle-blowing (Brabeck, 1984). We can assume organizations that experience whistle-blowing will make an attempt to restore their image, by offering some form of response to the whistle-blower’s allegations (Coombs, 1995). Likewise, characteristics of the wrongdoing may also perform a key role in the selection of an appropriate response strategy (Coombs & Holladay, 2002).

In order to address these issues, the whistle-blowing case of Brown and Williamson Tobacco Company versus Dr. Jeffery Wigand was chosen for examination. This whistle-blowing case involved a serious allegation of wrongdoing being made against the company and its officials; that is, Wigand accused Brown and Williamson Tobacco Company of management misconduct and inappropriate behavior.
Senior officials responded to Wigand’s allegations in various public forums. It is these response strategies this paper will explore. By examining the response strategies of Brown and Williamson, researchers can gain a better understanding of why a particular strategy was selected in responding to the allegations of wrongdoing. Were some strategies more effective or ineffective than others? Were there factors surrounding the allegations that may encourage the use of some strategies, more-so than others? We begin by offering a definition of whistle-blowing and a review of the various image restoration strategies.

Whistle-blowing has been defined as the “disclosure by organizational members (former or current) of illegal, immoral, or illegitimate practices under the control of their employers, to persons or organizations that may be able to effect action” (Near & Miceli, 1985, p. 4). In the event of whistle-blowing, officials internal to the organization must decide upon an appropriate response. First, an organization can simply deny a wrongdoing has occurred or has been performed by the organization. On the other hand, an organization may find shifting the blame to another person or corporation as an effective response tool (Benoit, 1995).

Second, organizations unable to deny a wrongdoing might reduce their responsibility for the act, by stating their actions were provoked by another party. Or, the organization may paint itself as a victim of some scandalous act by a person or group outside the organization (Coombs, 2000). Still yet, the organization may claim the wrongdoing was accidental, or the wrongdoing occurred but with good intentions in mind (Benoit, 1995).

Another response strategy an organization might employ is to bolster its own image, by focusing on the positive characteristics associated with the organization. Likewise, an organization may also attempt to minimize the wrongdoing. In a similar vein, an organization may attempt to distinguish or differentiate the wrongdoing from other similar but less desirable wrongdoings, thus allowing the wrongdoing to be perceived less offensive (Benoit, 1995).

Another strategy an organization might employ would be transcendence, which involves placing the wrongdoing in a different, more favorable context. An organization might also attack the accuser who reported the wrongdoing. On the other hand, an organization may offer compensation, in the form of valued goods, services or monetary funds.

Finally, an organization might offer to correct the wrongdoing, or apologize and ask forgiveness (that is, mortification) in committing the offensive act (Benoit, 1995).

2. Brown and Williamson’s case

In 1995, CBS 60 Minutes correspondent, Mike Wallace, interviewed Dr. Jeffrey Wigand, the former Vice-President of Research and Development at Brown and Williamson, regarding the tobacco industry. Wigand informed Wallace of behavior he perceived to be questionable in the manufacturing of tobacco products. The New York Daily News printed excerpts from a transcript of the 60 Minutes report, identifying the story’s chief source as former Brown and Williamson research executive, Dr. Jeffrey Wigand (Jensen, 1995). After the allegations were made public by the New York Daily News, Brown and Williamson filed suit against Wigand for theft, fraud, and breach of contract, for violating the confidentiality agreement made earlier with the company (Carter, 1995).

In order to examine the various image restoration strategies employed by Brown and Williamson, news reports were collected from the Wall Street Journal, the New York Times, the Washington Post, and the Courier-Journal. Studies investigating organizational crises involving illegal corporate behavior (Bromley & Marcus, 1989) and product recalls (Jarrel & Peltzman, 1985) have found credible newspapers, such as the Wall Street Journal to be fairly accurate in reporting information to the public.

News reports examining the Brown and Williamson tobacco crisis were examined from the period of November 1995 through June 1997, ending when the Masters Settlement Agreement was reached between the tobacco companies and federal officials. The researcher collected 67 different news articles during that time period. Articles were read, focusing only on the direct quotes from sources internal to Brown and Williamson, who were responding to the allegations made by Wigand. Because only direct quotes were used for the study, editorials were not collected nor examined as part of the study, as well as articles that featured Brown and Williamson, but did not focus upon the case.
3. Strategies

Different response strategies emerged from the news reports. In order to provide a clear assessment of those strategies, the period of November 1995 through June 1997 was divided into five categories, namely (1) the disclosure, (2) silencing the whistle-blower, (3) the deposition, (4) the broadcast, and (5) the formal hearing. Within each category, examples of the strategies used by Brown and Williamson are illustrated.

3.1. Disclosure

3.1.1. Attack the accuser

Following the disclosure of the allegations, the organization attacked the accuser. For example, an official internal to the organization stated the whistle-blower was a “master of deceit . . . Wigand attempts to portray himself as some kind of hero, when in reality he is simply out for personal gain” (Carter, 1995, p. A14). Another assertion stated “he [Wigand] had misled management at B&W with half-truths to the point that B&W management lost trust in him . . .” (Hwang, 1995a, p. A6).

3.2. Silencing the whistle-blower

3.2.1. Provocation

In November 1995, Brown and Williamson obtained a restraining order barring Wigand from speaking to authorities (Brown, 1995; Feder, 1995). State officials, however, in Mississippi wanted to speak with Wigand regarding his knowledge of the organization’s manufacturing of tobacco products. Despite the restraining order issued by a Kentucky court, Wigand was subpoenaed to share company secrets with state officials in Mississippi. As a result, Brown and Williamson employed the strategy of provocation. For example, “since Wigand has not cooperated with B&W as required by his agreement and the restraining order, we have no choice but to seek to hold him in contempt if he goes through with the deposition . . .” (Feder, 1995, p. A20).

3.2.2. Denial

The organization attempted to stop the whistle-blower from speaking to federal and state authorities that were interested in the practices of the tobacco industry. For example, when Wigand was subpoenaed in Mississippi, the organization used denial stating, “Brown and Williamson has denied Mr. Wigand’s allegations that the company killed efforts to make a safer cigarette . . .” (Hwang, 1995b, p. B10).

3.2.3. Attack the accuser

During this period, the company also used the response strategy of attacking the accuser. For example, “Mr. Wigand and his counsel have gone to extreme lengths to avoid simply meeting with Brown and Williamson. Why? The inescapable conclusion is that if Mr. Wigand engages in a truthful discussion with us, he will be of little value to the plaintiffs’ attorneys who are looking to profit from false claims being asserted against the tobacco industry” (Wade, 1995, p. B8).

3.2.4. Minimization

Finally, the organization used the response strategy minimization in reference to the court subpoena stating, “The subpoena is nothing more than a litany of unsubstantiated plaintiff-lawyer allegations” (Hwang, 1995c, p. B7).

3.3. Deposition

3.3.1. Attack the Accuser

Details of the accusations Wigand made against his former employer became public on January 26, 1996, with the disclosure of the testimony given in Mississippi (Feder, 1996a). In responding to the allegations, the organization used the response strategy of attacking the accuser. For example, “What he [Wigand] says about Brown and Williamson is not true and he’s not credible. Wigand has lied about his education, his job history, his scientific achievements, and
even his athletic accomplishments. . . Mr. Wigand has been sued for failure to pay child support and was the subject of complaints about spousal abuse and shoplifting” (Feder, 1996a, p. A7).

3.3.2. Denial.
Along with attacking the accuser, the organization also used denial as an image response strategy. For example, in reference to the company’s use of Coumarin in smoking products, “Coumarin is not in B&W products now and, as it was used, it was entirely safe to smokers” (Freedman, 1996, p. A8).

3.4. Broadcast

3.4.1. Victimization
CBS News began broadcasting its controversial interview with Wigand following the publication by the Wall Street Journal of the testimony in Mississippi. As portions of the interview were broadcast on the ‘CBS Evening News’, the organization responded by using victimization as a response strategy. For example, “this deposition is a one-way story . . . the allegations baseless . . . Wigand is being protected from cross-examination by his attorneys because they know he will be exposed to untruthful once we have the chance to cross-examine him” (Jensen & Hwang, 1996, p. B10). After CBS broadcast the interview on ‘60 Minutes’, the organization again responded by using victimization. For example, “it is important for everyone who viewed last night’s program to remember that this was not fair and objective journalism” (Feder, 1996b, p. A17).

3.4.2. Attack the accuser
The organization continued its attack on Wigand’s credibility by noting “Wigand has contradicted himself by telling federal investigators in January 1994 that he knew of no criminal or fraudulent behavior by Brown and Williamson, yet he told ‘60 Minutes’ and investigators in Mississippi that B&W attorneys took improper steps to keep sensitive documents about smoking and health from the public or from being used in litigation” (Ward, 1996, p. D10).

3.5. Formal hearing

3.5.1. Attack the accuser
After the ‘60 Minutes’ broadcast, officials internal to Brown and Williamson sought to question Wigand regarding the allegations made against the company. During the formal hearings, B&W attorneys focused upon attacking the credibility and honesty of Wigand’s allegations made during the interview with Mike Wallace, and later broadcast on ‘60 Minutes’. For example, “We have shown him to be a fraud . . . already in the first hour, we have taken away any real basis Wigand has for what he said” (Hwang, 1996, p. B10).

4. Examination of Strategies
In surveying the above response strategies, the organization focused upon attacking the accuser. Scholars suggest that attacking the accuser may be classified as a defensive strategy, which goes beyond an organization’s use of simply denying the wrongdoing (Coombs, 1999; Marcus & Goodman, 1991). Usually directed towards some stakeholder group that claims a crisis exist (Coombs, 1999), attacking an accuser may also be directed towards a person(s) that may threaten the interest of the organization.

The organization in this study also used denial as a response strategy. By denying all claims that a wrongdoing exists, the organization sought to separate itself from the whistle-blower’s allegations. According to Benoit (1995), “whether the accused denies that the offensive act actually occurred or denies that he or she performed it, either option, if accepted, should absolve the actor of culpability” (p. 75).

Another response strategy the organization employed was minimization. If an organization “can convince the audience that the negative act isn’t as bad as it might first appear, the amount of ill feeling associated with the act is reduced” (Benoit, 1995, p. 77). In this case, the organization attempted to minimize the court subpoena by noting it as a list of unsubstantiated claims; that is, the whistle-blower’s allegations would be proven false.

A fourth response strategy the organization used was victimization. In using this strategy, the organization claimed it was a victim of not only false information, but of one-sided information, which was being presented to destroy the
image and reputation of the company. In this case, the organization perceived itself as a victim of the whistle-blower’s
allegations, as well as the CBS network.

Finally, the organization used the response strategy of provocation. In this response strategy, “the actor [i.e., orga-
nization] may claim that the act in question was performed in response to another wrongful act, which understandably
provoked the offensive act in question” (Benoit, 1995, p. 76). In this case, because of Wigand’s refusal to abide by the
restraining order, the organization had no other recourse but to hold him in contempt.

5. Discussion

Senior officials, who must respond to the allegations of organizational wrongdoing by a whistle-blower, should
keep in mind several important factors. First, characteristics associated with the wrongdoing will influence the type
of response strategy offered by the organization. Allegations of a serious wrongdoing by a whistle-blower will likely
prompt the use of a defensive response strategy by the organization. Defensive strategies are those in which senior
officials claim a wrongdoing does not exist, and attempts to eliminate any doubts about the legitimacy of the organization
(Marcus & Goodman, 1991). The emphasis is on protecting the organization’s image (Coombs, 1999), and to regain
stakeholders interests in the corporation.

Second, corporations that respond to a whistle-blower’s allegations are often scrutinized by parties external to
the organization. Parties external to the organization will often make attributions about who or what caused the
wrongdoing (Siomkos & Shrivastava, 1993). According to Coombs and Holladay (1996), the more external parties
attribute responsibility for the crisis to the corporation, the greater the risk of damage to the organization’s image. As
a result, senior officials must select an appropriate strategy, which “can lessen the reputational [that is, image] damage
by mitigating the affective feelings generated by the attributions and/or altering the attributions themselves” (Coombs

Finally, senior officials should use caution when using a defensive strategy in the event of an organizational wrong-
doing. Organizations that are less concerned with the interest of the victims, and more concerned with the long-term
financial effects of accepting responsibility for the wrongdoing, may find not only the image of the organization
threatened, but also its legitimacy.

6. Conclusions and limitations

There are a couple of limitations to this study. First, this study only examined a single whistle-blowing case and not
multiple cases. Therefore, the results from this study can not be generalized to other organizations. Second, researchers
(Stacks & Hocking, 1999) have discussed the use of case studies as a method of conducting research. According to
Stacks and Hocking, although the approach is skillful in assisting researchers with obtaining valuable insight into an
area of inquiry, problems can exist in reference to the accuracy of the data.

In closing, how an organization responds to whistle-blowing may affect its bottom line. If an organization experiences
whistle-blowing, the dominant coalition and other members’ internal to the organization must take into account the
image of the organization is at stake. Organizations that employ a defensive strategy, when the allegations are true, risk
damage to the image and reputation of the organization.

The choice of an appropriate and effective strategy will depend upon senior officials in upper management. Both the
costs and benefits of using a specific strategy should be weighed in reference to possible risk to the organization’s image.
Strategies that have the potential to damage the image of an organization should be discounted by the organization.
On the other hand, those strategies that will explain any questionable behavior on or by the company might be considered and
reviewed for possible implementation. Such ethical behavior may be receptive to members internal to the organization,
as well as the community.

References


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