

Research Paper

**An Evaluation of Crisis Response Performance of Husi Food Co. during its 2014
Food Safety Scandal - Using the Situational Crisis Communication Theory**

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Abstract

By using the Situational Crisis Communication Theory (SCCT), this case study evaluates the crisis response strategies adopted in the July 2014 food safety scandal of Shanghai Hushi Co., Ltd. The company reportedly supplied expired meat products to fast-food giants (including McDonald's, KFC and Burger King) in China and other regions of East Asia. The central question guiding the research is: did the crisis managers of Hushi Food Co., Ltd choose proper response strategies to react to its 2014 food safety scandal? To address the question, the proposed study adopted a qualitative content analysis approach. The findings of this study reveal that rebuild response strategies used by Hushi were appropriate for this preventable crisis. Some demerits in the performance by Hushi Food Co., Ltd as well as suggestions for crisis management practitioners regarding the use of Situational Crisis Communication Theory in reality are also discussed.

Keywords: crisis response, situational crisis communication theory, crisis case study

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1. Introduction

In an era of digital technologies, the pace, amount and audience of information transfer have been increasing rapidly, bringing both challenges and opportunities to organizations: on one hand, the advanced functions and utilities of digital technologies prompt organizations to upgrade and advance with the times and make use of the benefits; on the other hand, the development of digital technology largely speeds up the pace of events, which leaves organizations with huge uncertainties about their situations and very limited time to make significant decisions (O'Kane, *et al.*, 2004).

Crises bring out the best and the worst of organizations, and they can be a major threat to the survival of organizations when handled improperly (Cuna, 2006). Traditional models of crisis communication have suggested common guidelines and axioms for crisis managers: a fundamental requirement is that crisis managers should have up-to-date crisis plans prepared before there is a crisis; after a crisis breaks out, crisis managers should respond quickly and effectively in order to minimize the negative impact caused by rumors and speculations, and it is crucial that an organization keeps consistency throughout the delivery of messages relevant to the crisis; moreover, being “accessible to stakeholder groups and the media” (p. 138) and providing proper remedy to those affected by the crisis are actions that help reduce the conflict between the organization and its stakeholders (Cuna, 2006). However, due to the complexity of crisis situations in reality, sophisticated response strategies are needed to deal with different realities, and there are multiple theories that provide crisis managers guidance on doing so. Coombs' (2002, 2007b, 2013 & 2015) Situational Crisis Communication Theory, which recommends specified crisis response strategies for different crisis types it categorizes, is deemed as one of the dominant crisis-handling models of protecting the reputation of organizations affected by crises (Kim, *et al.*, 2009). The Image Restoration Theory is

another significant contribution to theories of crisis response, and the main functionality of it is to provide organizations with options to reduce damage to their reputation (Benoit, 2015). Apologia, which Benoit's Image Restoration Theory was built on, is also recommended to crisis managers as a form crisis response towards certain situations of crises (Hearit, 2013). Among the three approaches, the Situational Crisis Communication Theory provides organization crisis managers with the most specified response strategies that are highly applicable, and several studies have confirmed the validity of Situational Crisis Communication Theory in both reality and experimental studies (Jeong, 2009; Kim, *et al.*, 2009; Mason, 2014). Therefore, it is selected as the theoretical framework for this paper.

In July 2014, Shanghai Husi Food Co., a unit of U.S.-based food supplier OSI Group, was temporarily closed after allegedly selling expired chicken and beef to Chinese branches of McDonald's and KFC (Evans, 2014). A report by Shanghai Dragon TV showed workers picking up meat from the factory floor and putting it back to the conveyer belt, as well as mixing meat beyond its expiration date with fresh products (Evans, 2014). An official of China's food safety regulator told the media that some of the illegal conduct it uncovered was an arrangement organized by managers at Husi (Associate Press, 2014). A month after the initial TV revelations, Shanghai authorities announced the arrest of six Chinese employees of OSI's Shanghai plant on accusations of selling expired products (Burkitt & Browne, 2014).

The scandal also has had a serious impact on McDonald's and KFC, both in China and overseas. Yum Brands Inc., which owns KFC, said that OSI was not a major supplier for its restaurants in any region of the world, however Yum Brands Inc did confirm that it was terminating all agreements with OSI (including in Australia and the U.S), and that it reserves the right to take legal action against OSI (Associate Press, 2014). OSI was the

biggest supplier of protein products for McDonald's around the world (Associate Press, 2014). McDonald's said in a statement that it has been in direct contact with OSI's management, and that it would use products from other OSI plants in China to supply its restaurants (Associate Press, 2014).

The main object of this research paper is to use Coombs (2002, 2007b, 2013, 2015)' Situational Crisis Communication Theory to evaluate the crisis response performance of Husi Food Co., Ltd during its July 2014 food safety scandal. The author also provides her opinion towards the applicability of the Situational Crisis Communication Theory on real-life cases and suggestions for future research.

The structure of this research paper is as follows:

Chapter 2 provides the review of literature on crisis communication, with a focus on organization reputation, organizational decision-making and Coombs' Situational Crisis Communication Theory. An introduction of the background of food safety incidents in China is also presented.

Chapter 3 discusses the methodology employed in this paper. The research design, data collection and analysis method as well as limitations of methodology are included.

Chapter 4 presents the results of data analysis, which are concluded from examining 13 news articles on the People's Daily website and 7 on Sina.com. The results include themes such as initial crisis responsibility of the incident, crisis history and prior relational reputation of Husi Co., as well as its crisis response strategies during its 2014 food safety scandal.

Chapter 5 goes into details about each key theme in the findings and associates them with the Situational Crisis Communication Theory.

Chapter 6 draws a conclusion on this paper's research questions and discusses the significance of this paper.

2. Review of Literature

The literature review of this paper is intended to provide readers with: (1) a detailed introduction of theories and concepts related to organizational crisis, organizational reputation and decision-making during crisis; (2) an explanation of dominant approaches to crisis response; (3) a background introduction of food safety crises in China as well as the corporation being studied.

2.1. Crisis and Organization Reputation

Organizational crisis has been defined in various ways. For example, Billings *et al.* (1980) describe an organizational crisis (from an individual decisionmaker's perception) as a situation involving "higher perceived probability of loss" that brings organizational decisionmakers "felt need to react more quickly" (p. 314). Pearson and Clair (1998) define organizational crisis as "a low-probability, high-impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly" (p. 60). Seeger (2003) provides a more complicated explanation of organizational crisis: "an unusual event of overwhelmingly negative significance that carries a high level of risk, harm, and opportunity for further loss", which "often conveys a fundamental threat to system stability, a questioning of core assumptions and beliefs, and threats to high-priority goals, including image, legitimacy, profitability and even survival" of organizations (p. 4).

History has proven the intensity and severity of impacts brought about by corporate crisis. For example, a study by advertising company Mediamark Research and Intelligence shows: the percentage of U.S. adults who held positive attitudes toward Toyota dropped from 83% to 78% after its vehicle recall incident in 2009 (the recall was triggered by a car crash that killed four people due to safety defect); after the second major vehicle recall in January and April 2010, the percentage dropped another 19

percent to 59%. It cost the company about 1012 post-recall advertisements (about 10 times of its regular advertisement amount) to recover the confidence of its consumers to 70% by December 2011, but the number is still lower than that of its pre-recall days (GfK MRI, 2012).

Another example that probably remains fresh in Canadians' memory today is the listeriosis outbreak in 2008. Maple Leaf Foods, a leading consumer packaged meats company headquartered in Toronto, Ontario, was responsible for a total of 22 deaths that were linked to the transmit of listeriosis bacteria from two slicing machines at its Toronto plant. Along with the huge compensation (up to \$27 million), Maple Leaf Foods agreed to pay to settle class action lawsuits (CBC News, 2008). The incident cost the company millions more in product recall, lost sales as well as spending for advertising and customer relations (CBC News, 2008). The sincere apologies made by its chief executive Michael McCain, the measures taken to eliminate further contamination, and internal reorganization made to improve food safety, altogether earned Maple Leaf Foods respect from the public, but still it was until the end of the next year that the company returned to profitability (Witzel, 2013).

The above two crises were both product-related. Products are the most direct medium that connect consumers and companies, therefore negative incidents related to product harm and product tampering can have extremely serious consequences for companies' image and reputation (Laufer & Coombs, 2006). It has been proven by a great number of studies that product harm issues have "negative effects on market share, sales of recalled products, stock prices, purchase intentions, and sales of other company products" (Laufer & Coombs, 2006, p. 380).

While it is common for product harm crises to pose severe challenges to corporate images and business performance, sometimes careless words may also make a company

suffer from serious threats. An interview Mike Jefferies (the then CEO of American retailer Abercrombie & Fitch) did with the Salon Magazine in 2006 went viral on the Internet seven years later, after retail expert and author Robin Lewis, who found that Abercrombie & Fitch was not producing clothes for large-sized customers brought it up in an interview. The quote by Mike Jefferies that “Candidly, we go after the cool kids. We go after the attractive all-American kid with a great attitude and a lot of friends”, and that he only wanted “thin and beautiful” people to shop at his stores (Denizet, 2006) aroused public indignation. Negative news about the company in the past was picked up again, such as racial discrimination in its hiring practices, using sexual content in advertisements and catalogues that were inappropriate for its targeted teenage customers. Those histories overwhelmed the once iconic brand, which resulted in a sales drop of 11% and the closing of at least 220 mall stores by the end of 2013 (Berfield & Rupp, 2015). As the company’s disappointing financial performance and reputational threats continued, the long controversial CEO Mike Jefferies had no choice but to retire from his position at the end of the next year (Moore, 2014). What’s worse, for three consecutive years Abercrombie & Fitch was ranked one of the top three brands American teen girls no longer want to wear by surveys of Piper Jaffray (Peterson, 2015).

From the above examples we can conclude that both visible financial losses and intangible reputational threat are major negative impacts caused by organizational crises.

Organization reputation can be understood as a “subjective and collective recognition, perception, attitude and evaluation of an organization over time between all involved stakeholder groups”, which is based on “specific organizational quality aspects, past behavior, communication, symbolism and, possibility and potential to satisfy future expectations comparing to competitors” (Šontait-Petkeviiien, 2014, p. 452). Stakeholders usually obtain information about reputation of an organization through “interactions”

with it, “mediated reports” about it (including the news media and advertising) and “second-hand information from other people” (Coombs, 2007b, p. 164). Perceived as possessing “intangible value for organizations” and “the most important strategic and long-term organizational asset”, organization reputation plays a pivotal role in market maintenance and expansion, and it has a direct effect on customers and other stakeholders’ impression and attitude about an organization (Šontait-Petkeviiien, 2014, p. 153).

Therefore, it is of great importance that organization managers do their best to protect and enhance organization reputation, especially when the organization is under the threat of crises.

2.2. Stages of A Crisis

As mentioned above, a crisis situation brings to organizations great reputational harm, and taking measures to end the crisis and reduce harm becomes the priority of organization managers. Being aware of which stage an organizational crisis is in during its life cycle helps crisis managers decide what actions to take for the purpose of receiving the best possible outcome (Coombs, 2015). Among many versions of definition and classification of crisis process, a three-stage approach is recommended by a lot of crisis management experts as the most ideal model, because it is general enough to subsume other approaches in crisis management (Coombs, 2015).

The three stages of a normal crisis are: (1) the pre-crisis stage, (2) the acute-crisis stage, (3) the post-crisis stage (Delvin, 2007; Coombs, 2015). The pre-crisis stage is the first time an organization, either its general staff or crisis management personnels, become aware of one or some factors that have the potential of causing a crisis. The severity of the issue might be low at this time because the issue is not yet known to the media or the public. However, it is a decisive stage of a crisis, because how well it is handled may determine whether the issue will be resolved inside the organization, or go

public and become a crisis. The best scenario would be taking control of the issue within this stage and preventing the organization from suffering further damage. Small situations that may develop into crisis occur in organizations every month, and in some large organizations they take place on a daily basis (Delvin, 2007), so organization managers should see crisis prevention as an ongoing effort that deserves great attention and planning.

To act proactively for the purpose of avoiding crisis, issue management is recommended to crisis managers as a strategic aspect of crisis prevention (Jaques, 2012). One example of issue management is: the pharmaceutical industry in the United States regulated itself towards the use of direct-to-customer advertising before the U.S. Senate and the Food and Drug Administration begin to take intervene measures, thereby avoiding possible query from media (Coombs, 2015). Another positive example is: the social media director of the American Red Cross followed up a humorous tweet and acknowledged the mistake after one of its employees accidentally sent a tweet that was meant for her private account. Her timely and witty response protected the American Red Cross from controversy on the Internet (Bhasin, 2011).

There are a variety of possibilities for pre-crisis stage situations to move to the acute-crisis stage, which begins when a trigger event takes place and ends when the crisis is resolved (Coombs, 2015). Sometimes organization executives underestimate the severity of a pre-crisis situation because they don't see serious consequences coming; and when they do, it is usually too late (Delvin, 2007). An extreme example of where a grave disaster happened because executives underestimated the potential damage a situation could cause was the catastrophic 9/11. Shortly after the former U.S. President George W. Bush took office in 2000, the then National Coordinator for Security, Infrastructure Protection, and Counter-terrorism Richard A. Clarke made attempts to discuss the threat

al Qaeda posed to the United States with the White House. His requests were ignored for several times, because President Bush did not think the issue was urgent enough for holding a cabinet-level meeting on the subject, and instead Bush focused his attention on matters such as missile defense and Iraq (Malveaux, 2004).

Sometimes pre-crisis situations move to the acute-crisis stage because organization managers are aware of the problem but overestimate their ability to handle the crisis, other times they are totally unaware of the potential threat of organizational issues because, for example, employees fear or fail to acknowledge them about it (Delvin, 2007). The aforementioned Abercrombie & Fitch's former CEO Mike Jefferies was known for being arrogant and doing business however he wants to. As early as in 2002, he was warned by his employees that some of the brand's products would have excluded people of certain body shapes from shopping there, but he totally ignored such concern and believed that it was exactly the exclusivity that made the brand stand out (Berfield & Rupp, 2015). His business maintained growth for more than a decade, but it was only a matter of time for the hidden danger to finally come and hit both him and the company hard.

It is also possible that organization executives are in fact involved in fraud and unethical practices, and they intentionally ignore the warning of a crisis (Delvin, 2007). On May 3rd 2012, the then new chief executive of Yahoo Scott Thompson was reported to have lied about having a degree in computer science alongside his accounting Bachelor's Degree. Daniel Loeb, an activist shareholder of the company back then, sent the board of directors a letter saying the school Scott Thompson went to was not even offering degree in computer science while he was studying there. Yahoo had been struggling with disappointing performance and fierce competitions from Google and Facebook, and this controversy, which was later confirmed, undoubtedly put it to shame.

Scott Thompson could have chosen a wiser way to deal with the matter and leave the company quietly – he could confess the truth to the board immediately and discuss with them a proper way to announce his resignation and minimize the harm to both parties (for example, he was actually suffering from thyroid cancer, and the company could have claimed that as the reason for his resignation to the public). Unfortunately, Scott Thompson refused appropriate communication with the board and did not respond directly to the query, and the incident brought Yahoo a serious image problem (Stewart, 2012).

Being reported in media is considered a sign that an organizational crisis has reached its acute-crisis stage (Delvin, 2007). Crisis managers are faced with challenges from multiple facets, both internal and external, and it is their responsibility to handle them properly. Those challenges include and are not limited to: exacerbated relationship between company executives, between top managers and employees, and among employees (all of them can result in the loss of important personnel and destabilize management); divestment of shareholders; severe damage of company image; dropped sales and market value (Delvin, 2007). Sometimes how a crisis is handled during this stage is a matter of life or death for an organization.

The organization's work is not done at the end of the acute-crisis stage, since issues regarding prevention of future crises and improving the organization's image to its stakeholders need to be considered in order to make up for the loss. This is defined as the post-crisis stage (Delvin, 2007). The post-crisis stage is usually a lengthy process, and organization crisis managers should start planning for it during the acute-crisis stage (Delvin, 2007). The post-crisis stage is an opportunity for organizations to make up for invisible damage to the organization's reputation by communicating with stakeholders, showing them that the organization cares about the harms done by the crisis and it is

willing to make changes. Actions such as “follow-up communication with stakeholders” and “continued monitoring of issues related to the crisis” are recommended to avoid similar mistakes as well as make sure that the crisis is “truly over” (Coombs, 2015, p. 11). To avoid catastrophic outcomes such as shutting up business and filing for bankruptcy, it is crucial that the enormous amount of pressure during the post-crisis stage is effectively handled (Smith & Sipika, 1993).

During all stages of a crisis, there is a great deal of decision-making by organization managers. In the next section, I am going to discuss the concepts of different decision-making styles and their characteristics.

2.3. Organizational Decision Making

Decision-making occupies a large proportion of organization managers’ time, and it has become a vast area of research that spans various disciplines including psychology, economics, political science and communication.

Substantial research has been conducted on decision-making styles, which Scott and Bruce (1995) define as the “learned, habitual response pattern exhibited by an individual when confronted with a decision situation” (p. 820). Scott and Bruce (1995) also describe four decision-making styles from previous theorizing and empirical research: (a) Rational decision-making style. Rational decision-making is characterized by a thorough search for and logical evaluation of alternatives. Rational decision-making style, which Mintzberg and Westley (2010) describe as “thinking first”, is precisely identified as a process of “define -> diagnose -> design -> decide” (p. 71). In other words, rational decision-makers would prospect the outcomes of different options and choose the one that leads to the best outcome based on some sort of measurement. Rational decision-making may appear as highly reliable, but decision-making in reality is often strikingly

different because the cognitive structure of human is fundamentally different from linear thinking (Mintzberg & Westley, 2010).

(b) Intuitive decision-making style. Intuition decision-making is characterized by a reliance on the human brain's inherent ability to subconsciously process information (Scott & Bruce, 1995). Rather than a mysterious type of super luck or a paranormal process, intuitive decision-making abilities in organizational management are nurtured through accumulation of experiences and continuous learning (Matzler, Bailom, & Mooradian, 2007). Organizational managers with experience and expertise can develop an overview approach to problem solving that guides information gathering, and provides "tricks" to link information in intuitive ways (Sauter, 1999, p. 111). The nature of this decision-making approach determines that it is often preferred in organizational situations where decisions need to be made within a very short time period based on a large amount of complicated information, and a detailed, lengthy process of analysis is not possible (Dane & Pratt, 2007).

(c) Dependent decision-making style is characterized by "a search for advice and direction from others" (Scott & Bruce, 1995, p. 820). This type of decision-makers usually do not make decisions on their own. They tend to consult other people, including colleagues and external consulting firms, before they have an answer.

(d) Avoidant decision-making style is characterized by "attempts to avoid decision-making" (Scott & Bruce, 1995, p. 820). Basically they are not comfortable making important decisions, and they usually avoid such responsibility until they have no other choice.

Errors made by organization decision-makers may result in chaotic circumstances within the fast-paced business, social and political environment (Ho, 2010), and the stakes of decision-making in crisis situations are even higher since a tiny mistake can

have deadly consequences. Organization decision-makers are expected to “provide predictability and control the rate of change” during extreme situations of crisis (p. 9).

2.4 Ethical Decision-making

An ethical decision is defined as “a decision that is both legal and morally acceptable to the larger community” (Jones, 1991, p. 367). On the personal level, we must consider what we deem as right and wrong, appropriate and inappropriate, acceptable and unacceptable; and when it comes to the organizational level, the issue is even more complicated, and the stakes of organizational ethical decision-making are usually very high. Organizational decision-making, however, is still performed by individuals on varied positions, so what we are looking at is in fact the numerous individuals and collective decisions that are made within and between organizations (May, 2013).

Empirical studies on business ethics have generally proposed and tested models of the process of ethical decision-making and of the relative importance of specific elements in that process. One of the most recognized piece of works in this area is by Rest (1986), who proposed a four-component model for individual ethical decision making and behavior, whereby a moral agent must: (a) recognize the moral issue, (b) make a moral judgment, (c) resolve to place moral concerns ahead of other concerns (establish moral intent), and (d) act on the moral concerns. He argued that each component in the process is conceptually distinct and that success in one stage does not imply success in any other stage.

It is recommended that organization decision-makers prioritize the physical and psychological needs of the stakeholders in a crisis (by, for example, providing them with instructions on what they should do to protect themselves from the harm) before an organization executes its crisis communication strategies (Coombs, 2007b). In this way,

the reputation of the organization is likely to suffer less harm.

Scholars have been providing organizational decision-makers with various theoretical bases for decision-making involving crisis communication, including Benoit's Image Restoration Theory, Coombs' Situational Crisis Communication Theory, Apologia and so on. A detailed introduction of these theories will be provided in the following section.

2.5. Crisis Response Strategies

Image Restoration Theory (also called Image Repair Theory) is an important branch of crisis communication theories, and it is concentrated on altering the audience's attitudes towards an organization in crisis, creating or changing beliefs about the organization's accused responsibility for its actions and/or creating or changing "values about the offensiveness of those acts" (Benoit, 2015, p. 3). In other words, the most important goal of image restoration is to repair the reputation of an organization under reputational threat. According to Benoit (2015), the Image Restoration Theory is built upon two assumptions: first, communication can be used to reach designated goals; second, communication plays a major role in the optimization of an organization's reputation, and understanding the audience is key to the success of image restoration. The strategies for image restoration are categorized into five main groups (Benoit, 2015), which are:

(1) Denial: the organization may clarify that the accusation of its wrongdoings is not made based on facts, or the accused wrongdoing by the organization does not exist.

(2) Evasion of responsibility: when it is impossible for an organization to deny the accusation of it, its crisis managers may resort to strategies that helps reduce the organization's perceived responsibility for the crisis.

(3) Reducing offensiveness: considering the stakeholders' negative feelings about the organization, crisis managers may adopt strategies to reduce it through measures including "bolstering, minimization, differentiation, transcendence, attacking its accuser, and compensation" (p. 24).

(4) Corrective action: the organization may also take actions to make up for the mistakes it has made, or guarantee its stakeholders that changes will be made to avoid similar mistakes in the future.

(5) Mortification: the accused organization may admit the wrongful act and ask for forgiveness from its victims and other stakeholders.

Apologia is another branch in crisis management where vast research literature has been developed. Organizations use apologia as a response to accusations of ethical misconduct to defend their reputation and offer discourse that "denies, explains, or apologizes" for criticized actions (Hearit, 2013, p. 36). Some types of crises require immediate response, because urgent information and solutions, rather than apologies, are needed (such as the above-mentioned Maple Leaf Foods crisis) to resolve the major issue. Hence, apologia is not suitable for all types of crises – they are often used when human factors of an organization is being strongly condemned, such as scandals and illegalities, accidents, product safety incidents, and social irresponsibility (Hearit & Roberson, 2009). On the other hand, when the responsible party of a crisis is not yet fully investigated, organizations should not rush to make apologies in order to avoid obligations beyond their duty; similarly, if apologizing will likely put an organization out of business, its crisis managers should be very cautious when they communicate (Hearit & Roberson, 2009). Since it is rare that media report an organization's apology at length, it is recommended that organizations make their apologetic responses short and clear to obtain ideal results (Hearit & Roberson, 2009).

The Situational Crisis Communication Theory is also an important approach in crisis management, and Coombs, a prolific contributor who has devoted the majority of his publications to crisis communication, is one of the most significant researchers in this approach. The Situational Crisis Communication Theory (abbreviated as “SCCT” below) is “an evidence-based approach” (Coombs, 2013, p. 269) that provides crisis managers in organizations with “a resource for making informed decisions concerning ways to protect the organizational reputation during a crisis” (Coombs & Holladay, 2002, p. 182).

SCCT is constructed upon an extension of the Attribution Theory. Coombs (2007a), who is in some way a pragmatist, was looking for a theory that would offer crisis managers applicable guidance on crisis handling. In his view, the large aggregations of crisis communication studies, especially on Apologia and the Image Restoration Theory, focus too much on enumerating good and bad examples in each case study while ignoring universality and practicality. To him, what is missing is systematized data based on evidence. On the other hand, Coombs rationalizes the linking of crises and the attribution theory by demonstrating similar traits of them. He finds the unexpectedness and negativity of crises match the core of the Attribution Theory, which is how people search for the causes of successes and failures of their own and other people in complicated situations (Hart, 2005). Generally, the amount of relevant information far exceeds what the human brain can process, and what usually happens is that people choose the causal attribution that seems most rational to them based on a limited amount of evidence (Coombs, 2013). The attributions people make affect their “expectancies, emotions and behaviors” (Martinko, 2008, p. 80), so when applied to crisis communication the Attribution Theory helps predict and explain how and why the stakeholders would react to a crisis.

According to Coombs (2007b), the reputational threats of crises are shaped by

three influencers: initial crisis responsibility, crisis history and prior relational reputation.

When compared with external and unintentional factors such as natural disasters and terrorist attacks, stakeholders tend to be more disappointed and angry when they perceive the organization itself to be holding most of the initial crisis responsibility for a negative event (Coombs, 2013); in other words, the stakeholders are enraged because the organization they have trusted let them down, which in some way feels like a betrayal.

The crisis history of an organization shows whether similar incidents happened in its history, namely, whether the same mistakes has been made before (Coombs, 2007b). So when in 2013 Abercrombie & Fitch was blamed for excluding plus-sized customers in its store, similar issues in the brand's history were also being brought up in media. For example, in 2003, a group of Asian American, African American and Hispanic college students in California sued the company because they felt excluded from sales positions in Abercrombie & Fitch stores (Berfield & Rupp, 2015). Also in 2013, pilots of the Abercrombie & Fitch plane filed an age discrimination lawsuit against the company as the four male crewmembers had to style themselves the way CEO Mike Jefferies preferred, which was not suitable for their age and occupation (Berfield & Rupp, 2015). Such trails on company history, according to SCCT, are negative factors that might exacerbate the threat towards the company's perceived image and reputation (Coombs, 2007b).

The prior relational reputation of an organization, which shows how it has treated its stakeholders in the past, also has an influence on the organization's reputation during a crisis (Coombs, 2007b). If the prior relational reputation is perceived as negative, it suggests that the organization, in most cases, does not take the benefits of its stakeholders seriously, and that it is highly possible that the organization will not do any better regarding the ongoing crisis.

Taking the above three elements into consideration, the process that a crisis manager assesses the reputational threat of a crisis is: firstly, to assess the initial crisis responsibility of the organization based on how it is framed; secondly, to find out how the organization's crisis history and prior relational reputation will influence the reputational threat (Coombs, 2007b).

Figure 1, the SCCT diagram (Coombs, 2013), visualizes how stakeholders' perceived crisis responsibility of an organization is affected by a combination of its crisis history, prior relationship/reputation and its ongoing crisis response strategies. The organization's crisis history and prior relationship/reputation also play important parts in shaping the organization's reputation during and after the current crisis, while its perceived crisis responsibility and response strategies affect stakeholders' behavioral intentions either directly or through the intermediary of organizational reputation.

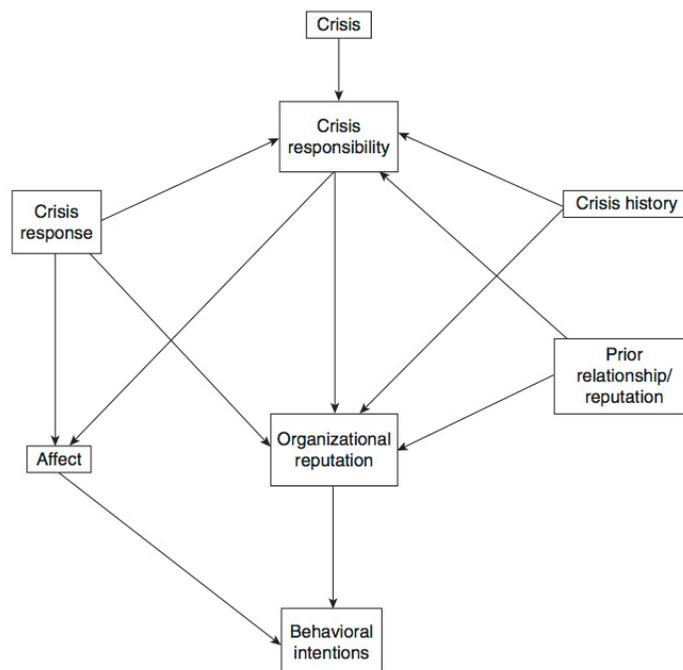


Figure 1. Situational crisis communication theory variables (Coombs, 2013, p. 266)

Based on relevant theories and previous studies, for example a survey (Coombs & Holladay, 2002) on the relation between personal control (the degree to which an event is controllable or uncontrollable by an organization) and an organization's crisis responsibility, Coombs (2013) identified three clusters of crisis types based on perceived responsibility of an organization under crisis, which are: victim crisis cluster, accidental crisis cluster and intentional crisis cluster. He suggests crisis managers to choose crisis response strategies suitable for each type of crisis based on recommendations of SCCT (grouped into the deny, diminish and rebuild categories).

Above all, for a crisis that has victims or potential victims (i.e. the Maple Leaf Foods incident), the organization's initial response should be "informing and adjusting information" (Coombs, 2013, p. 270). Fierce reactions from victims and other stakeholders such as panic and severe denunciation will make situations much worse, so it is crucial for organizations to clarify facts that are closely related to the stakeholders, and guarantee that negative effects of the crisis are under control. This echoes with the standpoint of Apologia.

Then, organization crisis managers are recommended to adopt response strategies based on the crisis type (Coombs, 2002, 2007b, 2013 & 2015):

When an organization is perceived as a crisis victim, it should consider adopting diminish crisis response strategies to free itself from heavy responsibility and blame. Denial crisis response strategies should be used with caution, because when stakeholders do not accept it, the negative impact of the crisis will be further deepened. Rumors are possibly the most secure type of crisis to apply denial strategies on. For an organization with favorable crisis history and/or prior relational reputation and low perceived responsibility for the ongoing crisis, reminding its stakeholders of good works the

organization has done in the past might help to soften the harms. However, crisis managers should also be aware that this approach risks leaving stakeholders with the impression that the organization is obsessed with its history and unwilling to admit its recent wrongdoings. The stakeholders' perceived responsibility of intentional crises and accidental crises with intensifying factors are the highest, so only compensation and/or apology can be used to settle the conflicts between the organization and crisis stakeholders.

The validity of SCCT has been tested in different contexts of organization crises. Jeong (2009) was interested in how prior relational reputation influences the public's attribution of responsibility of an organization's crisis, and how the public's punitive opinions and behaviors toward the organization are affected. The case he conducted online survey on was the 2007 oil spill incident in South Korea. A barge belonged to the Samsung Industry, part of the Korean conglomerate Samsung Group, slammed into an oil tanker and caused the accident. The responses of 180 South Korean adults (a convenient sample), whose perceptions of the organization's prior relational reputation were controlled by the information provided to them, were collected and analyzed. The participants were divided into three groups: the first group of participants were provided with information retrieved from news that presented Samsung as a corporate that had high concerns over its social responsibility; the second group were asked to read about Samsung's unethical management issues in history, which offered an example of the company's unsatisfactory performance in another context; the third group were provided with no additional information about the company to serve as the reference. The results show that the respondents' attribution of Samsung's responsibility of the crisis increased when information regarding negative prior relational reputation was provided to them, which adds harm to the organization's reputation. Furthermore, the increase of attributed

organizational responsibility leads to increased punitive opinions and behaviors of the respondents.

Sisco (2012) employed an experimental design in her study to find out whether response strategies recommended by the Situational Crisis Communication Theory are more favored by the respondents. Six treatment groups (a mass communication student sample) were each given a crisis scenario of a fictitious nonprofit organization's crisis response. There were three types of crises situations in total, all of which were made up according to Coombs's three response strategy types. Each treatment group received either the most appropriate or the second most appropriate response strategy, because for Sisco it seemed unreasonable to study people's reactions to apparently inappropriate response strategies. The participants were then asked about their perceptions of the organization's crisis response, their perceived responsibility of the organization, and their "future behavioral intentions toward the organization" (p. 6). Sisco's findings suggest "participants attributed the most crisis responsibility to the intentional situation and the least to the victim situation"(p. 12), which is again consistent with Coombs' theory.

The above-mentioned examples focused on analyzing stakeholders' behavioral intentions by doing experimental surveys on human objects, and there are also scholars that pay more attention to the upper end of Coombs' SCCT model – the organizations' crisis decision-makers.

Interested in finding out whether crisis communicators practice what have been suggested by crisis communication theories, of which the Situational Crisis Communication Theory stands as a dominant paradigm, Kim *et al.* (2009) did a qualitative content analysis of 51 articles in 11 journals from communication and business database, and they noticed that what is commonly suggested as the most ideal practice in crisis communication somehow differs from the strategies adopted by crisis

managers in reality. Organizations seem to “continuously engage in denial strategies” despite its limited effectiveness; moreover, combining crisis response strategies of different SCCT clusters is a common phenomenon, and under most circumstances organizations “do not consider synergistic effects” of doing so (p. 448). The findings suggest that there is a gap between what communication scholars are preaching and what practitioners in crisis communication are executing.

There are several overlaps among the three models of crisis response. For example, the Image Restoration Theory and SCCT both agree on the notion that the organization should deny accusations when it is actually not involved, so that it is unlikely to suffer from damages of reputational harm; and when it is impossible for organizations to do so, the measures they take should still be aimed at reducing its level of responsibility perceived by the public (Coombs, 2013; Benoit, 2015). The strategy of making apologies is recommended by Apologia and SCCT as a form of response, and both theories contend that this strategy to be used only when the organization has no other choice but taking full responsibility of a crisis. Moreover, both Apologia and SCCT are aware that making apologies risk the potential of adding the public’s negative impression of the organization (Coombs, 2007b; Hearit, 2013).

A major disagreement between the Image Restoration Theory and SCCT is that SCCT views the crisis type as a priori for crisis managers to predict the stakeholders’ attribution of crisis responsibility and select response strategies, while the Image Restoration Theory believes the each individual’s perspective towards an issue is socially constructed, and it can be altered by communication (Benoit, 2015). Benoit (2015) agrees that the crisis type can be easily defined in a certain situation, but since people’s perception of an organization’s responsibility for a crisis is socially constructed, organizations might alter the stakeholders’ perceptions through persuasive information –

and some organizations succeeded in doing so. As different people might have strikingly different opinions towards an organization's responsibility for a crisis, the crisis response strategies selected based on the crisis management team's analysis might work for one target audience but not for other audiences (Benoit, 2015). Additionally, in some crisis situations organizations' images are threatened by accusations and suspicions of multiple responsibility levels, and simply combining corresponding response strategies to different crisis types might not be an appropriate solution (Benoit, 2015). Another concern of Benoit is that SCCT ignores the "audience's beliefs and attitudes" (p. 38) while making decisions on response strategies, but in Benoit (2015)'s belief the audiences' attitudes should be what the decision-making process is based on. In addition, Benoit (2015) disagrees on the fact that SCCT recommends the same type of response strategies to organizations that are facing similar accusations, but ignores the actual level of responsibility towards them. For him, it is unreasonable to "recommend the same image repair strategies for innocent and guilty alike" (p. 39). Regarding this attack, however, I feel that Benoit underestimates the ability of organizations to clarify and protect themselves from rumors. Clearly, for an organization that is innocent, its crisis managers can take effective methods to acknowledge the public the truth by taking the deny response strategy to protect itself from reputational damages.

While suffering from certain shortcomings, SCCT possesses the highest level of generalizability among the three crisis response theories, and the specified model enables crisis managers to make quick decisions without spending time on audience analysis. Though in real cases there might be factors that are more complicated than what SCCT takes into consideration, I think it is a very practical model that can be used wisely.

Based on the above analysis, I have decided to use Coomb's Situational Crisis Communication Theory as the theoretical reference of this paper. Next up, I will talk

about food safety incidents in China, which provides insights to the background of the Husi Food Co., scandal.

2.6. Food Safety Incidents in China

Food safety has been a major threat to public health worldwide, and the condition is extremely severe in China. Issues concerning food safety occur more frequently in China than in other countries, and there are “loopholes in all the aspects of the food chain – from the farm to the table” (Wu & Chen, 2013, p. 468), increasingly drawing public concerns. While globally the most pressing problem related to food safety is food-borne diseases caused by microorganisms, in China the crux of the matter lies in “illegal adulterated materials and chemicals” (Wu & Chen, 2013, p. 468), which are generally considered as human errors.

One of the most notorious food safety scandals in China during the past decade that aroused national attention was the Sanlu milk contamination issue. Sanlu Group, the once famed state-owned dairy product company, relied on external brokers for large quantities of milk because the productivity of its own farms could not meet the increasing market demands, and since October 2007 multiple brokers had been found to be producing and selling powdered baby milk and other dairy products that contained dangerously high levels of melamine, an industrial chemical used as a fire retardant and pesticide (Veil & Yang, 2013) in order to “increase the protein count at less cost” (Yang, *et al.*, p. 112). This terrible action caused not only a total of 296,000 incidents of illness or deaths of children in China by January 2009 (BBC News, 2010), but also “great economic loss for the dairy farmers, companies and the country” (Yang, *et al.*, p. 113).

People in China are also unfortunately very familiar with the name “ditch oil”, a cheaper alternative to normal cooking oil widely used in restaurants and other public dining sites, produced by recycling waste oil collected from restaurant fryers, sewer

drains, grease traps, and slaughterhouse waste (The Lancet, 2014). Though this illegal action by food service providers has drawn major concern from the law enforcement, the country is still far from having this problem rooted up.

The Husi Food Co. scandal being studied in this paper is not the first time the globally renowned Golden Arches McDonald's has become the national focus of China. In 2012, CCTV (China Central Television)'s consumer reporters found that McDonald's in Beijing was selling products well past their allowed shelf time and exchanging expiration dates on packages. The same year, a branch of Carrefour in Zhengzhou was also found selling expired chicken and also relabeling regular chicken as free-range to charge higher prices (FlorCruz, 2014).

Many of these food safety scandals have brought deadly consequences to the companies - for example, the Sanlu Group filed for bankruptcy in December 2008 (BBC News, 2010). However, it seems that lessons drawn from these incidents are not effectively warning against similar mistakes.

In the next section I am going to talk about the reliability of media content related to food safety issues in China.

2.7 Food Safety Incidents in Chinese Media

Since it is quite difficult to retrieve official statistics on food safety incidents in China, information from media outlets has been serving as an alternative in political science and sociology (Holtkamp, *et al.*, 2014). Concerned with the objectivity of media data under the influence of political actors in China, Holtkamp *et al.* (2014) analyzed Zhichuchuangwai's Food Safety Database, "a database of mainland Chinese news articles covering food safety incidents that occurred in between January 7, 2004 and May 31, 2011" and compared it with a small sample of assessable "official reported incidents from various provincial yearbooks" (p. 463). Though certain media bias in reporting food

safety incidents were found, the study verified the validity of using media reports to study food safety incidents in China in academic settings since the two key results produced from existing literature - i.e. that “food is safer in more developed provinces and those with better funded regulatory bodies” (p. 467) - were reproduced from the media database. As Husi Food Co., will be the subject of this study, I will introduce the background of this company briefly.

2.8 Husi Food Co.

According to the company’s official website (OSI, 2015), Husi Food, Co., also known as OSI (China) Holding Co. Ltd., is a branch of the global food processor OSI group. The OSI Group established its first food processing enterprise in Beijing in 1991 and has then expanded across various regions in China including Shanghai, Guangzhou, Kunming, Weihai, Fujian, Henan and Langfang. The company started to supply food to YUM China in 2008. OSI China Shanghai was established in April 1996 with a location at Jiading District.

With the above preparation, I am now moving into the analysis phase of this research.

2.9 Research Questions

This proposed study seeks to evaluate the crisis response strategies employed in the case of the notorious food scandal of Shanghai Husi Food Co., which reportedly supplied expired meat products to fast-food giants (including McDonald’s, KFC and Burger King) in China and other regions of East Asia, by using the Situational Crisis Communication Theory. The research questions are: How did the crisis managers of Husi Food Co. choose crisis response strategies to react to its 2014 food safety scandal?

RQ1: What is the crisis type of the 2014 Husi Food Co., Ltd food scandal?

RQ2: What crisis response strategies did Husi choose?

3. Methodology

This chapter introduces mainly the methods used in this qualitative study, including research design, role of researcher, data collection and limitations of methodology.

3.1. Case Study Research Design

This is a case study that takes the form of document analysis, and the purpose of it is to evaluate the crisis response strategies Husi Food Co., used during its 2014 food safety scandal. Creswell (2014) offers an integrated definition of the case study approach, which is a qualitative design in which the researcher explores a “program, event, activity, process, or one or more individuals” thoroughly by collecting and analyzing detailed information using a variety of data collection methods (p. 241). Another definition by George and Bennett (2004) describes the case study approach as “detailed examination of an aspect of a historical episode to develop or test historical explanations that may be generalizable to other events” (p. 4). Case studies are suitable for answering “how” and “why” questions regarding specific events that the researcher has little control over, and they are usually performed on contemporary incidents with great real-life significance (Yin, 2009, p. 1).

Comparing with other research strategies, case study is more suitable for investigating real-life phenomena that are difficult to separate from their contexts; as a result, the data collected for case studies (usually from multiple sources) are a number of themes rather than data points, and the progress of case studies are guided by existing theories (Yin, 2009). Case study methods have been adopted widely in social research because they “illustrate the nonlinear, complex, and context-specific reality of organizations”, and well-developed cases can “offer insight into organizational practices, procedures, and processes” (Keyton & Shockley-Zalabak, 2004, p. 1). Within the scope

of organizational communication, the purpose of a case study is to focus on social actors in an organizational context to examine the role of communication (Keyton & Shockley-Zalabak, 2004).

Case studies require specific type of data collection and data analysis tactics (Yin, 2009), and for this project news report will serve as the main data for analysis.

3.2. Qualitative Content Analysis

‘Socially defined, produced and consumed’ documents are pervasive in organizational and social life, which provide a valuable representation of ‘settings, organizations, times and lives’ (Coffey, 2014, p. 337). In social research, news reports, email threads, case records, testimony, letters, and even photographs, advertisements can be considered as valid documents (Coffey, 2014). They can be seen as “physical traces” of social settings and events and also as data or evidence that reflect how individuals, groups, social settings, institutions and organizations “represent and account for themselves” (Coffey, 2014, p. 367). News analysis, for instance, can be used to study how controversies surrounding issues of public concern are played out, who are identified as key stakeholders, how their positions within the controversy are constructed as well as what issues and stakeholders are ignored (Hodgetts & Chamberlain, 2014). What is worth pointing out is that, since documents are ‘constructed’ accounts (Coffey, 2014, p. 369) of social reality, we cannot treat them as firm evidence of what they report; instead, we should be reflexive in how we treat documents as social data. The potential weaknesses of document analysis include low retrievability, “biased selectivity” (if collection is incomplete), “reporting bias” of the author and blocked access (Yin, 2009, p. 80).

Qualitative content analysis is considered as a method that “systematically” describes the meaning of qualitative data by “assigning successive parts of the material to the categories of a coding frame” (Schreier, 2014, p. 170). According to Schreier (2014),

one outstanding characteristic that distinguishes qualitative content analysis from other research methods is that it narrows down the amount of information and focuses on what is relevant to the researcher's overall research questions. Put another way, it is a method that puts more emphasis on "how different parts of the material compare and relate to each other" (p. 170) rather than details and concrete information.

3.3. Role of the Researcher

I am not related to Husi Food Co., Ltd or any branch of the OSI Group, nor do I have inside knowledge about the operations of Sina.com or the People's Daily website. In addition, I have lived in Canada since September 2013, so I personally am not a consumer of any food products produced by Husi, and I am therefore not physically affected by the stale meat. I chose to study this crisis because I had witnessed several similar crises in China and I am interested in finding out why similar mistakes are being made repeatedly. I might hold some prejudiced opinions about companies like Husi, which are too unmindful of consumers, but on the basis my intention is to offer an objective evaluation of its crisis response performance from an outsider's standpoint.

Next, I will discuss the data selected for this study and rationales for the selection in detail.

3.4. Data Collection

After the research question has been decided for a qualitative content analysis, the next step is selecting material for analysis (Schreier, 2014). A suitable amount of material should be selected for qualitative content analysis, because insufficient material may compromise the accuracy of the result, and too much information will pose undue burden on the analyst. The key to material preparation is to guarantee that it is sufficient to reflect the "full diversity of data sources" (p. 175). Based on this criterion, the following online news websites were selected for this study:

1. The People's Daily Website

According to information on its website (People's Daily, 2012), the People's Daily (www.people.cn) is an online news platform under the People's Daily newspaper (one of the world's top ten newspapers), which provides highly authoritative and credible news information while advocating the Chinese Communist Party's belief. The website offers news in 15 languages, including Chinese (simplified and traditional), English, French, Spanish, Russian, Arabic, Japanese, etc., covering topics such as politics, economy, society and culture. People's Daily is considered as a leading key news outlet in China, and national leaders including President Hu Jintao, the former president of China, have affirmed its significance in guiding public opinion and serving netizens.

2. www.sina.com

SINA is a private Chinese online media company that provides media service for global Chinese communities. Under SINA, there are four destination websites - www.sina.com.cn (mainland China), www.sina.com.tw (Taiwan), www.sina.com.hk (Hong Kong) and www.sina.com (North America), all of which provide readers with free content including sports, auto, finance, entertainment, news, technology, and so on.

The combination of a state-owned news media and a private online news provider is intended to achieve a balance between different media interests. Considering the timeframe of the Husi Food Co. scandal, online news articles about the issue on the People's Daily website and [sina.com](http://www.sina.com) from July 21st 2014 (the day the scandal broke) to the end of January 2015 were considered as the main data sets. The key word "Husi" was used to find news reports about the scandal (using the search function on both websites). After a preliminary reading of the articles, thirteen articles from the People's Daily website and seven articles from www.sina.com were picked for further data analysis. This was done by removing articles that contain only repeated information, and reports that are

irrelevant to the incident being studied. The selected news articles are then copied and pasted to a Microsoft Word document in chronicle order (along with the date and time they were posted, followed by an http link), and each of them got a label: the articles from the People's Daily website are labeled P1, P2, P3...and so forth; the articles from www.sina.com are labeled S1, S2, S3...and so forth.

According to Schreier (2014), the main categories and sub-categories for coding can be decided in a concept-driven or data-driven way, but using a concept-driven approach alone might risk ignoring information that is necessary for a full description of the material. Therefore, a combination of both was used. A coding frame was created with two main categories based on the two research questions; sub-categories under each category were named according to Situational Crisis Communication Theory clusters and also driven by the data.

3.5 Limitations of Methodology

Given the time constraints of this project, the range, type and amount of media content analyzed were limited. Mediums other than online news websites, such as printed media, television and social media (i.e. Sina Weibo) were not examined in this study. To avoid ambiguities generated by translation, only English versions of the online news websites for data analysis were used. This, however, may lead to the missing of information only represented in the Chinese versions of those mediums.

As the material for content analysis has been chosen, the study will proceed to the data analysis stage, where coding, segmentation and analyzing will be performed. The following chapter will present the process in detail.

4. Data Analysis

The data analysis in this study is mainly guided by Schreier (2012)'s instructions on treating data in qualitative content analysis. According to him, the step after selecting

material for content analysis is “building a coding frame” by deciding main categories and subcategories – this is how the analyst obtains more information about what he would like to know about as well as relevant details (p. 174). I conducted the first round of coding based on the initial coding frames I built, and after one week I did a second round of coding and made some adjustments towards the sub-categories. After I felt satisfied with the coding, I began the main analysis phase by assigning meanings to the coding results and started to answer my research questions.

4.1 Initial crisis responsibility

The assessment of initial crisis responsibility, namely stakeholders’ attributions of an organization’s personal control for a crisis, is based upon the crisis types categorized by the Situational Crisis Communication Theory. The crisis type is a form of frame, which shapes how people “define problems, causes of problems, attributions of responsibility and solutions to problems” (Coombs, 2007b, p. 167). In media reporting of a crisis, the factors that are emphasized affect where people focus their attention and how they interpret the issue (Coombs, 2007b).

The first piece of media report about the Husi Food Co., scandal was made by Shanghai Dragon TV on July 21st, and this is deemed as an indication that the crisis had officially moved to the acute-crisis stage:

P1:

Local media reported the company reprocessed meat products that had outlived their shelf life and supplied them to transnational fast-food chains including McDonald, KFC and Pizza Hut.

P4:

Shanghai-based Dragon TV aired a news program on Sunday claiming that Shanghai Husi Food Co., Ltd had supplied products tainted with reprocessed stale meat to a string of fast food chains and restaurants across China.

The articles pointed out directly that the behavior of reprocessing stale meat and supplying them to major fast-food chains and restaurants in China were conducted by Husi Food Co.

Furthermore, descriptions of the company's uncooperative attitude were included in news:

P1:

Investigators sent by Shanghai food and drug administration ... were stopped by security guards at the main entrance.

The two sides argued for more than an hour, until the investigators called police.

S2:

Officials of the Shanghai food and drug authority were also prevented from entering the company until about an hour after staff's arrival at the factory site, arguably long enough for the company to destroy evidence and conceal problematic food items.

P4:

However, security guards blocked regulators' entry into the plant for about two hours, citing a lack of approvals from the firm's senior management. After entering the plant, investigators had trouble gaining access to production facilities and records and found no expired food at the site.

Both websites provided details regarding how Husi employees blocked Shanghai food and drug authority's investigation after the scandal was disclosed in media, and Sina.com even suggested that the reason behind the action was to cover up evidence of the company's misconduct.

An undercover reporter's description was used as a persuasive evidence of Husi employees' violations during production procedures.

P4:

The undercover reporter involved in the expose told Xinhua that stale meat was witnessed to have been added to products supplied to several fast food chains and expiration dates were extended for some products.

Three days (July 24th) after the exposure of the scandal, the confession of an internal administrative staff of Husi turned the company's scandal from suspected crime to confirmed crime.

P7:

Zhang Hui, manager of Husi's quality department, confessed during investigations that the company has been engaging in the malpractice for years under tacit approval of senior managers.

According to the three crisis clusters identified in Situational Crisis Communication Theory (Coombs, 2007b), the preventable cluster possesses the highest level of attributions of crisis responsibility as in this crisis type "organization knowingly placed people at risk, took inappropriate actions or violated a law/regulation" (p. 168), while in the accidental cluster and the victim cluster organizations are framed as either unintentional or innocent in terms of their responsibility for the crisis. Based on the analysis above, the Husi Food Co. scandal is categorized into the preventable cluster.

P6:

Although no death or injury has been reported as a result of the out-of-date meat, what Husi appears to have done is severe enough to warrant prosecution of those responsible.

S6:

So far, there have been no reports of consumers falling sick in the latest food scare.

As no severe physical damage incident was reported to be related to products manufactured by Husi, the crisis can be defined as an "organizational misdeed with no injuries: stakeholders are deceived without injury" (Coombs, 2007b, p. 168).

4.2 Crisis history

Crisis history shows "whether or not an organization has had similar crises in the past" (Coombs, 2013, p. 265), and history of similar crises in the past suggests the

“organization has an ongoing problem that needs to be addressed” (Coombs, 2007b, p. 167).

S6:

Reuters reported on Friday that Shanghai Husi won a court case earlier this year against a former quality control officer whose claims included that he was made to forge meat production dates.

The former worker told a court last year he was unwilling to illegally forge dates at the plant, adding that he repeatedly urged his employer to change a practice which he said violated food safety laws and hurt consumer interests, according to court documents seen by Reuters. He said Shanghai Husi ignored his pleas. The judge dismissed the allegation due to lack of evidence.

P8:

On Sina Weibo, a user with the handle of "previous Husi's employee," said he had exposed Shanghai Husi's supplying expired meat to famous fast food chain stores back in 2013, but his posts did not attract much public attention at that time.

The unidentified person implied on his Weibo account Thursday that Shanghai Husi might have started using expired meat material before 2013 when he exposed it on the Internet.

Though no clear history of food safety crisis can be found related to Husi Food Co., the above information regarding the case Husi won against the former quality control officer does suggest the possibility that the corporation had been conducting the illegal actions for long, which again matches the earlier mentioned staff's confession in P7. Meanwhile, though its authenticity had not been confirmed, the information People's Daily posted about a Sina Weibo user who attempted to draw the public's attention to Husi's misconduct was very likely to deepen the public's negative impression of Husi Food Co.

It is also interesting to notice that the past crisis history of fast food chains (including McDonald's and KFC) occupied significant space in media reports.

P3&P4:

The exposure is another blow to Western fast food chains like McDonald's and KFC, which have been implicated in a number of food safety scandals involving suppliers over the years."

S1:

The incident is a headache for Yum and McDonald's since the pair were hit by a food safety scandal in China in 2012. Yum suffered a sharp dive in profits early in 2013 after the safety concerns, and has only recently starting to bounce back in China.

4.3 Performance history/Prior relational reputation

The performance history (or prior relational reputation) of an organization shows how "well or poorly" it "has or is perceived to have treated stakeholders in other contexts", and a negative performance history is considered as an indication of the organization's negligent or indifferent attitude towards its stakeholders (Coombs, 2007b, p. 167).

Nothing in the examined media content reflected how Husi treated its stakeholders in other contexts, however, one SINA.com article, which reported the former employee's suit against Husi, revealed some information about Husi's possible violation of its workers' rights.

S5:

Wang Donglai, who worked at the company from 2007 to 2013, sought about 38,000 yuan (\$6,100) in compensation for damage to his health from exposure to chlorine used as a cleaning agent by the meat processor.

He also sought to terminate his contract, claiming he was forced to work overtime and made to do "unethical work" that violated food safety laws, court documents showed.

Besides being forced to change expiration dates of food, the former staff of Husi claimed that he was exposed to a work environment that was harmful to his health and was forced to work overtime. This is unlikely to help frame Husi Food Co. as a corporation that treats its employees kindly.

As recommended by Coombs (2007b), the first step of evaluating the reputational threat of a crisis is to “determine the initial crisis responsibility attached to a crisis”(p. 168). The reputational threat towards the organization is also aggravated by its crisis history and negative prior relational reputation. In the case of the Husi Food Co. food safety scandal, its initial crisis responsibility is clearly categorized into the preventable cluster while there were a limited number of issues of crisis history or negative performance history related to the company. Therefore, considering all factors presented in the analysis above, there are enough reasons to treat the crisis as a case of preventable crisis, which poses the highest level of reputational threat to an organization.

Coombs (2007b) recommends that rebuild crisis response strategies should be used for crises with “strong attributions of crisis responsibility” (p. 173) and “accidental crises that have intensifying factors” (Coombs, 2013, p. 270). There are two options in the rebuild crisis response strategy, which are compensation (managers offer money or other gifts to victims) and apology (accept responsibility for the crisis and ask stakeholders to forgive them) (Coombs, 2013).

A detailed analysis of Husi Food Co.’s crisis response strategies is provided below to find out whether the company’s crisis response strategies accorded with the SCCT recommendations.

4.4 Response Strategies

A transition of power is noticed during the crisis response process of Husi Food Co.: initially, managers from Husi Food Co. and OSI China were visible in media reports about the company’s reaction to the crisis, then about three days after the exposure of the crisis, top managers from the headquarter office of OSI Group took over the responsibility.

The very first response made by Husi Food Co. as reported in media was, unfortunately, its security guards blocking investigators of Shanghai food and drug administration from entering its manufacturing site, and it took the interference of police to break the deadlock.

S1:

Investigators sent by Shanghai food and drug administration arrived at the company's facility in an industrial town in Jiading District at 7:30 p.m., but were stopped by security guards at the main entrance.

The two sides argued for more than an hour, until the investigators called police.

The first spoken response from the company's side, as reported, did not offer any substantial information regarding the truthfulness of the scandal – the only piece of information was that the company held a cooperative attitude towards the investigation, which actually contradicted its employees' behavior in the presence of law enforcement officials.

S1:

Yang Liqun, general manager of deep processing with OSI China, said the company has a strict quality control system and will cooperate in the investigation.

After Shanghai authorities made a statement that promised transparent and timely investigation of Husi's alleged use of stale meat in its products (S3), as well as the quality manager of Husi Food Co. confessed during investigation that the stale meat was produced under approval of the company's senior managers (P5), the OSI Group adopted an apologetic position to its consumers. This was the first time the company used the apology strategy in its crisis responses.

P3:

OSI Group said it is assisting regulators with the investigation and apologized to consumers.

Moreover, the OSI Group emphasized that the incident of Husi Food Co. scandal was not consistent with its norm, which can be understood a strategy of distancing the parent company from the wrong deed of a subsidiary corporation.

S3:

OSI Group said Monday it was "appalled" by the incident but stressed that it was an "isolated event."

The chairman of OSI Group made his appearance by apologizing to Husi Food Co.'s customers in China and offered a remedy for the suspension of the Shanghai factory of Husi Food Co.

P7:

In a Thursday statement from Sheldon Lavin, chairman of OSI Group, he described the factory in Henan Province as a "newest state-of-the-art facility" that reflects the group's "confidence and commitment in China."

"I sincerely apologize to all of our customers in China. We'll bear the responsibility of this misstep," he said.

The OSI Group promised that further steps will be taken to avoid similar mistakes from happening, including conducting internal investigation, finding out persons directly responsible, changes of organizational structure of OSI China, setting up a quality control center in Shanghai, and a long-term food safety campaign.

P9:

David G. McDonald, president and chief operating officer of OSI Group, said the company is conducting an internal investigation, and that preliminary investigations have found issues that he said are absolutely inconsistent with internal product requirements and policies.

"We will fully cooperate with Shanghai FDA for the investigation," he said.

The group ceased operations of the Shanghai Husi plant for internal and external investigations, and extended their internal reviews to ensure that compliance met their global standards.

But the group didn't talk about compensation for consumers in China...

The group also announced a number of changes in the organizational and management structure of OSI China. The operations in China will become a part of the OSI International umbrella, directly embedded into the

corporate organization, rather than operating as a separate, decentralized entity. This new organization will be called OSI International China, according to David G. McDonald.

OSI International China will be managed by global management in accordance with global standards of quality management...

The company reiterated its commitment in China and said it will set up an Asia Quality Control Center in Shanghai... Meanwhile, it will launch a three-year food safety campaign in China with a 10 million *yuan* investment to boost staff training and promote awareness of food safety issues among the Chinese public.

Apparently Husi Food Co. was trying very hard to mitigate negative influences of its scandal by these promised changes and adjustments. However, as mentioned in the above article, no compensation was offered to customers or the fast-food companies that were also affected by the crisis.

5. Discussion

This chapter presents findings drawn from data analysis and makes connections to literature about the Situational Crisis Communication Theory as well as other crisis communication theories.

Media reports of the Husi Food Co., Ltd food safety crisis presented to the public the fact that the company's employees were changing expiration dates of meat products under tacit approval of managers from the factory. Therefore, this crisis is categorized into the preventable cluster among the three crisis clusters suggested by Coombs (2013). No major issue of crisis history or performance history was found in media reports. SCCT suggests that rebuild crisis response strategies be selected for preventable crises regardless of crisis history or prior relational reputation (Coombs, 2007b), so rebuild crisis response strategies, which include compensation and apology, are considered proper for the crisis. Organization crisis managers use rebuild strategies, such as offering money and/or medical compensation to victims of physical harms, to show its

stakeholders that the it is taking responsibility of the matter, and it is concerned with the needs of the victims (Coombs, 2013). The response strategies used by crisis managers of the Husi Food Co., and the OSI group are overall consistent with what are recommended by SCCT, as the proper response strategies were used timely and cautiously.

5.1 Responding Quickly

As technologies continue to accelerate the spread of information, “the need for speed in crisis communication continues to escalate”, and under many circumstances the stakeholders of a crisis learn about details regarding the issue from media or online before official statements were made by the organization (Coombs, 2015, p. 131). Since mistakes are easily made through quick responses, organization crisis managers should be prudent in avoiding unnecessary troubles. Judging from theories of Situational Crisis Communication (Coombs, 2002, 2007b, 2013), overall, Husi Food Co., adopted suitable crisis response strategies in a timely manner. The crisis became the subject of massive media coverage on July 21st, and a manager from Husi Food Co., Ltd responded the same day, though he offered no substantial detail regarding the scandal. The company reacted frequently during the following days and apologized for a couple of times and offered solutions for the shortage of supply caused by the suspension of the factory in Shanghai. Senior managers of the OSI GROUP proposed a comprehensive remediation plan on July 29th, which was only one week after the scandal’s outbreak.

5.2 Apology

Husi Food Co., Ltd and its parent company OSI Group offered apologies to its customers in China, which matches the recommended crisis response strategy (rebuild crisis response strategies) for this crisis type in SCCT (Coombs, 2007b).

Coombs shows concerns over the use of the apology strategy due to the fact that it is “the most complex and perhaps controversial” approach (Coombs, 2015, p. 148), and

apology should never be used as the default response (Coombs, 2013). A full apology (meaning that the organization must not only acknowledge and accept full responsibility of the crisis, express regretful attitude towards what it has done, as well as make promises that no similar mistakes will be made in the future) is helpful for improving organization-victim relationships, but the downside of it is a possible deepening of its negative impression in the eyes of stakeholders. To avoid this potential threat, “non-apologies that mimic apologies” are recommended to crisis managers who are dealing with intentional crises” (Coombs, 2015, p. 149): instead of making a full apology as described in the bracket above, it is probably wiser for the spokesperson of the organization to use an expression of regret about the crisis, to apologize for the emotional harm instead of the act, or to apologize to “anyone who might have been offended by the situation” instead of addressing and emphasizing specifically those who are affected (p. 149). In most cases the public is not sensitive enough to notice the difference between a full apology and a non-apology (Coombs, 2015).

Three key messages were unveiled within the statements made by David G. McDonald (P9), the president and chief operating officer of OSI Group: (1) the company is doing an internal investigation while being cooperative with Shanghai FDA, (2) the company is taking steps to rectify and reform its current organizational structure based on its global standards, (3) the company is determined to take actions against employees who were responsible for the crisis. My interpretations of these messages are: the OSI Group is willing to take responsibilities for the crisis without defining who the victims are and what compensations they will receive; the OSI Group holds a regretful attitude regarding what happened, but it was a minority (rather than the company as a whole) that got out of control and committed the crime; the stakeholders are expected not to lose confidence of

the OSI Group. So overall speaking, the apology strategy was executed wisely by the OSI Group.

There are also certain aspects Husi Food Co., performed that were less than ideal during its crisis response process. In the very beginning, the behavior of employees of the Husi Shanghai plant in front of media and local authorities was totally unprepared and unreasonable. Moreover, as the task of crisis response by the Husi managers in China were later taken over by CEO of the OSI group, the company exposed itself to potential negative impacts of inconsistency of voices. These two problems are further addressed below.

5.3 Initial Crisis Response

For the intentional crisis cluster, the negative effects created are very strong - stakeholders usually get very angry, and sometimes they even “enjoy seeing the organization suffer” (Coombs, 2007b, p. 172). Therefore, it is crucial that Husi Food Co., treats every step it takes with caution. The three objectives of crisis response strategies that are relative to protecting an organization’s reputations are: “(1) shape attributions of the crisis, (2) change perceptions of the organization in crisis and (3) reduce the negative affect generated by the crisis”, and the crisis response management team of an organization should either establish a frame for the crisis event or “reinforce an existing frame” (Coombs, 2007b, p. 171). News media, usually the final arbitrator of the crisis frames, is what offers stakeholders the most amount of information relative to the crisis and what stakeholders are most likely to believe in, so it is very important that crisis managers deal with news media cautiously to avoid delivering messages that are harmful to itself. The first reaction at the site of Husi Food Shanghai factory as reported in media was its security guard blocking law enforcement from entering and investigating. This was apparently not a planned crisis response strategy of the company (the crisis managers

probably did not have enough time to react or to communicate response strategies with their fellow workers), yet the negative impression it left on the public could not be reversed.

For an organization that is dealing with a crisis that has victims or potential victims, the first step it should take is to provide stakeholders with information they care about the most and correct misinformation (Coombs, 2013), such as announcing the source of food contamination, updating the progress of call back, and providing preventive advice for consumers. Silence, on the contrary, is the least favored response, since it leaves the stakeholders an impression that the company is either uncertain about how to respond or unwilling to take responsibility of the incident (Coombs, 2015). Though no death or sickness has been reported as a result of the out-of-date meat (P6) produced by Husi, as an important food product supplier to major fast-food chains such as KFC, McDonald's and many restaurants, it was obviously an issue of concern to large numbers of consumers in China, not to mention a big proportion of consumers are young children. The first few statements made by Husi and OSI China delivered to the public nothing more than a cooperative attitude towards the investigation of the Shanghai municipal body, while McDonald's, KFC, Pizza Hut and other fast-food chains, one after another, announced that they stopped using food products from Husi. This put Husi Food Co., into a passive position as the public could do nothing but assume the company was in fact fully responsible for the crisis and was not offering any useful information.

5.4 Inconsistency of Voices

Every single word in crisis response needs to be used cautiously. Coombs (2015) suggests that an organization offers "a unified response" towards a crisis in order to guarantee consistency in its response, which means it should appoint one or a few professionally trained and experienced spokespersons to make official statements on

behalf of the organization. The appearances of other organizational members during a crisis should be avoided as much as possible, because whatever they say or do are going to be read as the organization's actions. When they behave inappropriately, they might put the organization through a lot of needless trouble. The rationale behind this is the fact that consistency helps build credibility and inconsistency decreases credibility. People other than official spokespersons, including "any employee the media happen to persuade to answer questions" and employees' comment on the crisis in their own social media accounts, usually cannot resist the possibility to be on local news (p. 133). On the other hand, when guided properly, employees can generate positive influences on the image of an organization under crisis, because they are considered to possess higher trustworthiness than top managers of organizations. Considering the two sides of employee voices, Coombs believes that the best thing to do is to keep stakeholders of a crisis informed of "timely updates" through proper channels (p. 134).

As mentioned in the data analysis, multiple voices from Husi Food Co., Ltd, OSI China and the OSI Group were heard from the company's responding actions, and an inconsistency of voices was found. For example, besides mentioning that Husi Food Co., Ltd will cooperate in the investigation, Yang Liqun, general manager of deep processing with OSI China, emphasized that the company had a strict quality control system (S1). Then, an unnamed spokesperson from the OSI Group tried to separate the group from Husi Food Co., Ltd by saying that the OSI Group was "appalled" by the incident and stressed that it was an "isolated event" (S3). So, it seems that what the spokesperson from OSI China said was intended to deny the possibility of what was accused in media, while the person from the OSI Group gave up the possibility of denial and chose to isolate the scandal from the good image of the corporation.

Since social media content was not analyzed in this study, I was unable to locate employee voices that are not covered by media report. However, two issues related to previous employees of Husi Food Co., were brought up by the online news websites analyzed, which could exacerbate the company's image: an unidentified Sina Weibo account which implied that Shanghai Husi might have started using expired meat material before 2013 (P8); former Husi Food Co., Ltd employee Wang Donglai sued the company for damages to his health caused by exposure to chlorine, and for being forced to work overtime and made to do "unethical work" that violated food safety laws (S5). For crisis types other than intentional crisis, such factors could have increased the negative impact enough to raise the level of responsibility attributed to the organization (Coombs, 2013) and make matters worse.

During the coding process, there were some outstanding characteristics of the crisis response strategies used by Husi Food Co., Ltd that are not taken into consideration in Coombs's Situational Crisis Communication Theory, and they are going to be discussed in the following section.

5.5 Visibility of Top Managers

The Shanghai Husi Food Co., Ltd is a subsidiary of the OSI Group, an American privately owned holding company with international headquarters in Aurora, Illinois. Initially, managers from the Shanghai Fusi Co., Ltd and from OSI China were responsible for making comments on the crisis from the company's side, and about three days later Sheldon Lavin, chairman of OSI Group, made the first appearance as a senior leader of the group. On July 29th, 2014, David G. McDonald, the president and chief operating officer of OSI Group made a long statement on behalf of the OSI Group at a press conference.

As presented below, several studies have been conducted on the influence of the visibility of top managers (especially CEOs) on corporate crises. Turk, *et al.* (2012) suggest that with other conditions being equal, having a company CEO deliver its crisis response is better favored by the stakeholders, which indicates “higher scores of attitudes and purchasing intentions” (p. 581). Such impact is more significant when the company has a favorable prior corporate reputation (Turk, *et al.*, 2012). Brocato, *et al.* (2012) examined the diverse effects of crisis response strategies on stakeholders’ perceptions, and their impressions of the corporation and the CEO. Through an experimental investigation of 32 different treatment scenarios and 25 participants each, they conclude that CEOs are viewed “more negatively and as less trustworthy” than the corporation when the denial or justification crisis response strategy was offered, while CEOs are likely to be viewed more favorably when they adopt the apology or excuse response strategy (p. 48). In this sense, since the Husi Food Co., Ltd responded to the crisis with the rebuild strategy in SCCT, the appearances of two top managers from the OSI group should be somehow beneficial for improving the stakeholder opinion of the CEO and the company.

5.6 Multiple Accused Organizations

As discussed in previous sections, since the Husi Food Co., Ltd scandal is categorized into the preventable crisis cluster, it is expected to suffer the highest level of responsibility attribution by its stakeholders (Coombs, 2007b). However, according to a survey on Sina Weibo regarding the stakeholders’ attitudes towards the scandal, it turned out that the fast-food chains that used meat products by Husi Food Co., Ltd were criticized more than their supplier.

S3:

More than 68 percent of nearly 17,000 respondents said they would not buy food from McDonalds, KFC or Pizza Hut, according to a survey

on Sina Weibo as of press time. Many Net users appeared to blame the restaurants, rather than the supplier.

In addition, media also cast doubts over the performance of food safety regulators:

S2:

Part of the problem, of course, is that the checks by regulators are made known to corporate managers beforehand... Obviously, the regulators should conduct unannounced inspections. Meanwhile, the relevant regulations should be revised to add details as to how the power of regulators in conducting uninformed checks can be guaranteed and how those who block such checks should be punished... Regulators, given the importance of their work, should also be put under proper scrutiny. If any evidence shows that they have failed in their duties, they should also be punished in accordance with the law.

Such phenomena can be perceived as an example of Benoit (2015)'s concern over the validity of SCCT when more than one organization is responsible and accused during a crisis, and when the stakeholders hold varied opinions towards those organizations' responsibility for the crisis. If, as the Sina Weibo survey suggests, the Husi Food Co., Ltd is not attributed of the highest level of crisis responsibility, then it might be a mistake for the crisis managers to employ the rebuild strategies.

6. Conclusion

This chapter offers a conclusion on findings regarding the research question of this paper, which is: How did the crisis managers of Husi Food Co. choose crisis response strategies to react to its 2014 food safety scandal?

This case study examined the crisis response performance of Shanghai Husi Food Co., Ltd, which was accused of changing the expiration dates of stale meat and supplying them to major fast-food chains such as McDonald's and KFC in China. A media content analysis was conducted based on a total of 20 English news articles on the People's Daily website and SINA.com. The coding process of the study was guided by Schreier (2014)'s methodology of qualitative content analysis, of which two main categories and two

groups of sub-categories were generated for the main analysis.

The answers to each of the two sub-questions are presented below.

RQ1: What is the crisis type of Husi Food Co., Ltd Food scandal?

In SCCT, understanding the situation of a crisis is a premise for crisis managers to determine what response strategy should to be used in order to minimize reputation harm to the organization, and the three factors that shape the crisis situation are initial crisis responsibility, crisis history and prior relational reputation (Coombs, 2007b). The assessment of initial crisis responsibility is based on the crisis type framed by media (Coombs, 2007b). According to the media framing of the crisis, The Husi Food Co., Ltd scandal is an unethical misconduct intentionally committed by its employees, and the behavior is also reported to have received tacit approval from managers of Husi. Therefore, this crisis is put under the preventable crisis cluster in SCCT, which shoulders the highest level of responsibilities attributed by stakeholders (Coombs, 2007b).

After the assessment of initial crisis responsibility attached to the crisis, crisis managers also need to take crisis history and prior relational reputation of the organization into account, thereby drawing conclusion on the overall reputational threat to the organization (Coombs, 2007b). A few negative facts about Husi Food Co., were brought up by media in current crisis, yet they were either unconfirmed by authoritative media, or did not raise public attention; on the other hand, no positive information about the Husi Food Co. was found to have the possibility of mitigating the reputational threat of the scandal being studied.

RQ2: What crisis response strategies were chosen by Husi?

SCCT posits that rebuild response strategies should be used for preventable crises regardless of crisis history or prior relational reputation (Coombs, 2007b). Judging from the media reports analyzed, apology was the main response strategy used by Husi Food

Co., Ltd and the OSI Group, Husi's parent company with headquarters in the United States. Since apology belongs to the rebuild strategies group in SCCT, it was a proper decision made by crisis managers in charge of reacting to this scandal.

A few drawbacks were also noticed in the crisis response performance of Husi. For instance, as there was a change of spokesperson on behalf of the company (from managers of Shanghai Husi, to OSI China, then to the OSI Group), inconsistencies in crisis responses were found. Moreover, due to possible insufficient arrangement of the actions of employees at the Shanghai Husi, the initial behavior from the factory as reported in media was blocking regulators from entering and investigating. Such actions, if taken place in other crisis types, are very likely to raise the level of responsibility attributed by stakeholders (Coombs, 2007b).

Beside the subcategories driven by SCCT, two data-driven themes were also discussed. With regard to the influence of the visibility of top managers on stakeholders' perceptions of the organization, Brocato, *et al.* (2012) suggest that CEOs are likely to be viewed more favorably when they adopt the apology or excuse response strategy. In this sense, since the Husi Food Co., Ltd responded to the crisis with the rebuild strategy in SCCT (mainly apology), the appearances of two top managers from the OSI group should be beneficial for improving the stakeholder opinion of the CEO and the company.

One more notable finding is that there is a difference between the assumed level reputational harm to Husi based on SCCT and the result from a survey on Sina Weibo, as those who participated in the survey tend to blame the fast-food chains that used Husi as a supplier more than Husi Food Co., itself. The fact that Husi Food Co., Ltd was not the only organization accused for the crisis might explain this phenomenon. This is an indication that the SCCT method of determining crisis type based on crisis responsibility

might lose its credibility under complicated crises where more than one organization is related.

Limitations of the Study

The data analysis method of this paper was limited to qualitative content analysis only, which becomes a limitation of the study. Moreover, since the data analyzed was restricted to online news articles, information about the crisis on other media platforms, especially discourse on social media, was not taken into consideration. This way, it is possible that relevant information have been omitted. Although Situational Crisis Communication Theory provides a well developed system for assessing reputational threat and choosing proper response strategies, which overall affirmed the actions taken by Husi and the OSI group, there is not a post-crisis survey on customers that we can use to cross check.

Suggestions for Future Research

Coombs' Situational Crisis Communication Theory offers a valuable theoretical reference for choosing the most appropriate strategies to restore the reputation of crisis-affected organizations. However, when the crisis situation is complicated by factors such as more than one organization accused responsible, multinational corporations with multiple levels of leadership, stakeholders with varied perceptions, the SCCT model might appear insufficient for decision-makings that probably determines the fate of organizations. A revised model of SCCT that takes more factors into consideration is therefore expected.

Significance of Study

This study is significant to the research of crisis communication as it provides an evaluation of an incident with large-scale impact, and it used Coombs' Situational Crisis Communication Theory, one of the dominant theories about crisis response strategies as

theoretical foundation. The pros and cons throughout the organization's performance during crisis, as assessed in this paper, have practical value for crisis managers dealing with similar situations.

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Appendix 1: List of News Articles Selected for Qualitative Content Analysis¹

P1. Shanghai cracks down on meat supplier for McDonald, KFC
16:51, July 21, 2014

<http://en.people.cn/n/2014/0721/c98649-8758623.html>

P2. China's meat scandal probe expands nationwide
07:25, July 22, 2014

<http://en.people.cn/business/n/2014/0722/c90778-8758660.html>

P3. Shanghai authorities vow thorough probe into meat scandal
07:39, July 22, 2014

<http://en.people.cn/business/n/2014/0722/c90778-8758664.html>

P4. China Focus: Fast food chains act over meat concerns
08:05, July 22, 2014

<http://en.people.cn/n/2014/0722/c90882-8758679.html>

P5. Meat scandal shakes China's fast food industry
20:19, July 22, 2014

<http://en.people.cn/n/2014/0722/c90882-8759293.html>

P6. No leniency on food crimes
10:41, July 24, 2014

<http://en.people.cn/n/2014/0724/c90882-8760210.html>

P7. McDonald's China switches to another subsidiary of scandal-hit OSI
20:19, July 24, 2014

<http://en.people.cn/n/2014/0724/c90882-8760494.html>

P8. OSI apologizes for food scandal
09:56, July 25, 2014

<http://en.people.cn/n/2014/0725/c90882-8760778.html>

P9. OSI group to fund food safety
07:29, July 29, 2014

<http://en.people.cn/business/n/2014/0729/c90778-8761884.html>

P10. China probes OSI China over food scandal
07:18, August 05, 2014

<http://en.people.cn/n/2014/0805/c90882-8765012.html>

P11. Six arrested over food safety scandal in Shanghai
07:34, August 04, 2014

<http://en.people.cn/n/2014/0804/c90882-8764449.html>

¹ P stands for the People' Daily website and S stands for Sina.com

P12. Expired meat firm sacks 340 employees
17:06, September 22, 2014
<http://en.people.cn/n/2014/0922/c90882-8786184.html>

P13. Husi's unqualified food safely disposed in Shanghai
20:59, January 04, 2015
<http://en.people.cn/n/2015/0104/c90882-8831381.html>

2. SINA.COM

S1. Yum, McDonald's apologize in China food supplier safety scare
2014-07-21 17:17:11
<http://english.sina.com/business/2014/0721/720347.html>

S2.Scandal shows scale of problem
2014-07-22 10:55:07
<http://english.sina.com/2014/0721/720622.html>

S3. Confidence in US fast food dented after meat scandal
2014-07-23 08:56:28
<http://english.sina.com/business/p/2014/0722/720945.html>

S4. Netizens blame regulators for expired meat scandal
2014-07-23 16:25:19
<http://english.sina.com/china/2014/0723/721100.html>

S5. Husi faced unethical practice claims in 2013
2014-07-26 10:31:10
<http://english.sina.com/business/2014/0725/722074.html>

S6. China regulator says food supplier forged production dates: Xinhua
2014-07-28 09:39:12
<http://english.sina.com/china/2014/0727/722339.html>

S7. OSI overhauls China operations after meat scandal
2014-07-29 14:19:22
<http://english.sina.com/china/2014/0728/722677.html>