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An examination of the situational crisis communication theory through the general motors bankruptcy

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The following study analyzes the crisis communication strategy selection of general motors (GM) through the company's filing for chapter 11. The study uses Coombs situational crisis communication theory (SCCT) model as a framework for understanding and suggesting future crisis communication strategy selections. The study found GM followed the guidelines outlined by the SCCT model in successfully negotiating reputational management through a financial crisis. The study suggests companies facing similar crises should follow similar strategy selection; however Deal Cluster strategy selection should take into account leadership transitions.

Key words: Crisis communication, situational crisis communication theory, situational crisis communication theory, general motors, bankruptcy, chapter 11, communication strategy.

INTRODUCTION

Public relations play a critical role in crisis management. It provides information, defines an event, places crisis in a context and conveys an organization's position to various publics. The primary goal of this research is to test Coombs situational crisis communication theory (SCCT) model in the framework of financial crisis, identifying the crisis situation cluster and crisis response strategies for this situation. This research will identify the crisis communication style of General Motors after the financial crisis (bankruptcy) by analyzing its corporate messages, through the prism of the SCCT model, across different channels. Ahmed (2006) argues that some of the essential features of a crisis that consultants name are unexpected and surprise element, a disruption of routine, an escalating flow of events together with a sense of losing a control of the situation, heightened media attention, followed by scrutiny, inquiry, speculation,

and, eventually, the proliferation of negative publicity. On June 1, 2009, General Motors, one of the most storiedauto manufacturers in United States history, despite federal loans and aid to stay afloat only a few months earlier, filed for Chapter 11 bankruptcy. A floundering economy coupled with a dated business model and increased global competition finally toppled the long bloodied auto giant. What followed was an aggressive campaign by both General Motors and the United States government to restructure the company competitively, saving as many jobs along the way as possible, to justify using huge sums of taxpayer dollars to salvage the company, and to ensure to the public that the U.S. government was not federalizing the auto industry. Under the Chapter 11 bankruptcy, an organization undergoes financial restructuring under the court and bankruptcy laws. Bankruptcy most often has very negative connotation, and the public tends to question a bankrupt company's legitimacy as an organization, often requiring and expecting an organization to legitimize itself and restore its image (Hiestand, 2007). While bankruptcy is considered to be a major crisis for an organization, it is

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rarely studied in public relations and crisis communication literature. The body of research suggests different theoretical frames in analyzing crisis situations, including literature in the issues-management approach, the situation theory of publics (Grunig and Hunt, 1984), the two-way symmetrical communication model (Grunig and Grunig, 1992), an integrated four-step symmetrical model for the effective management of crises (Gonzales-Herrero and Pratt, 1996), the defensive-accommodative continuum (Coombs, 1995), situational crisis communication theory (SCCT) (Coombs, 2006), and others. This research attempts to add to the existing body of crisis communication literature, specifically cases studies relating to and developing the SCCT model, and to help understand and evaluate communication messages, through the prism of the SCCT model, used by public relations practitioners to manage financial crisis.

LITERATURE REVIEW

Crisis communications

A crisis is "a major occurrence with a potentially negative outcome affecting an organization, company, or industry, as well as its publics, products, services or good name" (Fearn-Banks, 1996: 1). Research on crisis communications covers several areas: types of crises, crisis strategies, crisis aftermath, applications of the strategies, etc. Ahmed (2006) suggested that crisis management consultants distinguish between two major types of crises. The cobra type of crisis constitutes a sudden crisis, such as when disaster hits unexpectedly (for example, Exxon-Valdez crisis), and the python type of crisis, which is generally considered to be a slow-burning crisis, developed issue by issue (for example, Intel Pentium chip's crisis) (Ahmed, 2006: 4). These slow-burning, or python crises, are normally more attributable to the company. Crises such as bankruptcy, corporate fraud, or disaster as a result of repeated negligence are easier for the public to assign blame to the company, and subsequently more difficult for a company to emerge from with an unscathed reputation. Some researchers have attempted to place crisis situations in groups according to the issue or nature of the crisis. For example, Mitroff (2005) extracted seven types of crises: economic, informational, physical, human resources, reputational, psychopathic acts, and natural disasters.

Mitroff's and Ahmed models, while notable research in the field, do not fully account for a scope of a crises nor allow for detailed, mutually exclusive categorization and strategy clustering responses. Properly categorizing a crisis into definable, exclusive, terms is critical in determining response strategies for reputation management.

Crisis response strategies

Researchers agree that an organization's actions and response strategies have a significant impact on the organization's reputation (Barton, 2001; Benoit, 1995; Coombs, 1999, 2006). They are used to repair the reputation, to reduce adverse affects and to prevent negative behavioral intentions (Coombs, 2006). Crisis response strategies were studied comprehensively in communications research (Allen and Caillouet, 1994; Benoit, 1995) and management research (Bradford and Garrett, 1995; Marcus and Goodman, 1991; Siomkos and Shrivastava, 1993). One approach to categorizing crisis response strategies is a defensive-accommodative continuum (Coombs, 1998). On the defensive end of the continuum, there are response strategies associated with the idea to protect organization's image. On the other end of this continuum (accommodative end), there are strategies that inherently address concerns of the victims and stakeholders. These categories are ordered as follows: attack the accuser, denial, excuse, justification, ingratiation, corrective action, and full apology and mortification (Coombs, 1998). Benoit (1997) suggested three image restoration approaches as crisis communications strategies: denial, evasion of responsibility, and reducing the offensiveness. Denial strategies are used to simply deny the responsibility of the company in a crisis or shifting the blame; evasion of responsibility strategies are used to lessen/minimize the organization's involvement in the crisis; reducing the offensiveness strategies are used to repair the organization's image by contributing to a lessening of the perceived offensiveness of the event (Benoit, 1997). A major drawback of this model is that it does not offer insight on when and how to use these strategies. It does not provide clear direction for public relations practitioners on how to choose correctly a strategy in a certain crisis.

Coombs (2006) identified intensifiers, which intrinsically increase a company's reputational damage regardless of the strategies employed by the company. Coombs (2006) named crisis history and relationship history as major intensifiers. Crisis history pertains to the presence of a similar crisis in the past, whereas relationship history refers to the quality of communication between an organization and its publics. Coombs (2004, 2006) and Coombs and Holladay (2001) stated that intensifiers had a direct effect on the reputation.

Situational crisis communication theory (SCCT)

The drawbacks of other crisis communication models and detailed research into the theoretical framework of crisis communication strategies led to the development of the

"situational crisis communication theory". Now one of the most widely tested theories of crisis communication, the situational crisis communication theory (SCCT), was developed and refined by Coombs (2006). SCCT is comprised of three core elements: the crisis situation, crisis response strategies, and a system for matching the crisis situation and crisis response strategies (Coombs, 2006). The first core element of SCCT looks at crisis cluster. In the victim cluster (natural disaster, rumors, workplace violence, product tampering), a company is the victim of the crisis as well; in the accidental cluster (challenges, mega-damage, technical breakdown accidents and recalls), the company does not have crisis intentions in its actions; in the preventable cluster (human breakdown accidents and recalls, organizational misdeed with or without injuries, organizational misdeed and management misconduct), a company intentionally places people at risk, takes inappropriate actions, or violates laws/regulations (Coombs, 2006). The second core element of SCCT reviews crisis response strategies. These crisis response strategies are used to repair reputation, to reduce negative affect and to prevent negative behavioral intentions. More accommodative response strategies that show greater concern for victims result in the perception of an organization taking greater responsibility for the crisis (Coombs and Holladay, 2004). Deny response options include the following strategies: attack the accuser (organization confronts the person or group claiming a fault of the organization), denial (organization denies a crisis), and scapegoat (crisis manager blames the supplier of the crisis) (Coombs, 2006). Diminish response options include the following strategies: excuse (organization denies the intent to harm and claims inability to control the events), and justification (organization minimizes perceived damage) (Coombs, 2006).

Deal response options is comprised of these strategies: ingratiation (managers praise stakeholders and/or reminds them of past good work of the organization), concern (managers express concern for the victims), compassion (managers offer money and other gifts to victims), regret (organization feels bad about the crisis), and apology (organization takes full responsibility for the crisis) (Coombs, 2006). The third core element of SCCT is a system for matching the crisis situation and crisis response strategies. At the heart of the theory is the idea to match a company's response strategy to the nature of the crisis situation; warranted by the crisis responsibility, reputational damage, and dictated by the crisis situation (Coombs, 2006). In other words, response strategies are to be selected according to the perceived acceptance of responsibility for a crisis by an organization (Coombs, 2006). The SCCT model was applied in various research studies. Fussell et al. (2009) tested the theory looking at

a nonprofit organization's actions during a crisis. Researchers reviewed the strategies that American Red Cross employed in dealing with the major organizational crises between 1997 and 2007. After reviewing 1,585 news articles, they found that American Red Cross used the theoretically suggested response strategies to match the level of organizational responsibility (Fussell et al., 2009). Another study tested the theory in a food health crisis. An experiment was conducted to test the effectiveness of response strategies in a crisis that fell under the category of an accident cluster (Lee and Lariscy, 2008). According to the SCCT model, diminish response strategies would be most appropriate. However, contrary to the theory and previous research, the denial response strategies were more successful (Lee and Lariscy, 2008). Besova (2008) tested the SCCT model while analyzing outgoing corporate messages disseminated by JetBlue after the Valentine's Day storm in 2007. Press releases, broadcast messages and internet messages were content analyzed to reveal crisis response strategies. The most widely used strategies were from the deal response option, as suggested by the SCCT (Besova, 2008). While the model has been used to test a number of different crises, little research using the SCCT model has been devoted towards the study of financial crises.

Financial crisis research

Most often, crisis communications are researched and theories are tested in cases of a product recall, an airplane crash, an explosion/fire, an oil spill, etc. Less often, researchers look at organization's communications in times of a financial crisis. Nevertheless, the effectiveness of an organization's communications in times of a financial crisis (such as bankruptcy) is vital to a company's overall health in future (Frankowiak, 1992). Limited research is available in communications research on crisis communication as it relates to financial crises. However, some researchers have looked at crisis communication stages in financial crises (Jordan, 2003), crisis communication style of organizations as it relates to legal and public relations counsel (Reber and Gower, 2006), crisis communication consultancy for financial institutions (Chandler and Wallace, 2008), legitimacy and image restoration after bankruptcy (Hiestand, 2007) and long-term implications of crisis communication on company's financial health (Wollslager, 2007). Jordan (2003) looked at Ashanti Goldsfield 1999 financial crisis, when a company struggled to avoid bankruptcy after the collapse of their financial derivative program. The researcher analyzed three stages of the crisis communications plan that Ashanti Goldsfield implemented. In the first stage, the company stabilized and managed

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communication to restore calm to the investment community; in the second stage, the company educated and informed investors through communication; and in the last stage, the company recoupled with investors to rebuild investment interest and restore Ashanti Goldsfield's stock value (Jordan, 2003). Although this research provided invaluable insight on real application of a strategic communication plans in times of a financial crisis, it did not provide a theoretical perspective. Reber and Gower (2006) analyzed the public communication strategies of Enron and WorldCom during their financial crises. Researchers looked at outgoing corporate messages by Enron and WorldCom as well as press coverage of their financial crises in an attempt to determine whether the primary message was driven by a public relations team or a legal counsel.

The findings showed a blend of two, which suggested the cooperation between legal and public relations teams in communicating a company message (Reber and Gower, 2006). Hiestand (2007) looked at rhetoric surrounding the bankruptcy of two airlines, Delta Airlines and Northwest Airlines. Analysis revealed three rhetorical strategies that both companies used to legitimize and restore their image: reducing offensiveness, evading responsibility, and corrective action (Hiestand, 2007). Theories of Legitimacy and Image Restoration were used as a theoretical framework for the study. This study will test the SCCT theory in a framework of a financial crisis, identifying the crisis situation cluster, crisis response strategies used for this situation, and the appropriateness of such strategies based on the SCCT model. This research will identify a crisis communication style of general motors after the financial crisis (bankruptcy) by analyzing its corporate messages, through the prism of the SCCT model, across different channels.

General motors bankruptcy history

In October 2008, as the economy hits a downturn and auto sales plunge, General Motors discusses cutting jobs, closing plants and merging with Chrystler. On December 19, 2008, GM receives $13.4 billion from the troubled asset relief program (TARP) created by the U.S. government. On February 17, 2009, GM requests nearly $22 billion in additional U.S. government loans and receives grants and additional funds crucial to the survival of the industry ("Timeline"). After the resignation of GM CEO Rick Wagoner on March 29, 2009, Canada offered $3.2 billion in bridge loans to the Canadian branch and Russia pledged over $1 billion to its auto industry. On April 24, 2009 GM draws another $2 billion in government aid ("Timeline"). In April 2009, GM finalized a plan to reorganize outside bankruptcy by

slashing bond debt, cutting a further 21,000-plus U.S. jobs, emerging as a nationalized automaker under majority control of the U.S. government, and on May 22, 2009 GM borrowed another $4 billion from the U.S. Treasury; taking the total government funding to keep it afloat since the start of the year to $19.4 billion. On May 31, 2009 investors holding about 54 percent of GM's $27.2 billion of bonds indicated support for a U.S. Treasury-brokered swap that may help speed the way through bankruptcy ("Timeline"). On June 1, 2009 GM files for bankruptcy. The U.S. government announced that it would provide $30 billion of additional taxpayer funds to restructure the company. In the next few days, GM negotiated to sell its Hummer and Saturn brands and announced to cease production of medium-duty trucks after its failed attempt to sell. On June 16, GM sold Saab ("Timeline"). On June 25, 2009, GM received the final court approval to borrow up to $33.3 billion from the U.S., Canadian and Ontario governments.

After a U.S. judge approved GM's bankruptcy sale in a move that would allow the company's most profitable assets to exit bankruptcy protection under government ownership, the company emerged from bankruptcy protection on July 10, 2009 after the 40-day bankruptcy concluded with a deal that sold key operations and core brands, including Chevrolet and Cadillac, to a new company, majority-owned by the U.S. Treasury ("Timeline").

Current research

The current research uses SCCT as a theoretical framework. The SCCT model was chosen because the model can provide a well developed theoretical framework that is largely currently lacking in the study of financial crises. Furthermore, because the model has been tested and detailed in many other types of crises and types of response strategies; using the SCCT model allows researchers to examine strategy clusters from previously studied crises and make finite adjustments specific to types financial crises. According to the SCCT model, the GM bankruptcy crisis would be placed into the preventable cluster. The preventable cluster is comprised of types of crises which suggest strong attributions of crisis responsibility to the company and severe reputational threat. The SCCT model suggests crises in the preventable cluster should use response strategies from diminish and deal clusters. The following research will examine the crisis response strategies used by General Motors to see if they are in agreement with the recommendations of the SCCT model and attempt to determine the overall success of GM's crisis communications strategies. The current analysis will also

look at the timing of corporate messages, the dominant strategy (if there is one), and consistency of corporate messages across different channels. Therefore, the following research questions were proposed:

RQ1: What response strategies did GM employ in dealing with the financial crisis it encountered in June 2009?
RQ2: What is the dominant, or most frequently used, crisis communication strategy from the SCCT model?
 RQ3: Did GM achieve consistency, in terms of crisis communication strategy, across all sources for all outgoing crisis communication messages?
RQ4: To what degree did the response strategies selected by the GM match the response strategies suggested by the Situational Crisis Communication Theory?

METHODS

To answer research questions, a content analysis was selected as an appropriate method. Budd et al. (1966) described content analysis as a "systematic technique for analyzing message content and message handling whereby the analyst is not necessarily concerned with the message, but with the larger questions of the processes of effects and communication." For this case study content analysis allows for an examination of all corporate crisis communication messages to the public through the lens of the SCCT model. Implementing Coombs' (2006) crisis response strategies clusters, the researcher constructed a coding sheet to guide content analysis. The researcher chose to code all available publically released statements by GM from the filing of Chapter 11th to the launch of the 'new' GM. This was done to ensure the complete picture of GM's crisis response strategy, in all mediated formats, was fully examined. Coders recorded the source of the message (press release, broadcast message, or Internet message) and the date of the message. Each communication message was selected as a unit of analysis. Only communications from the filing of Chapter 11 to the reemergence of the 'new' GM were coded (June 1, 2009 to July 10, 2009). All sources of communication used by GM to communicate to the public at large were examined with the exception of three YouTube videos that have been subsequently removed by the company. The researcher identified six categories of sources available for coding: press release, press conference, CEO blog, CEO speech, YouTube page, and Presidential speech. For each source category, all available outgoing messages were coded. Coders analyzed each message using the ten crisis communication strategies from the three response clusters outlined in Coombs model:

Deny response cluster (attack strategies- where the organization confronts the person or group claiming a fault of the organization, "denial strategies"- organization denies a crisis exists, "scapegoat strategies"- organization blames the supplier of the crisis on another organization or entity), "diminish response option" (excuse strategies- organization denies intent to harm and claims inability to control the events and "justification strategies"- organization minimizes perceived damage and focuses on rationalizes its actions), and "deal response cluster" (ingratiation strategies- organization praise stakeholders and/or reminds them of past good work of the organization, "concern strategies"- organization express concern for the victims, "compassion strategies"- organization offers money and other gifts to victims, "regret strategies"- organization feels bad about the crisis, and "apology strategies"- organization takes full responsibility for the crisis). For each outgoing message, coders record the number or responses within the message (rather than a simple 'present' or 'absent' analysis). Thus each message was analyzed for type of response as well as the frequency of that response within the message. The number of recorded responses was summed for each individual cluster, creating three scales (deny, diminish and deal). The number of total responses overall was summed to create an overall scale. The first category included all press releases (n = 18) from June 1, 2009 to July 10, 2009 addressing the issue of General Motors bankruptcy found on the AP wire. The second category consisted of all broadcast messages, including press conference on the CEO Fritz Henderson (n = 2). The third category contained all Internet messages from the corporation to the public, such as Henderson's "Fastlane" Blog (n = 9). The fourth category were all available commercials and Youtube videos meeting with Fritz Henderson and other member of the General Motors staff on the company's Youtube page (n = 6). The fifth category was a CEO speech to members of the media (n = 1).

 Finally, a speech of President Obama directly concerning General Motors and the restructuring of the company (n = 1). This speech was included because, at the time, the United States government had a substantial share of the new General Motors Company. There was concern among some that the government would actually take over the company and mandate manufacturing guidelines. President Obama, from the onset of the speech, could be considered to be the director of the company. The speech went on to outline the lack of government involvement in the operations of the company and to justify the government protections given to the new GM. Though the total number of messages from all sources is rather small (n = 37) this number represents the entirety of messages from GM to the public in the time span of the study, some of which were rather lengthy conferences and speeches. Despite the small number of messages, because of the relative length of each message, a total of 133 crisis communication responses recorded. Descriptive statistics were used to analyze the data and answer the posed research questions. A regression analysis using the overall summed scale as the dependent variable and the individual crisis response strategies as independent variables was conducted to present a model of the most significant strategies in GM crisis communication approach to bankruptcy. Two coders were used for the study with an overall intercoder reliability score for determining message strategies of 0.89 using Holsit's formula.

RESULTS

RQ1 asked what response strategies did GM employ in dealing with the financial crisis it encountered in June 2009? The study found of the total 133 strategies used by GM, 48% (n = 64) were from the diminish cluster, 46% were from the Deal cluster (n = 61) and only 6% (n = 8) were from the deny cluster (Table 1). RQ2 asked about the dominant, or most frequently used, crisis communication strategy from the SCCT model? The study found the "justification strategy" was used 28% of the time (n = 37), followed by the "excuse strategy", 20% of the time, (n = 27), "ingratiation strategy", 19.5% of the time, (n = 26), "concern strategy", 14% of the time,

Table 1. Crisis communication strategies in clusters used by GM.

	N	Percentage (%)
Deny	8	48
Diminish	64	6
Deal	61	46
Total	133	100

Table 2. Crisis communication strategies used by GM.

	N
Deny cluster	
Attack the accuser	3
Denial	0
Scapegoat	5
Diminish cluster	
Excuse	27
Justification	37
Deal cluster	
Ingratiation	26
Concern	19
Compassion	14
Regret	2
Apology	0
Total	133

(n = 19), "compassion strategy", 10.5% of the time, (n = 14), "scapegoat strategy", 3.5% of the time, (n = 5), "attack strategy", 2% of the time, (n = 3), and "regret strategy" 1.5% of the time (n = 2). No Denial or Apology strategies were used. The most frequently used crisis communication strategies came from the "diminish cluster" (n = 64), followed closely by the Deal cluster (n = 61), and Deny cluster (n = 8) (Table 2). RQ3 asked if GM achieved consistency in terms of crisis communication strategy, across all sources for all outgoing crisis communication messages? The study found a consistent message strategy of Diminish and Deal cluster strategies. The justification strategy was the most frequently used strategy in Press Releases (n = 20), Youtube Broadcasts (n = 4), and the "presidential speech" (n = 5). Excuse strategy was the most frequently used in "press conferences" (n = 13) and CEO speech (n = 1). Concern strategy was most frequently used in the company's blogs (n = 7). Apology and Denial strategies were never used (Table 3). RQ4 asked to what degree the response strategies selected by the GM matched the response strategies suggested by the "situational crisis communication theory". The SCCT model suggests use

of Diminish and Deal strategies when facing a situation such as bankruptcy. The study shows that GM used these strategies almost exclusively, particularly justification, excuse, and concern strategies. Strategies from the "diminish cluster" were used most frequently in all but one category of messages (blogs).

DISCUSSION

Assessing the response

The SCCT model predicts that companies facing crises such as bankruptcy have an increased risk of reputational damage due to the fact that blame for the crisis is more attributable to the company itself. GM certainly faced the threat of attributable blame and also a host of other difficulties in composing a coherent crisis response strategy. Following the filing of Chapter 11 for General Motors, the company faced unique challenges in managing public opinion on top of those presented by the bankruptcy itself. The company had accepted large sums of public funds in a so-called 'bailout' package and yet

Table 3. Number of strategies used in each media format.

	Press releases (14)	Press conferences (2)	Blogs (9)	CEO speech (1)	You tube broadcast (6)	Presidential speech (1)
Deny cluster						
Scapegoat	0	1	1	0	1	2
Attack	0	2	1	0	0	0
Denial	0	0	0	0	0	0
Diminish cluster						
Justification	20*	6	2	0	4*	5*
Excuse	3	13*	6	3*	1	1
Deal cluster						
Ingratiation	8	8	2	1	3	4
Concern	1	6	7*	2	0	3
Compassion	9	3	1	1	1	0
Regret	0	0	0	0	1	0
Apology	0	0	0	0	0	0
Total	41	39	20	7	11	15

had still failed to avoid bankruptcy. The stockholder shares of the 'old' GM had lost all value. The government had significant shares of ownership in the 'new' GM and had once again invested public funds into the company. The company, in an effort to cut immediate costs, announced an aggressive restructuring campaign that would cut a number of jobs and close several dealerships throughout the United States. The 'new' GM and the new corporate executives faced having to re-image the company, cut jobs across the board, justify the acceptance of government ownership and public funding, and re-emerge the brand with a profitable business model under extremely short time period placed on them by the government. While not ideal circumstances for a company to find itself, GM's crisis communication

response to the challenges it faced largely followed the recommendations of the SCCT model and provide insight into which particular crisis communication strategies and message clusters companies use when filing Chapter 11. The 'new' GM crisis communication strategy focused on three key elements: First, Justification and Excuse strategies from the Diminish Cluster to validate their acceptance of public funds and shift focus to the nationwide economic downturn. Second ingratiation, concern and compassion strategies from the Deal cluster to acknowledge the pain of shareholders and employees while reminding them of previous glories and a return to greatness. Third, accepting the failures of the past, though never directly apologizing for them, and constantly referencing a change in culture

and a successful future.

Response strategy and the role of leadership

The company used Justification strategies most frequently, not surprising since the company was accepting a second federal bailout package to launch the new company. The company needed to justify not only its past failures in the market-place, but also being granted taxpayer dollars to maintain operations. It did so by speaking of the importance of a strong U.S. based automotive industry, the jobs and peripheral economies a large auto manufacturer can create. The communities the company is involved in and the steps it would take to ensure profitability. The company

used "excuse strategies" to place the company as part of a larger, suffering global economy (as well as a suffering U.S. automaker marketplace). Reminding listeners that everyone was suffering and the reviving the company would actually be beneficial to the country as a whole. The use of "concern, compassion, and ingratiation" helped the company bridge a sensitive topic with employees and shareholders. The filing of Chapter 11 and restructuring of the company meant the collapse of stock prices and the loss of jobs in every facet of production and distribution in the company. The company expressed concern to released employees and stockholders and offered packages to closing dealerships to help soften the blow of job losses and stock collapse. However, while doing so the company always made sure to remind those listening of the company's storied past and close relationship to its shareholders and customers. The use of Ingratiation strategies following the Concern and Compassion strategies allowed an opportunity to talk about the coming success of the company and the focus on the future, which was another major focal point of the companies strategies.

The lack of apology or denial strategies, was in part, a way for the company to accept responsibility and its failures but also to keep from contradicting its justification and excuse strategies. This allowed the company to not explicitly apologize and be free to focus discussion on the future of the 'new' company. GM's corporate communications team also implemented a tactic of showing leadership skills of the CEO. Hearit (1995) argues that one of the essential features of crisis management is the visible and active role of the CEO. GM's CEO was a major and consistent part of the entire communication strategy for the company throughout the crisis.

Utilizing SCCT

While this study only represents an individual case study of one company managing a bankruptcy crisis, it shows specific strategies and strategy clusters from the SCCT model as applied to crisis management. As recommended by the SCCT model the company focused largely on diminish cluster strategies to deflect attributable blame, the company then used Deal cluster strategies to accept some of the responsibility. Interesting to the development of crisis communication strategy selection as it relates to bankruptcy management, GM's new leaders never used an apology strategy and only once used a regret strategy. Unlike situations where the same management is in place following bankruptcy (which would almost certainly demand regret and apology strategies be used to help restore reputation), the new GM management team avoided these strategies at all

costs. In recommending strategies for future bankruptcy crisis communication, the SCCT model might need to distinguish between whether or not prior management will be in place throughout the crisis. The presence of a leadership transition allowed GM to be more selective in which Deal cluster strategies it selected. In doing so the company was able to avoid expressing regret and apologizing, and could instead increase it efforts at minimization of attributable blame through the use of Diminish cluster strategies. One might speculate that without leadership change GM would have been forced to use apology and regret strategies from the Deal cluster more frequently than using Diminish cluster strategies. In measuring the success of GM's crisis communication strategies one must look at a number of factors. Ultimately, GM was granted public funding with little public outcry and re-emerged as a new company while fulfilling most of the outlined goals (jobs cuts, downsizing dealerships, fewer models, fewer brands, and new 'greener' vehicle models). Perhaps the most successful tangible outcome was the receipt of subsequent federal funds, yet the maintenance of, at least perceived, autonomy from government oversight is also a major victory of GM's crisis communications strategies.

Whether or not these measures result in the restoration of consumer confidence is yet to be seen, and beyond the scope of this paper. However this paper attempts to contribute to an understanding and matching of the types of message strategies used by companies in times crises and those outlined and described in the SCCT model. The goal is to help model message strategies and clusters from real world settings testing in variety of simulated circumstances to increase accuracy and predictability of SCCT application.

LIMITATIONS OF STUDY AND RECOMMENDATIONS FOR FUTURE RESEARCH

There are several limitations to this study. The researcher did not assess media coverage of GM's crisis. It is hard to make conclusions on the effectiveness of strategies applied on the basis of corporate messages only. Further, the researcher only looked GM and its crisis communications strategies during the bankruptcy filing and re-emergence, but not shifts in strategies immediately following. However, given the trending corporate use of social media and a lessening in reliance on traditional media to facilitate messages, it is increasingly important to understand how corporations use the new media tools available to them to control messages. The study is also subject to human error, as is the case with most content analyses. Future research should examine the role prior CEO leadership versus new CEO leadership has in crisis

communication strategy selection during financial crises and attempt to outline specific strategies, through each specific media channel, at specific times to better respond to crises.

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