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# Corporate Apologia: An Admission of Guilt and Responsibility

In 2001, Merrill Lynch, one of Wall Street's oldest investment firms, was accused of fraud by Eliot Spitzer, the Attorney General of New York. Investigations into firm practices were based on the disclosure of unfavorable emails describing recommendations for the purchase of bad stock by individual investors. This enabled Merrill Lynch to retain profitable investment banking fees that enriched corporate insiders. After initially denying these claims, the firm finally settled the case in 2002. Merrill Lynch was to offer an apology, pay a $100 million fine and alter analyst compensation procedures.

**Dr. Keith Hearit**

Dr. Keith Hearit (Associate Professor) and Ms. Jennifer Brown (M.A., WMU, 2004) examined this case and its greater relation to the modern apologetic speech of corporations. The collaborative research resulted in the essay, "Merrill Lynch: Corporate Apologia and Business Fraud", published in *Public Relations Review* in 2004. Hearit and Brown studied the use of corporate apologia, the way in which "corporations in the midst of public relations crises respond to criticism in the defense of their carefully crafted images in order to deal with the problem of guilt" (Hearit & Brown, 2004, 460). In the essay, three dissociational stances are identified as ways for corporate apologists to deal with the problem of guilt through apologia: denial and counter-attack, initial scapegoating, and mortification and corrective action.

In order to restore the firm's public image, Merrill Lynch employed all three dissociational stances, progressing from one to another as each previous tactic failed to produce the desired result. First, the firm denied allegations of misconduct and, in a counter-attack, accused the Attorney General of a lack of securities research understanding. The strategy of Merrill Lynch in this first stance was to accompany the rejection of guilt with an "opinion/knowledge dissociation" in order to create the perception that the firm had been falsely accused by someone who lacks a fundamental understanding of industry procedures.

After the denial/counter-attack strategy failed to halt the investigation, Hearit and Brown explain that Merrill Lynch progressed to the second dissociational stance of scapegoating. This tactic involves "transferring guilt from the firm to selected individuals – an individual/group dissociation"(Hearit & Brown, 2004, 463). This strategy could be observed in how Merrill Lynch attempted to separate the larger company name from specific wrongdoers within the company to appease investigators and the public. Several Merrill Lynch analysts, considered to be main contributors in the controversy, either reached an agreement with the company to leave voluntarily or were fired for misconduct. The final attempt to complete the scapegoating in the second stance came in the form of the resignation of research department head, Thomas Davis.

Finally, after the firm found no other resolution, Merrill Lynch took a more conciliatory approach and began the third dissociational stance: mortification and corrective action. In their article, Hearit and Brown explain how this process involves accepting the guilt and seeking public forgiveness by claiming that "while the act was committed it was not representative of the essential nature of the organization" (2004, 461). Initially, the firm only offered a vague apology to the public. After further settlement negotiations, Spitzer and Merrill Lynch reached a final settlement where the company was forced to pay $100 million in fines, offer a second round of mortification by way of a more detailed public apology, and restructure company policies with regard to analyst compensation.

Hearit and Brown point out that the apologies offered by Merrill Lynch made the company appear to only be interested in dissociating themselves from the unpleasant situation in order to avoid being held culpable. "Due to liability concerns, modern corporate officers only offer weak statements of regret for what happened without assuming responsibility" (Hearit & Brown, 2004, 465). After examining the apologetic crisis management discourse of Merrill Lynch, Hearit and Brown argue that the company's apologetic efforts offered in settlements should be viewed as a new form of apology in which the admission of guilt is in the compensation not in the statement of regret.

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## Journalism Live

Student life is immersed in advanced technology. From cell phones to high-speed internet, students navigate daily schedules in a multi-media world. Functioning regularly at this immediate and interactive pace, conventional educational instruction often appears archaic, relying solely on inanimate textbooks and providing students with a limited and static view of their field of study.

**Prof. Sue Ellen Christian**

Understanding this dilemma, Sue Ellen Christian, a Journalism professor at Western Michigan University since 2001, attempted to bridge the gap between her students and the professional world through the use of multi-media production. In her 2004 article, "Virtual Newsroom Gives Students Look at Real World," published in *Quill Magazine*, a national publication aimed at journalism professionals and educators, Christian explains her attempts, the reasons behind her actions, and student response to the change.

After working as a journalist for 13 years, Christian realized during her first year of teaching that the missing link in her curriculum was student contact with working journalists. Although the local paper sent reporters to WMU classrooms as guest speakers, these periodic visits did little to bring "to life the vitality of the craft, the diversity of people in the profession, the myriad ways of approaching a story idea, a sentence, an ethical dilemma," Christian writes in the *Quill* article.

Using her personal camcorder, Christian first videotaped a few former colleagues in the journalism profession to give students an updated look at today's newsroom. Although the recording was admittedly poor in quality, it introduced a live, updated perspective of the field. The decision to produce her own video was due to the antiquated feel of existing media, Christian suggested. "The videos.... are worth more as a historic fashion commentary on white, middle-aged male '70's dress and hairstyles than for any timely advice on the craft. And forget about diversity."

In 2003, after receiving a $10,000 grant from the Ethics and Excellence in Journalism Foundation, Christian and Assistant Professor of Communication Paul Nwulu teamed up to professionally produce a video and CD-ROM. The pair visited a large urban daily (*The Chicago Tribune*), a medium-sized paper (*The Cincinnati Enquirer*), and a community newspaper (*The Kalamazoo Gazette*). Being sure to include minority and female journalists, the video production includes 11 topical segments with interviews from reporters and editors, and a CD-ROM containing additional information and classroom exercises.

In anonymous classroom evaluations, students have positively responded to Christian and Nwulu's innovative teaching tool. The immediacy of the video and frank comments by writing journalists also helps to give students a more accurate depiction of the profession. Christian adds: "Infusing classroom instruction with working professionals – especially the sort who people a newsroom – is one of the best recruitment tools. . .to attract students to a profession. Let the people of the craft speak for it."

If given the opportunity to do another virtual newsroom tour, Christian says she would like to go beyond the Midwest to gain a wider range of perspectives from America's journalists. In the meantime, however, Christian has had such positive student response with the current video and CD-ROM, she is investigating ways of distributing the media package to journalism professors at other universities.

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# Flag Displays: Objective Journalism?

In the days following the September 11 terrorist attacks in 2001, the American flag was displayed prominently in journalistic broadcasts and publications – as a backdrop, as a printable icon and as a lapel accessory. Although these flag displays seemed to reflect a widespread attitude at the time, they caused soul searching among journalists themselves. Some journalists argued that they were merely expressions of love for country and solidarity with the victims. Others, however, characterized these displays as instances of bias.

In her 2005 article, “Communitarian Journalism and Flag Displays After September 11: An Ethical Critique”, Dr. Sandra Borden (Associate Professor) explores communitarian journalism as an alternative framework for evaluating such journalistic representations of patriotism. Borden first discusses the flag’s symbolic roles in American culture. Then, the traditional professional stance toward displays of national attachment is discussed, with special attention to objectivity as an ethical norm in journalism. Finally, Borden compares objective journalism to communitarian journalism as described by Christians, Ferre and Fackler in their landmark book *Good News* (1993).

In the communitarian vision, the media have a crucial role to play as community members themselves. The media have the resources, privileges and expertise needed to help people debate the meaning of the common good. Communitarian journalists would view the public as a partner in setting the agenda. At the same time, that they would not merely mirror public opinion. Christians et al. (1993) argue for a “normative pluralism” (p. 194) that looks beyond superficial unity. They suggest that news would be driven, not by public opinion or prejudices, but by transnational human norms that foster good communities, such as truthfulness, justice and empowerment.

The analysis concludes that journalistic norms of objectivity were not followed. Ethically speaking, this violation of norms breaks the promise that mainstream journalists make to their audiences. Failure to be objective also deprived audiences of some benefits, such as exposure to a full range of views about patriotism and the terrorist attacks. All in all, post-9/11 coverage would have been better had the norms of objectivity been followed.

How would communitarian journalism evaluate journalistic flag displays after September11? On the positive side, the lapel pins and flag graphics did enact widely (though not universally) accepted symbols to perform what Christians et al. (1993) describe as being “a semiotic agent of community formation” (p. 89), providing reassurance, a framework for interpretation and reinforcement of important human values, including solidarity and compassion. However, to the extent that the patriotic displays could be construed as endorsement of the majority’s support for the U.S. government’s response to the terrorist attacks, the press at least appears guilty of unreflectively accepting dominant community standards.

The issue here is not bias or advocacy per se, but failure to provide a structure for interrogating the community’s actions in light of the common human good. Excluding some community members also arguably chilled the “journalism of conversation” (Christians, 1997, p. 25) by making some people feel as if they could not voice their perspectives publicly -- especially subordinate, suspect and dissident groups. In addition to halting conversation, this form of exclusion may have had the ironic effect of disrupting the very “weness” journalists were trying to cultivate with the flag.

In the end, the core ethical problem was not so much that journalists displayed patriotism per se or failed to do so in a context of balanced coverage (as objectivity would have it). The problem, rather, was that journalists’ patriotic displays were nationalistic. What this analysis suggests is that journalists look to communitarian journalism as the philosophical foundation for rooting patriotism, instead, in a broadly human conception of the common good. This would safeguard journalists’ traditional desire for critical independence while at the same time helping them to exercise responsible citizenship.

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# Shared Mindfulness in Cockpit Crisis Situations

Why planes crash may be more related to mindful communication behaviors than mechanical or technical errors. Research demonstrates that over 70% of aviation mishaps are related to coordination and communication issues rather than a lack of technical skill (Lautman & Gallimore, 1987). Interestingly, in dual-piloted scenarios error ratios have increased rather than decreased (Shappel & Wiegmann, 1996). Previous aircrew coordination studies have shown that a second person in the cockpit does not decrease the tendency to incorrectly follow automated commands even when contradictory information was present. It appears that if crewmembers work together well but not mindfully, the human error factor remains an issue, and in some instances, actually increases. Clearly, there is a need to understand how crew communication is related to air mishaps.


Ms. Jan Krieger (M.A., WMU, 2003), in her master's thesis, explored how shared mindfulness is communicatively constructed and enacted in a high reliability environment such as the aviation industry. The results of her study will appear in an article entitled Shared Mindfulness in Cockpit Crisis Situations: An Exploratory Analysis in the April 2005 issue of *the Journal of Business Communication.*

Using a qualitative methodology, Krieger examined shared mindfulness in 10 aviation student dyads that were asked to respond to a hypothetical decision-making crisis situation. Her findings revealed the existence of shared mindfulness as a communicative construct. Krieger identified seven inductively derived communication process categories that create shared mindfulness in a dyadic situation: 1) seeks information; 2) reasons from a positive perspective; 3) perceives multiple perspectives; 4) projects thoughts and feelings; 5) mindfully acknowledges partner communication; 6) uses participative language; and 7) demonstrates fluid turntaking. In addition, the findings suggested that three primary conditions inhibited the formation of shared mindfulness in an interaction. These conditions included: precognitive commitment, overt dominance and non-positive reasoning strategies.

A key finding in the study was the centrality of dyadic reasoning to the facilitation of shared mindfulness. Overall, three of the 10 dyads made the most effective decisions; these same dyads also visibly and consistently exhibited positive reasoning behaviors during the crisis scenarios. The importance of this finding is that the perspective from which individuals reasoned during the decision-making interaction determined how open and accepting they were of inconsistent, discrepant and disconfirming information. Ignoring or discarding this type of vital information could lead to inaccurate assumptions, guesses and probabilities over factual realities that may result in a series of decisional errors, which ultimately may prove catastrophic.

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