

Public Relations Ethical Case Study

PR Crisis at the Chamber: How Open is Too Open?

You are the head of communications for a Chamber of Commerce in a small to medium-sized city in the Midwest. You are on your way back to your office after just hearing some very disturbing news. As you close the door, your mind starts reeling as you ponder how to best recommend a public relations strategy for this crisis. The Chair of the Board (a volunteer position filled annually by a local business leader), Cheryl Martinez, has just informed you that the President of the Chamber (the head of the paid staff and your direct boss), Jeff Talon, had to be fired due to questionable business practices. You are the only staff member so far who knows of the termination.

Jeff had worked at the Chamber for five years, after the retirement of Miles Engel, who had been a beloved President with a tenure of over 20 years before that. It turns out that Jeff had been accepting gifts and extra perks from the local Wal-Mart and a major development company, as he was friends with their head guys. And in recalling and reviewing Jeff's position on local issues voted on by the chamber, Cheryl noted that Jeff had been lobbying and voting in ways that were more favorable to Wal-Mart and suburban retail development than they were to the long-time small business members who made up the heart of their historic downtown shopping and business district. There were also rumors of questionable sexual relations with one of his staff members, but Jeff denied that.

It is true that Jeff was not your favorite boss, and you didn't always agree with his positions, but you were surprised that he would be that dishonest. Cheryl, who is your new boss-by-default at the moment, had not gotten along well with Jeff, and she was happy to see him go under her tenure as Chair. She was the one who did most of the investigation to uncover the unethical business dealings that led to his termination. Cheryl tells you that she feels the Chamber needs to be upfront with the public and fully reveal all the details to the press and to our membership, but she wants you to make a recommendation to her and the board tomorrow about how we should handle the PR on this.

Your first reaction to her idea of full disclosure is one of apprehension, as you are worried that the image of the Chamber will be harmed by all the sordid details being dragged through the press and possibly being exaggerated. Certainly, the press must be informed that the Chamber will be seeking a new President, however, we could just tell them that he was let go due to poor performance or inability to fulfill his objectives, which in a way is true. What you don't want is the community getting the impression that the whole Chamber is corrupt in favor of big business or that everyone in the office is sleeping with each other on the job. You need to continue to have the respect and support of the many small businesses that make up the heart of the business community. Your Chamber has worked diligently to support the whole community for over 50 years, and you don't want the good reputation that Miles worked so hard to build to come crumbling down because of Jeff's bad choices in the last year or two.

QUESTIONS:

1. What is the Chamber's obligation to the public as far as the public's right to know about all the details of why the President was fired? Is that obligation different than it is for the Chamber's membership or staff? Consider whether or not there is a way to separate your membership and staff from the general public. Note: You are a non-profit organization that is fully-funded by membership fees, not public fees, but you work with public officials to represent business interests in your community. Your members are all local businesses.
2. Is there a way to be truthful without being completely open in this case – or is truth inseparable from full disclosure?
3. Explain what you think Kant would do if he were in your position and why. Explain how that might be different, if at all, from what John Stuart Mill would do.
4. Explain what specific recommendation you would make to the board for how the Chamber should frame the message around this situation and why.

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Coming Clean with Green Energy

After a long tenure working in the high tech industry, Jeanne was hired less than a year ago as the Public Relations Director for National Petroleum (NP), a major oil company in the United States. Due to her ability to make complex technical issues comprehensible to the public, National Petroleum felt she could help them with a new campaign to represent their endeavors into clean and alternative energy, entitled “Green Energy.” Jeanne has developed a fairly good working relationship with the President and Vice Presidents of NP since she started and is included as a key member of the executive team in weekly meetings.

However, lately, as Jeanne is working towards a roll-out of NP’s alternative energy campaign in a few months, she has been uncertain about the direction some on the executive team want to take the Green Energy campaign. The following aspects make her the most uncomfortable:

- The use of direct numbers instead of percentages. For example, NP wants to publicize how many millions of dollars are going into research for alternative clean fuel sources, like wind, solar, and hydrogen. But while that sounds like a lot, it is only 10% of their total R&D budget. The bulk of the budget goes to improve extraction of oil, whether from the earth or from other less clean sources, like coal.
- The secrecy of NP’s position on drilling in the Arctic National Wildlife Refuge. National Petroleum has lobbied heavily to drill in the refuge, but because that is considered anti-environmental and doesn’t have the support of the majority of the public, it is ignored in NP’s Green Energy campaign. Most of the lobbying money has gone through contributions to conservative think tanks, so it hasn’t been public. There is a line in the Green Energy campaign brochure that mentions the advantages of getting fuel domestically to decrease dependence on foreign oil.
- There are other issues of secrecy, such as NP’s lobbying against the production of hybrid vehicles and trying to discredit science condemning gas CO₂ emissions as a key cause of global warming. The latter issue of the threat of global warming is also glossed over in the PR campaign with what you consider to be shallow rhetoric that pays lip service to the threat by focusing on NP’s attempts to promote alternative fuel sources.
- The issue of “peak oil” (hitting the peak of oil reserves worldwide, indicating we will run out of oil eventually) is a concern publicly for environmentalists and nation-states, but the oil industry keeps its concerns on the subject private. The Green Energy campaign doesn’t mention the term “peak oil” and instead talks about keeping energy affordable for Americans by improving the alternative fuel technologies. However, you know that NP is not investing nearly enough money into alternative fuels to keep energy costs from increasing significantly in the next 10 or more years. While you understand that NP has a huge investment in the infrastructure related to oil/petroleum,

they are not adequately protecting the public, the environment, or national security by conducting business as usual in continued support of oil as America's dominant energy source.

QUESTIONS:

1. How would you describe the heart of the ethical issue presented here, if you had to distill it into a sentence?
2. Which points of concern (listed in the case study above) do you see as more important or crucial than the others, and why?
3. Explain at least three viable options/plans for how Jeanne could resolve the ethical issues presented with the current Green Energy campaign.
4. Explain which option/plan is preferable and why and what specific things Jeanne must do to make it work?

Public Relations Ethical Case Study

A Win/Win Proposal for the Local News

Rick is the Communications Director for the Electric Company, which is a major employer in the county where it is located in West Virginia. Lately there have been some labor issues at the company and threats of strikes, so the local news has been calling him daily for information. The Electric Company executives' policy has been to be very selective with what information they have been giving to the press. However, Rick sees a possible opportunity here to get more positive exposure for the company's community service to help improve their overall image. Rick had proposed a plan six months ago to the most popular local TV news station where he would come in to the station weekly or bi-weekly for a regular segment on energy-saving tips. The news station did not buy into the idea before, as they thought it might be too much exposure for the Electric Company, which may be unfair to other energy providers, such as the Natural Gas Company. Rick feels he has a bit more leverage now, so when Emily, the news director from the TV station, calls Rick for a comment on the negotiations with the union today, Rick proposes a deal to her, off the record.

Rick offers to convince his bosses at the Electric Company to give the station an exclusive interview and generally to be more forthcoming with information in the future in exchange for a bi-weekly segment on the news station promoting energy-saving tips. Emily still has reservations, but Rick promotes the idea by saying "both the community and the environment will benefit from these energy-saving tips, and your station and viewers will benefit with more access to a major employer for more in-depth news stories."

"Think it over, Emily," he says. "It's a win/win!"

QUESTIONS:

1. Explain the main ethical issue you see in this scenario, or if you don't feel there is an ethical issue, explain why not.
2. Explain whether or not you feel this proposal is a win/win as Rick states and if you feel Emily should accept this offer.
3. If you were in Rick's position, explain if and how you would have handled this situation any differently.