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"This article emphasizes the important relationship between precrisis stakeholder relationships and postcrisis responses."

EFFECTIVE CRISIS MANAGEMENT THROUGH ESTABLISHED STAKEHOLDER RELATIONSHIPS
Malden Mills as a Case Study

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This article investigates the postcrisis communication of Aaron Feuerstein, chief executive officer of Malden Mills, after a fire destroyed his textile mill. It explains how leadership communication prior to a crisis has an impact on postcrisis communication. Stakeholder theory is used to ground the analysis and to provide direction in developing practical implications for precrisis and postcrisis communication. The analysis demonstrates the importance of establishing strong communication channels and positive value positions with stakeholders well before crises erupt.

On December 11, 1995, Malden Mills, a textile manufacturing plant located in Lawrence, Massachusetts, erupted into flames injuring 36 workers. The devastating blaze, later classified as an industrial accident, destroyed three critical manufacturing buildings and threatened to put 3,000 employees in a small manufacturing town out of work. Aaron Feuerstein, the chief executive officer (CEO) and owner of Malden Mills, responded quickly and was able to successfully resolve the crisis, despite the considerable damage to his organization. Feuerstein received widespread critical acclaim for his postcrisis response and his care and responsibility toward his employees and the community. This article examines Feuerstein's precrisis and postcrisis communication to better understand how organizations can respond to these events.

CRISIS COMMUNICATION
AND MANAGEMENT

The burgeoning study of organizational crisis communication has sought to provide a greater understanding of the role of communication in both the onset of and recovery from a crisis. Seeger, Sellnow, and Ulmer (1998) define *crisis* as "a specific, unexpected and non-routine event or series of events that create high levels of uncertainty and threaten or are perceived to threaten an organization's high priority goals" (p. 233). Research on crisis management examines the development of crises over stages (Fink, 1986;

Turner, 1976), crisis planning (Gonzalez-Herrero & Pratt, 1995; Newsom, Turk, & Kruckeberg, 2000), crisis decision making (Gouran, Hirokawa, & Martz, 1986; Williams & Olaniran, 1994), and the communication strategies available to organizations in the aftermath of a crisis (Allen & Caillouet, 1994; Benoit, 1995; Coombs, 1995; Hearit, 1995). Of particular importance to the present study are comprehensive approaches to crisis management that link precrisis and postcrisis communication (Coombs, 1999b; Gonzalez-Herrero & Pratt, 1996; Heath, 1997; Pauchant & Mitroff, 1992; Seeger & Bolz, 1996; Seeger, Sellnow, & Ulmer, 2001; Sturges, 1994).

Although crises can have devastating effects on the organization and its stakeholders, these events can also be resolved positively. The communication following a crisis plays an integral role in this success. Extant research, however, illustrates relatively few cases of exemplary crisis management beyond Johnson & Johnson's response to the Tylenol tamperings (Benoit & Lindsey, 1987; Benson, 1988; Snyder & Foster, 1983). Pauchant and Mitroff (1992) argue that for most organizations, the organization's "priority . . . is to get good press from a bad situation rather than reduce the impact of the crisis on stakeholders and on the environment" (p. 101). An examination of negative responses by companies such as Exxon, Union Carbide, and the tobacco industry, illustrates what some have called an erosion of confidence in our public institutions (Susskind & Field, 1996).

This study fills a gap in the literature by examining a rare case of highly effective and positive crisis management. In addition, it breaks from the current organizational crisis management research by focusing on the communication relationships Feuerstein developed before the crisis rather than emphasizing solely his postcrisis communication. This longitudinal perspective emphasizes the important relationship between precrisis stakeholder relationships and postcrisis responses. Successful crisis management is more than just damage control. More global approaches to understanding crises suggest planning and preparing for a crisis long before it happens. One critical feature of crisis planning entails managing the organization's complex communication relationships.

STAKEHOLDER THEORY AND PRECRISIS RELATIONSHIPS

Stakeholder theory (ST) provides a theoretical grounding for organizations to expand their understanding about how they have an impact on and are affected by groups such as suppliers, stockholders, customers, and employees. Much of this research is an outgrowth of the work of Freeman (1984) and Freeman and Gilbert (1987). Their theory suggests that if organizations are going to be successful, they need to look beyond just their stockholders and expand their view of critical relationships. Freeman explains that if an organization neglects a stakeholder group, that group has the ability to have a negative impact on the organization. Much of this research was instigated to help organizations with strategic planning. Since its development, the ideas included in ST have received widespread attention in both the business and communication literature (Clarkson, 1995; Donaldson & Preston, 1995; Heath, 1994, 1997; Jones, 1995; Seeger, 1997; Seeger & Bolz, 1996).

The emphasis on the planning function and on critical communication relationships makes ST particularly useful to crisis communication. For instance, Heath (1997) stresses the importance of developing strong precrisis relationships with stakeholders, arguing that organizations should focus on building "mutually beneficial relationships" with stakeholders and focus on "an appropriate sense of corporate responsibility" in their precrisis communication (p. 290). In addition, he suggests that crisis management requires managers to implement "standards of corporate responsibility needed to meet key publics' expectations" before the crisis (p. 293). Similarly, research on two-way, symmetrical communication proposes that organizations actively develop mutually beneficial communication relationships with stakeholders (Grunig & Grunig, 1992; Grunig & Hunt, 1984; Grunig & White, 1992). Although establishing strong stakeholder relationships will not likely help an organization avert every crisis, it can play an important role in how the organization resolves a crisis it cannot avoid.

The benefits of investing in stakeholder relationships precrisis has profound implications for crisis-stricken organizations. First,

stakeholders have a vested interest in the success of the organization and may represent a network of support during crises. Stakeholders, for example, may serve as advocates for organizations in crisis by providing political support and crisis-mitigating resources (Ulmer & Sellnow, 1995). Conversely, stakeholders are often affected negatively by the crisis. If stakeholder relations are not strong, these groups may withdraw their support during a crisis, prolong the effects of a crisis, or intensify the threat associated with the event (Brinson & Benoit, 1996; Ice, 1991; Seeger & Bolz, 1996; Ulmer & Sellnow, 2000). An important part of crisis planning, then, entails identifying stakeholders prior to a crisis and cultivating positive relationships with these groups. Organizations should establish value positions on issues of importance and work to establish instrumental communication channels with stakeholders precrisis to build reservoirs of good will, alliances, and shared understanding. The organization's leadership plays a fundamental role in establishing value positions with key stakeholders before a crisis as well as after the event.

LEADERSHIP, VALUES, AND CRISIS COMMUNICATION

The literature on crisis management emphasizes the importance of effective leadership communication after a crisis (Benoit, 1995; Coombs, 1999a; Dilenschneider & Hyde, 1985; Hearit, 1995; Newsom et al., 2000; Small, 1991; Williams & Treadaway, 1992). Some of this research differentiates between the form and content of postcrisis communication (Coombs, 1999a). Form refers to "how a crisis response should be presented" (p. 126). General guidelines suggest that communication after a crisis should come from a single spokesperson, typically the CEO. A single, credible spokesperson should work to establish a consistent message to stakeholders. Leaders are also advised to go to the scene of the crisis to view the damage firsthand and communicate to those most in need (Small, 1991). However, the leader should be advised that going to the scene of the crisis can have unforeseen consequences

as well. For example, the CEO of Union Carbide, Warren Anderson, was arrested when he arrived in India to investigate his company's crisis (Seeger & Bolz, 1996). Although it is a difficult standard to meet, research also suggests that the leadership should provide as much accurate and clear communication as quickly as possible to stakeholders (Fink, 1986; Schuetz, 1990; Sellnow, 1993). In addition, a CEO should be prepared to communicate with the media to get the organization's side of the crisis out to the public (Benson, 1988; Hearit, 1996).

Content recommendations "involve the actual messages contained in the crisis response" (Coombs, 1999a, p. 127). Much of this research focuses on meeting the information needs of stakeholders after the crisis. One critical content need of stakeholders after a crisis is information on how the organization is going to correct the problem (Sellnow, Ulmer, & Snider, 1998). Other content needs may include determining the cause, alleviating extended harm as a result of the crisis, or providing information about how the victims should move forward. Compassion is an important content need for stakeholders, according to research by Coombs (1999a). Beyond the form and content guidelines for leaders, few studies focus on the role of leadership in establishing precrisis relationships with stakeholders. Because the leadership often sets the tone for the organization, it is important for these individuals to establish strong communication value positions with stakeholders precrisis.

The importance of establishing strong value positions on issues is not new in the organizational literature (Conrad, 1993; Seeger, 1997). Research suggests that leaders play an important role in identifying and developing organizational values and serve as role models for those values (Conger & Kanungo, 1998; Fairholm, 1991; Heller & Van Til, 1986; Pfeffer, 1981). Cheney and Vibbert (1987) define a value as something "prized by a person or collectivity as revealed primarily in the ongoing discourse of that individual or collectivity" (p. 175). Etzioni (1988) explains that values are critical to an organization's leadership because they are "the overarching criteria people use to make choices" (p. 105). Common values for U.S. organizations include "profit, growth, efficiency,

safety, power, quality, innovation" (Conrad, 1993, p. 55). Critical to the understanding of organizational values is that they are developed over time through consistent communicative behavior.

What follows is an examination of Aaron Feuerstein's communication of value positions with stakeholders in several critical incidents prior to the 1995 fire at his textile factory. These value positions were identified through a series of tape-recorded interviews with Feuerstein and key stakeholders. All of the interviews were conducted in a single 12-hour day in early December 1997. Two interview agendas were used for data collection. One agenda, designed for Aaron Feuerstein, focused on his values, primary concerns during the crisis, and crisis decision-making processes. The other agenda was used for Malden Mills' internal and external stakeholders, including line employees, the president of Malden Mills' union, the company's head of corporate communication and crisis coordinator, two members of the local media that covered the crisis, and the director of the Chamber of Commerce.

All interviews were semistructured in that each individual was asked the same set of questions concerning the crisis at the outset of the interview and then were allowed to add any additional information at the end of the process. Most interviews ranged between 60 and 90 minutes. The interviews were then transcribed and cross-referenced to determine any inconsistencies in the data. The interview data were then compared to media accounts of the crisis to check for any inconsistencies. These two forms of information serve as the primary data for this article.

DEVELOPING PRECRISIS VALUES
AND STAKEHOLDER RELATIONSHIPS

Jeff Bowman, head of corporate communication and the company's crisis coordinator, defines Malden Mills' stakeholders broadly as "employees and their families, the community, customers, vendors, the government and the press" (personal communication, December 4, 1997). Bowman suggests that Malden Mills

worked to "invest in those relationships before the crisis" to ensure a reservoir of good will (personal communication, December 4, 1997). Freeman (1984) contends that organizations often prioritize stakeholder needs and interests to minimize the complexity of stakeholder communication and serve the needs of the most affected groups. The local community and workers represent primary stakeholders for Malden Mills. Secondary stakeholders include customers and the media. As a result, Feuerstein spent a great deal of time and energy developing strong relationships with his primary stakeholders. Each stakeholder is discussed in terms of the values established between Feuerstein and that group. This section concludes with an examination of the overarching values that were identified across stakeholder groups.

PRIMARY STAKEHOLDERS: COMMUNITY

Malden Mills, founded and still owned by the Feuerstein family, has operated in the Merrimack Valley on the border of Lawrence and Methuen, Massachusetts, for nearly a century. Like much of New England, Lawrence is highly dependent on the textile industry. Entire families work for Malden Mills and much of the economic base in Lawrence depends on its operations. Jeff Bowman explained that "for every job Malden Mills has, it creates 2-3 in Lawrence" (personal communication, December 4, 1997). As a result, the company is thought of as the economic cornerstone of the community.

Malden Mills is one of the few mills still located in New England. Many textile makers who supported mill towns became dissatisfied with unions and high wages and "fled south, leaving hundreds of red brick mausoleums lining the rocky riverbeds that provided the waterpower . . . before electricity came in" (Nyhan, 1995, p. Focus, A20). These mills moved to the Carolinas or offshore to Malaysia, taking with them their jobs and profits. Feuerstein refused to move, contending "the workers' technical skills outweigh the benefits of moving to a location with cheaper labor costs" (Milne, 1995, p. Metro, 50). This refusal to move to

locate cheaper labor illustrates Feuerstein's loyalty to his workforce and the community. This dedication also illustrates a level of trust that has been established between the community and Malden Mills. However, these relationships were further strengthened through other critical events.

Feuerstein worked to save local businesses, educate community members, and improve community life for citizens of Lawrence (Auerbach & Milne, 1995). For example, he extended generous lines of credit to local businesses. The owner of a local company that received credit from Feuerstein explained "That's the kind of guy Aaron is. . . . If he's got half a loaf of bread, he's going to share it around" (Auerbach & Milne, 1995, p. Metro, 1). He has also "sponsored job training programs . . . helping to organize English classes for immigrants and special skills classes for textile workers" (Auerbach & Milne, 1995, p. Metro, 1). He helped create the Growth Opportunities Alliance of Lawrence, which is now a "$10 million a year organization that supports job programs by selling business software systems" (Auerbach & Milne, 1995, p. Metro, 1). In January 1994, when a local synagogue burned to the ground, Feuerstein and his brother stepped forward and contributed $2 million to the rebuilding effort. These actions illustrate the importance and value Feuerstein placed on helping the community. Many of these activities illustrate the value of reciprocity between Feuerstein and the community because most of his workers originate from that area.

These actions serve to solidify Feuerstein's position as an important and reputable member of the community. It also illustrates that the company recognizes the important role of community in its business. Jeff Bowman suggests that Malden Mills worked to create a reservoir of good will in the community. By supporting it in significant ways, Malden Mills was able to solidify a positive reputation through loyalty, trust, and reciprocity, and increase its network of support. Feuerstein's history suggests that he has been diligent in supporting the community over time through a wide range of activities. Along with the community, Feuerstein also invested in his relationships with his workers.

PRIMARY STAKEHOLDERS: WORKERS

Aaron Feuerstein described one of his fundamental leadership values as "sensitivity to the human equation" (personal communication, December 4, 1997). Over time, Feuerstein worked extensively with unions to ensure workers were treated fairly. Paul Coorey, president of the local union for the textile workers, claimed that "Aaron was always fair and compassionate; the fire just brought exposure to this fact" (personal communication, December 4, 1997). Coorey characterized negotiations with Feuerstein as tough but fair for everyone involved. He noted that Feuerstein "believes in the process of collective bargaining and he believes that if you pay people a fair amount of money, and give them good benefits to take care of their families, they will produce for you" (Nyhan, 1995, p. Focus, A20). As a result, Coorey explained that Malden Mills is the highest paid textile mill in America (personal communication, December 4, 1997). As in his dealings with the community, Feuerstein's treatment of workers exemplifies the value of reciprocity. However, the union also makes concessions. Both Feuerstein and the union worked through reciprocity to achieve a common goal of organizational and employee prosperity.

During the early 1980s, Malden Mills went through some of its toughest times and eventually filed for bankruptcy. During this time, Feuerstein went to the union requesting pay freezes and hundreds of employees were laid off. He got agreement to the pay freezes and layoffs in part because of the positive relationships and because both sides knew that the pay freezes and layoffs were not to increase short-term profits but to ensure organizational survival (Paul Coorey, personal communication, December 4, 1997). This was consistent with how the organization had always operated. In fact, each employee who was laid off was promised employment when the organization again became profitable. Many families who experienced hardships during this time were extended various benefits. Jeff Bowman explains that many employees took this promise of employment so seriously they refused to seek other work. Malden Mills had to promise that they would notify them at their

new job when openings became available. Over time, Malden Mills was able to hire back all of the employees who had been laid off (Jeff Bowman, personal communication, December 4, 1997). These actions solidified positive relationships as well as high levels of trust between management and workers.

Historically, Malden Mills worked to establish a strong sense that employees are valued. Relationships with workers are characterized by loyalty, reciprocity, and trust, and illustrate a consistency in communication and value that cross situational boundaries. For instance, whether Feuerstein was operating on a day-to-day basis or in bankruptcy protection, he consistently conveyed that he valued employees. Regardless of the situation, Feuerstein could reasonably be expected to utilize these values to guide his communication.

Relationships with secondary stakeholders, such as customers and the media, are also very important to organizations (Freeman, 1984). It is important for organizations to establish open and regular communication with secondary stakeholders in case their needs for information increase suddenly. During crisis situations, the needs for information typically increase dramatically for both primary and secondary stakeholders. The following discussion reviews the relationships Malden Mills established with its secondary stakeholders prior to the 1995 fire.

SECONDARY STAKEHOLDERS: CUSTOMERS

Corporate customers such as L. L. Bean, Patagonia, and Ralph Lauren are particularly important stakeholders because Malden Mills produces Polarfleece for 90% of this upscale industry. For some of its customers, Malden Mills produces upwards of 70% of their product line. Therefore, Malden Mills and corporate customers are mutually interdependent and Malden Mills must make certain that its customers know when there may be delays or problems with production. Many of the relationships between Malden Mills and its customers are based on personal relationships that have developed over time at trade shows. Malden Mills worked consis-

tently through these channels to keep the lines of communication open with customers.

For example, before the 1995 fire at Malden Mills, the company experienced a critical event that exemplifies their commitment to maintaining open communication channels with customers and consumers. The event was triggered when spokespersons for the Consumer Products Safety Commission announced over several news programs that fleece coats were "highly flammable" (Jeff Bowman, personal communication, December 4, 1997). Because Malden Mills creates fleece products, this announcement directly affected the company. Within days, consumers and customers contacted Malden Mills regarding concerns that these fleece products were produced at Malden Mills. Consequently, the company took quick action to assure customers and consumers that the flammable fleece products in question were not those produced by Malden Mills. As a result of the crisis, Malden Mills implemented a "blast fax system," enabling them to provide information quickly to customers. This crisis served to help Malden Mills develop a repertoire of response and established a closer relationship with customers. Moreover, Malden Mills learned that the media could also help disseminate important information during a crisis (Jeff Bowman, personal communication, December 4, 1997).

SECONDARY STAKEHOLDERS: MEDIA

Due to the importance of the media in disseminating information to the larger public before or after a crisis, the media is a key stakeholder of most organizations. For this reason, organizations should work to establish open communication patterns with the media. Jeff Bowman contended that the media were an important stakeholder group for Malden Mills. He explained that the company tried to be "open, candid, and accessible" to the media (personal communication, December 4, 1997). For example, during the Consumer Products Safety controversy, Bowman learned that Malden Mills could use the media to provide its side of the story to the public (personal communication, December 4, 1997). This realization helped

remind Malden Mills that organizations need to maintain consistent, positive relationships with the media. As a result, Brenda Smith, staff writer for the *Eagle Tribune*, a local paper, explained that Malden Mills has "always been open and easy to deal with" (personal communication, December 4, 1997).

Feuerstein's value positions with secondary stakeholders, not surprisingly, were less well developed than with primary stakeholders. This is typical precrisis because the information needs of secondary stakeholders are usually less than those of primary stakeholders on a day-to-day basis. However, it is important to note that Feuerstein's communication precrisis was instrumental in developing communication channels between himself and these secondary groups.

A FIRE AT MALDEN MILLS

Feuerstein developed public awareness of his values over time through interactions with stakeholders and through public statements of commitment to value positions. Through critical events, Malden Mills established strong relationships with employees and the community. Across primary stakeholders, Feuerstein conveyed the values of trust, reciprocity, and loyalty. Moreover, the company placed importance on establishing good relations with secondary stakeholders by generally providing open, candid, and accessible information to these stakeholders when needed. Feuerstein's consistent history of valuing stakeholders suggests that in the aftermath of the 1995 fire, the company would act in a similar way. It is reasonable to assume that some of Feuerstein's stakeholders would expect a response well matched to their precrisis relationships. What follows is a brief description of the crisis and Feuerstein's response to the events.

On December 11, 1995, when Malden Mills experienced the devastating explosion, the town of Lawrence was hit with high levels of critical uncertainty. Because Malden Mills is the largest employer in the area, some workers were unsure about their futures. Moreover, the community itself was at risk of losing its

largest employer. Due to the extent of the damage, Malden Mills and its owner, CEO Aaron Feuerstein, risked severe financial loss. Over the next 20 months, the company worked to recover from the crisis.

In the aftermath of the fire, the company's leadership was thrust into a crisis situation that threatened the viability of the entire organization and created high levels of uncertainty for the organization and its stakeholders. As is typical in crisis events, much of the uncertainty involved determining the cause of the crisis and what should be done to recover and to prevent future accidents. The information needs surrounding such a crisis are extremely high. The media was on the scene immediately broadcasting dramatic pictures of the fire with flames shooting 50 feet into the air (O'Brien & Milne, 1995). The many workers who surrounded the burning mill that night illustrated the tragedy typically associated with organizational crisis. Some workers believed their jobs were being consumed along with the mill (Jim Gillett, personal communication, December 4, 1997). Groups congregated at lookout points and on the streets in front of the mill to discuss the fire and their questionable futures. Some workers believed it would be difficult, if not impossible, to rebuild the plant. As the mill burned, information about the crisis was difficult to access except via media coverage.

FEUERSTEIN'S CRISIS RESPONSE
TO ORGANIZATIONAL STAKEHOLDERS

Feuerstein quickly provided a direct message to stakeholders on the day after the crisis. On December 12, 1995, the *Boston Globe* announced that "With one of his buildings still burning behind him, the 69-year-old owner of Malden Mills . . . spoke the words everyone in the Merrimack Valley wanted to hear" (Milne & Aucoin, 1995, p. Metro, 1). Feuerstein declared that "We're going to continue to operate in Lawrence. . . . We had the opportunity to run to the south many years ago. We didn't do it then, and we're not going to do it now" (Milne & Aucoin, 1995, p. Metro, 1). Feuerstein's ini-

tial message to stakeholders re-emphasized his loyalty to primary stakeholders. In addition, this message made his intention to keep the plant in Lawrence known.

This immediate communication served to minimize some of the core uncertainty for workers, the community, and stakeholders in general. Due to the incredible devastation caused by the fire, some employees thought that it would be impossible to rebuild the textile mill and, therefore, they would lose their jobs (Jim Gillett, personal communication, December 4, 1997). Feuerstein's remarks served to reduce this initial uncertainty and gave hope to his employees and the community that at minimum, Malden Mills was not going to close. Feuerstein's vow to rebuild also illustrated his concern, loyalty, and value for his primary stakeholders, the employees and the community. Understandably, this announcement was significant for all of Malden Mills' stakeholders. It is important to note that this initial communication worked to minimize the uncertainty associated with the crisis and also focused concentration on Malden Mills' prior public commitments to the community.

Feuerstein's remarks emphasized the consistent value he had for the community prior to the crisis. He explained that Malden Mills resisted moving in the past and would continue to be active in the community in the future. Feuerstein's words were particularly powerful because he was able to emphasize a strong relationship with community and stakeholders built up through multiple interactions over time. In this case, the long-standing trust and loyalty between Malden Mills and stakeholders provided credibility to Feuerstein's statements.

Next, Feuerstein worked to reduce the impact of the crisis on his workers. On December 14, 1995, 3 days after the fire, he took a novel action that made headlines across the country. Feuerstein had already notified stakeholders that the plant would be rebuilt in Lawrence. However, many employees were concerned about how they would pay their bills just 2 weeks before Christmas (Jim Gillett, personal communication, December 4, 1997). Employees were asked to attend a meeting held in the gym of a local high school. At this meeting, Feuerstein declared that, "At least for the next 30

days—the time might be longer—all hourly employees will be paid their full salaries" (Milne, 1995, p. Metro, 50). Employees erupted into a standing ovation. By the end of the meeting, Feuerstein was mobbed by employees expressing their gratitude. Feuerstein's communication and the employees' reaction illustrated the loyalty and value that Feuerstein placed on this stakeholder group. More-over, it accentuated the consistency of loyalty and trust established between Feuerstein and his employees.

On January 11, 1996, 1 month after Feuerstein vowed for the first time to pay salaries for 30 days to unemployed workers, he declared the following:

> I am happy to announce to you that we will once again—for at least 30 days more pay all of our employees. And why am I doing it? I consider the employees standing in front of me here the most valu-able asset that Malden Mills has. I don't consider them as some companies do as an expense that can be cut. What I am doing today will come back 10 fold and it will make Malden Mills the best com-pany in the industry. (Calo, 1996)

At this meeting, he explicitly references the value of reciprocity and trust that was developed precrisis. Due to the intense media attention during the crisis, Feuerstein appeared to be communicat-ing to a wider audience of organizational CEOs as well as the gen-eral public. His comments criticized the tendency of some CEOs to devalue employees by downsizing their workforce as a means of attaining short-term profitability.

Over the duration of the crisis, Feuerstein was consistent in pay-ing salaries and benefits to unemployed workers. On February 9, 1996, 2 months after the crisis, 70% of employees were back to work. However, Feuerstein agreed to pay salaries and benefits for the remaining 800 workers for a final 30 days. At the end of this period, he would pay health insurance for an additional 90 days for all workers still unemployed. He also encouraged employees to find jobs in local businesses until they could return to Malden Mills. This tactic was similar to the early 1980s, when Malden Mills was forced to lay off workers until it could regain profitability. Given

that Malden Mills hired those workers back in the 1980s, these workers would likely expect that the company would work to fulfill its commitment again.

It should be noted that Feuerstein's response did not appeal to all stakeholders all the time. Feuerstein's decision to pay employees for a month not only put strains on him financially but also complicated his relationships with other management (Calo, 1996). First, it cost Malden Mills $2 million to pay salaries and benefits to workers for the first month (Calo, 1996). Because the company was working to regain its stability, this level of generosity was questioned by some of Feuerstein's board members, advisers, and family (Calo, 1996). In general, Feuerstein's move to pay salaries and benefits during such a critical time was inconsistent with an often taken-for-granted economic logic of the situation. However, his response was completely consistent with his historical focus on the welfare of his employees and the community.

ORGANIZATIONAL STAKEHOLDERS AS ADVOCATES

Feuerstein's expression of value for primary stakeholders was consistent before and after the crisis. Consistency is important in communication because it demonstrates a response tendency that has predictive value. Because Malden Mills worked to cultivate positive relationships with both primary and secondary stakeholders prior to the 1995 fire, these groups could be called on to help the organization overcome some of its hardships.

The community helped Malden Mills during the crisis in two important ways. First, because all telephone lines had gone down after the fire, the Chamber of Commerce installed a hot line that was open 20 hours a day for 2 to 3 weeks. This hotline helped provide a central point where Malden Mills could disseminate information to employees and other stakeholders groups. Second, the community, through an employee relief fund, was able to generate $300,000 through donations at various convenience stores and

restaurants in the community. These donations, combined with others, helped offset some of the initial costs of the crisis.

Customers also stood by the company during and after the crisis. By December 13, 1995, Malden Mills took a major step in maintaining its customer relationships and its own profitability. Two days after the fire, Malden Mills announced that it would be able to service most of the existing customer orders for Polartec and Polarfleece within 30 days. To accomplish this task, the company would use salvaged production machines that would be set up in existing warehouse space. This announcement served as assurance to Malden Mills' customers that the company would be able to honor its pre-fire commitments. It also enabled the company to show that it was taking steps to return to near normal operations. Malden Mills' strategy in taking this action was based on the belief that customers would trust that the company would actually be able to produce the fabric on time (Aaron Feuerstein, personal communication, December 4, 1997). Feuerstein suggested that many customers stood by Malden Mills after the crisis due to the levels of openness and trust developed before the fire (personal communication, December 4, 1997). If Malden Mills' customers did not trust that it could meet its orders after the crisis, returning to profitability would have been difficult.

Finally, the media played several important roles in the Malden Mills crisis. First, the company used the local media to announce meetings and provide initial information to stakeholders. Meetings were announced on the local news and posted in daily newspapers. Thus, the media served an instrumental function in minimizing the uncertainty surrounding the crisis.

The media served another important information function throughout the Malden Mills crisis: it publicized Malden Mills as an example of corporate responsibility. Feuerstein contended that throughout the crisis he had "no adversarial media." In fact, he suggested that they "sanctify me—they want me to win—they don't want it to go bad" (personal communication, December 4, 1997). Even 2 years after the fire, the media was still covering the Malden Mills crisis and its recovery. When asked why, Feuerstein explained that "the American public would like America to behave

the way Malden Mills behaved" (Aaron Feuerstein, personal communication, December 4, 1997). Feuerstein contended that the fire "thrust his values into the public domain . . . and people wanted to identify with this" (personal communication, December 4, 1997). As a result, he has received more than 15,000 letters and postcards of support from around the world (personal communication, December 4, 1997).

IMPLICATIONS FOR
PRACTICE AND RESEARCH

The chronology of events in the aftermath of the crisis illustrates the promptness of Malden Mills' response to internal and external stakeholders. Within the first 3 days, Malden Mills developed its response to the crisis. Arguably, this communication was affected directly by Feuerstein's sense of responsibility toward the community and his workers. Immediately, he vowed to rebuild the plant. Feuerstein also worked to move the company toward near-normal operations and get employees back to work while paying salaries and benefits for workers who were unable to return to their jobs. This response is similar to Feuerstein's interaction with stakeholders before the crisis.

Much of the research on crisis management illustrates the tendency for organizations to emphasize their own concerns over those of stakeholders. Their communication is largely focused on legal concerns and typically results in denials of responsibility and lack of useful information to stakeholders. These types of responses have been widely criticized (Brinson & Benoit, 1996; Fink, 1986; Markus & Goodman, 1991; Susskind & Field, 1996; Ulmer & Sellnow; 1997). Corporations such as Dow Corning, Union Carbide, as well as the tobacco industry have employed such responses and suffered public image problems, prolonged legal wrangling, and postponed crisis resolution. Feuerstein's response is an excellent alternative example of crisis communication that does not narrowly focus the company's economic concerns ahead

of the welfare of internal and external stakeholders. From the perspective of ST, managers should engage crisis situations with an expanded viewpoint of how these events affect their greater stakeholders and resist the desire to focus solely on stockholders' needs.

Feuerstein developed his expanded approach to stakeholder communication prior to the crisis through consistent communication practices. The present study illustrates the importance of developing rich, positive communication relationships with stakeholders on an ongoing basis as a form of crisis preparation. Research on crisis management suggests that managers should develop mutually beneficial relationships with stakeholders prior to a crisis (Heath, 1997). However, few examples of how managers can accomplish this exist in the literature. Feuerstein's value positions of trust, reciprocity, and loyalty developed through consistent communication with stakeholders provide a good place for managers to begin establishing positive communication relationships with stakeholders. Future research should move beyond these exploratory values in terms of stakeholder theory to elaborate on specific communication strategies for managers to employ precrisis.

Feuerstein's value positions influenced his crisis response as well. Weick (1979) explains that past conduct provides a repertoire of responses for organizations during the crisis. Much of the response to the event can be predicted from Malden Mills' relationships with stakeholders before the crisis. Indeed, as many stakeholders commented, Malden Mills acted in the wake of the crisis in a manner that was consistent with how the organization operated. The values firmly established with stakeholders prior to the crisis reduced the uncertainty of the crisis and arguably helped the crisis decision-making process for Feuerstein. That is, even in the uncertainty of the crisis, stakeholders could rely on Feuerstein to remain consistent in his relationships with stakeholders. For instance, Joe Bavelaqua, director of the Chamber of Commerce, explained that "the people that knew Aaron (Feuerstein) never doubted he would rebuild" (personal communication, December 4, 1997). As a result, it is arguable that Feuerstein's values could have served as a constraint in his response capacity due to the expectations of his pri-

mary stakeholders. Research suggests that leadership values communicated to stakeholders over time can foster identification (Cheney, 1991; Cheney & Vibbert, 1987). From this perspective, it is understandable how some stakeholders would expect that Feuerstein would respond in accordance to his established values. Thus, it is clear from this analysis that crisis managers should remember that precrisis communication has a significant impact on postcrisis communication. Managers should also be careful of public commitments they make precrisis that they may have to account for later. From this perspective, everyday communication and relationship building with internal and external stakeholders can be seen as an important part of crisis preparation.

This article also emphasizes the instrumentality of established stakeholders relations and channels of communication. As a result of the positive relationships developed prior to the crisis, Feuerstein was able to benefit from the networks of support that were cultivated precrisis. Many of Malden Mills stakeholders, including its customers, served as advocates for the company. Organizations that mistreat stakeholders, or focus narrowly on their own needs precrisis, will not be able to depend on the reservoirs of good will that Malden Mills capitalized on after its crisis. Part of the reason Malden Mills recovered from the crisis was because its stakeholders stood behind the company and supported it in significant ways. For this reason, managers should not be shortsighted in their desire to form alliances with stakeholders precrisis, these relationships may serve as significant resources for organizations postcrisis.

Finally, it must be recognized that Malden Mills enjoyed a favorable determination of cause for the crisis. On September 9, 1996, the *Boston Globe* reported that the fire at Malden Mills was determined to be an "industrial accident" (Butterfield, 1996, p. Metro, A17). Because of the uncertainty surrounding crisis situations, the cause of the crisis is typically not fully understood immediately. As a result, crisis managers should carefully assess the determination of cause for the crisis in their response. The cause is likely to influence the communication strategies open to the manager as well as the position the media will take in terms of covering the crisis. For

example, if Malden Mills had been found culpable for the crisis, the outcome may have been different. First, the organization likely would have had its reputation damaged much more if it was found liable for the crisis. Second, its repertoire of responses would have been reduced due to the legal constraints introduced by the event (Fitzpatrick & Rubin, 1995; Tyler, 1997). Finally, Malden Mills would have likely suffered accusations from the media rather than the unrestrained praise it received. For these reasons, Malden Mills' determination of responsibility for the event aided in making this an example of excellent crisis management.

CONCLUSION

Much of the work on crisis communication focuses on postcrisis apologia. A much smaller proportion focuses on more comprehensive approaches to crisis. This article describes the impact of precrisis on postcrisis communication. The case demonstrates the importance of establishing strong communication channels and positive value positions with stakeholders long before a crisis hits the organization. As a result of effective precrisis communication, the organization's leadership may reap the rewards of positive media attention, stakeholder advocacy, and instrumental communication channels with primary and secondary stakeholders. Finally, cases such as Malden Mills illustrate the ability of organizations to emphasize corporate responsibility and "do the right thing" under the constraints of organizational crisis. Future research should continue to expand and clarify the role of precrisis relationships on postcrisis communication, as well as the potentially positive outcomes of effective crisis management on the organization and its stakeholders.

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