

The battle to protect a corporation's image is most fierce during a crisis situation. This article examines one such crisis situation—Toshiba's selling of advanced submarine propeller technology to the Soviet Union. Ware and Linkugel's concept of *apologia* is used to provide rhetorical insights into Toshiba's handling of the crisis. It is argued that public relations in an image crisis situation should be viewed as a battle for reidentification with the public.

TREACHERY BY ANY OTHER NAME A Case Study of the Toshiba Public Relations Crisis

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Corporate America has awakened to find itself operating in a hostile environment. Heath and Nelson (1986) explain:

The 1960s, 1970s, and 1980s witnessed a remarkable challenge to the privacy and authority that corporations had long assumed . . . reform interests (have) pushed for a radical redefinition of corporate responsibility as part of a broader reorientation in business ethics. (p. 65)

Thus corporations are finding it necessary to defend their credibility with increasing frequency as distrust of big business becomes part of more Americans' lives (Meadow, 1983). Brody (1991) comments:

Recent history suggests that society's demands on corporations may be especially onerous. These demands nevertheless exist and must be dealt with by corporations attempting to survive in an emerging postindustrial society. (p.22)

The battle to protect credibility in this hostile business environment is most fierce during a crisis situation. Crisis situations provide corporations with both great risks and great opportunities

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because the public's attention is immediately focused on the corporation's management of the crisis. Correctly handling the crisis creates an opportunity for the "company to be, and be perceived as, a responsible corporate citizen" (Stephenson, 1984, p. 18).

Examples of such crisis situations are numerous and have centered on items as diverse as Ford's Pinto, Firestone's "500" radial tires, Proctor & Gamble's trademark, McDonald's all beef patties, Johnson & Johnson's Tylenol, Union Carbide's Bhopal plant, Chrysler's disconnected odometers, Toshiba's exports to the Soviet Union, Audi's automobiles, the Exxon *Valdez*, Eli Lilly's Prozac, Dow Corning's silicone breast implants, and Sear's car repair shops. Corporate crises are said to be as certain as death and taxes (Symonds, Javetski, Therrien, Byrne, & Hamilton, 1985), and they serve as a direct attack on the credibility of the corporations involved (Cooper, 1981). According to Benson (1988):

Crisis communication is undoubtedly one of the most popular topics in business circles these days—and for good reason. There is increased awareness of the potential for communication management to significantly diminish the harms of a crisis situation or, conversely, for inept communication strategies to substantially magnify a crisis situation into a nightmare. (p. 49)

Yet, despite the popularity of this topic, research into the variety and effectiveness of different communication strategies is still in its infancy. Hollihan and Riley (1989) note that "despite its complexity and importance, however, external [corporate] communication has received sparse scholarly attention" (p. 400). Benson (1988) has recommended the following areas for future researchers: (a) the identification of communication strategies best suited for particular crisis situations, (b) the identification of communication strategies used by organizations to cope with crises effectively, and (c) the identification of inappropriate strategies for specific crisis circumstances.

The purpose of this essay is to begin identifying appropriate communication strategies for use in crisis situations by examining the communication used by Toshiba in a selected case study of a crisis. Frey, Botan, Friedman, and Kreps (1991) note that: "Case studies examine a single, salient social situation to interpret the role

played by communication” (p. 209). They continue: “The goal is to identify appropriate strategies that were used . . . to solve problems experienced in that particular situation” (pp. 209-210). An examination of the public relations crisis that resulted from Toshiba’s selling of submarine propeller milling technology to the Soviet Union is of value to the study of corporate apologia for two reasons: First, Toshiba was able to succeed despite what seemed to be overwhelming odds against them and second, Toshiba experimented with a variety of strategies in developing the strategy that proved to work for them. Thus an analysis of the Toshiba case study provides examples of both successful and unsuccessful communication attempts in a crisis situation.

One must use caution in attempting to generalize the results of a case study. Berg and Robb (1992) warn: “The variables in any particular crisis situation are so numerous that no historic case is likely to be comparable to the point of providing an optimal response” (p. 108). However, Gummesson (1991) argues that some generalizations are possible due to a case study’s holistic perspective and comprehensive depth of study. He goes on to say:

As long as you keep searching for new knowledge and do not believe you have found the ultimate truth—rather the best available for the moment—the traditional demand for generalization becomes less urgent. (p. 86)

THE CRISIS

“Treachery by any other name is still treachery, though if it had another name it would be Toshiba,” said Representative Helen Bentley of Maryland (Rasky, 1987a, p. D3).¹ It was the summer of 1987 and members of Congress had found a new hobby: Toshiba bashing. Congress was furious over Toshiba Machine Company’s illegal sale of advanced submarine propeller technology to the Soviet Union, technology that made it possible for the Soviets to build quieter, less detectable submarines. The United States’ lead in submarine warfare was in jeopardy because of “one of the most damaging breaches of Western controls on military technology in

years" and Congress wanted revenge (Kapstein, Goodall, Armstrong, Star, & Holstein, 1987, pp. 65-66). Toshiba Machine Company's actions were also heavily criticized by the press with headlines emphasizing the damage done to the security of the United States. *Business Week* reported "A Leak That Could Sink the U.S. Lead in Submarines" (Kapstein et al., 1987, p. 65), and a *New York Times* (1987) editorial proclaimed that we were "Submerged by Japan and Norway" (p. A16). Norway's Kongsberg Vap-penfabrik had participated in this illegal sale of technology to the Soviets by providing the computers needed to guide Toshiba Machine Company's propeller milling equipment. However, it was the Japanese company that faced the brunt of the United States' anger because of already strained relationships over trade issues. Naohira Amaya, executive director of the Dentsu Institute for Human Studies and one of the architects of Japan's postwar trade policies, commented, "There is a sense here that the American Congress is making a witch hunt without substantial evidence." He continued, "It's rather interesting that the Congress didn't smash Norwegian sardine tins, only the Toshiba radio" (Chira, 1987b, p. 37). "Toshiba had played right into the hands of critics who say that Japanese exporters blindly seek out markets with no regard for the consequences" (Copeland, Whitmore, and Sather, 1987, p. 40). The Toshiba Corporation was unprepared for such a reaction. Former Toshiba Corporation Chair Shoichi Saba commented at a July 10, 1987, press conference:

Since the beginning of June, I have been greatly shocked at how this matter has accelerated. It's as if someone had poured oil on a wooden house, set fire to it, and watched it grow to a big fire. I was especially upset upon seeing a telecast of the U.S. House of Representatives smashing our tape recorder with sledgehammers. (p. 11)

By July 1, 1987, the Senate had voted 92 to 5 to bar the importation of Toshiba products into the United States for up to 5 years, an action that would cost Toshiba an estimated \$2 billion per year in sales (Pollack, 1987). Some members of the House of Representatives were pushing for stiffer penalties, including a permanent ban on imports (Rasky, 1987c). According to a *Wall Street Journal* editorial, "In Congress's current mood, just about anything

becomes an excuse for choking trade in one way or another” (Toshiba bashing, 1987, p. 18). Unwillingly, Toshiba had become the key player in the political and economic battle over trade between the United States and Japan.

TOSHIBA'S RESPONSE

Thus, shortly after the Senate vote, Toshiba Corporation began a campaign to restore its corporate image. Toshiba's corporate image was always at stake in this political battle, as Toshiba Corporation Senior Vice President Sakae Shimizu explained in April of 1988:

But more serious (than the proposed import bans) is the impact on our corporate image. Even if we may not have done anything wrong, Americans may respond negatively to the Toshiba Brand. (Sneider, 1988, p. 10)

Just hours after the Senate vote on July 1, Toshiba Chairperson Shoichi Saba and President Sugiichiro Watari announced their resignations at a news conference in Japan. Saba resigned, saying, “We feel responsible for having troubled society” (Jain, 1987, p. E1). Saba also announced the formation of a special committee, including members of the American accounting firm Price Waterhouse and the American law firm Mudge Rose Guthrie Alexander & Ferdon, to investigate the illegal sales internally (Jain, 1987). Additionally, Joichi Aoi was named as the new president and CEO of the Toshiba Corporation during the press conference. Aoi recognized the need to restore Toshiba's image and commented later, “My first and biggest assignment is to figure out how to restore the trust in Toshiba that has been damaged by the actions of Toshiba Machine” (Armstrong, Gross, Dryden, Galuszka, & Holstein, 1987, p. 87).

The senate, unmoved by the resignations, sought guarantees from Toshiba Corporation that illegal sales would not happen in the future. On July 2, American lawyers for Toshiba began meetings with Pentagon officials to devise such a plan (Rasky, 1987c). Toshiba's initial thoughts were to conduct a campaign of damage

control on Capitol Hill with lawyers quietly negotiating with administration officials to work out a suitable plan of action rather than conducting a "full-blown" lobbying effort or public relations campaign (Rasky, 1987c). David P. Houlihan of Mudge Rose Guthrie Alexander & Ferdon explained their initial strategy:

The Japanese asked us if they should get a public relations firm, and we said no, confirming their sense about it. The emotion you saw on the Senate floor last week is not the sort of thing you deal with by taking out ads. (Rasky, 1987c, p. 37)

This approach, however, was a short-lived strategy, as Toshiba strategists switched to a massive lobbying campaign that *Business Week* labeled a "text-book crisis control effort" (Dryden, Gross, and Holstein, 1987, p. 58). Pressure had been mounting against Toshiba from both the United States and Japan as the Japanese government sought to appease the United States' wrath. On July 14, Japan's Prime Minister Yasuhiro Nakasone accused the Toshiba Machine Company of betraying Japan (Chira, 1987a), and Japan's minister of international trade, Hajime Tamura, made a trip to Washington, D.C. on July 15 to apologize for Toshiba Machine Company's actions. Tamura's visit, accompanied by formal letters of apology to members of Congress signed by Joichi Aoi, failed to calm Congress (Rasky, 1987d, p. D1). On July 20, Toshiba Corporation ran full-page ads in major newspapers across the United States apologizing for the actions of Toshiba Machine Corporation. The advertisement was entitled: "Toshiba Corporation Extends Its Deepest Regrets to the American People," and it was signed by Joichi Aoi (1987b, p. 4:5).

The next major effort by Toshiba Corporation to improve its corporate image was a news conference held on September 9. In this news conference, Toshiba Corporation released the findings from its internal investigation of the illegal sales and announced its newly developed corporate guidelines designed to prevent such sales in the future. The report of the findings was designed to clear the Toshiba Corporation of any responsibility for the actions of its subsidiary, Toshiba Machine Company.

During this news conference, Donald J. Zoeller, of Mudge Rose Guthrie Alexander & Ferdon, emphasized that the corporate parent

was received by its subsidiary until the previous spring (Sanger, 1987). Additionally, the Toshiba Corporation accused the French company, Forest Line, of selling propeller milling technology to the Soviets in the mid-1970s (Toshiba hints French, 1987, p. 17). Finally, Senate staff members hinted that there would be some softening in the Senate's position toward the Toshiba Corporation because of the "mitigating" effect of Toshiba's newly announced export control policy.

Meanwhile, lobbying activities continued on Capitol Hill both by Toshiba and by major U.S. corporations on Toshiba's behalf, including IBM, AT&T, General Electric, and Xerox. The main argument presented by these companies concerned the cost of the proposed Senate ban to United States' businesses in lost income and lost jobs. The Toshiba Corporation, with the help of these lobbyists, was able to shift the focus of the Toshiba debate from national security to economic issues (Rasky, 1987e). By February 9, 1988, a House panel voted to oppose the mandatory penalties against Toshiba Corporation sponsored by the Senate in favor of imposing sanctions only against Toshiba Machine Company, the subsidiary responsible for the sales. Representative Duncan Hunter of California accused his colleagues of caving in to Toshiba's lobbying pressure with the House panel vote representing "a minority in Congress and a majority of lobbyists" (Witter, 1988, p. C12).² The House and Senate began to work on a compromise bill that would greatly reduce the penalties originally requested by the Senate. Work on this compromise was interrupted in late March, 1988, when the Japanese courts imposed only minor penalties against Toshiba Machine Company for the illegal sales: two executives were given suspended sentences and the company was fined \$16,000. Senator Jake Garn backed away from the compromise, saying, "The punishment amounted to no more than a slap on the wrist with a wet noodle" (Auerbach, 1988, p. C1).

Toshiba Corporation responded angrily, with David Houlihan of Mudge Rose Guthrie Alexander & Ferdon charging Congress of being unfair. He explained: "The punishment of the innocent parent, Toshiba—to me that's motivated by trade concerns and vengeance" (Auerbach, 1988, p. C4). A release prepared by Worldwide

Information Resources for Toshiba of America was stronger in its accusations, "The sanction on Toshiba is a blatant double standard which can only be perceived by Japan as highly discriminatory." For emphasis, the release quoted these bitter words of Japan's trade minister Tamura, "It seems the measures taken are not only aimed at the trade problem but are also based on racial discrimination against the Japanese" (WIRES, 1988, p. 4).

By late April, both the Senate and the House favored a compromise bill that banned sales in the United States by the Toshiba Machine Company for 3 years but limited the penalties against the parent company, Toshiba, to a ban of yearly sales of approximately \$200 million to the U.S. government for 3 years. Even this measure faced a possible veto by President Reagan, who had disapproved of sanctions against Toshiba from the beginning because of the harm he perceived would result from such actions in Japanese-American relations (Rosenblatt, 1988). Again, the credit for the change in mood in Congress was attributed to the Toshiba lobbying effort, with the *Washington Post* reporting that the "anger has been diffused by the impact of one of the most sophisticated lobbying efforts in Washington in many years" (Rosenblatt, 1988, p. H1). The Omnibus Trade and Competitiveness Act of 1988 that included the "compromise" penalties was passed by Congress and signed into law by the president in August (Golob, 1988).

RHETORICAL ANALYSIS

Toshiba Company's success in minimizing damages through its rhetorical efforts deserves a more detailed analysis because of its achievement of "textbook" status in the eyes of the press (Dryden et al., 1987; Witkin, 1987). Additionally, an analysis of Toshiba's rhetoric is justified because such an analysis helps to answer one of the critical questions facing the body of literature surrounding rhetorical studies of public relations: "How can 2000 years of studies of rhetoric be brought to bear to increase insights into the message selection and message design strategies of public relations?" (Heath, 1992, p. 318). In their essay, Ware and Linkugel's

(1973) concept of apologia will be used to gain insights into the strategies used by Toshiba—demonstrating the utility of this form of rhetorical criticism in the study of public relations in a crisis situation.

APOLOGIA

One of the most promising approaches to the study of crisis strategies by corporations is to examine the issue from the perspective of apologia studies. The seminal theoretical work on apologia is the essay by Ware and Linkugel (1973) in which they define apologia as a speech of self-defense; more specifically, they have written:

In life, an attack upon a person's character, upon his worth as a human being, does seem to demand a direct response. The questioning of a man's moral nature, motives, or reputation is qualitatively different from the challenging of his policies. Witnesses to such a personal charge seem completely and most easily satisfied only by the most personal of responses by the accused. In the case of men and women of position, this response is usually a public speech of self-defense, the apology. (p. 274)

Ware and Linkugel (1973) identified four factors and four postures used in apologetic speaking. The four factors are borrowed from Abelson's (1959) work on the resolution of belief dilemmas: denial, bolstering, differentiation, and transcendence.

The first factor is denial, which occurs when one denies "alleged facts, sentiments, objects, or relationships" (Ware & Linkugel, 1973, p. 275). The second factor is bolstering, which is the obverse of denial because denial involves negation and bolstering involves identification. "Bolstering refers to any rhetorical strategy which reinforces the existence of a fact, sentiment, object, or relationship" (p. 277). The "speaker attempts to identify himself with something viewed favorably by the audience" (p. 277). Denial and bolstering are known as reformatory strategies because they "do not attempt to change the audience's meaning or affect for whatever is in question" (pp. 275-276); they "simply revise or amend the cognitions of the audience" (p. 276).

The third factor is differentiation, which serves “the purpose of separating some fact, sentiment, object, or relationship from some larger context within which the audience presently views that attribute” (Ware & Linkugel, p. 278). The fourth factor, transcendence, is the obverse of differentiation because whereas differentiation moves toward the less abstract, transcendence moves toward the more abstract. Transcendence “cognitively joins some fact, sentiment, object or relationship with some larger context within which the audience does not presently view that attribute” (p. 280). Differentiation and transcendence are transformative strategies that involve a change in meaning.

After discussing the factors used in apologia, Ware and Linkugel (1973) identify the four postures available to apologetic speakers: absolution, vindication, explanation, and justification. Each of these postures involves the combination of one transformative factor with one reformative factor. The first posture is absolution, which results from the union of the differentiation and denial factors and it “is one in which the speaker seeks acquittal” (p. 282). Vindication, the second posture, involves denial and transcendence and “aims not only at the preservation of the accused’s reputation, but also at the recognition of his greater worth as a human being relative to the worth of his accusers” (p. 283). The third posture is explanation, which combines bolstering and differentiation. “In the explanative address, the speaker assumes that if the audience understands his motives, actions, beliefs, or whatever, they will be unable to condemn him” (p. 283). The fourth posture is justification, which occurs when bolstering and transcendence are joined. Justification “asks not only for understanding, but also for approval” (p. 283).

Several studies have argued for the appropriateness of applying the concept of apologia to the study of corporate rhetoric. Rybacki (1979) used Ware and Linkugel’s classification system in an analysis of the apologetic discourse of the American Federation of Labor (AFL). Shortly after World War II, the AFL was accused of communism and thus was held responsible for many of the economic problems of the day. Rybacki discovered that the AFL used all four

factors—denial, bolstering, transcendence, and differentiation—in its rhetoric. Rybacki concluded:

The individual apologist and the organizational spokesperson as apologist have sufficient properties in common to allow the critic to employ analysis of apologia as a method of criticism for organizational or institutional self-defense. (p. 4)

In spite of this conclusion, scholars such as Kruse (1986) maintain that the notion of apologia should apply only to humans because “ethics or morality, or lack thereof, are applicable only to humanity” (p. 286). Dionisopoulos (1985) provides an answer to this objection by pointing out that “such a position is premised upon an unrealistic perception of the ethical demands placed upon corporations in the contemporary operating environment” (p. 2). He concludes that corporate discourses defending the corporate persona that are grounded in ethical considerations may be considered to be “true examples of the apologetic genre” (p. 15). After all, corporations and their responses are products of humanity and Kruse (1986) herself argues that materials other than speeches can be viewed as apologetic in nature: “Even though recently we have tended to deal with orally delivered apologiae, an apologia might be presented as an autobiography, a press release, a pamphlet, a play, or a novel.” She continues:

Whether apologists select a poetic form or a more obviously rhetorical vehicle to carry their discourses is less salient than the fact that circumstances in the empirical world, exigencies in the rhetor’s environment, are responsible for the product. (p. 282)

The exigencies for corporate apologia are ethical in nature, as Hoff (1980) notes that management should ask itself if the corporation did something wrong. Is there a need to justify or defend an action?

TOSHIBA'S USE OF EXPLANATION

Campbell (1982) identifies seven elements to be considered when describing a rhetorical act. These elements are purpose,

audience, persona, tone, structure, supporting materials, and strategies. These elements are used as a means of explicating Toshiba's use of apologetics.

The purpose of the Toshiba Corporation campaign was to protect corporate profits by protecting the corporate image. Toshiba's current image was that of a traitor, a "Judas" or a "Benedict Arnold," because Toshiba Machine had compromised the national security of the United States for the selfish motive of corporate profit. Toshiba sought to change this image by regaining the trust of the American people, Congress, and Toshiba's American workers.

First, Toshiba sought to regain the American people's trust in the company. Joichi Aoi, Toshiba's new president, remarked: "My first and biggest assignment is to figure out how to restore the trust in Toshiba that has been damaged by the actions of Toshiba Machine" (Armstrong et al., 1987, p. 87). Additionally, the text of the full-page apology advertisement, which Aoi (1987b) signed, read:

The relationship of Toshiba Corporation, its subsidiaries and their American employees with the American people, one marked by mutual trust and cooperation, has developed over many years of doing business together. We pledge to do whatever it takes to repair, preserve, and enhance this relationship. (p. 4: 5)

Second, Toshiba sought to regain the trust of Congress in an attempt to persuade Congress to refrain from imposing import bans on Toshiba products in the United States (Rasky, 1987c). Aoi (1987a) wrote to members of Congress, "The alliance between the United States and Japan is essential to the Free World." He continued:

All of us who have been thrust into these new leadership responsibilities at Toshiba pledge to work for repairing and enhancing this alliance in cooperation with the Governments of Japan and the United States. (p. 3)

Third, Toshiba sought to regain the trust of its American workers. David Houlihan explained to *Advertising Age*, "The focus of the ad was from the perspective of American Toshiba employees and customers who misinterpreted what they saw as a silence" on the part of Japanese management. His explanation continued, "Toshiba's American employees started gossiping among themselves, talking to management and said, 'We as employees don't

know what to tell people who ask us what is going on' ” (Phillips, 1987, p. 63). Aoi (1987a) wrote in his letter to Congress, “We deeply regret that the actions of our subsidiary may have caused embarrassment to our American workers” (p. 2), and the advertisement bearing his name praised the contribution of Toshiba’s American workers: “It is these Americans who have played a large and crucial part in earning Toshiba its reputation for producing top quality products” (1987b, p. 4: 5). The preceding discussion of purpose details the audiences that Toshiba Corporation directed its campaign toward: the American people, Congress, and Toshiba’s American workers. Although not the focus of this particular case study, it should be remembered that Toshiba is a Japanese-based corporation and thus had an audience in Japan as well. Differences in these two cultures may have contributed to Toshiba Corporation’s problems in its United States campaign, and these problems will be discussed in more detail under the topic of strategies.

Although Toshiba’s campaign was directed toward particular audiences, the campaign also had the effect of creating a larger audience. According to Berger (1988), all apology advertisements run the risk of increasing the public’s awareness of a crisis. Sandy Goebel, of Calet, Hirsch & Spector, pointed out that Toshiba’s apology advertisement increased public awareness of illegal sales by as much as 5% (Berger, 1988).

Although using a variety of spokespersons for a variety of occasions, the persona of the campaign was that of the Toshiba Corporation itself. According to Dionisopoulos and Vibbert (1988):

Discourses of accusation and/or defense relating to organizations concern actions or decisions that are attributed not to individuals within the corporation, but to the corporation-as-actor. This is true even though such acts could be seen as the acts of individual human agents within the organization. (p. 248)

They continue, “Thus, from a critical perspective, the social persona of these organizations may be treated within a speech set as the irreducible rhetorical agents” (pp. 248-249). The use of so many spokespersons by Toshiba might have contributed to the perception of a corporate image in this campaign, whereas the use of a single spokesperson might have helped to personalize the message. Even

the documents signed by Aoi (1987a; 1987b) perpetuate the corporate persona by the constant use of the corporate “we” instead of the personal “I.”

Toshiba Corporation did try to “Americanize” its image by using the American law firm of Mudge Rose Guthrie Alexander & Ferdon and other American spokespersons. This strategy appears to have been helpful, at least to the *National Review*, where Buckley (1987) wrote: “Leonard Garment is, to be sure, serving as counsel for Toshiba . . . but Leonard Garment does not lie . . . and he has asserted the guiltlessness of Toshiba most confidently” (p. 62).³ Further evidence of Americanizing Toshiba’s corporate image can be seen in the frequent mention of Toshiba’s American subsidiaries and workers. For example, the apology advertisement mentions that “Toshiba employs thousands of Americans in 21 States from New York to Texas to California” (Aoi, 1987b, p. 4: 5). Americanizing the corporate image is a step toward regaining the public’s perception of Toshiba as a partner to be trusted.

The topics of tone, structure, and strategies will be discussed together as a cluster of rhetorical elements, because the dominant rhetorical strategy in the Toshiba campaign to restore its image was scapegoating. This strategy of scapegoating sets both the tone and the structure of Toshiba’s campaign. In the strategy of scapegoating, the scapegoat is ritualistically loaded with “certain unwanted evils” and sacrificed (Burke, 1973, pp. 40-41), performing the “role of vicarious atonement” (Burke, 1955, p. 406). Thus Toshiba Corporation sought, through the strategy of scapegoating, to be forgiven of its “sins” through the “sacrifice” of others.

The tone of Toshiba Corporation’s campaign became religious, borrowing from the religious flavor of the scapegoat metaphor. The press picked up on this tone with *Newsweek* featuring the headline, “Japan’s Bow of Contrition;” and the article went on to explain how Toshiba was seeking both “forgiveness” and “atonement” (Copeland and Noah, 1987). The structure of the campaign can be divided into the various scapegoats the Toshiba Corporation used to atone for its sins.

The first scapegoats were Toshiba Corporation Chairperson Shoichi Saba and President Sugiichiro Watari, who resigned as

leaders of the company, according to Saba, to take responsibility for the actions of the subsidiary, Toshiba Machine Company. Saba explained, "We have a big responsibility as the parent company" (Jain, 1987, p. E1). Yet Saba was quick to point out that the resignations were not an admission of guilt by Toshiba Corporation, and *Forbes* magazine commented that the friends of Toshiba were hoping that this act of sacrifice by the chair would help people become more sympathetic toward the company (Tanzer, 1987).

Despite this caveat and the hopes of friends, the American press read these resignations as an admission of guilt by Toshiba Corporation, thus spoiling Toshiba's first attempt at scapegoating; instead of loading the sins on the back of the scapegoat, the company more firmly entrenched the guilt on its own back in the minds of the American people. For example, the *New York Times* reported, "Until now the Toshiba Corporation had not accepted any of the blame for the illegal sales to Moscow made by the Toshiba Machine Company" (Crossette, 1987, p. D1). The misunderstanding was cultural, and the Toshiba Corporation, realizing the mistake made in front of an American audience, tried to explain its actions. Leonard Garment, of Mudge Rose Guthrie Alexander & Ferdon, noted:

Just to be sure there is no confusion about the resignations, there is no claim by the United States of complicity by the parent company. The resignations were a matter of a cultural tradition that considers senior executives of the parent company responsible for what occurs on their watch. (Rasky, 1987b, p. D3)

Yet, despite this explanation and others, the American people still did not seem to understand the symbolism intended by the resignations. At the very least, the strategy of scapegoating admits that sins have been committed. As Naohiro Amaya, executive director of Dentsu Institute for Human Studies, pointed out, "Chrysler was involved in some scandal, and Lee Iacocca's reaction was quite different than Toshiba's" (Chira, 1987b, p. 35). Administration officials explained to the Japanese "that it was going to take more than those resignations to mollify Congress" (Rasky, 1987b, p. D3).

The second set of scapegoats, Toshiba Machine Company and the French firm of Forest Line, was sacrificed at the September 9, 1987, news conference. At the news conference, an investigative report prepared by Mudge Rose Guthrie Alexander & Ferdon (1987, Aug. 28) was released that concluded that "no one at Toshiba Corporation either played a role in or had any knowledge of the illegal sales . . . by Toshiba Machine Co. employees" (p. 37). Nobuo Ishizaka, Chairman and CEO of Toshiba America, expressed agreement with the Senate's condemnation of Toshiba Machine by saying that "the wrongdoers must be punished" (Toshiba America, Inc., 1987a, p. 1). Toshiba America, Inc., (1987b) officials also requested that "the innocent not be punished for the sins of the guilty" (p. 4). This request became a common theme with the lawyers representing Toshiba Corporation pleading that the "parent," Toshiba Corporation, not be punished for the sins of the "children," Toshiba Machine Company (Rosenblatt, 1987, p. E1). This is an interesting change from the earlier parent-child metaphor used by Saba of the "responsible parent" (Jain, 1987, p. E1). The report also attempted to transfer blame to a French company by claiming that Forest Line sold similar propeller milling machines to the Soviets in the mid-seventies (Toshiba hints, 1987).

These attempts at scapegoating were more successful as the European diplomatic community, fearing similar reprisals after having been declared "sinners," started lobbying against sanctions (Farnsworth, 1988) and Congress began working on compromise bills that punished only Toshiba Machine Company (Witter, 1988). When these compromise bills were threatened, Congress became one of the long list of scapegoats, as it was blamed for creating the problem because of the sin of racism. For example, an editorial release prepared by Worldwide Information Resources, Ltd. for Toshiba on May 26, 1988, argued:

As Japan's trade minister Tamura has pointed out: "It seems the measures taken are not only aimed at the trade problem but are also based on racial discrimination against the Japanese." (WIRES, p. 4)

The most successful strategy used by Toshiba during its campaign was to convince the public that if Toshiba's sins were to be paid for, they were to be paid for by the American people in terms

of lost jobs and income. Congress, not Toshiba, would be doing the sacrificing; according to Rosenblatt (1987), in *The Washington Post*, "The battalions of lobbyists working on Toshiba's behalf carried a simple message: If you punish Toshiba, you hurt American workers" (p. H1). The price to be paid for the sins was now too great and thus the sacrifice was no longer demanded. In fact, the American people began to demand that a sacrifice not take place as American corporations came to Toshiba's defense (Rosenblatt, 1987). Simply put, Toshiba sought to identify itself with the economic well-being of the United States. This strategy probably went the furthest in helping Toshiba minimize its losses, as *Business Week* reported, "when it comes to a vote in Congress, U.S. economic interests are likely to override the desire to penalize even a major security lapse" (Dryden et al., 1987, p. 58).

The strategy of scapegoating naturally leads to the strategy of identification by denoting a common enemy, or more subtly, pointing out the common fate of scapegoats. One can see from the preceding discussion that Toshiba Corporation pointed out both a common enemy (Toshiba Machine) and the common fate of two scapegoats of Congress in an economic fear appeal (Toshiba Corporation and the American people). Apparently, scapegoating and identification, as joint strategies, require a careful sorting out of stakeholdership among the interested parties.

Thus, interestingly enough, Toshiba Corporation may have succeeded in protecting itself not by increasing people's trust but by proving its necessity. Congress may not trust Toshiba but figures that cooperation with Toshiba will prevent greater harms. In other words, Toshiba increased its credibility in the United States, primarily, in the dimension of competence rather than in the dimension of trustworthiness. An interesting example of this is found in the research of Sandy Goebel, senior vice president at Calet, Hirsch & Spector, which concluded that although people did not approve of Toshiba's actions, they had gained a new respect for the corporation's technological expertise (Berger, 1988). Additional support for this claim can be seen in the drastic shift in the attitudes of American corporations toward Congressional bans of Toshiba products. At the beginning, U.S. corporations claimed that a ban on

Toshiba products would not be noticed. Toward the end, U.S. corporations were spending millions of dollars lobbying Congress on Toshiba's behalf because of shared economic interests (Rosenblatt, 1988).

The strategy of scapegoating also leads to the strategy of differentiation. Burke (1955) explains that "the scapegoat represents the principle of division in that its persecutors would alienate from themselves to it their own uncleanness" (p. 406). Toshiba Corporation sought to differentiate itself from its subsidiary, Toshiba Machine, arguing that the parent is different from the child and, thus, the parent should not be held responsible for the actions of the child. Additionally, the Toshiba Corporation sought to differentiate between the old management style that did not prevent illegal sales of technology and the new management style that would prohibit such actions. The September 9, 1987, news conference "unveiled a comprehensive new program of control over future sales of strategic products" (Toshiba America, Inc., 1987, p. 1). However, these two arguments may work against each other, because the first argument says the parent is not responsible for the child and the second argument says that the parent can control the child. Which argument is the audience to believe?

The two strategies of identification and differentiation, joined together by the strategy of scapegoating, lead to the apologetic posture of explanation. This strategy is well chosen because the factor of denial is eliminated, as scapegoating admits that a sin has been committed—sensitive technology was sold to the Soviet Union by Toshiba Machine. The posture of justification is ruled out because the United States could never approve of such an act. What is reached between Congress and Toshiba is an understanding—Congress agrees primarily to punish Toshiba Machine if Toshiba Corporation promises to control Toshiba Machine in the future. Congress also understands that its punishment of Toshiba Corporation must remain symbolic rather than causing real damage because of American companies' economic ties to Toshiba products. Toshiba Corporation understands that there must be some form of punishment so that Congress can save face after a 92 to 5 Senate vote.

This apologetic posture provides a consistent story for people to use when explaining the role of Toshiba Corporation in the scandal and the solution chosen by Congress. This understanding between Toshiba and Congress presents a story with high conformity to the political realities of the day. It is interesting to note that in reaching this final understanding, Toshiba tried a variety of different and, sometimes, conflicting stories as it experimented with different scapegoats and different variations of the parent-child metaphor. The success of the campaign, despite these inconsistencies, leads one to understand that a company may be able to change from its original position, as long as this shift in position leads to greater narrative fidelity or external consistency (see Fisher, 1987). As Toth and Heath (1992) explain: "Through rhetorical dialogue, parties form opinions and negotiate the limits and obligations that are basic to their relationships—their mutual interests" (p. xii).

The Toshiba Corporation used two primary means of support: its actions and the report of the investigation of Toshiba by the law firm of Mudge Rose Guthrie Alexander & Ferdon. For example, one action of Toshiba Corporation was to develop a new program for the control of sales of strategic products. Congress had been seeking such action as proof of Toshiba's seriousness in dealing with the problem. The investigative report released by the American law firm supported the claim that Toshiba Corporation was in no way responsible for the illegal sales.

CONCLUSION

What lessons in rhetorical strategies can corporations gain from Toshiba's handling of its image crisis? The Toshiba case study illustrates the importance of reestablishing identification with the public after a crisis. In this context, identification can be defined as a perceived joint interest between the public and the corporation.

Properly understood, public relations in an image crisis situation is a battle for reidentification with the public or, at a minimum, a skirmish to prevent a break in identification. Consumers are persuaded to buy a corporation's products or services when they

identify with that corporation—there is a perceived joint interest. On the surface level, the perception of joint interest may be the need for a particular product or service; however, similar products or services can always be found elsewhere. Thus, on a deeper level, there is a need for the public to identify with the image of a corporation. At a minimum, a loss of identification over a significant issue could cause the public to seek alternative sources for the same product or service. An image crisis results in a break in identification and calls for arguments that reidentify the consumer with the corporation.

Toshiba regained identification with the consumer through the use of the apologetic posture of explanation. Denial as a factor was ruled out because the media exposed Toshiba's actions to the public and, according to Ware and Linkugel (1973):

Strategies of denial are useful only to the extent that such negations do not constitute a known distortion of reality or to the point that they conflict with other beliefs held by the audience. (p. 275)

Because denial is ruled out as a factor, absolution and vindication are ruled out as strategic postures. Justification is also ruled out of contention because the public is not likely to approve or praise selling sensitive technology to the Soviets. The public wants these actions stopped; they need to see a difference between the actions of the past and the actions of the future. Therefore, the remaining, and more logical, strategy is the posture of explanation, which attempts to identify the corporation's motives with the public's and demonstrates the corporation's good faith through concrete actions designed to correct the problem in the future. Thus the corporation is no longer condemnable. This observation is not to argue that explanation is the only apologetic posture that a corporation can take to defend its image—one chooses a strategy based on the particular situation. The best Toshiba could hope for in this situation was to reestablish identification with the public through an explanation that allowed the public to understand and "forgive" the corporation. According to Heath (1992):

One value of public relations is its ability to contribute to the collective shared reality that brings harmony, a shared perspective that leads people to similar, compatible conclusions. To achieve its

full potential in this regard, requires constant and aggressive critical reexamination of the rhetorical substance, form, practices, ethics, and strategies that are employed in public relations. (p. 318)

This discussion suggests that future studies of corporate apologia in times of image crises should focus on, first, discovering the range of strategies available to a corporation to achieve identification and second, the situational variables that lead to differing apologia postures. Other scholars might find it interesting to examine the ethical implications of various corporate apologia strategies. *Ethical* and *effective* should not be mutually exclusive terms: A corporation seeking to differentiate between its past actions and its future actions by actually fixing the problem could be acting both ethically and effectively.

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