INSTRUCTIONS.

1. Students are requested, in their own interests, to write legibly.
2. This question paper consists of three questions. You must answer all the questions.
3. This question paper includes one appendix of three pages. There should be five pages altogether. Please be sure that you have all of them.
Question 1: Strategic Communication Plans (20 marks)

This semester we have focused on developing a strategic corporate communication plan for the Media & Cultural Studies department at UKZN. Our aim has been to find ways to strategically market the department to local high school learners.

a) In one to two short paragraphs, explain how a strategic corporate communication plan can benefit the MECS department. (5 marks)

b) Using the information you have gathered during the semester, develop a strategic communication plan for the MECS department for the next six months. (15 marks)

Note:
Your communication plan should be structured using these, or similar, headings: Communication Objectives, Stakeholders, Message, Proposed Activities/Channels, Evaluation of Outcomes

Question 2: Crisis Communication (40 marks)

This semester we have discussed the role of crisis communication in building and maintaining corporate reputation.

a) In a 2 – 2 ½ page essay, discuss the role of crisis communication in developing and maintaining a positive corporate reputation. (20 marks)

b) Using the information provided below in Appendix A, write up a crisis communication plan for Malden Mills. (20 marks)

Question 3: Corporate Social Responsibility (40 marks)

This semester we have introduced the topic of corporate social responsibility.

a) Archie Carroll (1991) outlines “the pyramid of CSR” which consists of four key components. In a short essay of 2 – 2 ½ pages, identify and discuss each of the components. (20 marks)

b) Milton Friedman and Henry Mintzberg present two opposing arguments regarding the roles of Corporate Social Responsibility. In a short essay of 2 – 2 ½ pages, briefly summarize the key points of each argument. (20 marks)
Appendix A:

Background:
Malden Mills Industries, Inc., founded in 1906 by Henry Feuerstein, is a leader in the international textile industry. It produces fabrics for apparel, upholstery, home furniture and military markets. In the early 1980s the company revolutionized the way the world dresses for cold weather with the invention of performance fabrics sold under the Polartec brand. The company is widely known for employing some of the highest-paid textile workers in the world. Malden Mills has shown not only a strong commitment to its employees but has also spread this commitment throughout New England with its support of local charities, including homeless shelters, sports clubs and police and fire departments.

Public Communication Efforts:
The role of public relations at Malden Mills was narrowly defined. Although there were individuals responsible for the image of the organisation and its products, the focus was mostly on the marketing aspect of the company. Malden Mills was more than prepared to deal with the promotion of its high-tech fabrics, but was unprepared to deal with communicating in a crisis.

Malden Mills Mission Statement:
“Devoted to creating high-quality fabrics with unique capabilities, and committed to its work force, environmental responsibility, and customer satisfaction, this is the Malden Mills...A family tradition – a leader in American industry.”

Crisis Scenario:
On December 11, 1995, a fire struck Malden Mills’ main textile plant, a sprawling complex that straddles the borders of the towns of Lawrence and Methuen, Massachusetts, in the northeastern United States. Known as the Immigrant City, Lawrence has long been a multi-ethnic and multi-cultural location with its current population of 70,000, largely Hispanic. The city still maintains a 35 percent manufacturing-based economy, of which Malden Mills is a key factor.

In the stretch of a few hours, the inferno overturned lives. The blaze began on a cold New England winter night, and consumed three of the mill’s buildings. The fire injured 36 employees, 8 seriously. It was officially ruled an “industrial accident”.

The firestorm looked to be the end of an era for the third-generation mill owner, Aaron Feuerstein, his workers and the textile-making industry in New England. Besides the injured workers, about 1400 people were left without jobs.

Feuerstein’s initial reaction was “We’re going to continue to operate in Lawrence...We had the
opportunity to run away to the south many years ago but outsourcing in cheaper overseas factories – we didn’t do it then, and we’re not going to do it now”. Because some buildings were spared, Malden Mills decided to start a rebuilding campaign.

**Crisis Communication Efforts:**

- Despite being at his 70th birthday celebration when news of the fire reached him, the owner of Malden Mills, Aaron Feuerstein, immediately went to the scene of the fire.
- Feuerstein’s initial communication to the media was “We’re going to continue to operate in Lawrence…”
- Two days after the fire, Feuerstein announced that the company would pay worker salaries and health benefits for 30 days.
- The company established a crisis team, consisting of 1 spokesperson, 5 company employees and 20 volunteers.
- Communication objectives were informational, attitudinal and behavioural:
  - Informational – plan to rebuild and maintain pay and health benefits for 90 days; reassure public and customers that business would continue; provide media with information regarding rebuilding efforts
  - Attitudinal – maintain employee morale and ensure support for rebuilding efforts by paying a $275 Christmas bonus as well as full salary for December, February and March, despite mill being closed; improve corporate image – use the strong community ties and positive media response to do so
  - Behavioural – set an example for other companies; challenge anti-worker attitudes in the industry; raise the standard of companies’ responses in times of crisis
- Communication objectives focused on three key messages:
  - Assure commitment to employees – Feuerstein stated he would rebuild the factories and showed further support for employees by extending wage benefits for 90 days. Also assured employees that their safety was a priority.
  - Assure commitment to community and region. Focus on the company’s social responsibility to the broader community
  - Assure customers that business would continue. Used the media to communicate to buying public that 1) production would be running soon, 2) several machines had escaped damage, and 3) factories were being commissioned to dye fabrics to meet production orders.
- Communication channels used:
  - The media – used a wide variety but relied heavily on three local newspapers; informational displays at industry trade shows; created its own website
  - Word of mouth
  - Direct communication with relevant stakeholders
- Information disseminated in a clear and concise manner without trying to twist the truth
- Communication efforts focused on three key publics:
  - The employees
The Malden Mills customers
- The media

Many other publics were also important to the campaign:
- Local, state and federal government agencies were contacted for funding, assistance and retraining
- Employees’ family members, especially families of burn victims
- Local hospitals
- Local and regional fire departments
- Local and state police departments
- Local businesses that provided food and monetary donations
- Banks that lent money to speed up the rebuilding efforts
- Area residents
- Politicians
- Religious organisations
- Cultural and neighbourhood leaders and groups

Factors that worked in Malden Mills favour:
- The products were popular
- Employee morale was high – the company always made the employees the number one priority and encouraged a family atmosphere
- Feuerstein was seen as an important community leader, and the media positioned him as a person who genuinely cared about his employees, community and customers
- Malden Mills had a solid record of positive community relations

Factors that put Malden Mills at risk:
- There was no crisis communication plan in place at the time of the disaster
- A spokesperson was not readily available at the fire
- There were suspicions about the fire’s origins and the pending investigations
- Employee job security was at risk and the holiday season was approaching
- Rebuilding was slow and costly and there was the fear that the mill would be moved to another location which would involve fewer costs

Results:
- A new facility was built using high-tech machinery
- Employees were retrained for a more sophisticated workplace
- Production was increased from 130,000 yards of fabric per week pre-fire to 230,000 yards of fabric per week post-fire
- Estimated that Malden Mills received over $55 million in free publicity due to numerous articles, business features, magazine stories and radio and television programmes that focused on the heroic efforts of Feuerstein and his commitment to his employees.