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Crisis, Issues, and the Stakeholder Voice

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> *The company was suffering from my presence, given what had happened. 'You have done a very good job,' he [the new permanent CEO] said, 'but it's time to go. Your mission is accomplished.' . . . I was puzzled. I was in shock. A month and a half earlier, he had said I was his greatest supporter . . . Now, I was a liability for the company—not just for him, but for the company. This followed a pattern that I had read about. If you do blow the whistle, you have truly become a liability, no matter what you do.*
>
> —Peer Jacob Svenkerud

Throughout this book, we have dipped in and out of the riveting experience of Peer Jacob Svenkerud (PJS) as a whistleblower at NT. Yet, for me the foregoing passage is perhaps the most moving of all, as it encapsulates the profound sadness and utter loneliness of his protracted ordeal. In exposing NTs transgression, he triggered a major crisis. He also fomented much-needed reforms there. But, ironically, he also became, in the eyes of many, the very personification of the NT scandal, even though he was not at fault. His experience bears our close attention. In crisis communication, we typically hear narratives of recovery and renewal, or we hear from internal and external stakeholders about their surprise and dismay at some scandal, or we hear about what the organization did well and could have done better, or we hear about the external stakeholders affected by the crisis. Yet, we seldom are afforded a glimpse into the employee's momentous decision whether to stay silent or blow the whistle, and what happens to them in the aftermath of speaking out (Chen & Lai, 2014; Edwards, Lawrence, & Ashkanasy, 2016; Heide & Simonsson, 2015).

This underscores a point that Frandsen and Johansen (2016) made: crises are especially challenging to analyze because they represent the intersection of many stakeholder voices and perspectives on an organization and situation. My purpose here is to explore whistleblowing from a crisis perspective and the whistleblower himself as a vital stakeholder whose

duality of experience—as both initiator and casualty of the crisis—reveals new insights into our understanding of crises and crisis communication. PJS's experience broadens our understanding of the complexity of crises in general, as well as the unique components of those crises triggered by whistleblowing. It helps us to better understand that the relationships among crisis issues, stakeholders, and the organization are indeed multi-layered and fluid.

For example, in a case like this, the question of blame attribution is both easy and hard to answer. It's easy because we have a well-substantiated transgression—a situation in which the organization has clearly done something wrong (Diers-Lawson, 2017a). Yet, because it has also been triggered by a whistleblower, other stakeholders—both within and outside the company—may view him not as a hero but as a villain or at least a problem. This makes blame attribution less a question of the facts of a situation than a question of perception and competing interests. Thus, PJS's account of his experience as a whistleblower provides a telling example of competing stakeholder interests in the crisis context.

To better understand the NT case and the challenges of sorting out competing stakeholder interests in crises, I frame whistleblowing within the crisis context, discuss a stakeholder relationship-management approach to understanding whistleblowing, and discuss PJS's experience throughout to help unpack the difficulties in managing whistleblowing from a crisis perspective.

Whistleblowing in the Crisis Context

From the first formal study of crises and crisis communication in the mid-20th century to the turn of the 21st century, a crisis was generally thought of as a "low probability, high-impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made quickly" (Pearson & Clair, 1998, p. 60). This definition of crisis was subsequently supported by the body of research that emerged throughout the past 40 years. Over time, both practitioners and academics further recognized that crises are also increasingly ill-structured and complex (Mitroff, Alpaslan, & Green, 2004), particularly in an increasingly global and connected world.

But, thanks to the greater volume of research, diversity of theoretical perspectives, and internationalization in crisis communication over the past 15 years or so, how we define a crisis has also evolved (Diers-Lawson, 2017a). Instead of thinking of crises as low-probability and high-impact events with ambiguous causes and outcomes, we now typically think of them as "untimely but predictable events that have actual or potential consequences for stakeholders' interests as well as the reputation of the

organization" (Heath & Millar, 2004, p. 2). This means that while Pearson and Clair's (1998) definition of "crisis" describes *some* types of crisis, what we generally understand to be a crisis requires a more sophisticated understanding of the connection among risk, triggers, and stakeholder impact. As such, the precipitating events for crises can actually range considerably—from circumstances entirely beyond an organization's control, to the careless mistakes of individuals within an organization, to systematic breakdowns or inefficiencies, and to many circumstances in between (Argenti, 2002; King, 2002; Pearson & Clair, 1998; Reilly, 1987). A modern understanding of "crisis" provides a strong conceptual underpinning for understanding the NT case, helping us to understand that while many crises are predictable and avoidable, the evolution of those crises and their impact on different stakeholders remain damaging for both the organization and the stakeholders.

The NT case also helps to demonstrate three characteristics of crises that are consistent no matter what events precipitate them.

First, *crises are inherently public in nature* (Moore, 2004). The NT scandal proved impossible to contain. As some facts of financial mismanagement began to emerge and then as information about the whistleblowing also emerged, it was played out incessantly—in the local press, the local community, and even in the broader national community. Additionally, given the company's prestigious standing in its hometown and the potential implications of it, there was little respite for the company—or for PJS himself.

Second, *while crises happen to or because of an organization, its members do not exist in isolation.* Crises affect lots of people—not just those within the organization but also those in the community, country, and region(s) in which it operates. This means that crisis management and crisis communication should always be focused on the people and groups with an interest in the organization and its activities, namely, its stakeholders (Freeman, 1999). The NT crisis was clearly divisive for PJS, NT, and the local community, not to mention a network of organizations affected by the situation. In PJS's narrative, this is why we see the oftentimes contradictory praise, condemnation, and questioning of his actions: each stakeholder involved was viewing the crisis and his or her actions from the perspective of their own interests.

Third, *the core stake at risk in a crisis is the relationship between an organization and its stakeholder(s).* If these relationships fail, the outcomes of that failure can range from reputational damage to the wholesale failure of the organization and/or its mission. By the same token, if these relationships are ultimately strengthened, then an organization can prosper despite the crisis—or perhaps even because of it. Herein lies one of the inherent contradictions of a whistleblowing crisis. Where PJS's integrity and self-sacrifice as a whistleblower were celebrated by many stakeholders, mostly externally, internally he became the troublemaking

"dark knight" and represented a liability for NT, both because many colleagues now feared him and because he was a constant reminder of the company's misdeeds. One could assume NT believed it would be more difficult for the company to reconstruct its reputation so long as he remained an employee.

Yet, despite his often tumultuous journey, Peer is also able to step outside of himself as a whistleblower to analyze his situation with its various organizational challenges, and to reflect on the decision-making process that brought him to finally speak up. In their analysis of processes like his, Chen and Lai (2014) found that the choice to blow the whistle represented a relatively rational ethical decision-making framework where the whistleblower balanced the moral exigencies of the situation against the potential harms and social pressures he might face after exposing the wrongdoing. These findings are consistent with numerous studies examining the employee perspective on whistleblowing. They have found that organizational and contextual factors shape employee perceptions and emotions and will ultimately predict either whistleblowing or silence in the face of transgressions (Edwards et al., 2016; Grimm, Choo, Horvath, & Nitta, 2016; Liu, Liao, & Wei, 2015; Mesmer-Magnus & Viswesvaran, 2005). In PJS's case, we see the internal conflict play out between the categorical imperative he felt—to be a socially responsible citizen and employee—and the unspoken expectations that went with being a good team member, or loyalist. His ultimate advocacy meant that his own understanding of "loyal" was not the same as how others at NT defined it. These conflicting value systems inevitably took their toll on his ability to manage his professional and interpersonal relationships within the organization. He felt trapped—and indeed was.

This case also provides an important and often ignored narrative about transgressions in organizations—the emotional journey that employees take through the crisis, no matter whether they are whistleblowers or simply onlookers trying to make sense of the unfolding events. In crisis communication, we often focus exclusively on external stakeholders, ignoring the employee voices and perspectives that are vital to managing issues and crises alike (Heide & Simonsson, 2015; Mazzei, Kim, & Dell'Oro, 2012; Mazzei & Ravazzani, 2014). As such, the question of how an organization might best manage a crisis may be better understood in the context of whistleblowing, as it lets us evaluate the quality of relationships between organizations and their many different kinds of stakeholders during and after a crisis goes public.

Whistleblowing and Stakeholder Relationship Management

If we are to talk about whistleblowing within a stakeholder framework, then it's important to better understand the nature of the voices and perspectives that stakeholders can represent. At the simplest level, "stakeholders"

are those groups or individuals who can affect or be affected by an organization (Freeman, 1994). But as straightforward as this definition seems, the degree to which stakeholder voices and perspectives are actually integrated with organizational objectives and behaviors will depend on the nature of the relationship among them. Much of the foundational work in stakeholder theory in organizational communication (Connolly, Conlon, & Deutsch, 1980; Frooman, 1999; Henriques & Sadorsky, 1999; Mitchell, Agle, & Wood, 1997; Rowley, 1997) identifies the *dimensions of interorganizational relationships* as characterized by five factors.

First, *relational valence* describes the relative affect—positive to negative—that's felt between an organization and a stakeholder (Atkins & Lowe, 1994). Not surprisingly, for whistleblowers, that relationship can be highly adversarial. For example, PJS's experience of finding himself characterized as a "dark knight," plus the replacement CEO's apparent campaign not only to root out the anonymous whistleblower but also the ongoing efforts to push him out of NT once the organization was in a post-crisis recovery mode, all prove the negativity—the negative valence—that whistleblowers can face as stakeholders.

The second factor is the *history of interaction* between organizations and particular stakeholders that allows for structures and rituals of interaction to emerge (Harris, 1994; Jennings, Artz, Gillin, & Christodouloy, 2000; Scott & Lane, 2000; Trice & Beyer, 1993). To illustrate the employee history at NT, PJS characterized the organizational culture as being *subdued*: any employees who asked too many questions "could face consequences." His predecessor was removed, Peer says, because he had questioned the company's approach too much.

The third factor focuses on an organization's assessment of a stakeholder group's *legitimacy*—that is, its recognizability, reputation, and/or expertise relevant to the organization's core work (Haley, 1996; Suchman, 1995). For example, NT's go-along, get-along culture seemed to be supported by other stakeholders such as unions. PJS described the union members as "loyal soldiers" who never challenged management. This suggests that dissenting views, voices, and interests at NT had been effectively delegitimized.

Fourth, the *power* that a stakeholder has, or doesn't have, to influence the organization or its success will affect their relationship with the organization (Heath, 1994; Mitchell et al., 1997). Recall PJS describing his early days of acculturation in the organization. It became clear to him that even though he and a number of external stakeholders would have welcomed changes both to the sponsorship programs and to NT's approach to gaming, their perspectives weren't valued by the company, so their influence was limited, and early opportunities to avoid the larger crises to follow weren't taken.

Fifth is the *urgency* of a stakeholder's interest in the organization. "Urgency" refers to the extent to which a stakeholder's interest or influence is time-sensitive or critical to the organization's well-being at

a particular time (Connolly et al., 1980; Mitchell et al., 1997; Scott & Lane, 2000). In PJS's case, once he was outed by a Norwegian financial newspaper, NT's new CEO had to engage the employees directly about that news. Unfortunately, where the CEO had previously supported PJS's role as a whistleblower, PJS interpreted his actions in that they were now framed to the employees in terms of the "complications" they would cause NT instead of as a prime opportunity for them all to learn and improve. This important departure in the CEO's narrative and sensemaking about the crisis from PJS's point of view marked a change in the nature of their relationship based on the urgency of addressing PJS's role as both an employee and as the whistleblower.

Complexity Within Organizational Environments

One of the best lessons we can learn from PJS's experience is just how complex, challenging, and changeable crises will seem once we consider the environments in which organizations operate. Both organizations and organizational actors are subject to many pressures because they serve multiple stakeholders (Connolly et al., 1980; Frooman, 1999). These stakeholders range widely. They can include groups such as employees, customers or clients, regulators, and competitors (Figure 12.1).

Figure 12.1 Examples of Some of Norsk Tipping's Stakeholders

But, complicating matters still further, even these interactions between organizations and stakeholders happen not in isolation but rather in a web of relationships (Rowley, 1997). In fact, Fombrun (1982) suggests that we should think of an organization's environment as a series of over-lapping networks that help to explain why organizations act, or do not act, and even how they perform. Furthermore, Heath (1994) argues that what an organization is and does is really just an outcome of managing all of the interests of all the stakeholders it values. Thus, a prime purpose of communication is to help an organization and its stakeholders enact and manage their relationships (Heath, 1994).

But as PJS's experience demonstrates, stakeholders not only demand different forms of engagement but also have vastly different expectations as well. So where Frandsen and Johansen (2016) describe crises as the intersection of different voices and perspectives, we should probably be thinking of crises as *cases in which organizations have failed to meet at least one important stakeholder expectation*. Sometimes crises will arise because of competitive stakeholder interests. In the case of NT, one of its core purposes was to serve the public interest by funding charities, sports, and public works across Norway. The company made much of its vaunted "social responsibility." Yet, this could be at odds with some of the very activities it conducted. For example, gaming funded a lot of the good work that NT sought to do. However, PJS flagged the challenge of managing gaming against the risks of encouraging gambling addiction— a perfect example of potentially contradictory stakeholder interests. It wasn't enough to use the proceeds from gaming to support socially responsible ends; NT also needed to be socially responsible when earning those proceeds. Earning some of it from gambling addicts whose addiction the company itself helped create raised all kinds of moral questions sure to bother at least some stakeholders.

Stakeholder Relationship Management Model

If we think about the nature of organizational crises, with all their competing voices and interests, plus the sometimes contradictory environment in which organizations operate, then the importance of managing stakeholder relationships is a key part of what it means for organizations to be stewards of stakeholder interests. We might think about the interplay among organizations, their stakeholders, and the many issues relevant to them as a tricky "love triangle" where the continuing challenge is to build, maintain, or repair relationships with different stakeholders. Yet, unlike interpersonal relationships, stakeholder relationships are necessarily based on perceived vested interests between the organization and its stakeholder(s). Moreover, as Heath (2002) argues, to be ethical, the relationship should be mutually beneficial. This criterion provides a concrete basis for evaluating an organization's actions relative to its
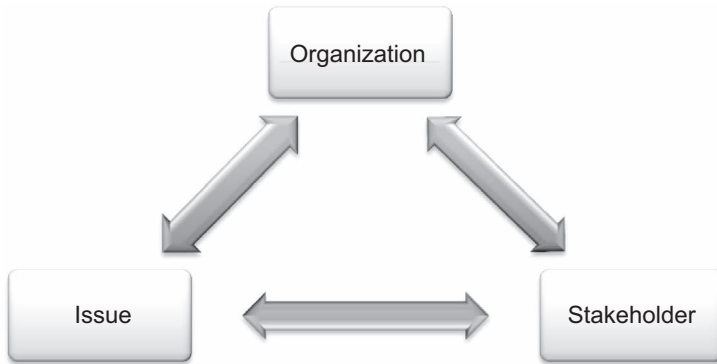
Figure 12.2 The Stakeholder Relationship Management Model

social obligations, especially for any organization whose value proposition centers on social value. Thus, the stakeholder relationship management model (Figure 12.2) provides a heuristic for better understanding the intersection of voices connected to the emergence, management, and recovery from crises (Diers-Lawson, 2017b; Diers, 2012).

The Stakeholder Relationship Management (SRM) Model gives us a way to organize previous research uncovering the various things that are apt to influence how organizations are evaluated (Diers, 2012)— such things as attitudes (Claes, Rust, & Dekimpe, 2010), public pressure from interested stakeholders in the face of crises (Piotrowski & Guyette, 2010; Uccello, 2009), and engagement with stakeholders (Hong, Yang, & Rim, 2010). For stakeholders, issues can involve anything from the quality of the organization's products or services to related topics that the stakeholders care about, such as health care or the environment. Issues are a lot like the baggage that comes with any relationship. They represent both risks and opportunities. Stakeholder judgments about an organization can concern not only whether they like its products, services, policies, customer service, and so on, but also how they evaluate its performance with respect to other issues that also matter to them. In the PJS case, no matter whether he was discussing the first CEO's seemingly extravagant expenditures on fishing junkets, its disproportionate financial support of the local community compared with the rest of Norway, or the ethics of responsible gaming, the question about what the company stood for was directly connected to his understanding of social responsibility. Likewise, once he blew the whistle and involved external stakeholders in the case, many of them came to similar conclusions. This meant that there was a disconnect between NT's behaviors and its stakeholders' expectations.

We can more directly unpack the violations of expectations and relationship problems by examining the three core relationships threatened by the crisis.

Relationship Between the Organization and Key Issues

Stakeholders will make judgments about any connection between the organization and any issue(s) connected to the crisis. For example, one of the primary judgments is *blame or responsibility attribution*, which has emerged from the research on attribution theory (Weiner, 1985, 2006). Blame attribution evaluates how much control stakeholders believe an organization has over some issue. The more responsibility that stakeholders attribute to the organization, the more they'll expect of it with regard to that issue. Blame attribution is one of the most important predictors of stakeholder attitudes about an organization after a crisis, and it's become a core concept in situational crisis communication theory (Coombs, 2007; Coombs & Holladay, 2004; Jeong, 2008; Schwarz, 2008). But it's also applied in other related crisis communication research, connecting to such factors as corporate social responsibility, crisis history, and ethics (Kim, 2013; Ping, Ishaq, & Li, 2015).

Yet, core as it is, in the context of whistleblowing, blame attribution is complex. In NT's case, of course, there was a blatant material crisis—the cronyism and financial problems emerging from PJS's whistleblowing. But throughout the interviews with him, despite those organizational transgressions, we find considerable blame directed away from NT itself. For example, some of it was directed at PJS himself throughout the crisis, both internally and externally. Early on, a major concern, internally, was that the whistleblower would make NT look "foolish" if the situation weren't handled summarily, in "very brute fashion." And then, as the crisis emerged, the first CEO described the whistleblower externally as a "hidden enemy running after me with a rusty knife." But even in the post-crisis recovery phase, it seemed PJS was viewed as having betrayed his leadership team, ultimately making himself a liability to the company. Beyond that, his alleged ineffectiveness as a communications director was also cited as a reason that the crisis emerged, not only internally but also by the media: "I was criticized by the media for not taking command in the communication of this [the situation]," PJS recalls.

Yet another challenge to our evaluation of the relationship between NT and the crisis involves potential missed opportunities to make changes that would have mitigated PJS's need to blow the whistle in the first place. NT had enjoyed a sterling reputation for years. But as the whistleblowing case emerged, external stakeholder judgments about the company's *positive intention, concern, and commitment* to social responsibility could begin to be questioned, which indicted the authenticity of its intention in serving the public interest (Huang, 2008). Positive intention is often

connected with hygiene-motivation theory (Lacey, Kennett-Hensel, & Manolis, 2014), which suggests that if stakeholders believe that an organization's intentions are positive with respect to social responsibility, then it benefits the organization's reputation. But if they believe the organization's interest in an issue is inauthentic, it doesn't matter how good the organization otherwise behaves, for it's unlikely to positively influence the organization's reputation. PJS discussed this concept throughout the interviews in terms of his own interest in social responsibility, the missed opportunities to change stakeholder perceptions after the commissioned brand survey in Norway, the evolution of his outing as the whistleblower, and the former CEO's criticism of him.

Finally, *clear association* also matters in influencing stakeholders' perceptions of the connection between the organization and any issue connected to the crisis. If they believe there is a logical connection between an issue and the organization's core business or mission, then the organization's interest in that issue is more compelling to them and can thus change their judgment about the organization, particularly after a crisis emerges (Claeys & Cauberghe, 2015; Coombs & Holladay, 2015; De Bruycker & Walgrave, 2014; Kernisky, 1997; Knight & Greenberg, 2002). And this is where PJS's position at NT became a liability after the crisis, at least in the eyes of his new CEO. So long as PJS was associated with the organization, it seemed the CEO believed he inhibited the company's overcoming the scandal and moving beyond it. Internally, if PJS remained, he would not only be the "dark knight," but also his loyalty would be constantly questioned. Externally, one could assume the CEO to believe that PJS would be a reminder of the problems that NT wanted to move past.

The Relationship Between the Stakeholder and Issues

From a risk- or crisis-management perspective, the more intensely stakeholders feel connected to issues, the more likely those issues will trigger stakeholders to act. Yet, in crisis communication research, this relationship is only beginning to emerge as an important predictor. This is why PJS's experience with whistleblowing provides a more sophisticated understanding of how stakeholders relate to the issues affecting them and the organization.

Stakeholders' *emotional involvement* with issues is crucial to understand. At their heart, crises are incredibly emotional for internal and external stakeholders alike, with a lot of emotionally charged communication, but regrettably there's scant research examining the emotional experiences, trauma, and labor connected to crises (van der Meer & Verhoeven, 2014). Fortunately, we're beginning to see an increasing recognition of the impact that emotion plays in the outcomes of crises. In NT's case, we're afforded an insider's view of the company's culture and the

emotional journey that PJS took over several years. Too often, we only consider the immediate public nature of crises without considering all that led up to them or the fallout from them for critical stakeholders.

Through PJS's story, we can understand the culture of "stability" at NT. "Turnover was virtually non-existing," he recalls. "People came and they stayed throughout their lives." In such a settled, complacent environment, PJS was almost instantly an outlier. As he started work and brought with him new ideas and well-meaning criticisms of the status quo, he was already set up for shunning—the precursor to his being labeled the "man in black or Prince of Darkness." Even then, though, he also found occasional support within the company and was encouraged to stay on. Also, he discusses the intersection of his own personal values, conflicts, and stress management. So his emotional involvement as a dutiful employee and then as a whistleblower made his personal connection to the misconduct issues even more important. For organizations, this is an important lesson: stakeholders, whether internal or external, who feel strong emotional connections with the issues are more likely to make sacrifices and less likely to be easily "managed" with either accommodative or defensive responses to the crisis (Diers-Lawson, 2017b; Diers-Lawson & Pang, 2016). Yet, in the context of whistleblowing, the bullying, pressure, and loss of social support that PJS experienced suggest that the emotional connection between the whistleblower and the issues he's exposing require a unique strength in order for him to endure the extraordinary opprobrium he awakens as the company "Judas" and pariah.

His reactions to the situation influenced judgments related to their *perceived susceptibility, severity of the issue, beliefs, demographics, and perceived efficacy regarding the issue* (Rosenstock, Strecher, & Becker, 1988). Such judgments influence stakeholder reactions not only to the situation but also to the organization. In his narrative, PJS recalls worrying about "becoming a very unpopular person right away" and describes a building sense of fear and lack of efficacy early on that temporarily silenced him. One fear was that his recommendations would be rejected out of hand because of NT's chummy, and almost incestuous, connection with the local community. Another fear arose from the first CEO's approach to using him to solve problems. PJS feared that he would lose his ability to be an advocate in the company if he lost favor with the CEO. But as NT's mismanagement issues began to emerge internally, PJS seemed to feel both an indirect pressure as well as some empowerment to act because of a growing sense of dissatisfaction from his colleagues. He recalls "an increasing number of people" who talked to him, suggesting that "something's got to happen."

These evolving feelings that he and some of his colleagues experienced reflect the changeable nature of the relationships among stakeholders, issues, and the organization. From the internal perspective, PJS's initial conflict between the moral imperative to act and his very practical

concerns about his minimal support and social isolation began to give way as he received increasing confidential admissions from some colleagues regarding their concerns about the inefficacy and questionable ethics of particular programs. Increasingly, it seemed, he felt the need to take action to preserve NT's high-minded mission. This was exactly the kind of rational-ethical decision-making that, Chen and Lai (2014) say, prompts potential whistleblowers to take action. In this way, the value that PJS and his colleagues placed on the organization's survival changed the perceived susceptibility, severity, and inefficacy of problems they all had known about for some time. In part, this was also in anticipation of how the relationship among the financial issues, NT, and other stakeholders would change if or when external stakeholders learned what was happening inside the company.

To this point, I have discussed the relationship between the stakeholders and issues primarily from an internal point of view. But this concern about how other stakeholders would react to the "realities" NT was facing also reveals the importance of the many different voices' *existing attitudes, social norms, and perceived situational control* as a predictor for action (Ajzen, 2005). For any stakeholder, whether inside or outside an organization, the perceptions of uncertainty related to the issue and the organization's actions regarding the issue not only affect stakeholders' emotional reactions to crises but also their attitudes and actions toward the organization in crisis (Jin, Liu, Anagondahalli, & Austin, 2014; McDonald & Cokley, 2013; Mou & Lin, 2014). PJS's narrative provides insight into a number of different stakeholder perceptions, concerns, and existing attitudes about NT and its social obligations. When PJS described the disproportionate resources accorded the company's local community compared with those communities farther away, and the disproportionate support for the local hockey team sponsorship compared with its agreement with the Norwegian Hockey Association, and the overall "loose operations everywhere . . . that detract from the money and efficiency of the organization and . . . its larger goals," it suggested that NT's reputation with other stakeholders was vulnerable.

In fact, despite the internal desire for stability and a dominant narrative emphasizing the company's strength, once different stakeholder perspectives were considered, those views would ultimately trigger the crisis for NT. Had the company been more open to different viewpoints, it might have averted its crisis. For example, the research PJS contracted on gaming as well as the annual report that directly discussed the challenge of balancing the social risks of gaming against the social benefit of the revenue it produced were early indicators that stakeholders had to have had mixed evaluations of NT's social performance. Yet, the sharp difference between the internal and external reception that PJS received for being the editor of the annual report revealed a lot about the company's vulnerabilities with different stakeholder attitudes toward the company

and its approach to meeting its mission. From an issues-management perspective, each of these moments of reflection, research, or conversation revealed an opportunity for NT to change and thus avoid its meltdown. Yet, when we understand how the internal stakeholders such as the first CEO, other employees, and unions were resistant to action or change, we can better understand how early warning signs and different stakeholder voices are often not recognized until crises are triggered. By examining the relationship between the stakeholder and the issue, we can also better appreciate how PJS's experiences provide a real-life example of the tensions that push a whistleblower to act, especially when he understands it will not be in his own personal interests and is likely to come at some costs, to do so.

The Relationship Between Organizations and Stakeholders

PJS's experience also shows us that after a crisis, stakeholders—especially whistleblowers—can find that the crisis has intensified changes in their attitudes about the organization and their own relationship to it. In the context of crisis communication, stakeholders' attitudes toward organizations, especially those in crisis, have been well studied in crisis communication research (Diers, 2012). Often treated as an outcome of a crisis, these judgments have been assessed across multiple fields of study, from communication and marketing to industry-specific studies in such different areas as health care and tourism. One of the critical concepts predicting the quality of the relationship between the organization and its stakeholders is the organization's reputation (Benoit, 1995; Carroll, 2009). Thus, there is considerable work in public relations, and crisis communication more directly, that explores topics such as the impact of a favorable pre-crisis reputation in protecting an organization's reputation during and after a crisis (Claeys & Cauberghe, 2015), the role of the media and other external groups in influencing an organization's reputation during crises (Einwiller, Carroll, & Korn, 2010), and the growing influence of social media on an organization's reputation in the context of crises (Brown & Billings, 2013; Ott & Theunissen, 2015; Utz, Schultz, & Glocka, 2013), to name just a few ways that reputation is connected with stakeholder evaluations of organizations.

Yet, one of the reasons why the first CEO and other board members and employees within NT resisted PJS's recommendations was that the company had long enjoyed a sterling reputation for the work that it did and for the cosseted environment it offered its employees. This case can demonstrate that an extended positive reputation can, just by itself, create the vulnerability of complacency for organizations in which the decision-makers believe they can act with impunity. Certainly, as I have already discussed, such complacency paired with repeated transgressions by an organization can lead to whistleblowing, but the strongly positive

reputation can itself also create a risk to an organization. Coombs and Holladay (2015) explain that stakeholder expectations of any organization consistently viewed as "socially responsible" tend to be high, so if it violates stakeholders' trust, the violation of the company's core identity can create even more risk to the company. As PJS explains, it's vital for a company to actually practice what it preaches.

The SRM model argues that one of the reasons for NT to pay better attention to the social responsibility of its practices to earn money, not just distribute it, was that the crisis itself can threaten the socially responsible value proposition for an organization by fundamentally changing stakeholders' *perceived knowledge* of the organization. In short, crises can call into question what stakeholders believe they know to be "true" about an organization (Diers, 2012). PJS discusses the importance of social responsibility and ethical behavior extensively when talking about multiple bottom lines for many organizations, saying that a good reputation increases an organization's value, and this is what helps to guide stakeholder perceptions of whether the company is fundamentally trustworthy (Freberg & Palenchar, 2013).

In part, evaluations of the relationship between the organization and its stakeholders are made based on stakeholder judgments about whether or not the organization's and stakeholders' own values are congruent (Koerber, 2014). What became clear throughout PJS's experience was the disconnect between the values that most of NT's external stakeholders expected the company to embody and the internal value judgments guiding its actions. For example, when PJS's annual report came out candidly discussing NT's need to balance its different levels of obligations (e.g., with gaming promotion vs. gambling addiction), he recalls that "I got so much crap from the others in the CEO meeting . . . and, of course, the external feedback on the annual report was good. I mean even the Minister (of cultural affairs within Norway) told me that . . . but it was not very well-received internally." But even as knowledge of the crisis broadened and his work as a whistleblower became more public, this disconnect between the broader community reaction to his actions compared with that of the local community and NT revealed a stark difference between the values of the internal and local stakeholders compared with PJS's values and seemingly those of the broader Norwegian community. This lack of value alignment underscores the different self-interests of NT and many of its internal stakeholders, not to mention the local community that had benefitted from the company's largesse over the years, compared with PJS's social-responsibility focus, which he shared with the government and the larger national community.

At its heart, then, we can better understand what a crisis is for an organization: it is a discrepancy in the expectations of an organization's behaviors and those of its stakeholders who are most able to affect it. Moreover, it can be characterized as a change in the relationship between

the organization and its stakeholders. This is what makes whistleblowers such challenging and lonely stakeholders—they have the power to fundamentally affect an organization and even its surrounding community so long as their actions are aligned with a larger community's values. But what PJS's case at NT also suggests is that whistleblowing would not be so necessary if an organization viewed itself in relation to its stakeholders and the issues that affect both of them.

This case demonstrates the tragedy of missed opportunities for organizations to manage their issues. The problems that NT faced were certainly precipitated by the first CEO's handling of financial issues, but they were reinforced by a broader culture that rejected questioning voices, innovation, and risk assessment while valuing abject obeisance to the CEO and board's decision-making. These conditions make any organization, but most especially those defining themselves as socially responsible, ripe for crisis because they forget that the organization's well-being is based on its ability to manage many voices and interests as well as its social obligations.

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