Those who perceive diversity as exclusively a moral imperative or societal goal are missing the larger point. Workforce diversity needs to be viewed as a competitive advantage and a business opportunity. . . . Diversity is about recognizing, respecting and valuing differences based on ethnicity, gender, color, age, race, religion, disability, national origin and sexual orientation. It also includes an infinite range of individual unique characteristics and experiences, such as communication style, career path, life experience, educational background, geographic location, income level, marital status, military experience, parental status and other variables that influence personal perspectives. . . . Superior business performance requires tapping into these unique perspectives. If we are to form lasting business relationships with our customers and become a true global leader in the industry, we must understand our customers’ diverse cultures and decisional processes, not merely their languages. To do so, we must begin with a diverse workplace. . . . To remain competitive for talent and for customers, it is imperative that we attract and value diverse talent and enable that talent to attract and value diverse customers. (Chubb, 2011)
As this quote illustrates, the business case for diversity is a rather simple one: although valuing diversity should be a societally moral ascription, on a pragmatic level, diversity makes smart business sense. Scholars have made similar arguments. In fact, research about US workplace environments has shown that, on at least two demographic dimensions of diversity, ethnically diverse female employees desire flexible policies and workplaces that cater to them and their cultural needs (Buzzanell et al., 2007). Companies would be wise to take these diverse perspectives into account if they want to retain a diverse workforce. This chapter aims to make the mentioned business case for diversity more clear, specifically, by contributing to the growing body of scholarship on diversity in the corporate landscape. We make this contribution by focusing on a very specific dimension of business management and diversity: the intersect of diversity and reputation management.

We begin by discussing the inherently communicative nature of reputation. Next, we establish a link between reputation and diversity; we present a few cases that demonstrate the import of giving issues of diversity greater scholarly focus in organizational reputation research, and finally, we draw conclusions and provide directions for future research.

**Reputation: A Cocreated Construct**

Reputation has been widely recognized as a valuable intangible asset for companies that can generate lasting competitive advantage (Fombrun et al., 2000), and from a public relations perspective, of which we both teach and research, scholars have argued that reputation, as a major public relations outcome, interacts with other outcome variables such as trust, credibility, and relationship, to affect public relations efforts’ return on expectation (ROE) and return on investment (ROI) for organizations (Stacks, 2010).

Although we agree, in principle, with scholars who have sought to look for concepts and constructs, such as reputation, to demonstrate public relations’ effectiveness, philosophically, we articulate the position that the processes of creating, erecting, and sustaining an organizational reputation asset are inherently communicative (Gotsi and Wilson, 2001) – dare we say even rhetorical (it should be noted that the principle and the philosophical positions are not necessarily at odds). Through communication processes of dialog, advocacy, statements, and counterstatements among organizations and their myriad stakeholders, stakeholders and organizations define, cocreate, and agree upon the tenets (Heath, 1993) of what constitutes favorable and/or unfavorable reputations, what factors or events will undo favorable reputations, or what actions must be undertaken to repair tarnished reputations. Viewing reputation management as a form of issues communication (Heath and Palenchar, 2009), we can also argue that legitimacy is the cornerstone of a strong organizational image, brand, and reputation.

Watson (2010) argued that “reputation was, is, and always will be of immense importance to organizations, whether commercial, governmental, or not for profit” (p. 339). Whether making product choices, career decisions, or even investigating investment opportunities, corporate stakeholders and publics often rely on organizations’ reputations to aid in their decision-making processes. It is important for companies to present accurate, balanced depictions of themselves and their activities in this regard because reputation researchers have found that “reputations signal publics about how a firm’s products, jobs, strategies, and prospects compare to those of competing firms” (Fombrun and Shanley, 1990, p. 233). Hence, publics are interpreting various signs and messages from organizations and then making a variety of decisions based on their interpretation of those symbols. Watson captured the cocreated nature of reputation when he defined it as the “sum of predictable behaviors, relationships, and two-way communication undertaken by an organization as judged affectively and cognitively by its stakeholders over a period of time” (p. 340).
Reputation and Issues of Diversity

Both the majority of research on reputation and definitions of reputation, according to Watson (2010), “tend to favor the positive, with emphasis placed on being well thought of, in public esteem, and delivering on promises. But reputation has two sides” (p. 341) – good and bad. Despite Gardberg and Fombrun’s (2002) study of companies’ reputations that included a sample of companies considered to have the best and worst corporate reputations, most research and practical analysis still tend to focus on the benefits of a favorable reputation such as the ability for corporations to charge premium prices, attract better applicants, enhance their access to capital markets, and attract investors. Even so, little attention has been paid to the role diversity might play in further building or detracting from an organization’s reputation.

Organizations, however, are now attempting to accrue further reputational assets by investing in and promoting their activities in and around the area of diversity. One means by which it appears organizations are attempting to establish a favorable reputation in the area of diversity is to be rated as “highly committed to diversity” by outside entities.

DiversityInc.com

DiversityInc.com is a magazine that features news and information about how various issues of diversity and specific diversity initiatives affect different organizations. Since 2001, the magazine presents annually its “DiversityInc Top 50 Companies for Diversity.” The magazine’s website describes the methodology it uses to rank the organizations. DiversityInc derives data and lists from a more than 300-question survey that is sent to all organizations desiring participation in the study. Questions on the survey include topics such as CEO commitment, corporate and organizational communications, and supplier diversity; per their website, any company that does not offer same-sex domestic-partner benefits is automatically disqualified from the DiversityInc Top 50 list and any of the other lists that it creates (DiversityInc, 2011). Other lists include (1) The DiversityInc Top 10 Companies for Recruitment & Retention; (2) The DiversityInc Top 10 Companies for Supplier Diversity; (3) The DiversityInc Top 10 Companies for Blacks; (4) The DiversityInc Top 10 Companies for Latinos; (5) The DiversityInc Top 10 Companies for Asian Americans; (6) The DiversityInc Top 10 Companies for Executive Women; (7) The DiversityInc Top 10 Companies for LGBT Employees; and (8) The DiversityInc Top 10 Companies for People with Disabilities (DiversityInc, 2011).

Working Mother Magazine

Similarly, Working Mother Magazine – under the umbrella of Working Mother Media – “reaches 2.2 million readers,” “is the only national magazine for career-committed mothers,” and is a vehicle the parent company uses to demonstrate its focus on “culture change for working moms, women and diversity in the workplace” (Working Mother, 2011a). Moreover, per their website, “2010 marked 25 years of Working Mother’s signature research initiative, Working Mother 100 Best Companies, the most important benchmark for work life practices in corporate America, and the launch of the Working Mother Research Institute” (Working Mother, 2011a). Working Mother’s data and lists are generated from “more than 650 questions on workforce representation, child care, flexibility programs, leave policies and more” (Working Mother, 2011b).

So what does it matter to be listed on one of these magazines’ lists? For one, organizations are taking these rankings seriously. Coca-Cola (ranked twelfth on the 2011 DiversityInc list) has its ranking along with all of its diversity-related awards featured prominently on its “Our Progress” tab on its website. Sodexo (ranked second on the 2011 DiversityInc list) has many of its diversity-related rankings and award featured on its “About Us” tab on its web page. Some of the awards include
Given the limited information available to applicants early in the job search process, initial application decisions are heavily based on general impressions of the organization (Rynes, 1991). Because “the individual uses the information obtained from a recruitment source to decide whether or not to pursue possible employment with an organization” (Gatewood et al., 1993, p. 414), a major component of attracting employees is establishing a favorable reputation in the eyes of publics. Attracting and retaining diverse talent is important because as the opening vignette suggests, a diverse workforce likely leads to the creation of a welcoming environment that espouses diversity of thought; this diversity of thought might ultimately yield an organization many dividends – one notably being the ability to reach and attract the widest range of publics including customers. To further explicate the rationale for diversity and reputation, a brief case summary is provided.

**Rationale for Diversity and Reputation**

There is evidence that the image of an organization affects potential applicants’ initial job decisions (Turban and Greening, 1997). In order to attract, recruit, and retain the best talent (and diverse clientele), organizations must not only seek diverse applicants for their workplaces, but also help to foster an environment that is welcoming, inclusive, and sensitive to diversity. If diverse workplaces are deemed desirable workplaces, then it makes sense for organizations to attempt to build strong reputations in the area of diversity. Competition has been and continues to be fierce among specialized and technical corporations for qualified applicants due to the variety of employment choices desired applicants may have (Albinger and Freeman, 2000). Highly skilled persons from underrepresented minority groups as well as historically marginalized groups, however, might simultaneously experience greater choice in employment opportunities as well as self-imposed opportunity constraint. They may limit their job searches to organizations that have strong reputations in the area of diversity.

It appears that these rankings at least matter enough to these organizations for them to submit the materials needed to be evaluated by these independent raters as well as for these organizations to post (and boast about) their successful rankings and awards on their websites.

**Deloitte**

Then-chairman and CEO of Deloitte Michael Cook stated:

The firm invests millions of dollars recruiting and training these talented people, and if they leave prematurely we have, in effect, squandered our investment. Not only that, but clients aren’t served as well if you pick your partners out of half the people hired. You want all the best people to stay with you, men and women. (quoted in Williams, 2000, p. 88)

At the time, Deloitte had an employee retention problem because it had developed a reputation of being unresponsive to the needs of its women employees. Deloitte had been hiring approximately the same number of women and men into entry level positions since the early 1980s (Molina, 2005). The company assumed that by hiring equal number of women and men, it had assured that more women would reach the partner ranks within 10–12 years; however, a decade later, only 10% of that year’s partner candidates were women (Molina, 2005). Cook sought to find the cause of this
attrition. Via independent research, Deloitte discovered that nearly 70% of the women that left the company were working full time at other companies, and 20% were working part time (Molina, 2005). Thus, women were not leaving Deloitte because they wanted to stay home with children; rather, they were leaving the company because they did not want to work at Deloitte (Molina, 2005). Reasons former employees gave for leaving Deloitte include (1) the company was not considered to value women’s ways of perception and relating to others; (2) the company did not provide sufficient opportunities for women to advance; and (3) the company excluded women from informal networks and mentoring (Molina, 2005).

Deloitte’s story, however, is not all bad. Today, Deloitte is highlighted as a success story. It was once a company that was affected adversely (lost lots of money and could not retain good talent) because it had a negative reputation in terms of gender equity; Cook made achieving gender equity an organizational imperative. He made systematic changes to the organizational structure to make Deloitte a more inclusive work environment. Almost two decades later, Deloitte is considered one of the top 10 companies to work for in 2011 by DiversityInc. Deloitte is proud of this achievement as evidenced by its supplying this ranking to PR Newswire in the form of a press release (Deloitte, 2011). In this press release, Deloitte is celebrated for its diversity efforts including receiving some of the following awards and accolades: 12 consecutive appearances on Fortune Magazine’s “100 Best Companies to Work For” ranking as well as being recognized by Fortune for its focus on diversity; a top five ranking on the “Best Companies for Multicultural Women” by Working Mother Magazine as well as a top 10 employer on Working Mother’s “100 Best Companies for Working Mothers” (Deloitte, 2011).

This brief case is important for the following reason. Because reputation is based on a company’s performance, its identity programs, as well as how multiple stakeholders perceive the company’s behavior (Argenti and Druckenn-miller, 2004), past crises—especially those centering on difference or discrimination—can form a reputational threat to corporations at varying levels of intensity (Coombs, 2004). Simply put, organizations would be wise to be reflective, as well as to engage in precrisis communication efforts that are sensitive to diverse populations (Waymer, 2012). Moreover, such efforts might mitigate backlash from “emergent publics” when a crisis hits (Waymer and Heath, 2007). Sadly, many organizations wait until diversity issues/crises occur before they choose to address organizational diversity issues. Although Deloitte waited until it had lost several employees before it attempted to change its organizational culture, this example highlights what organizations can do to shed a negative reputation in terms of diversity, as well as shows how over time these organizations can create new diversity-oriented reputations. So this chapter addresses the following question:

RQ: How do some organizations, in the wake of diversity-based reputational threats, respond?

In this chapter, we explore this question by analyzing two current cases to gauge how organizations respond during these times of diversity-oriented reputational threats. We also assess whether there is some modicum of public outcry surrounding these diversity-related incidents. The two cases are chosen for both their timeliness and for the fact that they represent vastly different industries:

1. **Lowe’s.** In December of 2011, Lowe’s pulled advertising for the TV show “All-American Muslims”; Lowe’s has had a history of discriminatory practices (EEOC, 2009, 2010) and this PR gaffe with “All-American Muslims” could be the latest manifestation of a systemic diversity problem at Lowe’s.

2. **Abercrombie & Fitch.** In June 2011, CBS News reported that a 20-year-old Muslim, claiming she was fired for refusing to remove her headscarf while on the job, sued the company (Glynn, 2011). In the
same year, another Muslim woman won a lawsuit against the company (EEOC, 2011b).

Each of the two companies’ web sites is studied. Specifically, we study the sites and analyze their specific diversity pages and other diversity-related content. Company web sites are used because these web sites serve an important public relations function and are easily accessible. Scholars in the discipline have discussed the potential for public relations and the Internet (Hallahan, 2004; McAllister-Spooner, 2009). Hallahan (2004) argued that the Internet has changed, dramatically, the ways that practitioners “distribute information, interact with key publics, deal with crises and manage issues” (p. 255). Because of the increased importance and visibility of the Internet to organizations’ strategic management efforts, an analysis of organizational web sites allows us to gauge the public relations diversity initiatives that organizations have or do not have in place and/or public statements about their commitment or lack thereof to diversity. Moreover, Holtz (2002) opined that corporate communicators believe that the Internet is one of the most promising public relations tools available to them in defending organizational interests – including reputations.

In addition to corporate web sites and their diversity pages, we searched the Web and published news reports for statements the organizations might have made in defense of their actions as well as for statements from individuals and/or collectivities speaking against these corporations and their actions.

The Case of Two Diversity Missteps

Lowe’s

The only public statement by Lowe’s on diversity and inclusion can be found under its Social Responsibility web page. In this 318-word statement, they claim that “Lowe’s is committed to treating each customer, employee, community, investor and vendor with respect and dignity” (Lowe’s, 2011a, para. 2). They have a Diversity Advisory Council as well as Diversity Leadership Teams who regularly meet to evaluate diversity and inclusion initiatives. They describe their supplier diversity program and commitment to equal opportunity employment, claiming that their “inclusive work force helps provide our diverse customer base with the products and services they need” (Lowe’s, 2011a, para. 4). Interestingly, they claim that their diverse workforce is what ensures an inclusive environment for customers of diverse cultures. They say, “Recruiting, developing and retaining a diverse work force ensures a welcoming customer experience” (Lowe’s, 2011a, para. 1). That begs the question, is commitment to a diverse and inclusive workplace enough to develop a positive relationship with diverse customers?

Lowe’s has a history of discrimination lawsuits filed by the U.S. Equal Employment Opportunity Commission (EEOC). In August 2009, Lowe’s paid a $1.7 million settlement to three female employees from Washington who experienced “rampant sexual harassment” over a six-month period. The harassment included repeated acts of “physical and verbal abuse which culminated in one instance of sexual assault” (EEOC, 2009). In addition to the monetary payment, Lowe’s agreed to provide sexual harassment training to all managers in the region. In September 2011, Lowe’s paid a $120,000 settlement to an employee in Tennessee who was forced to work on the Sabbath, a violation of his sincerely held religious belief. In addition to the payment, Lowe’s had to amend its human resources management guide to include a statement on religious bias, and had to provide discrimination awareness training to all managers in the region (EEOC, 2011a).

In December of 2011, their commitment to diversity was tested yet again. Lowe’s caved to pressure from the Florida Family Association (FFA) and pulled its advertising for the TLC reality TV show “All-American Muslim.” The FFA, whose mission is to “educate people
on what they can do to defend, protect and promote traditional, biblical values” (FFA, 2011a), mounted a full-scale campaign to get corporations to pull their advertising from the program, as the show misled Americans into believing that Muslims were just “ordinary folks.” The FFA accused the show of deception because it did not feature any of the “many Islamic believers whose agenda poses a clear and present danger to liberties and traditional values that the majority of Americans cherish” (FFA, 2011b). According to DiversityInc.com, only Lowe’s and Kayak.com succumbed to the FFA campaign (“Lowe’s Muslim publicity,” 2011). In the days that followed, word spread about the advertisements that were pulled from All-American Muslim, and a public firestorm erupted. While some lauded the company for taking a stand against the show, many were outraged.

On Saturday, December 10, 2011, Lowe’s published a statement on their official Facebook page, explaining their decision to distance themselves from All-American Muslim. They said,

> Individuals and groups have strong political and societal views on this topic, and this program became a lightning [sic] rod for many of those views. . . . As a result we did pull our advertising on this program. We believe it is best to respectfully defer to communities, individuals and groups to discuss and consider such issues of importance. (Collins, 2011, para. 3)

This post spurred over 28,000 comments on their Facebook page in the next four days, many of which were bigoted, hate-filled rants against Muslims, and Lowe’s neither responded to the bigotry nor did they remove the offensive comments from the page. Their silence was deafening, and the Council on American-Islamic Relations (CAIR) publicly wondered if Lowe’s was intentionally leaving up the hate-filled anti-Muslim rhetoric because they supported it (“Lowe’s Muslim publicity,” 2011). Finally, on Wednesday, December 14, Lowe’s took down their original Facebook post about the advertisements and all the related comments. They put up a new post that apologized to anyone who was offended by their original business decision or the offensive comments that people left on Lowe’s Facebook page. They explained that, “out of respect for the transparency of social media, we let the debate continue. However, we have seen a large volume of comments become more pointed and hateful. As a result, we have taken the step of removing all previous posts and will more tightly filter future comments on this topic” (Lowe’s, 2011b). As of December 22, 2011, there were almost 14,000 comments under that Facebook post, many of which voiced support for Lowe’s and their decision to pull the ads.

As DiversityInc.com points out, their weak position on diversity and inclusion (as reflected in their brief and vague statement on Lowe’s web site) could have caused this latest PR mess: “by having no demonstrable understanding of diversity management practices and no stated clarity on its own values, Lowe’s was incapable of making good decisions. By bending to a hate group (the Florida Family Association), Lowe’s became their ally” (“Lowe’s Muslim publicity,” 2011, para. 13). In addition to the public scolding by CAIR, Rep. Keith Ellison (the first Muslim elected to Congress), Rep. John Conyers (MI), Senator Ted Lieu (CA), actress Mia Farrow, and organizations like Muslim-Matters.org all expressed their disagreement with the store’s decision and some called for boycotts of Lowe’s.

**Abercrombie & Fitch**

At Abercrombie & Fitch (A&F), exclusion is institutionalized. The multibillion dollar clothing retailer is open about its policy to only hire good-looking young people to be salesclerks (or “models,” as they are called at A&F). On their corporate web page, the job description for “models” reads: “Models protect and project the image of the brand through personal style, providing customer service and maintaining presentation standards” (Abercrombie & Fitch, 2011b, para. 1). To its credit, A&F does include “diversity awareness” as one
of the traits they look for in a model. Others include “Sophistication, aspiration, sense of style . . . integrity, applied learning, outgoing personality and communication skills” (Abercrombie & Fitch, 2011b, para. 2). A&F has a corporate “look book” that explains what new sales representatives should look like, and they require that managers send in mug shots of their new hires for corporate’s approval (Edwards, 2003). A writer for The Times of London, who was invited to visit the corporate headquarters in Ohio, called A&F “the Fourth Reich in flip-flops” (Collard, 2003). This exclusion is strategic and is central to the brand, according to the A&F CEO, Mike Jeffries. After interviewing him, one reporter put it this way: “As far as Jeffries is concerned, America’s unattractive, overweight or otherwise undesirable teens can shop elsewhere” (Danizet-Lewis, 2006, para. 23).

When the CEO was asked if the company’s practice of hiring people based on their “style” was exclusionary, he defended his position: “If I exclude people, absolutely, [I’m] delighted to do so” (Edwards, 2003). In 2006, Jeffries elaborated on this position when he told a writer from Salon.com,

> We go after the cool kids. We go after the attractive all-American kid with a great attitude and a lot of friends. A lot of people don’t belong [in our clothes], and they can’t belong. Are we exclusionary? Absolutely. Those companies that are in trouble are trying to target everybody: young, old, fat, skinny. But then you become totally vanilla. You don’t alienate anybody, but you don’t excite anybody, either. (Danizet-Lewis, 2006, para. 23)

The same writer asked him about the company’s notoriously offensive T-shirt designs (including shirts that read “Who Needs a Brain When You Have These?,” “Gentlemen Prefer Tig Ol’ Bitties,” and “Do I Make You Look Fat?”). Jeffries replied, “Listen, do we go too far sometimes? Absolutely. But we push the envelope, and we try to be funny, and we try to stay authentic and relevant to our target customer. I really don’t care what anyone other than our target customer thinks” (Danizet-Lewis, 2006, para. 36).

In 2004, a group of nine former employees or job applicants (all minorities) won a $50 million settlement against the company, arguing that they were either denied employment or they were forced to work in the stockroom or take night shifts because they did not fit the “Abercrombie look” (EEOC, 2004). As part of the settlement, A&F agreed to hire and promote women and minorities into managerial positions. They agreed to hire a vice president for diversity, provide diversity training to all managers, and agreed to ensure that its web site and marketing materials would reflect diversity. In a statement about the settlement, the EEOC stated, “The retail industry and other industries need to know that businesses cannot discriminate against individuals under the auspice of a marketing strategy or a particular ‘look’” (EEOC, 2004, para. 5).

While the company is openly committed to only hiring “stylish” people, they do have (likely as a result of this EEOC lawsuit settlement) a page on their “Careers” web site that is devoted to diversity. On that page, under the heading “Measurement and Accountability,” they tout these accomplishments.

Since the start of the initiative, we have seen marked improvement in the diversity of our in-store staff. We continue to work at this and other aspects of our initiative, but here are a few key facts as of April 30th, 2010 that we are proud of.

- Our in-store workforce, as a whole is 50.22% people of color
- Our in-store models are 48.44% people of color
- Our in-store managers-in-training are 41.04% people of color (Abercrombie & Fitch, 2011a, para.1)

Based on this statement, and the adjacent photo stream of extremely attractive ethnically diverse young people, one can only assume that diversity at A&F is limited to racial diversity.
Conclusion

As the earlier discussed corporate cases demonstrate, the damage to reputation sustained by companies embroiled in diversity scandals is inconsistent. Deloitte was able to right their ship, and learn valuable lessons about the interests and expectations of its employees. Deloitte’s Top 10 rank on DiversityInc (2011) Top 50 Companies for Diversity list is a testament to how a company can work diligently to change its culture, and will reap the benefits of that hard work. Lowe’s could take a page from the Deloitte playbook, as they do not appear to have learned much yet from their diversity scandals and lawsuits. If the thousands of people who signed petitions asking Lowe’s to reverse their decision or vowed to boycott the store, actually stopped shopping at Lowe’s, their cultural insensitivity could have major financial repercussions. Shoppers in need of home improvement supplies have other options (Home Depot, Ace Hardware, etc.), and the zero-sum game of retail means that Lowe’s competitors will quickly profit off their angry customers.

The target audiences of Lowe’s and A&F are very different. This difference in markets could explain why A&F, despite a record of diversity problems that puts Lowe’s to shame, does not seem to absorb the impact of any of its numerous EEOC lawsuits. While some of A&F’s monetary settlements have been expensive, and millions of dollars in settlements can certainly have an effect on the bottom line, the lack of an organized public protest against the company’s openly discriminatory practices is fascinating. The people who hate what the A&F brand stands for and are sensitive to discrimination issues were probably not going to shop at A&F in the first place. As we hypothesized earlier, A&F targets kids who want to be cool, stylish, and to belong. Kids who want to be cool and belong (perhaps the majority of young adults) typically will not protest the store that sells coolness. Those who feel the clothes are not made for them will feel a sense of shame in not fitting in (literally and figuratively), and
they will not be inclined to admit that they have been excluded.

Future studies could be done on the different strategies that companies use to repair their images after they have lost a discrimination lawsuit. On December 21, 2011, Bank of America (BoA) agreed to pay $335 million to settle allegations that its subsidiary, Countrywide Financial, discriminated against minority homebuyers by charging them higher interest and higher fees than white customers with comparable credit scores and incomes. The discriminatory lending took place when the housing market was at its peak and before BoA acquired Countrywide in January of 2008. Despite Countrywide’s discriminatory practices, BoA was ranked eleventh on the DiversityInc (2011) Top 50 Companies for Diversity. This ranking underscores the success BoA has had in distancing itself from Countrywide’s questionable practices, and at the same time using the lawsuit as a platform from which to remind people of BoA’s commitment to diversity issues. Currently, the BoA website features a number of pages that tout its commitment to diversity. They are currently expanding their outreach to help customers at risk for foreclosure (Bank of America, 2011c), and in August of 2011, they announced a number of initiatives that would preserve affordable housing in underserved communities (Bank of America, 2011b). And not coincidentally, they also released their first corporate social responsibility report in July of 2011 (Bank of America, 2011a). When the $335 million settlement was announced and the media put BoA and “discriminatory lending” in the same headlines, a BoA spokesperson took that opportunity to remind the public that Countrywide’s discriminatory loans happened prior to BoA’s acquisition of the company. He also stressed that BoA is “committed to fair and equal treatment of all our customers, and will continue to focus on doing what’s right for our customers, clients and communities. . . . We discontinued Countrywide products and practices that were not in keeping with our commitment” (Savage, 2011, para. 6). This is a great example of a company that used a potentially damaging PR crisis as an opportunity to highlight what the company stands for and to strengthen its public commitment to diversity.

Although race has been considered one of the most pressing social issues of the day—especially in public relations research and scholarship (Waymer, 2010)—those with their eyes on the horizon of workplace diversity issues have predicted the diversity-issue trends that we should expect. Phil Harlow, the Chief Diversity Officer at Xerox, believes that sexual orientation and religion will emerge as key areas for companies to manage (Whitelaw, 2010). He adds, “The issues and sensitivity associated with the gay and lesbian community will be picking up increased momentum in the next few years when it comes to expectations and putting systems in place to support the sensitivities those groups have” (para. 15). In 2010, the International Herald Tribune reported that a record number of lawsuits are being filed on behalf of Muslims who are experiencing discrimination at the workplace. From 2005 to 2009, Muslims’ complaints of hostility in the workplace jumped 60% (Greenhouse, 2010). The A&F lawsuit previously discussed is not an isolated case. Hertz, for example, was sued by Muslim employees for religious discrimination. Hertz claims that the employees were fired because they did not clock out when they went to midday prayers, but the employees claim that their labor contract did not require them to clock out and coworkers were not required to clock out when they took smoke breaks (Myers, 2011).

As Coombs (1999) argued, crises are predictable yet untimely events—meaning that it is not a question of if a crisis is going to befall an organization but rather when. Although much research has been conducted on crisis communication and management, far less research has looked at crises and diversity matters. Scholars and corporations alike concerned with reputation would be negligent if they do not take matters of diversity seriously. Organizations would be prudent to conduct social audits to determine the vulnerability of their image and reputation regarding issues/challenges/crises of diversity that could emerge or should they
arise. This chapter demonstrates that in some cases, proactive measures for encountering diverse publics are not only needed but warranted. If reputation management is as important as practitioners and scholars alike articulate, then it is paramount that we collectively continue to seek understanding as to the ways that reputation can be studied, managed, built, maintained, enhanced, or damaged.

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