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Dialogue, Discourse Ethics, and Disney

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Scholars suggest that public relations research is moving away from or beyond J. Grunig and L. Grunig's (e.g., 1992) well-known and much-discussed symmetrical model of public relations and toward cocreational models (Botan & Taylor, 2004). In particular, they suggest that dialogic theories, processes, and procedures best define the study and practice of public relations. One of the first to discuss dialogue, Pearson (1989b), argued that "the goal of public relations is to manage these communication systems such that they come as close as possible to the standards deduced from the idea of dialogue" (p. 128).

His untimely death kept him from further pursuing his standards of dialogue, but his writings make the worth of the pursuit clear:

The important question becomes, not what action or policy is more right than another (a question that is usually posed as a monologue), but what kind of communication system maximizes

the chances competing interests can discover some shared ground and be transformed or transcended.

(Pearson, 1989a,p. 206)

The idea of maximizing participation of all competing voices runs parallel to Jurgen Habermas's theory of communicative action and the resulting discourse ethics as has been mentioned by communication scholars, including Pearson (1989b) (see also, Kent & Taylor, 1998; Leeper, 1996; Meisenbach, 2006). Continuing interest in Habermas's theories can assist scholars in the pursuit of dialogic standards. In that tradition, we seek to develop Habermas's (1990, 1993) concept and procedure of discourse ethics as one such standard for dialogic public relations.

Leeper (1996) and Meisenbach (2006) offered entry points into the dialogic potential of public relations by employing Habermas's discourse ethics. Despite these and other theoretical discussions (e.g., Kent & Taylor, 2002), actual examples of dialogic public relations are very difficult to find. The question remains then, what obstacles prevent organizations from enacting a truly dialogic model of public relations and further what might that model look like?

We begin by discussing recent public relations research on the developing dialogic roles of publics and review relevant concepts of Habermas's communicative action and discourse ethics. We then consider these issues and methods in relation to a recent corporate controversy between the Walt Disney Company and the shareholder-focused revolt known as the Save Disney campaign. We apply Habermas's (1990,1993, see also Leeper, 1996; Meisenbach, 2006) concept and procedure of discourse ethics as a standard for dialogic public relations, using it to analyze the successes and failures of the rhetorical moves made by both the Walt Disney Company and Save Disney campaign from 2002 to 2005. This case provides an opportunity to identify obstacles, opportunities, and strategies for enacting discourse ethics within dialogic public relations practice.

Publics and Dialogue

Public relations scholars are reconceptualizing publics with increasing frequency. First, there are the progressively more blurred lines between individual and organizational rhetors (Cheney & McMillan, 1990; Crable, 1990). In addition, Botan and Taylor (2004) pointed out that early public relations scholarship took a functional approach to publics, viewing them as a means for achieving an organization's goals. However, they noted a turn in the research toward a cocreational perspective of organization-public relations (e.g., Leitch & Neilson, 2001). Publics in this sense are not passive recipients of public relations strategies, but are active and engaged "as producers and reproducers of the community of discourse" (Chay-Nemeth, 2001, p. 2).

Vasquez and Taylor (2001) provided additional direction for how scholars might begin to advance the ways in which publics are addressed. Publics should be framed as rhetorical communities. This perspective brings a communicative framework to the forefront, viewing "a public as a rhetorical community that emerges over time through communication interactions such that a group consciousness is developed around an issue or a concern" (Vasquez & Taylor, 2001, p. 147; see also Springston & Keyton, 2001). The public envisioned here also parallels what Botan and Taylor (2004) referred to as a cocreational public that is actively involved in a meaning-making process. It suggests a form of public relations that embraces the presence of rhetoric in organization-public relations (R. L. Heath, 2001).

The challenge is to view publics and organizations in a dialogic perspective both theoretically and practically (Botan, 1997; R. L. Heath, 2001). Because of difficulty of the difficulty of operationalizing dialogue, most research fails to incorporate a sense of the back and forth between organizations and publics. Many public relations studies focus on how the organization defends itself against challenges with very little consideration of the rhetorical positions of publics, except as obstacles that must be overcome (e.g., L. Grunig, 1992). On the other side is activist research, which has focused primarily on the rhetoric of the non-organizational challengers (e.g., Reber & Berger, 2005). Scholars are still looking for integrated considerations of the rhetoric of

both sides, and how that can or fails to engage in dialogic consideration of the contested issues (Edwards, 2006). Perhaps, the best example of this kind of work is found in Brimeyer, Eaker, and Clair's (2004) study of the agitation and control typologies present in a labor union and employing company's rhetoric during a crisis. However, they focused on classifying the strategies of each party rather than on defining the connections between them or the procedure through which they sought to persuade each other. So while public relations scholars recognize the need for a dialogic perspective (R. L. Heath, 2001; Pearson, 1989a, 1989b), most research in the area has failed to examine what this dialogue might look like in practice. We turn to discourse ethics as a way of seeing and understanding public relations dialogue in action.

Communicative Action and Dialogue

Habermas's promotion of communicative action as a process in which all stakeholders have access to public deliberation resonates with calls for dialogic public communication. Because of the complexity and value of Habermas's work for pursuing and understanding dialogue in public relations, we first provide an introduction to his communicative action and then explore how communicative action provides for his theory of discourse ethics.

Habermas's (1984, 1987) theory of communicative action focuses on how people act within the lifeworld, which is the context and background of meaning that humans inherit through culture and which defines how they see the world. The lifeworld comprises three rationalization structures: personality, culture, and society. Each rationality represents a divergent way of seeing and making sense of the lifeworld, and Habermas argued that all three structures of rationality should be maintained and balanced in modern society. Personal rationality addresses internal concerns, how we talk to ourselves. Cultural rationality focuses on social concerns that are publicly considered, while societal rationality circumvents discussion and is driven by forces of power and profit.

Habermas's discussion of societal and cultural rationalities leads to his discourse ethics. Stemming from modern society's increasing bureaucratization, societal rationality's forces of power and profit

problematically dominate or colonize the lifeworld. Whereas cultural rationality entails open discussion and debate about claims, societal or system rationality does not involve this type of discussion; it sidesteps discussion. Often today's corporations employ a form of societal rationality and bypass public deliberation of issues and decisions that publics believe they should be involved in discussing. That is, publics often call for the type of debate entailed in communicative action while corporations ignore this call (see Deetz, 1992).

In contrast to the corporate tendency toward societal rationality, Habermas focused on and promoted cultural rationality developed through communicative action. Habermas (1984) defined communicative action as "the type of interaction in which *all* participants harmonize their individual plans of action with one another and thus pursue their illocutionary aims *without reservation*" (p. 294). Furthermore, communicative action is based on the debate of criticizable validity claims.

The bases of validity claims include: the truth, normative rightness, and sincerity of the claim being made (Habermas, 1984). In communicative action the publics must be able to take a stance of yes or no in relation to these claims and judge to what extent they see the speaker's statement as true, right, and sincere. First, claims are judged by whether they are true or untrue, that is, a speaker asserts and a listener may challenge whether a statement is true. In addition to the truth or falsity of statements, validity of claims is also judged by rightness. In other words, by saying some statement *p*, the speaker asserts that "It is right that *p*" (1987). Finally, the validity of claims is judged by the standard of sincerity. These claims to sincerity address "the truthfulness that the speaker claims for expression of a subjective experience to which he has privileged access" (1984, p. 309). Judging this claim requires knowledge of the speaker's intention (J. Heath, 2001), which participants judge by available contextual information.

Habermas (1990) argued that all three validity claims are present in every utterance. Every time a speaker makes an utterance within the framework of cultural rationality, she wants the audience to accept the truth, rightness, and sincerity of her statement. As Meisenbach (2006) noted:

The appealing suggestion of the copresence of the validity claims is that the truth or falsity of a statement does not stand separate from its rightness and sincerity. If I say, "I give money to the United Way," I am arguing (cognitively) that it is true that I donate money to the United Way. On a moral level, I am also claiming that donating to the United Way is right or just in this situation and that it is ethical for me to present such an argument. Finally, I am claiming on the aesthetic level to be truthful or sincere (rather than sarcastic or contradictory to my other statements and actions) in my utterance. All three claims are present in my utterance, ready to be defended. (p.42)

Thus, truth, rightness, and sincerity of utterances remain necessarily connected and ideally are considered together. When placed in the context of public relations, if they discuss their claims at all, corporations often limit themselves to focusing on the truth or falsity of their claims, while overlooking discussion of whether the utterance promotes something good or is sincerely offered. It is worthy of mention that consideration of the truth and rightness validity claims is very similar to how the issues management literature (e.g., R. L. Heath, 1997) considers gaps in organization-public perceptions of questions of fact and value relating to issues. In addition, the third validity claim, sincerity, can be linked to discussions of the management of credibility or ethos. Habermas argues that these three points of contest are simultaneously part of decisions about whether to accept the policy suggested by an utterance.

While believing that this debate of validity claims occurs via communicative action, Habermas argued that one of the primary reasons that communicative action is disrupted is the colonization of the lifeworld. This colonization occurs when the non-discursive steering mechanisms of profit and power the cultural rationality value spheres, corrupting and halting the process of communicative action. This stance is distinct from R. L. Heath's (2001) suggestion that a process of statement and counterstatement will continue after the introduction of a profit motive. Habermas suggests that the introduction of a societal rationality statement into public discourse is colonizing because it short-circuits the debate of validity claims, leading to automatic support for whatever action enhances efficiency and profit. Societal rationality stops the conversation. For example, in the

colonized lifeworld, if someone offers free computers for every student at a university, the university would automatically accept the gift because doing so fits the profit steering mechanism. The lack of discussion means that questions about whether students need the same computers, what impact the computers will have on education, or how the university might become obligated to the donor will not be considered; communicative action is bypassed.

For Habermas, the goal is not to eliminate societal rationality. Rather, a balance between cultural and societal rationality is needed. Within today's modern corporations, tendencies toward societal rationality are strong. In particular, public relations practice, which seems geared toward the promotion of cultural rationality, mutual understanding, and agreement, is often stymied by the profit and power motives of today's corporate culture.¹ However, in an age of increasingly stronger calls for corporate social responsibility, organizations should attend to their roles as a part of both the societal (i.e., profit making centers) and the cultural (i.e., socially responsible entities) spheres.

Habermas's discourse ethics can be seen as an attempt to keep societal rationality and its nondiscursive steering mechanisms of power and money in check. This perspective can guide organizations toward dialogic public relations and help scholars and practitioners understand how publics react to the actions and statements of organizations.

Discourse Ethics

Habermas's (1990, 1993, 1996) discourse ethics outlines a procedure for moral deliberation based on his Principle of Universalization (Principle U), which states that all affected by an utterance can accept those consequences. Leeper (1996) pursued discourse ethics as an alternative to the relativism of the situational perspective in public relations. He discussed how Habermas's conceptualization of the ideal speech situation and validity claims could be used to generate codes of ethics for public relations practitioners. He concluded that Habermas's work could be used to both evaluate and guide public relations practices. However, while providing an excellent background on the antecedents to discourse ethics, Leeper's

work did not fully address the procedural implications of Habermas's development of Principle U.

Meisenbach (2006) explicated the implications of discourse ethics for scholars by breaking down Principle U into five practical steps:

1. identify an utterance for deliberation,
2. identify all stakeholders who would be affected by the implementation of this utterance,
3. articulate the utterance to all identified as affected,
4. discursively debate among affected parties the consequences and value of the utterance, and
5. form judgment of the validity and acceptability of the proposed utterance.

These steps are presented as the procedure for enacting Habermas's discourse ethics and thus as a framework for assessing the rhetorical moves of organizations and publics.

Through this discourse ethics procedure, various norms and individual ethical standards are established, challenged, and altered. The universal aspect of Principle U in fact suggests that this procedure occurs universally and naturally, regardless of culture or willingness of individual participants. As such it means that even when a particular organization resists the procedure or skips steps in it, that as long as societal rationality has not completely eliminated cultural rationality then Principle U is salient. If concerns of corporate responsibility and accountability to shareholders belong to the realm of cultural rationality, this means that even when organizations choose to ignore these steps they remain relevant terms of debate.

Meisenbach (2006) used this procedure as an analytical framework for understanding and assessing public resistance to the American Red Cross's (ARC) establishment and use of the Liberty Fund after the terrorist attacks in 2001. She found that while the ARC had violated (skipped some of) the steps inherent in Principle U, publics

still followed the procedure and criticized the ARC's private decision about handling the funds. This example focused on the relevance of the principle to the rhetoric of a non-profit organization. Because of its universality, discourse ethics has much explanatory and analytical potential for those interested in understanding and assessing relations among publics and all kinds of organizations. To demonstrate and expand this potential, we examine how the policies and practices of the Walt Disney Company (WDC) were challenged first by internal board members and then by an ad hoc activist organization known as Save Disney. Specifically, we analyze the relevant and accessible rhetoric from these parties from 2002 to 2005 seeking their enactment and/or denial of a discourse ethics procedure.

The Bid to Save Disney: The Case of the Save Disney Campaign

Many people have long been fascinated by the operations and seeming magic that is the Walt Disney Company (WDC) empire. The company and its trademark characters are known worldwide. WDC is the second largest media and entertainment company in the world: Its enterprises include its theme parks, movie and television studios, and consumer products (Hoover's, 2007). In 2006, the company had over 130,000 employees, nearly one million shareholders, and revenues in excess of \$34 billion (Hoover's, 2007; Walt Disney Company, 2006a, 2006b). The "magic" that surrounds the company's history and current operations explains why this organization garners worldwide interest.

Many have tried to capture the lore of Disney through narratives of the company's history and biographies about its leaders. Beyond telling the story of Disney, business, sociology, media, and organizational communication scholars have long been interested in Walt Disney (the founder) and the WDC. Much of the scholarly work analyzes the content of the movies and characters produced by the company (e.g. Hoerrner, 1996; Lacroix, 2004). Other work addresses the mythology of the company and juxtaposes the constructed story of Walt Disney and the magical company that he created with the "reality" of the man and the company's existence (Boje, 1995; Wasko, 2001). These investigations address what Disney means in society.

Disney's magical culture is a large part of the success of the larger organization. However, efforts to create and preserve magic are juxtaposed with the practices needed to maintain profitability. Smith and Eisenberg (1987) analyzed the specific communicative practices and metaphors tied to the company's culture as they addressed how WDC management and employees created and negotiated a conflict during the 1980s at the southern California theme park, Disneyland. The authors highlighted the degree to which management's focus on the need to cut corners conflicted with employee desires to retain the family focus of the company. Specifically the connotations of the family metaphor in the WDC culture (primarily articulated by employees) conflicted with the profit and efficiency focused needs associated with the drama metaphor (primarily used by management). The authors did not focus on the ways in which this conflict exemplifies the tension that Habermas highlighted between the system and the other spheres of the lifeworld. However, such a parallel exists and could be explored further.

Disney's challenge of maintaining a balance between societal and cultural rationality is highlighted in the shareholder-driven revolt known as the Save Disney campaign. While this particular campaign and the events surrounding it brought these issues to light, the culture of the WDC had already created the conditions for these problems. In what follows, we outline the communicative stance adopted by the company leading up to the campaign and analyze the particular rhetorical strategies employed by the WDC and the managers of the Save Disney campaign. In so doing, we seek to identify both moments in which the principle of discourse ethics was employed and those in which opportunities for engaging in dialogue were missed.

Analyzing the WDC/Save Disney Dialogue

In this analysis we focus on how the rhetoric of the WDC and Save Disney campaign seeks, denies, and contributes to dialogue, specifically comparing it to a discourse ethics procedure. We begin with the WDC culture and rhetoric just prior to the formation of the Save Disney campaign, focusing on how it relates to dialogue and discourse ethics.

Disney's Corporate Culture of (Non) Dialogue

To understand the goals and strategies of the Save Disney campaign, it is helpful to first understand the communicative culture at the WDC. The board of directors at the WDC had a history of limiting open discussion of company practices long before Save Disney began (see Smith & Eisenberg, 1987). The analysis that follows suggests that similar issues affected the board of directors of the WDC in the 1990s and beyond.

In the 1990s, two WDC board members, Roy Disney, Walt Disney's nephew, and Stanley Gold, Roy's lawyer and friend, began to challenge the decision-making processes of the board and particularly the leadership of Michael Eisner, WDC CEO and chair of the board. According to Stewart (2005), for several years Roy and Gold felt that their verbally expressed concerns had been ignored. Both men had spoken directly to Eisner about their concerns and tried unsuccessfully to remind him of a promise he had allegedly made in the 1980s that he would step down if the two men ever questioned that he was still right for the job. In 2002, Gold began sending letters to the board members expressing the same concerns.

In August 2002, Gold wrote a letter to fellow board member Ray Watson who had been quoted in a news article suggesting that the whole board supported Eisner. Gold, who recently had been harshly reprimanded by Eisner for allegedly talking to the media himself (an accusation Gold vehemently denied), wrote:

We, the Directors, are guilty of not discussing the real issues affecting the company. We have not fully and critically addressed the failed plans of our executives or the broken promises that management has made to the Board and the shareholders... We are too polite, too concerned with hurting each other's feelings, when our real job is (a) to protect the shareholders and (b) to coalesce around a management team and a plan that we believe will get us out of our current malaise.

(quoted in Stewart, 2005, p. 404)

Gold was arguing that the board was guilty of squashing dissent and ignoring problems.

Board members and investors began challenging Gold over allegations that he had been taking his grievances to the press, that is, to those outside of the WDC board of directors. The day after Gold spoke with a *New York Times* reporter (after gaining Eisner's permission to do so) influential investor Sid Bass wrote a letter Gold and copied it to all of the board members:

every board member has a fiduciary duty not to make statements to investors, investment bankers, and the press which will damage the company...I am not addressing the merits of either side of a debate, but how a debate is properly waged...you must play by the rules or step down.

(as cited in Stewart, 2005, pp. 406-407)

Bass's words make clear that the norms inside WDC promoted a very narrow definition of acceptable debate, much less dialogue. The assumption was that the only appropriate place for debating the management of the Company was the boardroom. Bass's letter also suggested that board members are not supposed to share any negative information, even with the shareholders. In a response to Bass, Gold argued: "The problem at the Walt Disney Company is not Stanley Gold, it is not leaks (real or imagined) or unprofessional conduct, but instead it is poor performance, lack of credibility and accountability and poor capital allocation" (p. 408). This statement sums up the arguments and utterances that Gold and Roy had been trying to present to the board and became the cornerstone of the Save Disney campaign that was to come.

Amidst this contentious communicative environment, a September 2002 board meeting loomed. Gold continued to try to generate support for his stance. Gold's arguments centered on his contention that the CEO was not providing even the board with all of the financial information it needed to make responsible decisions in the interest of shareholders. So at the September board meeting, Gold formally presented his case. However, there was no discussion afterward, and his subsequent request to call for a vote on whether to hire outside consultants to better assess the situation was resisted and

tabled. At the same meeting, Eisner presented his own action plan and urged a unanimous vote of support for the plan to show board unity to the outside world. Roy refused and that vote was also tabled to avoid formalizing the board's split to outsiders. The "decisions" to avoid making decisions appeared to be a norm and established a culture that clearly violated the discourse ethics procedure. In a letter of April 3, 2003 to director George Mitchell (copied to all directors) Gold challenged this procedural issue, saying: "I fear that our inability to discuss difficult problems and make hard decisions is an abdication of our fiduciary duty" (as cited in Stewart, 2005, p. 431). But such statements made little difference.

The issue came to a head in November 2003, when a board member met with Roy to tell him that the board members had decided that he would not be renominated to the board. In response, Roy resigned from the board and his position in animation. Gold resigned soon afterward and his resignation letter, posted on the original December 2003 Save Disney website, noted that the decision to remove Roy from the board was "yet another attempt by this board to squelch dissent by hiding behind the veil of 'good governance.' What a curious result." He also questioned the recent WDC policy "barring board members from communicating with shareholders and the media" and suggested that by acting "independently" perhaps "I can have greater success in shaping the policies, practices and operations of [WDC] than I had as a member of the board." Eisner reportedly did not consider Roy and Gold to be a great threat; however, history proved him wrong because these events led to Roy and Gold launching the ad hoc organization and Internet-based activist campaign known as Save Disney.

The Save Disney campaign is interesting not only for its magnitude and unique approach, but in this context it marks a turning point in how WDC issues are discussed. Of interest here is a turn from practices that clearly violated discourse ethics procedures by preventing open debate to interaction that allowed space for the rhetorical arguments of multiple stakeholders. It is this turn that is the focus of the rest of this analysis.

Save Disney's Contribution to Dialogue

While the Save Disney campaign used multiple tools, including an email list-serv and in-person visits to proxy services, the focal point of the campaign was a website launched in December 2003. The original website was very simple, with a one-paragraph introduction and links to Roy's and Gold's resignation letters along with a thank you message/explanation from Roy to all Disney cast members.² A disclaimer at the bottom of the page noted: "This website has been established to provide a forum for discussing, analyzing and critiquing the performance, direction, and management of The Walt Disney Company." In contrast to the culture of the board, which served to stifle discussion and debate, Roy and Gold were creating a forum through which they could share and debate existing WDC communication as well as their own communication that had been silenced by the Disney board. Thus, Roy and Gold reasserted the need for the WDC to engage in dialogue.

In early January 2004, Roy and Gold introduced a more sophisticated website. There, they laid out the primary goal of the campaign. This stated goal represents the central utterance and first step in the discourse ethics procedure that we focus on for the remainder of this analysis (see Table 13.1). In a letter on January 27, 2004, they urged shareholders to vote "NO on the reelection of Michael Eisner, George Mitchell, Judith Estrin, and John Bryson as directors," because "they symbolize, respectively, the poor management, poor governance, poor compensation practices, and lack of board independence that are impeding the development of long-term shareholder value at The Walt Disney Company." This was the same goal Roy and Gold worked to achieve from within the board.

The launch of the Save Disney campaign represented a new opportunity to move through a discourse ethics procedure. Beginning with the selection of the utterance, instead of suggesting an external review of the board's processes, the Save Disney campaign argued for the removal of the individuals who seemed most closely linked to the lack of debate occurring on the board, that is, to the shutting down of a discourse ethics procedure. They then considered all who were being and would be affected by the implementation of this utterance and came up with a broad set of stakeholders. In stark contrast to the

narrowly defined appropriate public as determined by the WDC board, on December 10, 2003, a posting on the site explained that the SaveDisney.com website was "devoted to those concerned about the welfare of The Walt Disney Company and its future direction." Next we turn to how the primary claim was publicly debated.

The Save Disney website actively invited public discussion and participation. It provided colorful graphics, streaming audio and video, extensive links to stories on the company, interactive poll questions, an invitation for any site visitor to join the SaveDisney.com mailing list, personal and frequently updated statements from Roy, and postings of news and commentaries relating to the company from around the world. There were also distinct sections for different categories of stakeholders including: families, consumers, and employees. As such, the website invited participation by company shareholders, but also a wide range of external stakeholder groups. Comments and stories from visitors to the site frequently became highlighted contributions to the website and campaign.

While a wide variety of Disney stakeholders were publicly participating in discussions about the contested practices of the WDC and its leadership via the SaveDisney.com website and its list-serv, finding relevant public discussion and responses from the WDC board and/or Eisner is more challenging. In December 2003, a brief WDC press release announcing new board members was the only official statement that even implied Roy's and Gold's departures. Much more visible were Roy's and Gold's in-person and video-conference presentations of their positions and reasoning to proxy advisory services in early 2004. On February 2nd, they made a particularly important presentation to Institutional Shareholder Services (ISS). Shortly after the presentation, ISS issued a public report questioning WDC's strength and the blending of management and board positions. ISS recommended that shareholders vote "withhold" on Eisner, and that they should wait and see what changes that vote generated in the company before voting no on other board members (Stewart, 2005).

Such moves may have finally prodded the WDC board into entering public discussion of the contested issues. On February 6, 2004, the board of directors issued a statement to shareholders acknowledging and refuting the challenges being generated through

the Save Disney campaign. In addition to highlighting current Disney successes, several lines were devoted to rebutting Save Disney arguments about the poor governance and lack of board independence. However, the overall message of the statement was that Roy and Gold were wrong to be challenging the company: "You may have heard recently about the attack being waged by two former directors against the chief executive officer and certain members of the Board of Directors of your company. You should be disturbed by this attack" (Walt Disney Company, February 6, 2004). The letter went on to characterize Roy's and Gold's actions as "trying to distract the Board and management." These statements from the WDC board highlight the degree to which the board was still operating under the assumptions that dissent was unhelpful and that non-board members had no business trying to engage in debate about company policies. Also, while a response to the Save Disney campaign, these comments do not directly respond to the content of Roy's and Gold's claims. Rather, in their statement, board members were challenging Roy's and Gold's right to make such claims. Couched in the scheme of communicative action, the board was challenging the rightness and sincerity of the Save Disney claims, while leaving alone the issue of the truth of the campaign's statements.

In an open letter to shareholders posted on the SaveDisney.com website on February 12, 2004, Roy and Gold responded to the accusations of being an inappropriate distraction:

We disagree with the Board's attitude that this is not the time for dissent. In our view, open discussion is essential to good corporate governance and the creation of shareholder value, regardless of whether the stock price is up or down. We made every effort as Board members to engage the Board in a constructive dialogue regarding the crucial issues facing Disney in the past few years, when Disney's stock price traded in the teens. Our efforts were deprecated and rebuffed. If it was not the time to challenge management then, and it is not the time to challenge management now, when is the time?

They then restated their position on the WDC: "We believe Disney needs a Board and senior management who will approach difficult issues head-on, after giving careful consideration to disparate points of

view." In contrast with the statements offered by the WDC board, these comments speak directly to the truth, rightness, and sincerity of the board's claim. Roy and Gold addressed the argument that they are not sincere or the appropriate people to address these issues. In part they respond by making an implicit call for a discourse ethics procedure, approaching issues, hearing various stakeholders, and facing them head on. They concluded by saying: "We believe that Disney's current senior management seeks to avoid this type of dialogue and our Board experience has confirmed that the Board is unwilling to pursue this type of exchange." The focus of the Save Disney campaign was the failure of the current leadership; however, in advancing this argument, the campaign managers also asserted the need for dialogue.

The WDC board responded to the Save Disney campaign's efforts with its own letter, on February 17th. The directors argued that the company was on strong financial ground, but did not address any of the challenges about a lack of dialogue on the board. Instead, most of the letter again tried to undermine the credibility of Gold and Roy: "In the face of this significant recovery, it is unfortunate that Stanley Gold and his client Roy Disney persist in waging their distractive propaganda campaign against The Walt Disney Company and its Board of Directors." Under a subheading of "The bottomline for Disney shareholders" the directors declared, "You have every right to be concerned that [Roy and Gold] are putting their own interests ahead of yours." However, nowhere did the board state what Roy's and Gold's interests were or how they might differ from the reader's own interests.

The day before the shareholder meeting on March 2nd, board member Mitchell argued in the *Wall Street Journal* that "The changes we have made have resulted, from our listening. We listened to the concerns that have been expressed about the company and about all of corporate America" (Mitchell, 2004). However, the concerns the board "heard" were about boards that are too large, and lacking independence, diversity, and expertise, and not about the actual leadership of the company. By this time, the Save Disney list serv had approximately 35,000 registered members who received regular email updates from Roy and the campaign (Magill, 2004), but Mitchell did

not directly address the campaign and its claims about WDC leadership.

At the official shareholder meeting, Gold and Roy spoke to 3000 shareholders (Orwall, Steinberg, & Lublin, 2004). Roy reasoned: "We need to install a new management team, one that understands and believes in the enormously valuable legacy that's been entrusted to us." As usual, Gold's rhetoric was harsher: "Let me be clear. No half measures, no excuses, no amount of spinning will be tolerated. Michael Eisner must leave now" (as cited in Stewart, 2005, p. 509).

At the end of the meeting, the initial voting tallies were announced. Whether accidental or not, Stewart (2005) reported that Eisner attempted to adjourn the meeting without announcing any voting results. When attendees chanted "vote, vote," Eisner said, "I almost got away with that, didn't I?" (Ahrens, 2004). While only the initial raw numbers were read at the meeting, according to final official numbers released in April 2004, Michael Eisner had received a no confidence vote from 45.37% of shareholders, and board member George Mitchell received a 25.69% no confidence vote ("Walt Disney Co.," 2004). On the surface, the vote demonstrated a near split. But in the context of the typical full support recorded in shareholder board elections, and the realization that the 45% withhold vote represented the largest withhold vote ever received by a CEO, the will of the oppositional voice was clear.

Later that evening, the WDC issued a press release announcing the decision to separate the positions of CEO and chairman of the company, creating a new position of Chairman of the Board, to which George Mitchell was appointed (Walt Disney Company, March 3, 2004). This move did not end the disagreements among the company stakeholders, but it was a catalyst for significant changes in WDC governance over the ensuing five years. Six months later, Eisner announced he would resign as CEO of the WDC effective September 2006. The Save Disney campaign praised the decision, but argued that the change was not occurring soon enough, and continued to call for Eisner's immediate resignation. At this point, yet another utterance went through the discourse ethics procedure.

Eventually, Eisner agreed to step down in September 2005, and to not seek reelection for his board position in 2006 (Marr, Mangalindan, & Lublin, 2005). Eisner's own choice for his successor, Bob Iger, was appointed as CEO of WDC. After several meetings with Iger in July 2005, the WDC, Roy, and Gold issued a joint statement that they had come to a resolution and the Save Disney campaign would come to an end (Orwall, 2005). Time will tell how much this incident will influence public relations practice at the WDC.

Discourse Ethics Procedure and the Save Disney Campaign

The events and discourse surrounding the Save Disney campaign are intriguing in their own right as a historic and successful challenge to corporate management practice. Beyond this, these events provide a compelling example for considering opportunities and challenges for dialogue between corporations and their stakeholders. This outcome warrants our offering of several generalizations that help define dialogic public relations.

In considering the "Vote No" utterance in the context of the second step (identifying who would be affected by the implementation of this utterance), we have established how the WDC board generated a very narrow assessment of the relevant stakeholders (the board members) and allowed Roy's and Gold's arguments to be shared only with this select group. The board then refused to engage in discussion and debate about the consequences of the utterance even among its members and avoided making a judgment about the utterance, thus straying from the discourse ethics procedure.

The launch of the Save Disney campaign represented an attempt to expand the debate to a wider audience of stakeholders, and consequently, restart the discourse ethics procedure. In stark contrast to the narrowly defined appropriate publics as determined by the WDC board, the Save Disney website was "devoted to those concerned about the welfare of The Walt Disney Company and its future direction" (December 10, 2003 website). The website included comments directed at WDC board members, employees, shareholders, and consumers. The creation of the Save Disney campaign and website allowed Roy and Gold to enact step three (articulating the

utterance to everyone they had identified as potentially affected by it). While the prevailing communication culture of the board was one that stifled debate, the tactics of the Save Disney campaign forced the WDC board members to participate in step three (albeit in limited terms).

The fourth step of the discourse ethics procedure entails debate among the parties about the consequences and value of the utterance. Shareholder concerns were articulated and discussion was allowed. During this fourth step of debate, the conditions of communicative action become most relevant. Communicative action prescribes specific criteria for debate among stakeholders. The statements offered by the campaign and the resulting responses from the WDC represent the bulk of the discussion and debate in this campaign. A focus on the various bases of validity that communicative action entails helps to explain in part the way in which this debate played out. Rather than addressing the truth (factual validity) of the Save Disney claims, the WDC board members focused on the rightness and sincerity of these claims. In contrast, the Save Disney campaign focused on the factual truth of the WDC statements and emphasized the degree to which the board was not being sincere in its communication. The end result is that the two parties were not engaged in productive debate or dialogue.

While the focus here has been on the debate between the Save Disney campaign managers and the WDC board, other stakeholders did participate in this debate. The investor proxy services participated through public statements supporting the Save Disney campaign's advocacy for withholding support for Eisner. Employees, shareholders, and consumers voiced their support for the arguments made by Roy and Gold. However, only direct WDC shareholders could participate in the formal vote about the utterance under consideration.

Finally, the fifth step, forming judgment on the validity and acceptability of the norm, was enacted through the vote at the annual shareholder meeting. The results sent a clear message that many stakeholders believed that Eisner and his fellow board members should be removed, thus supporting the initial claims made by Roy and Gold.

In the end, the arguments of the Save Disney campaign prevailed, but not without a long and difficult fight. The success of the Save Disney campaign can be attributed in part to the degree to which its actions embraced the discourse ethics procedure. While its participation in discussions with the WDC did not always directly address the claims made by the company, it did remain true to the ideal of involving a broad range of stakeholders and allowing for open exchange. This is perhaps the greatest failure and missed opportunity of the WDC. Eisner and the board clearly overlooked the potential impact of such a public dialogue, and as such, participated in the dialogue in a limited sense. It is unclear if outcomes would have been different had the WDC fully participated in the discussion. However, this stands as a missed opportunity for the company. What remains to be seen is if the corporate governance at WDC will now follow a deliberation procedure with its publics that is more in line with discourse ethics.

Discussion

Corporations today are more likely to acknowledge their accountability to their shareholders and the board members who represent them, particularly given the recent corporate scandals. However, the case covered here occurred after the Enron, WorldCom, and Tyco scandals and yet the WDC's CEO, Eisner, appeared to forget that he needed to engage in dialogue even with the company's board members. The blurred lines between internal and external publics also became clear in this case as rhetorical discussions that were originally limited to a very internal locus, eventually became front page news across the country, playing out for both internal and external publics.

What is also significant to note about the events leading up to the campaign is the degree to which the board action parallels Habermas's description of the colonization of the lifeworld and failure to create conditions of communicative action. Board members such as Roy and Gold found that even in their privileged internal company position, when they had an utterance to share, they did not get to decide who the stakeholders in that utterance were (step two), had to seek Eisner's permission before they could share the utterance with most stakeholders (step three), debate of the utterance was often squelched (step four), and judgments of many utterances were not

allowed (step five). According to such accounts, Eisner and the board had created a communicative culture that cut off dialogue. In contrast, Pearson (1989b) argued that "dialogue is a precondition for any legitimate corporate conduct that affects a public of that organization" (p.128).

This case serves as a cautionary tale to managements that might still be inclined not to pursue or even to stop dialogic relations with their publics. Habermas's discourse ethics suggests that even when someone or something attempts to circumvent the procedure, the principle of universalization is just that, universal. The principle and its procedure will be pursued by interlocutors. Just as board members, victims' families, donors, and elected officials found a path to enact a discourse ethics procedure in the Liberty Fund case, so did stakeholders of the Disney company. Once it became clear that presentations of positions and arguments that ran counter to Eisner's would not be entertained or heard, that is, that a process even remotely resembling a procedure of discourse ethics was not in place on the board, Roy and Gold left the boardroom and found an alternative path for enacting a discourse ethics procedure. Thus, the current chapter demonstrates how Principle U plays out in public relations. These days, corporations are increasingly aware of their accountability to a wide range of publics, and further research can explore how a discourse ethics procedure plays out among a wider range of organizational stakeholders. This procedure offers a useful plan for organization–public communication as well as a scholarly tool for assessing such relationships.

It should also be noted that the recent development and impact of the Internet played a significant role in facilitating the discourse ethics procedure in this case, but had both strengths and weaknesses. On the positive side, it clearly allowed Roy and Gold to interact with a wide range of stakeholders. Anyone who could access the Internet and felt a linkage to the WDC, could become a member of the campaign and participate in discussions through the site. However, the Save Disney web team carefully controlled the website and our analysis of the extensive website found only one letter posted from an employee that was mildly critical of the Save Disney stance. It is unclear if voices of opposition to the campaign were censored from or simply were not submitted to the website.

This uncertainty reminds us that while the Save Disney campaign might have been clamoring for more dialogic public relations between the WDC and its publics, the campaign website itself was not a fully dialogic site. It offered a voice for a stance that was not being allowed within the WDC, but didn't provide much divergence on its own pages. While the campaign encouraged debate, only one choice: was advocated on the website. Thus, it took the input from the WDC, the Save Disney campaign, other websites, the formal press, and untold others to generate a truly dialogic space.

This finding points to a final contribution of this case study, which is to highlight the degree to which dialogue exists in a much broader space than previously imagined. Dialogue does not simply entail exchanges between two parties in a single interaction. Rather, it seems in today's ever-changing communication climate that dialogue entails participation from multiple parties, in a variety of forums. Further rhetorically based research could focus on websites that claim to be (and may be) a forum for all sides of an issue. Studies and examples like these can further enhance our understanding, pursuit, and analysis of dialogic public relations.

Notes

1. While some scholars suggest that agreement is the ideal goal of public relations, we suggest that even when agreement is not possible, understanding of divergent positions can still be beneficial for organization–public relations.
2. All Disney employees are known as cast members.

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Appendix

Table 13.1 Steps of Discourse Ethics for the Save Disney Campaign

<i>Steps</i>	<i>Description</i>	<i>Save Disney Case</i>
Step 1	Generate an utterance	"Vote No" on election of Eisner and other board members
Step 2	Identify those potentially affected by the enactment of the utterance	Employees, board members, shareholders, consumers
Step 3	Articulate the utterance to all affected by the utterance	Message communicated via Save Disney website, emails, presentations, and rally
Step 4	All parties discursively debate the consequences and their acceptability	Occurred through website postings, emails, and press releases
Step 5	Judge the validity and acceptability of the proposed utterance	Shareholder vote held at the WDC annual meeting