In this study, we provide a conceptual model for examining ethical leadership in crisis responses from an organizational perception management perspective. To this end, we first examine ethical leadership in sport organizations. Next, we theorize the connection between ethical response to crisis events and organizational perception management, presenting an integrated model of crisis response and repair. We then illustrate how this model might be applied to recent crises within sport organizations. We conclude by providing recommendations and highlighting the practical and theoretical implications of this conceptual framework.

While perceptions of ethical decision making by leaders is extremely crucial for the health of all organizations, the unique visibility of sport organizations accentuates the importance of ethical leadership in sport (Kellison, 2013). Indeed, many sport organizations define their mission through terms of ethics and values to maintain organizational integrity and guide moral behavior of organizational members (DeSensi & Rosenberg, 2010). Within this sport context, scholars have specifically examined leadership (Burton & Peachey, 2009; Charbonneau, Barling, & Kelloway, 2001; Chelladurai & Saleh, 1980; Soucie, 1994) and ethical decision making (Hums, Barr, & Guillion, 1999; Kellison, 2013). However, to date, researchers have yet to highlight the perception management strategies of organization leaders engaged in crisis response.

Leaders must respond to a crisis event, defined as a sudden occurrence that disrupts an organization’s normal operating procedures and threatens perceptions of the organization (Elsbach, 2006; Hargis & Watt, 2010; Seeger, Sellnow, & Ulmer, 1998), by identifying and implementing strategies that address the problem and maintain organizational responsibilities. Strategically balancing duties, such as economic profitability, compliance with existing laws, adhering to ethical norms, and engaging in activities that benefit society (Carroll, 1979), can provide leaders the opportunity to solidify their position as a trusted administrator through public, appropriate action. Alternatively, insufficient action during a crisis event can expose leaders as having questionable motives or ethics, cause constituents to mistrust their leadership, and/or negatively impact the organization’s reputation and brand.

We propose that decision makers may consider several options in response to an organization’s crisis. First, a leader may implement a resolution, an immediate plan to mitigate the direct effects of the crisis event and emphasize the long-term ethical viability of the organization, even to the detriment of short-term financial or competitive success. Alternatively, a leader may choose an organizational response that compounds the crisis. Failing to select an effective course of action to ethically resolve a crisis event may result in escalation, in which the organization’s response insufficiently communicates an organizational ethic in the eyes of stakeholders and the public, thereby creating a second, or compounding, crisis event. In the escalation path, leaders can choose escalation continuance, wherein the organization resists public pressure and does not deviate from the original decision. Conversely, an organization may engage in pacification, wherein leaders reconsider and ultimately retract their original response to an organizational crisis. The reasons for the change often come as a result of criticism from their constituents, politicians, higher-ranking organizational members, and the public at large.

To illustrate this model within sport organizations, we examine several recent incidences. Therein, we inspect: the New England Patriots release of Aaron Hernandez; the University of Nebraska football program’s retention of assistant coach Ron Brown; and Rutgers University’s decisions to suspend, then terminate, men’s basketball coach Mike Rice. To illustrate the severe ramifications associated with compounding crises through (un)ethical responses, Pennsylvania State University’s recent football scandal is analyzed. Such examination will address practical implications of the conceptual model.

Theoretical implications of the model will be assessed as well. For example, this model conceptualizes leadership as a communicative practice (Brown et al., 2005; Mayer et al., 2009), and examines the necessity for considering both in-group and out-group perceptions of organizational responses to crises. As such, this model will add to the
scholarship of ethical leadership in sport, while advancing our understanding of organizational perception management.