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**How Top PR Professionals Handle Hot Air:
Types of Corporate Rumors, their Effects,
and Strategies to Manage them
(Revised)**



A study for
THE INSTITUTE for Public Relations

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How Top PR Professionals Handle Hot Air: Types of Rumors, their Effects, and Strategies to Manage them¹

Executive Summary Seventy-four highly experienced communications and public relations (PR) professionals serving top-level global corporations responded to a survey investigating types of organizational rumors, their prevalence and effects, the effectiveness of management strategies used to handle them, and psychological and situational variables with which they are associated. Results showed that harmful rumors are commonplace. Respondents indicated that organizational rumors about which they are concerned reach their ear almost weekly. The majority of these rumors were internal in nature and were most likely to be about personnel changes, job security, or job satisfaction. External rumors were most likely to consist of hearsay of concern to the general public, such as those rumors affecting the organization's reputation and those about product/service quality.

Rumors incited a wide variety of effects. The most widespread were lowered morale, bad press, loss of trust between management and workers/staff, increased employee stress, loss of trust among coworkers and by customers, decreased productivity, and sullied individual and corporate reputations. Most effects that had occurred were rated as having been somewhat severe. Three distinct dimensions of rumor effects emerged: external ramifications (e.g., bad press), internal attitudes (e.g., lowered morale), and internal behaviors (e.g., increased absenteeism). Of these, effects comprising the internal attitudes dimension were rated as moderately severe; effects comprising external ramifications and internal behaviors were rated as less severe.

A variety of strategies were used to prevent and/or neutralize rumors. The most effective were: stating the values and procedures by which upcoming changes will be made, setting a time-line for full information releases, specifically attempting to increase trust, and confirming the rumor. In addition, two broad approaches emerged. These were comprised of strategies that structured (i.e., gave boundaries to) uncertainty and strategies focusing on enhancing the efficacy of official comments. Of these, the strategies that structured uncertainty were rated as most effective, followed closely by those comprising the official comments approach.

We also asked respondents to recall specific rumor episodes and to rate them with respect to certain psychological and situational dimensions. Analyses of these ratings showed that rumor activity (how frequently the rumor was transmitted) was associated with situational uncertainty (how filled with questions people were about what current events meant or what future events were likely to occur), anxiety (how worried/concerned people were), and belief in the rumor (how confident people were that the rumor was true).

Implications for PR Professionals

We offer 4 implications for PR professionals that follow from these findings. Based upon these implications and previous research (DiFonzo & Bordia, 1998; DiFonzo et al., 1994; Hirschhorn, 1983) we also propose general action plans to prevent and manage rumors in Table 1.

First, PR professionals can expect to encounter harmful rumors frequently. It is striking that rumors that concerned our participants reached their ear on average almost once per week. PR professionals can therefore expect rumors as the norm. In addition, the bulk of rumors seem to be associated with such common organizational changes as mergers, acquisitions, changes in personnel, downsizing, layoffs, and restructurings. PR professionals can certainly expect rumors in these situations. Furthermore, PR professionals can expect rumors to occur in both internal and external venues. As such, they need to take special care that their change communication efforts respond meaningfully to constituencies in both domains. In particular, PR professionals need to advance two communications efforts, especially during change, one tailored to an internal audience; the other, external.

Second, PR professionals can be alert to the possible negative effects of rumors within 3 broad domains: external consequences, and internal attitudes and behaviors. This study offers strong evidence that the deleterious effects of rumors are commonplace. PR professionals should be on the lookout for such effects within each dimension. They can be especially wary of effects upon internal attitudes. A key preventive measure here is the fostering of organizational trust. In previous research we have noted that rumors seem to “eat away” at trust and that a lack of trust lends plausibility to negative rumors (DiFonzo & Bordia, 1998; DiFonzo et al., 1994). PR professionals should at all costs maintain integrity and reliability between what they say and what actually happens. As one respondent commented: “Candor and credibility are key. If you are perceived as being truthful/open about what you can say, or why you can’t, or when you may be able to do so (i.e., process is clear), you will be better able to control rampant speculation internally.” Another stated: “Managing the grapevine by enlarging the credibility of leadership and management is our greatest challenge.”

Third, PR professionals can formulate a pro-active plan to prevent and manage rumors. Our sample indicated that many strategies were moderately effective. Such strategies can be considered in composing an ongoing rumor management and action plan. In particular, underutilized strategies, including the e-mail rumor hotline, denial by trusted outside sources, and confirming the rumor (when true), can be considered. Also, though some respondents advocated “ignore the rumor” and stating “no comment” in a consistent manner, the sample as a whole did not endorse these strategies. In general, we also do not recommend these measures.

Basic preventive measures:

Step 1: **Anticipate rumors** to be the norm.

Step 2: **Strive to increase and maintain trust and credibility** (i.e., you must reliably pair your words with matching deeds).

Step 3: **Keep your audiences regularly informed** through a variety of communication channels (e.g., paper and e-mail memos, press releases, "town meetings" with CEO, face-to-face chats with middle managers).

Step 4: **Tailor each communicate** to the particular information needs of the audience receiving it (e.g., a memo to stockholders about downsizing should address a different set of implications than one to employees).

Step 5: **Establish an ongoing rumor hotline** consisting of regular electronic/paper publications of queries and responses to those queries.

Step 6: **Monitor possible effects** of rumors with respect to external events (e.g., changes in sales volume), internal attitudes (e.g. employee stress) and internal behaviors (e.g., unnecessary turnover) so that interventions can be enacted early in the life of a rumor.

When dealing with organizational change:

Step 1: **State the values** (e.g., quality, tenure, profitability) that will guide upcoming changes.

Step 2: **Explain the procedures** by which upcoming changes will be decided.

Step 3: **Provide a time-line** (e.g., when certain information will be available, when each component of the change is likely to occur).

Step 4: **Disclose change early** even if the information is incomplete.

Step 5: **Establish committees** to explore change alternatives as part of an open and collaborative change planning process.

Step 6: **Encourage potentially affected persons to prepare** for each possible outcome.

To deal with existing rumors:

Step 1: **Confirm a true rumor** or that part of the rumor which is true.

Step 2: **Avoid a "no comment" response.** Some PR professionals advocate a uniform "no comment" posture in response to all rumors. In any event, if given, explain why it is given.

Step 3: **Refute a false rumor via an appropriate level source** (e.g., a company-wide rumor should be denied by a top-level official).

Step 4: **Refute a false rumor via a trusted outside source** (e.g., rumors among religious circles that a company gives money to the Church of Satan should be denied by recognized religious leaders).

Step 5: **Refute a false rumor with a clear, strong, concise, and memorable message.**

Step 6: **Refute a false rumor based upon the truth.**

Step 7: **Refute a false rumor with consistent (i.e., non-discrepant) messages.**

Most importantly, PR professionals can best inhibit rumor activity and its associated effects by reducing and/or placing bounds upon uncertainty and by reducing belief in the rumor through effective formal communications. This study provides evidence that measures which delimit uncertainty are moderately effective overall in managing rumors. Though it is often not possible or desirable to completely dispel uncertainty surrounding an organizational change (e.g., regarding secret merger negotiations), strategies that bound uncertainty will aid greatly in the reduction of questions and doubts about what current events mean and portend for the future. The adept PR professional will raise and answer the question: "Despite what I cannot

disclose, how may I effectively enable concerned stakeholders to process and plan for possible outcomes?" In addition, this study provides evidence that strategies enhancing formal communiques are moderately effective. To this end, timely, consistent, brief, regular, and coherent communications from appropriate company officials or trusted outside sources seem likely to reduce rumor activity. It seems probable to us, however, that the success of such efforts presupposes perceptions of honesty, a climate of trust, and communicate content that is helpful in structuring uncertainty.

Background and Aims

Rumors are often a "thorn in the flesh" of public relations (PR) and communications officers. Though not always harmful, tales woven in the workplace have been known to sap productivity, lower employee morale, sully reputations, and interfere with formal organizational communication (DiFonzo & Bordia, 1998; DiFonzo, Bordia, & Rosnow, 1994). Recent studies found that rumors during restructuring and layoffs had deleterious effects and that the need for rumor control during change was "essential" (Smeltzer & Zener, 1992, p. 468; see also Burlew, Pederson, & Bradley, 1994; Smeltzer, 1991). Rumors external to the organization (e.g., product rumors) have hurt sales, marred reputations, and adversely affected stock prices (Bordia & Rosnow, in press; DiFonzo & Bordia, 1997, 1998; DiFonzo et al., 1994).

When faced with these problems, the PR professional is often guided by anecdotal advice and their own hard experience, but rarely by empirically-based research. Systematic and theory-based studies investigating organizational rumor management and combat strategies are few in number. One foundational, but currently missing, component of this body of knowledge is the assessment of current rumor-related problems and practices in organizational environments. The present study provides such an assessment. Specifically, three broad questions are addressed:

- 1. What *types* of harmful rumors currently exist in organizational settings and how prevalent are they?,**
- 2. What are their *effects* and how severe are they?, and**
- 3. What rumor management and combat *strategies* are currently in use and how effective are they?**

To investigate these questions, a select sample of 74 experienced communications and PR professionals from top echelon corporations and PR consulting firms was surveyed (see Appendix for methods used). Based on these data, we present a cross-sectional description of organizational rumors, their effects in organizational contexts, rumor management strategies in use by top-level PR professionals, and the perceived effectiveness of these strategies. To our knowledge, this presentation is the first systematic assessment of its kind to be made available to the PR community.

Results²



Types of Rumors and Prevalence. Overall, harmful rumors are quite common.

Respondents reported hearing a rumor that they were concerned about on average almost once per week ($M=5.68$, $SD=1.15$, $n=74$, where 5="monthly," 6="weekly," and 7="daily"). 65 (88%) respondents reported hearing such rumors at least monthly.

Rumors appear to be an ongoing concern for most professionals. One participant remarked: "A recent communications audit revealed that the grapevine is the #1 source of credible information in the company, far surpassing leadership, management, or the supervisor." Another credited electronic communications with exacerbating rumors: "with the Web, the Intra-Net, etc., the grapevine and the ability to feed and read rumor grows" (cf. Bordia,

DiFonzo, & Chang, in press). Rumor prevalence is perhaps best exemplified by the "tongue-in-cheek" reason one *non*-respondent gave for declining to participate: "Frankly, I'm so busy dealing with rumors now that I just don't have time to complete your questionnaire."

Respondents estimated the overall percentage of rumors that had reached their ear that were of concern to them and that were internal, external, "both," or "neither;" means of these estimates are presented in Figure 1. Although responses varied widely, in general, internal rumors dominated the population of rumors about which communications professionals were concerned, and external rumors comprised the lion's share of the remainder³.

Of the internal rumors that reached their ears, respondents estimated the percentage that were primarily about job-security, job-satisfaction, personnel changes, gossip, or "other;" means of these estimates are presented in Figure 2. Although estimates varied widely, overall,

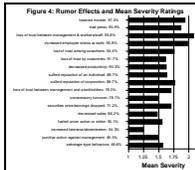
rumors concerning personnel changes made up about one-third of internal rumors, job satisfaction and job security rumors constituted another third, and gossip and other types made up the remainder⁴. Almost all of the 69 examples of recent internal rumors cited by respondents were related to significant organizational changes and reflected the concerns of organizational constituencies (i.e., "how will this change affect the existence, scope, or quality of my job?"). For example, personnel change rumors included variations of "senior executive is leaving to join the competition," "personnel changes due to shake-up in management," and those due to acquisition/merger. Examples of job security rumors included those associated with layoffs due to downsizing, restructuring, plant closing, merger, divestiture, outsourcing, and "various organizational changes." Examples of rumors about changes that would threaten job





satisfaction included hearsay about “unhappy employees,” “reductions in medical benefits,” “transfer of duties,” and “dissatisfaction with management.” No examples of gossip were offered.

Of the external rumors that reached their ears, respondents estimated the percentage that were primarily about the stock market, product/service quality, organizational reputation, or other; means of these estimates are presented in Figure 3. Although estimates again varied widely, the clear majority of rumors were of concern to the general public (i.e., rumors affecting organizational reputation and product/service quality rumors) and over one-quarter were of concern to the stock market⁵. Interestingly, though the constituencies of each differed, external rumor content in the 61 examples of recent external rumors offered was often identical to internal rumor content (e.g., mergers, acquisitions, sale of subsidiaries). This suggests that a preponderance of rumors may stem from organizational change (cf. DiFonzo & Bordia, 1998). Furthermore, the examples of rumors affecting an organization’s reputation seemed to overlap substantially with rumors about product/service quality. These included “product discontinuance,” “we are badly understaffed,” “market share loss due to poor quality product,” “FDA recall,” “company direction pertaining to product was irresponsible,” and “client was low on product.” Examples of rumors that would affect stock prices included “management direction flawed,” divestitures, restructurings, “merger talks,” takeovers, and acquisitions.



Effects. Effects of rumors were commonplace and most were rated as being, on average, somewhat severe. The effects, percentages of respondents who had ever observed them, and mean severity ratings of those who had are presented in Figure 4. Almost all of the effects presented had been observed by the majority of respondents and the top 13 had occurred on the watch of two-thirds or more of the sample. In general, effect prevalence was related to effect severity. The 4 most widespread and severe effects were “lowered morale,” “bad press,” “loss of trust between management & worker/staff,” and “increased employee stress at work.” The recent examples that respondents offered echoed these findings. These rumor sequelae included decreases in morale, sales, productivity, trust, reputation, and stock prices, and increases in stress, turnover, “negative e-mail,” “distractions,” and union activity. Some examples of effects seemed especially severe, for example, “Mutiny!”, “project was killed,” “big losses in productivity took a year to recover,” and “caused TQM implementation to fail.” Several respondents also characterized effects as mixed, for example, “lowered morale and productivity but stock price increased.”

Certain effect ratings were highly correlated with one another and highly uncorrelated with other effect ratings. These correlations were used to identify three underlying dimensions of rumor effects: *external ramifications*, *internal attitudes*, and *internal behaviors*⁶ (see Figure 4). The external ramifications dimension was comprised of

who had ever used them, and mean effectiveness ratings of those who had are presented in Figure 5. Almost all of the strategies had been used by a majority of respondents and the top 15 had been used by two-thirds or more of the sample. In general, strategy prevalence was related to strategy effectiveness with 3 notable exceptions: “establish a rumor hotline,” “deny rumor by trusted outside source,” and “confirm the rumor” were rated as moderately effective yet they were among the less popular strategies. This is perhaps indicative of an underutilization of these particular rumor management efforts. The top 6 most effective strategies were “state values that will be used to guide the upcoming changes,” “state procedures by which the upcoming changes will be decided,” “set time-line for official message which will contain full information,” “explain how upcoming change decisions will be made,” “specifically attempt to increase trust,” and “confirm the rumor.” The mean ratings for these 6 strategies were all above medium average effectiveness.

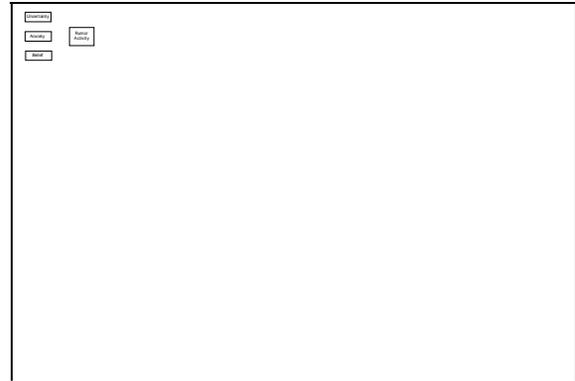
The examples reported of “how one or more of these strategies was effective in preventing and/or neutralizing a rumor” exemplified most of the tactics listed. Examples included multi-level (e.g., memos, e-mail, press releases, etc.) communications, “rapid responses,” setting of a time-line, town-meetings (electronic or real), “intra-net bulletin board hotlines,” and top-level denials. Contrary to the mainstream, several respondents proposed examples where rumors had been ignored and simply died out. Further, several participants stated that they had “...no effective strategy...” for handling rumors. Still others implied that it is useless to try to manage rumors (e.g., “Rumors must run their course!”).

Certain effectiveness ratings were highly correlated with one another and highly uncorrelated with other effectiveness ratings. These correlations were used to identify two underlying strategical approaches: *structuring uncertainty* and *enhancing official communications*⁸ (see Figure 5). The structuring uncertainty approach was associated with strategies that are likely to limit uncertainty within temporal or scopal bounds: “state values that will be used to guide the upcoming changes,” “state procedures by which the upcoming changes will be decided,” “set time-line for official message which will contain full information,” “explain how upcoming change decisions will be made,” “specifically attempt to increase trust,” “encourage potentially affected parties to prepare for the worst,” “establish committees to explore options for people affected by upcoming change,” and “establish a rumor hotline” (cf. DiFonzo & Bordia 1998; Hirschhorn, 1983). These measures seem oriented toward aiding potentially affected parties in effectively planning for likely eventualities. For example, knowing *how* change decisions will be made enables employees to form better change predictions and setting a time-line limits the period of uncertainty. The enhancing official communications approach was comprised of strategies that are oriented toward improving an official communique: “explain why you cannot comment or give full information,” “deny rumor by company official,” “deny rumor by trusted outside source,” and “confirm the rumor” (cf. Bordia, DiFonzo, & Travers, in press; DiFonzo et al., 1994, Iyer & Debevec, 1991). In line with this, several respondents commended the “hotline/e-mail box” into which employees send questions/concerns that are then responded to publicly. More generally, one participant stated: “In times of change,

ongoing two-way communications with employees and other stakeholders are critical.” Some modest evidence existed for a third, *punitive activities*, approach, comprised of “search for and/or seek to punish people who planted the rumor,” and “spread counter rumors.”

Both structuring uncertainty ($M=2.11$, $SD=.52$, $n=74$, where 1, 2, and 3 indicated the strategy had a small, medium, and high average effectiveness, respectively) and enhancing official communications ($M=1.97$, $SD=.54$, $n=72$) strategies were rated overall as being moderately effective, while punitive activities strategies were rated as having small average effectiveness ($M=1.09$, $SD=.28$, $n=27$)⁹. These findings suggest that two somewhat independent response strategy approaches exist and that both are perceived as fairly effective in managing rumors.

Psychological and Situational Variables. Analyses of the psychological and situational dimensions of specific rumors episodes dovetailed with these findings. As in previous research (Rosnow, 1991), rumor activity (how frequently the rumor was transmitted) was associated with situational uncertainty (how filled with questions people were about what current events meant or what future events were likely to occur), belief in the rumor (how confident people were that the rumor was true), and anxiety (how worried/concerned people were)¹⁰. Figure 6 presents a schematic of these relationships. With regard to uncertainty, organizational changes often signal unpredictable future events and/or unexplained current events; it is natural for employees to experience the loss of a sense of security, certainty, and control (Blake & Mouton, 1983; Hunsaker & Coombs, 1988; Mirvis, 1985). Rumor activity in these contexts is a way of regaining predictive control and a sense of meaning amid ambiguous events (cf. Berger & Bradac, 1982). In other words, the rumor mill is primarily an attempt to restore a sense of preparedness and understanding to one’s experience by processing and evaluating information via the group (Shibutani, 1966). The structuring-uncertainty approach to rumor management addresses this need either by simply *filling it* (with sought-after information) or by *channeling it* into productive preparative activities (e.g., establishing committees, preparing for the worst, planning based upon knowledge of change values and procedures; cf. Hirschhorn, 1983). With regard to belief, it is probable that the enhancing official communications approach often results in belief reduction. A coherent and consistent official message heard from a trusted and appropriate source decreases confidence in a rumor (Bordia, DiFonzo, & Travers, in press; Iyer & Debevec, 1991). Rumors that are not believed are then less likely to be transmitted because raising false hopes or unnecessary alarms reflects negatively on the messenger (Rosnow, Yost, & Esposito, 1986). In sum, these theories and findings are supportive of the effectiveness of the two-pronged approach to rumor management, one prong structuring uncertainty; the other, reducing belief.



Four implications for PR professionals follow from these findings. First, PR professionals can expect to encounter harmful rumors frequently. Second, they can be alert to the possible negative effects of rumors within 3 broad domains: external consequences, and internal attitudes and behaviors. Third, they can formulate a proactive plan to prevent and manage rumors. Fourth, the heart of such a plan should be two-pronged: 1) reduce and/or place bounds upon uncertainty and 2) reduce belief in the rumor through effective formal communications. Based on these considerations we present action plans to prevent and/or neutralize harmful rumors. **References**

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Appendix: Methods

Sample

The initial sample consisted of the 238 persons comprising the Arthur W. Page Society, PR professionals invited to the 46th Annual Public Relations Seminar (1997, Williamsburg, VA) sponsored by the Institute for Public Relations (IPR), and members of the IPR Board of Trustees. Members of these groups are typically current or former Senior Vice Presidents of Communications at large Fortune-500 corporations or are CEOs of well-established PR consulting firms. Twelve persons were either unreachable or indicated their ineligibility for the survey. 74 completed questionnaires were obtained yielding a response rate¹¹ of 33%. Of these, 48 (65%) identified themselves as corporate communications or public relations officers, 22 (30%) were communications or PR consultants, and 2 (3%) identified themselves as "other" (the remainder did not respond). 52 (70%) were male and 19 (26%) were female (the remainder did not respond). Mean age was 51.73 years ($SD=8.65$, $N=69$). Mean years of experience in communications was 26.18 ($SD=9.00$, $N=72$). These demographics (office, gender, age, and years experience) did not change significantly over the 3 waves of the study (i.e., early responders were similar to late responders)¹². The primary industries in which respondents worked or consulted spanned the gamut and included automotive, aerospace, apparel, banking, chemical, energy, food, finance, healthcare, insurance, manufacturing, retail, petroleum, power, professional services, publishing, securities, technology, telecommunications, transportation, and tourism sectors. Given these considerations, it is not unlikely that this sample is representative of perhaps the highest level and most experienced population of corporate PR and communications personnel available.

Survey Instrument Development and Administration

Survey pilot testing and administration were guided by Dillman (1978). Pilot testing consisted of draft questionnaire completion and detailed review in 2 stages by 9 PR professionals and 6 psychological and communications researchers. Revised surveys were then mailed to the initial sample, followed one week later by a postcard reminder. Three weeks after this a reminder letter and questionnaire were sent to non-respondents. Finally, 4 weeks after the first reminder letter, a second reminder letter and questionnaire were sent to all remaining non-respondents via certified mail.

Survey Instrument

Types of Rumors and Prevalence. The term "rumor" was defined as "an unverified bit of information about something of importance to a group."¹³ Overall rumor prevalence was first assessed. Respondents were asked how frequently rumors that were of concern or potential concern reached their ear. They were then asked to estimate the percentage of rumors that were primarily internal, external, both internal and external, or neither. Internal rumors were defined as those of primary interest to company personnel, suppliers, or vendors (i.e., people who are associated with the production or distribution or sale of the organization's products/services). External rumors were

defined as those of primary interest to customers, press, stockholders, or the general public (i.e., people who purchase/use or potentially purchase/use the organization's products/services/stocks). Respondents then estimated the percentage of various types of internal rumors (i.e., those associated with job security, job satisfaction, personnel changes, gossip¹⁴, or "other") and external rumors (i.e., stock market, product/service quality, organizational reputation, or "other"). All categories were derived from previous research (DiFonzo et al., 1994). Respondents were also asked to report examples of recent internal and external rumors.

Effects. Participants were then questioned about the effects of rumor based on their overall experience. They were presented with a list of 17 different effects and asked to indicate the average severity of each (i.e., "small," "medium," or "large"; effects were taken from previous research: see DiFonzo et al., 1994; DiFonzo & Bordia, 1998). If the effect had not occurred, respondents indicated "never." Participants could "write-in" any effect not listed and were also asked to give a recent example of how a rumor had caused a severe effect to occur.

Strategies. Respondents were then presented with another list to assess the use and effectiveness of 17 specific strategies for preventing and/or neutralizing rumors (strategies were taken from previous research; see DiFonzo et al., 1994; DiFonzo & Bordia, 1998; Hirschhorn, 1983). They could "write in" a strategy not listed and they were also requested to report a recent example of how one or more of these strategies was effective.

Psychological and Situational Variables. Participants were then directed to think of a particular rumor (which was not a gossip "rumor" -- see endnote 14 Currently endnote 5; be sure to double check this after each revision.), that had reached their ear that they had considered harmful or potentially harmful. In order to account for the effect of true versus false rumors, respondents were alternately asked to choose a rumor that proven true (or false) "beyond a reasonable doubt." 42 (58%) of the respondents had been asked for true rumors; the remainder had been asked to report on false rumors. Respondents recounted the rumor and described the situation out of which the rumor arose. They were then asked to answer a set of items with respect to one group of people who had heard and/or passed the rumor and for the point in time just prior to when the rumor had been proven true (or false). These items assessed how accurate the rumor had become, how uncertain, anxious, and confident in the rumor people were, the extent to which people felt a reduced sense of control, and how important the rumor was to people. Respondents also estimated the extent to which people desired the rumor to be true/false, how well the rumor agreed with people's biases, and the extent to which people were skeptical/gullible. In addition, they were asked questions about how interactive rumor discussions were, overall rumor activity, and how established informal communication channels were in the group through which the rumor had passed.

Demographic Variables. Finally, demographic items were asked and respondents had opportunity to comment on any of the questions raised in the questionnaire, and to offer any advice related to any of the purposes of the study.

Endnotes

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² Certain limitations and assets of this study should be kept in mind before discussing the implications of these results. First, all data were self-reported and thus potentially subject to a variety of cognitive and motivational biases and errors. For example, participants may have only recalled the most vivid, recent, or meaningful rumor events and effects and may have been subject to a self-serving bias in reporting strategy effectiveness. This type of limitation is inherent in all survey research and concerns the discrepancies that often arise between what actually happened and what is reported to have happened. However, it should be noted that if any group is qualified to comment on organizational rumors, it is certainly the population from which this sample was drawn; they are arguably the “cream of the crop” with respect to PR. It does not seem plausible that participants in this study would be greatly mistaken in their estimates of organizational rumor prevalence, effects, and strategies. In any event, the responses of this sample, given their inherent leadership role in organizational PR and communications, are important in their own right. Second, the sample size may be too small to achieve stable inferences with respect to the effect dimensions and strategic approaches identified. However, these techniques, like others of a statistical nature, possess few “hard and fast” rules and rely heavily on guidelines. Perhaps the best approach then is to view the results pertaining to dimensions and approaches as tentative and acted upon only in concert with other evidence using different methodologies. A third caveat is that the final sample may not be representative of the initial sample. Volunteer samples are biased in predictable ways (Rosenthal & Rosnow, 1975); respondents may have responded quite differently than non-respondents would have. The fact that sample demographics (age, gender, office, and years experience) did not change significantly over the 3 waves of the study, however, argues somewhat against this criticism.

³ Median estimates for internal, external, “both,” and “neither” were: 50, 30, 0, and 0 percent, respectively. Distributions for “both” and “neither” were very positively skewed.

⁴ Median estimates for personnel changes, job security, job satisfaction, gossip, and “other” were: 30, 20, 10, 15, and 0 percent, respectively. Distributions for all categories except personnel changes were positively skewed.

⁵ Median estimates for organizational reputation, stock market, product/service quality, and “other” were: 30, 17.5, 10, and 0 percent, respectively. Distributions for all categories except organizational reputation were positively skewed.

⁶ Dimensions were identified using the statistical procedure of factor analysis on severity ratings where 0, 1, 2, and 3 indicated the effect had never occurred, was small, was medium, and was large in severity, respectively.

⁷ Results were virtually the same when including ratings of 0 (i.e., “effect did not occur”).

⁸ Approaches were identified using the statistical procedure of factor analysis on effectiveness ratings where 0, 1, 2, and 3 indicated the strategy was never used, and the strategy had a low, medium, and high average effectiveness, respectively.

⁹ The pattern of results was virtually identical when including ratings of 0 (i.e., “strategy was not used”).

¹⁰ A backwards-stepwise regression eliminated importance from the original set of predictors. Anxiety ($t(60)=3.03$, $p=.0036$), uncertainty ($t(60)=1.83$, $p=.073$), and belief ($t(60)=2.42$, $p=.019$) were each predictive of rumor activity. The model ($F(3,60)=10.76$, $p=9.34E-6$) accounted for 35% of the variance.

¹¹Response rate was calculated as in Dillman (1978, p. 50): completed returns divided by [number in sample minus (ineligible + non-reachable)].

¹² Chi-square tests of independence were nonsignificant between the 3 levels of wave and office ($\chi^2(2)=.68$, $p=.71$; “other” office observations were deleted due to small n) and gender ($\chi^2(2)=.28$, $p=.87$). One-way (wave) ANOVAs were nonsignificant for age ($F(2,66)=.17$, $p=.85$) and years experience ($F(2,69)=.40$, $p=.67$).

¹³ Rumors are like news in every way except that they are not verified. They may or may not be true. They may be spread by word-of-mouth, fax, electronic mail, or any other communication channel. They are often introduced by the phrase “I heard that...” (DiFonzo & Bordia, 1997; Rosnow, 1991).

¹⁴ Gossip is different than rumor in that it is less significant/important and usually concerns matters that are more personal/private (DiFonzo & Bordia, 1997), however, in common parlance the two are often not distinguished. To account for hearsay that was gossip we therefore included it as a separate category.