

Teaching Notes

Say It Isn't So Lady "O": A Sex Scandal At The Oprah Leadership Academy For Girls

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Critical Incident Overview

This critical incident represents a real situation in which a well-known billionaire television executive, Oprah Winfrey with a popular brand was caught in the middle of a sex scandal at her beloved Leadership Academy. In response she first visited the school to ensure the safety of the girls. Based on their stories she then made allegations and statements openly to the media and immediately terminated two individuals because of the allegations. This event played out in the media who weighed in throughout the ordeal; subsequently the charges were dropped on the first individual as sufficient evidence was not found to support the charges. The executive was taken to court for defamation by the second individual; the case was resolved in an out-of-court settlement.

Oprah's candid communication and leadership styles in dealing with the media sends a powerful message to all those who manage and lead, and to organizations regarding decision-making strategies for communicating in a public forum. She serves as a role model because of the consistency in her morality and values which translate to ethical and honest communications (Adubato, 2007).

The fields of business, government, and the media are filled with case studies of supposedly smart executives who got it wrong when facing a crisis, a scandal, or even a minor controversy. Whether it is recent scandals involving Madison Square Garden and the New York Knicks, former Attorney General Alberto Gonzales, U.S. Senator Larry Craig, or even the New York Times (think the Jayson Blair plagiarism scandal), top executives consistently miss the mark when it comes to the media and communications game (Adubato, 2007).

Now we have a case in crisis communication that sets the bar extremely high for all leaders. Oprah is much more than just the media queen of daytime talk. She is now the most current CEO profile to be included in any serious examination of how to handle a media onslaught and a huge potential public relation nightmare when something terrible happens to an organization that you lead (Adubato, 2007).

Student discussion should encourage critical thinking about business communications during a crisis, how the communication is impacted by the leadership style, values and ethical

perspectives of the leader and how crisis communications impacts the media and company brand. An epilogue provided in the teaching notes discusses the results of the trial and the impact on the school.

The incident is appropriate for use in both introductory and advanced courses in business communications, crisis communications, leadership and communications, business ethics, mass media, and entrepreneurship.

Research Methods

This critical incident was based solely on secondary research. No names or data were disguised in the critical incident and all material was taken from cited sources.

Learning Outcomes

In completing this assignment, students should be able to:

1. Identify the business communication strategies used for managing negative news and crisis communications.
2. Analyze the situation and determine the leadership style(s) used in crisis communication and determine the extent that leadership styles impacts the decision-making process.
3. Evaluate the strategies used in responding to a crisis and the impact on the media and brand; they will develop strategies for addressing the news in the public and media that positively impact the company brand.
4. Understand how decision-making of business communicators can be influenced from personal values as well as from a legal, ethical or moral standpoint.

Discussion Questions

1. What are the components of a crisis communication strategy? (LO 1)
2. Identify Winfrey's leadership style throughout the crisis. How effective was her style in managing and resolving the crisis? (LO 2)
3. What was Winfrey's initial reaction to the allegations of sexual abuse at Oprah Winfrey Leadership Academy for Girls? How was her reaction affected by her past experience in the entertainment arena and legal system?(LO 3)
4. What action did Winfrey take in response to the crisis? How did she interact with each of her stakeholders? (LO 3)
5. How did her decisions impact her media relationships and how was the "O" brand affected by the crisis on the school? (LO 3)
6. Business communicators engage in decision-making from a variety of perspectives; moral, legal and ethical. Winfrey's decision related to personnel issues in firing the head mistress resulted in a defamation of character law suit. Evaluate Winfrey's response from a legal, ethical and moral standpoint? Determine which viewpoint pre-dominated and provide evidence to support it. (LO 4)
7. What level of moral maturity was evident based upon Winfrey's decision-making and how did it impact her communications with the media? (LO 4)
8. What was learned from the decisions made in the crisis and how were these decisions addressed in the future management of the school? (LO 4)

Answers to Discussion Questions

1. What are the components of a crisis communication strategy? (LO 1)

An organizational crisis is a situation that involves a “specific, unexpected and non-routine event that creates uncertainty and threatens the organization’s goals (Barrett, 2006, p. 313). Ulmer, Sellnow, and Seeger (2007) defines a crisis as an unexpected surprise with a high level of uncertainty for which an organization does not have a great deal of time to respond. Barrett states that a key strategy to managing a crisis entails identifying key stakeholders prior to the crisis and cultivating positive relationships with these groups. If an organization has maintained positive relationships with the media and stakeholders prior to the crisis, the job of managing the crisis will be much easier (Barrett, 2006). Because of the unpredictable nature of the incident, organizations do not have a full-proof plan ready for every possible alternative. However, organizations can follow a consistent communication strategy plan that can help it look at unique situations with the ability to respond effectively.

Some basic rules for any organization include communicating early and often and building honest ongoing relationships with its many stakeholders.

Ulmer, Sellnow and Seeger (2007) outline four general demands associated with any crisis communication strategy as it unfolds:

Managing Uncertainty- managing uncertainty is the first challenge the crisis manager must face.

Providing a consistent voice - at the onset the leader provides a consistent voice regarding the nature of the crisis

Identifying the cause of the crisis – The leader offers information that specifically describes the cause of the crisis and steps taken to resolve it.

Contacting everyone affected by the crisis – Everyone impacted by the crisis needs to have timely information to reduce anxiety and fear.

Determining current and future risks – A risk assessment needs to be conducted and results shared with stakeholders to assure them that the situation is under control.

Responding to the Crisis – The next step is to respond to the crisis.

Reducing uncertainty – The response should help to reduce the fear and uncertainty.

Coordinating activities – an effective crisis response involves coordinating crisis management activities.

Disseminating information – information in the form of updates or status reports needs to be disseminated to everyone involved in the crisis including the media.

Resolving the Crisis – The third step is to resolve the crisis by focusing efforts on moving past the crisis.

Compensating victims – to move beyond the crisis the organization must compensate any victims.

Renewing the organization’s reputation – compensating any victims is necessary in order to restore the organization’s reputation.

Grieving and memorializing the events – the organization must grieve the losses, memorialize the event in some way and then move on.

Learning from the Crisis – the organization should be profoundly changed by the crisis.

Lessons learned need to be communicated from the organization to stakeholders.

Enhancing safety and prevention – lessons might include enhanced safety features and prevention strategies.

Reviewing industry standards – lessons also come from reviewing industry standards for compliance.

Enhancing community dialogue – the community and media should be re-assured that the crisis is not likely to re-occur and what is being done to ensure this outcome (p. 13-14).

If an organization has a crisis communication strategy in place prior to an incident happening, it is better prepared to deal with the uncertainty in a manner more consistent with its core values. The strategy provides guidelines that helps executives make better-quality decisions under pressure. If the organization is to survive, learning from the incident is essential for renewing the organization's reputation and maintaining its credibility.

2. Identify Winfrey's leadership style throughout the crisis. How effective was her style in managing and resolving the crisis? (LO 2)

Ulmer, Sellnow and Seeger (2007) indicate that leaders during a crisis need to be visible following the crisis and provide direction, inspiration, motivation, and comfort. The leader's job is to be a calm and steady presence to help others understand and cope. It is important to be responsive to the needs of victims while working to reduce the turmoil and reestablish a sense of order and control.

Leadership is typically evaluated by looking at different leadership styles. Goleman (2000) in his article titled, *Leadership That Gets Results* identifies six leadership styles that spring from various components of emotional intelligence. However, he suggests that to be an effective leader one's leadership style must adapt to the situation. They do not rely on just one leadership style. Leaders are more effective if they can observe the needs of the organization and adapt their leadership style to meet the needs at a particular time. The leadership styles include:

Coercive – A coercive style leadership is based upon “do what I say.” In a crisis situation a coercive style may be needed to take control of an issue, to turnaround a situation, or deal with the media. In other situations where people are not in panic mode, it can inhibit the organization's flexibility and dampen employee motivation.

Authoritative – An authoritative style leadership is based upon a “come with me” approach, which can be very effective in a quick turnaround situation, natural disaster or if the business is adrift. It is less effective when the team is more experienced than the leader.

Affiliative - The affiliative style of leadership is based upon the “people come first” approach. It puts people first with empathy, relationship-building and communication as major goals. This style is useful for building harmony and morale; however, this hands-off approach can allow poor performers to go unchecked and leave them in despair.

Democratic - The democratic leadership style works best when employees are highly competent, have innovative ideas and can offer sound advice. The democratic leader offers an environment where workers have a great deal of flexibility, responsibility and high morale; however, it is not effective when workers fall outside of these parameters.

Pacesetting - The pacesetting leadership style sets high performance standards where the goal is to continually do things better and faster; the leader exemplifies these qualities. This type of leadership can be effective for short periods, but can be overwhelming for certain employees who may resent the overwhelming demands.

Coaching - The coaching style is most effective when employees are self-motivated and need little direction. This leader acts more like a counselor than a boss (p. 1).

Winfrey seems to have a good sense of the type of leadership style needed in various situations. Before the crisis, she exhibited different leadership styles depending on her stakeholder. When working with possible investors for the school she seemed to be an *authoritative* leader with self-confidence serving as a catalyst for change for the girls of South Africa. This same style is seen as she serves as an executive running Harpo in producing her television show. In other situations she takes on a *coaching* role in mentoring others such as Dr. Oz and Dr. Phil in developing their own television shows. When she heard the news about the abuse at her school, she immediately embraced the situation and moved into action in a more *coercive* and *affiliative* leadership styles. She took control of the crisis doing what needed to be done to manage the crisis while at the same time protecting the girls and re-assuring their parents. She called in counselors, investigators and handled the media. She served as a catalyst for the change that needed to occur if the school was going to survive. Her intuitive instincts served her well, giving her the ability to size up situations and react accordingly. Being in the media for so long allowed her to serve as the crisis spokesperson with a level of comfort few others could have exhibited. Her direct manner gave the impression that the crisis was being actively managed with integrity and transparency. She had a consistent voice, remained calm, expressed concern, accepted responsibility, and indicated that she and her organization were working to ensure that a similar event would never again occur. Her attitude was always positive and her comments reassured the girls that the school would survive. In fact, she used the crisis to talk about the changes that would be made and the opportunity for renewal. She was learning that not only was there danger from outside, but also from inside the school. She promised that changes would be made and backed those promises by firing the headmistress and having the dorm parent that was identified by the girls arrested. Information was shared with the media when it became available. Transparency and responsibility were upmost in her mind as she dealt with the press and other stakeholders.

3. What was Winfrey's initial reaction to the allegations of sexual abuse at Oprah Winfrey Leadership Academy for Girls? How was her reaction affected by her past experience in the entertainment arena and legal system? (LO 3)

Winfrey was devastated at hearing the allegations of abuse at the school. Knowing the environment of South Africa and the amount of sexual abuse that occurs, protecting her girls was one of her top priorities. She built walls around the exterior of the campus, but little did she know that the danger would come from within. Because of her past history of sexual abuse in her own family, the news from the school hit her particularly hard. Her gut feeling was to correct the situation as quickly as possible, to remove any identifiable causes of the problem, and

put new safeguards in place to prevent this type of incident from ever happening again. Her first instinct was to move forward in a candid, honest and straight forward manner to reduce the impact of the crisis on those affected especially the girls at the school and their parents. The story would definitely be picked up by the media. This is an arena where Winfrey was comfortable based on her 20 years of experience in the industry. Prior to this incident, she had a good relationship with the media and a reputation for being open and candid. Her goal with the media was to be honest, to give them accurate information and timely updates, to answer their questions, and to serve as the spokesperson who was in control of the situation. She held a press conference on the same day that the news broke in South Africa and continued to stay out in front of the story being available and offering to answer any questions from the press. Throughout her career she has spoken with candor about her own personal struggles with sexual abuse and this crisis would reflect how she normally has dealt with difficult life situations.

4. What action did Winfrey take in response to the crisis? How did she interact with each of her stakeholders? (LO 4)

Winfrey's past experience in broadcasting gave her the background she needed to effectively handle the media. Her open and accessible approach to the public helped ensure public cooperation and helped reduce the anxiety many stakeholders were feeling. She expressed an attitude of authority, portrayed a feeling that she was in charge of the situation and that order would be re-established. Her empathy and concern helped reduce the psychological impact of the crisis for the girls and their parents.

Winfrey based her response on her gut feelings about what was right for the girls at her school and their parents. Her first action was to establish contact with the stakeholders quickly and honestly. On October 20th she met with the parents of the girls. At that meeting she took responsibility and apologized for the incident. She held a press conference with the media on November 5th. At the press conference she took full responsibility for the crisis and expressed her grief and devastation. She gave the media the best information she had in an honest and straightforward manner before she left for South Africa. In areas where she lacked information she was truthful and indicated what was being done to get to the bottom of the situation. Throughout the crisis, she personally provided a consistent voice to all audiences. She took steps immediately to determine who was at fault. She hired a trauma counselor and spoke to each girl individually to help break their silence and fear that had been created by dorm parents and administrators. She started to collect data by listening to many stakeholders, first the girls and then their parents, treating their concerns with legitimacy and respect.

Ulmer, Sellnow and Seeger (2007, p.22) defined stakeholders as "... any group of people internal or external to an organization who have a stake in the actions of the organization, such as employees, creditors, government regulatory agencies, the media, competitors, or community members." Barrett (2006, p. 29) offers a similar definition, "Stakeholders consist of any persons, groups, or organizations that may be affected by the company's activities or influenced by its message and image."

Internal and external stakeholders associated with the incident include:

The primary stakeholders were the girls and their parents. These were the first two groups of people that Winfrey addressed. She contacted them as soon as she received word about the

incident and worked to reassure them that she would get to the truth and clean house from top to bottom. She accepted responsibility, brought in counselors and hired an investigative team to uncover the truth. She visited the school personally and held a news conference via teleconferencing two weeks later. She listened to the concerns of each of the groups and encouraged the girls to break their silence. She reassured the parents by taking responsibility for the incident and was there to answer questions and take control of the situation.

The secondary stakeholders were the media, the community and the employees. Although one of the internal memos from her company Harpo indicated that she wished that she had contacted the press sooner, she had a press conference in the form of a teleconference so that South African reporters could ask questions after she gave a statement to the media. She was honest and upfront about her feelings and what she knew about the incident. She answered all questions to the best of her ability and told the media she would give them more information as the investigation continued. She also shared her feelings of devastation and grief as well as her intention to make the necessary changes to make the school the type of institution that she originally envisioned when it was founded in January of 2007.

Winfrey had not been a part of every hiring decision that was made at the school. However, she took responsibility for the actions of individuals who had been hired and trusted to work with the girls at her school including the administrators and any other individual that worked with, taught or lived with the girls. Based on the results of the investigation and her gut feelings, she started to clean house by getting rid of the dorm parents and placing the headmistress on paid leave. With her passion for the girls and the vision of her school upmost in her mind, her statements to the media were both heated and emotional as reflected that she felt her staff let her down. The statement came from her heart and her desire to have the person at the top of school held responsible to the highest standard. Like much of corporate America, there is a renewed accountability for leaders at the top of organizations to be aware of and responsible for everything that happens within their organizations. Winfrey held her headmistress responsible for what was happening at the school. She had little tolerance for the headmistress's lack of awareness of what was going on in the dorms. This resulted in giving the headmistress little opportunity to answer allegation or defend her position. The headmistress's contract that expired in December was not renewed. The consequence was a deformation of character law suit by the headmistress. She felt her reputation was ruined because of statements made by Winfrey that were associated with her name and character.

There were other stakeholders important to the operation of the school. These included investors in the school and the people of South Africa who believed in the school. It was important to keep both of these groups informed to maintain their support for the school. By taking control and keeping everyone informed she was able to maintain their cooperation and support. The South African authorities were informed immediately by Samuel the CEO and due process was followed in bringing charges associated with the alleged abuse in the dorms by the dorm parents. Although Winfrey was disappointed in the courts with the acquittal of the alleged abuser, she allowed the due process of the South African law to take its course.

5. How did her decisions impact her media relationships and how was the “O” brand affected by the crisis on the school? (LO 3)

The “O” brand has taken many hits over the years due mostly to her outspoken, candid view on issues where she oftentimes speaks more as a “humanitarian” than a business mogul.

In 2003, Oprah Winfrey became the first African American woman billionaire with a net worth reaching \$1 billion. Winfrey’s legacy has established her as one of the most important figures in popular culture. Her contributions can be felt beyond the world of television into areas such as publishing, music, film, philanthropy, education, health and fitness as well as social awareness (Illouz, 2003, p.2).

In mid-1986, an agreement was made with King World Production, to distribute AM Chicago, renamed the “The Oprah Winfrey Show” initially in the Chicago market through the local ABC affiliate, and later distributed to television affiliates across the nation. Winfrey’s celebrity status was solidified when she was chosen for a supporting role in Steven Spielberg’s film “The Color Purple,” released in 1985. When her talk show returned in the fall of 1986, ratings climbed precipitously (Eum, 2014).

Oprah speaks with candor about her life, particularly her struggle with weight loss. It is this openness that endears her to her viewers and positioned her to essentially define the genre of self-help television. Winfrey’s private life is intertwined with her public persona, which in turn fuels her brand. With the Oprah Winfrey Show as the centerpiece of her brand, Winfrey created and promoted various media products through synergy. Her influence has been called the “Oprah Effect.”

Considering that Winfrey has been a celebrity for over twenty years, she has had relatively few blemishes to her public image. As a result of her celebrity, wealth and influence, scandals tend to get much attention in the media. In 1998, Winfrey faced her first legal issue to attract the public attention when she and her production company, Harpo were sued for defamation by Texas cattle ranchers for more than \$10.3 million over an April 1996 show that suggested U.S. cattle could spread mad cow disease to people in the United States (Collins, 2000).

Another incident involved one of Winfrey’s most popular segments on her show, Oprah’s Book Club, where she would choose books for her audience to read and discuss on the show. During the book club’s 15 years on the air an Oprah recommendation was expected to generate a minimum half-million in sales for every new book (Posner, 2012). In 2006, after promoting James Frey’s book, *A Million Little Pieces*, a memoir about substance abuse and recovery, Frey revealed that he lied and embellished events about himself. Though this did not amount to a legal issue, it was a blow to her credibility. As such, Winfrey took this opportunity to be proactive and invited Frey to return on the show and publicly admonished him for his deception (Suddath, 2011). This passionate candor and willingness to stand for what’s “right” is seen as endearing and shields her brand from public and media ridicule.

6. Business communicators engage in decision-making from a variety of perspectives; moral, legal and ethical. Winfrey’s decision related to personnel issues in firing the head mistress resulted in a defamation of character law suit. Evaluate Winfrey’s

response from a legal, economic and moral standpoint? Determine which viewpoint(s) pre-dominated and provide evidence to support it. (LO 4)

For business communicators and other professionals who make business decisions, four points of view are available to assist in making critical decisions; they include a moral point of view, a legal point of view and an economic point of view.

Moral Perspective - From this viewpoint an individual asks, “morally what is the best thing to do.” These decisions typically preclude any concerns or inquiries about economic impact to shareholder wealth or legal decisions in terms of what the law permits or forbids. This perspective has two important features that include: a willingness to seek out and act on reason and demonstrating a commitment to be impartial and use reason in deliberations (O’Rourke, 2007, p. 65).

Economic Perspective – From an economic standpoint decision-makers use a free market capitalistic model in which the forces of supply and demand and the structure of the marketplace are used to determine what is in the best interest of the organization. Ethical decisions are based upon financial considerations which encourages organizations to maximize revenues and minimize costs, making the organization profitable. These organizations can be seen as huge conglomerates of non-caring beings. Furthermore they can ignore questionable practices that in the short term can improve the bottom line but can be disastrous (including a loss of the public trust) in the long term (Andrews and Baird, 2005; O’Rourke, 2007, p. 66).

Legal Perspective - Most businesses take place within a system of laws, so that all business decisions even communications must be made from a legal standpoint. However many people assume if it is legal then it must be moral. The law at times is inappropriate for certain aspects of business activities, not everything that is immoral is illegal. While some may take comfort in guiding their decisions based upon legal standards, this perspective often leads to oversimplification and superficiality (O’Rourke, 2007, p. 66; Andrews & Baird, 2005).

In this incident when the story broke the headmistress of the Leadership Academy, Lerato Nomvuyo Mzamane, was in Chicago for a meeting with Winfrey to talk about the school curriculum. Winfrey immediately placed her on a paid leave without thought to legal or ethical implications. Winfrey was cleaning house and sending a signal to students and parents that she was serious about holding people accountable and that the girls voices were heard. One of the dorm matrons, Virginia “Tiny” Makopo who lived with the students was arrested and charged with abuse and sexual-assault with six girls, age 13 to 15. All of the dorm parents were let go and a new structure was to follow after the investigation.

Winfrey’s comments in the media and with the girls’ parents reflected her moral judgments that she no longer trusted Mzamane and that she felt Mzamane tried to cover up the allegations of abuse made by the girls. Winfrey told parents that she had lost confidence in Mzamane’s ability to run the school. This gave the impression that Mzamane had some involvement in the misconduct. Winfrey’s statement in the November 5th press conference (Mzamane v Winfrey, 2010).

And I said to the girls that any person that has caused harm to any of them will no longer be allowed to work at this school. And thus far, we have removed all of the dorm parents.

I've spoken to [Plaintiff] and I said to [Plaintiff] that I don't know what she knows because the investigation is continuing. I don't know what she knows, or knew, or didn't know, but that I have lost confidence in her ability to run this school. And therefore, she will not be returning to this school (p. 49).

Mzamane contended that she was not aware of any sexual abuse and that Winfrey never gave her a chance to explain her side of the story. Winfrey decidedly by-passed the legal route and trusted her moral judgment in decision-making which she openly communicated to the media (Mzamane v Winfrey, 2010). Court transcripts state Mzamane as saying,

"I was greatly shocked and deeply saddened when I recently heard of the allegations of abuse at the Academy. My prayers and heart go out to the children and families experiencing the trauma, and to the entire school community. Unfortunately, in the understandable and shared shock, the response to this terrible crisis has involved false allegations made about me. Contrary to reports, I had no knowledge of this abuse. I did not and would never participate in any such cover up. As the head of the academy, my track record has been of one who acted decisively and in the best interests of the child where there was even a hint of inappropriate speech or action on campus. With two decades of experience across the African continent and the United States working with children and schools, and drawing on the lessons of parenthood, I did everything I could to build an open school community where the child's voice was honored and where youthful frivolity lived side by side with an intense focus on academics. I have always been and will always be a passionate advocate for children and their families, and a South African patriot devoted to participating in the important work of nation-building through education. I care deeply for the students at the Academy and their families. As I have told these marvelous young ladies many times, they are some of the most phenomenal people who have ever graced this earth (p. 13-14).

As a result of Winfrey's moral-based decision, a deformation of character law suit was initiated in September of 2009 for more the \$250,000 because the headmistress felt that Winfrey's comment were detrimental to her personal character to the extent that she was unable to get employment in her field following the incident. She contended that since Winfrey was such a huge celebrity with a significant media reach, that her comments were perceived as facts rather than her opinion and thus caused irreparable damage to her professional status as an administrator. Winfrey settled the defamation law suit filed by Mzamane a week before it was scheduled for trial in Philadelphia on March 23, 2010.

7. What level of moral maturity was evident based upon Winfrey's decision-making and how did it impact her communications with the media? (LO 4)

Kohlberg found that moral development proceeded through three levels. Each level consists of two stages; each stage prepares the individual to deal with more difficult moral dilemmas than the previous stage.

Level I: Self Interest – This level is typically seen among children who respond to rules and social expectations by labeling them as, *good, bad, right or wrong*. They view rules as something

imposed from the outside and are either pleasant or painful consequences by those who set the rules. The child's point of view is typically one of self-interest. The two stages are:

Stage 1: Punishment – The child does the right thing to avoid punishment or gain approval without awareness of the needs of others

Stage 2: Instrumental Egoist – Right actions are done to satisfy the child's own self-interest, the attitude is, "what's in it for me."

Level II: Approval – This level typifies adolescents and adults. The goal is to meet expectations of family, peers or nation, regardless of the consequences. There is a clear understanding of the other point of view; the individual is willing to conform to the group norms and is willing to subordinate their needs for the needs of the group.

Stage 3: Social Relations - The individual engages in moral acts to be loved and accepted by those important to them. Right action is based upon conformity to what is expected. Behavior is judged by intention.

Stage 4: Law and Order - Laws, conventions and order are essential because they enable a society to function; loyalty to the laws of society are paramount. They respect the fact that roles and obligations are given to them by the larger society; law and order are essential; breaking the law is morally wrong.

Level III: Autonomous, Principled or Abstract Ideals – the person no longer accepts the values and norms of the group in which they belong. There is an effort to find morals that takes everyone's interests into account. The person questions and redefines norms so they make sense for *anyone* and no one is excluded.

Stage 5: Social Contract – The individual holds a variety of conflicting views but believe rules must be upheld in the interest of society. Laws are agreed upon and must be followed impartially as social contracts rather than absolutes.

Stage 6: Conscience and Principle – Right actions are decided based upon universal ethical principles which are chosen by the person because of their comprehensiveness, universality and consistency. They are based upon the notion that all persons have human dignity and are ends in themselves. The motivation for doing right is based upon care for fellow human beings and a belief in universal moral standards; one acts because it is right, and not because it is instrumental, legal or economically advantageous. Kohlberg indicates that people rarely reach stage six of the model (Cavanagh, 1978).

Winfrey's actions indicate a level of moral development consistent with Stage 6 - Conscience and Principled Moral Development, the highest level in the Kohlberg model. This was evident by her communications and actions on several levels as follows:

- a) Winfrey opened the school in an economically oppressed area of South Africa to provide an education to her concern for girls without a viable future trajectory without major interventions.
- b) Her first concern during the crisis was to show sensitivity and compassion for the girls involved and to be intimately involved in the healing process as well as securing their safety.

- c) At the press conference she took full responsibility for the crisis and expressed her grief and devastation, not fearing any personal or professional repercussions or loss.
- d) Having a background of abuse Winfrey also openly shared the intimate details of her abuse as a child. She was raped by a distant cousin at age 9 and then abused by three other men, trusted family and friends.
- e) Winfrey flew to South Africa to speak with the pupils and encouraged them to come forward with their complaints saying it was an opportunity to “break the silence.” She wanted the truth to come out no matter the cost to her brand or reputation.
- f) Winfrey displayed an atypical model of leadership by conducting a candid press briefing and answering every hard pointed question about the sex abuse scandal at the Leadership Academy, in a candid two-way dialogue with the media; she also terminated anyone thought to be culpable in the scandal.

8. What was learned from the decisions made in the crisis and how were these decisions addressed in the future management of the school? (LO 4)

According to Ullmer, Sellow and Seeger (2007) there are seven potential positive results that can come from a crisis: 1) *heroes are born*-leaders who manage crises effectively are viewed as heroes; 2) *change is accelerated* – money is typically available and people see the need for change; 3) *latent problems are faced* – problems surface that were created by the crisis; 4) *people are changed* – they now see the impact their faulty belief structures had on the organization; 5) *new strategies evolve* – the organization must develop new strategies for doing business in order to move on; 6) *early warning systems develop* – the organization will be better able to foresee and manage a future potential crisis; 7) *new competitive advantages appear*- the entire nature of the business may change.

Winfrey announced the following changes in the management of the school leadership.

- a) They have instituted a new communication system between the girls and Winfrey. Cell phones were provided to each girl with Winfrey’s direct number programmed into the phone to change the culture of silence that had been reinforced at the school.
- b) New screening processes for employees in the school were initiated.
- c) The incorporation of a new organizational structure and culture for school administrators and parents in the dorm and school.
- d) As for dorm parents, Winfrey vowed to redefine the leadership positions and establish new qualifications for the future.

Winfrey’s quick response enabled the company to recover without losing students and parent support. Some parents were quoted as saying they did not blame Winfrey. Her changes established a new standard of safety for the girls at the school and restored the values that she envisioned upon founding the school. Winfrey maintained a positive attitude throughout the crisis. When asked, “Do you feel that as a school you failed the girls?” she responded: (Mzamane v Winfrey, 2010).

No, I don’t think that as a school we failed the girls because there’s still many people at the school who are caring and dedicated and want the best for all the girls. I think that there are systems within the school that failed the girls. I feel that the girls were placed in an atmosphere where they were taught to be fearful

and they were taught literally to be silenced. And so when you remove the systems and put in a different kind of leadership, all of that will change. I have nothing but real strong hope for the possibilities of what this school can be. No one is ever happy to have this type of scandal or crisis. I certainly am not. But I am glad that it happened now, and not two years from now because this gives us an opportunity to completely course correct, removing all the dorm parents. As I've said to the girls, cleaning house from top to bottom (p. 97-98).

Time Line of Events for the Incident

December 2006	Lerato Nomvuyo Mzamane accepted consultancy position at the Leadership Academy.
January 2007	Lerato Nomvuyo Mzamane signed the employment contract as headmistress. According to Winfrey's testimony Mzamane was responsible for the girls and the curriculum including their residential life.
January 2, 2007	Oprah Winfrey Leadership Academy for Girls in South Africa opened with enrollment of 150 seventh and eighth grade female students
September 2007	During the month of September Mzamane received two complaints from girls about Makopo, a dorm matron, but not complaints of sexual abuse.
October 1, 2007	Mzamane left South Africa for the U.S. for several meetings in the states including a meeting with Winfrey to discuss the incoming class.
October 1, 2007	Seven students met with staff to complain about abusive treatment and Makopo sleeping with a student.
October 3, 2007	John Samuel, CEO of the Leadership Academy held a meeting with 15 girls to discuss unfair treatment by dorm matrons. He also contacted school psychologist, Lerato Mabenge, who was aware of the report about Makopo.
October 6, 2007	Samuel called Winfrey to tell her about the alleged abuse.
October 8, 2007	With Winfrey's approval, Samuel informed the South African authorities.
October 8, 2007	Mzamane attended a meeting with Winfrey in Chicago and was put on a paid administrative leave pending an internal investigation. Disagreement about whether Mzamane was given an opportunity to talk at this meeting.
October 15, 2007	School officials notified police of Makopo's alleged actions
October 17, 2007	Samuel released a public statement that the school was conducting an internal investigation which states that Mzamane is not the subject of the allegations of misconduct.
October 18, 2007	Last communication between Winfrey and Mzamane before alleged defamation of character comments by Winfrey.

October 20, 2007	Private meeting held in South Africa between Winfrey and parents of OWLAG
October 23, 2007	Samuel referred inquiries to South African child protection services unit.
November 5, 2007	Press conference held by Winfrey structured as a teleconference in which reporters located in South Africa asked questions to Winfrey who was located in Chicago.
November 8, 2007	Mzamane issues a press statement which stated that she had no knowledge of the alleged abuse and did not take any action to cover-up such abuse.
January 31, 2008	Mzamane is the third headmistress to leave Oprah's school in south Africa since it opened.
September, 2008	Mzamane obtained employment at Bridge International Academy in South Africa.
February 2, 2009	Mzamane filed a claim for defamation, false light, and intentional infliction of emotional distress.
December 2009	Winfrey filed a motion for summary judgment and a hearing was held on December 16, 2009.
March 15, 2010	U.S. District Judge Eduardo C. Robreno dismissed Winfrey's motion for summary judgment
March 23, 2010	Winfrey settled the deformation of character lawsuit with Mzamane for an undisclosed sum a week before the trial was set to begin on March 29, 2010.
October 2010	Makopo was acquitted of all charges of sexual-assault and abuse.

Epilogue

The first staffer terminated by Winfrey, former school matron Virginia "Tiny" Makopo, was formally charged with trying to kiss and fondle girls at the school soon after it opened in 2007 outside Johannesburg. She also was accused of assaulting one of the teens as well as a fellow supervisor. "The magistrate indicated that the state did not prove its case beyond a reasonable doubt on all the charges" ("Woman Acquitted in Winfrey South Africa School Scandal," 2010). As a result she was acquitted of all charges. Winfrey said she was "profoundly disappointed" by the trial's outcome.

The second staffer let go by Winfrey, former South Africa Leadership Academy for Girls head mistress Nomvuyo Mzamane filed charges against Winfrey as an attempt to salvage what remained of her damaged reputation. The civil suit claimed that Oprah "launched what amounted to a defamatory campaign" against her. The suit also alleged that Winfrey claimed she was "untrustworthy, failed the students of the academy, did not care about the students at the academy, knew of alleged physical and sexual abuse at the academy and participated in a cover-up of the alleged abuse" ("Woman Acquitted," 2010). In March, Winfrey settled the defamation lawsuit filed in Philadelphia by Mzamane. She claimed that she was never told of any incidences of sexual abuse. However, Winfrey's lawyers said in a pretrial memo that Mzamane failed to

discipline Makopo despite her history of run-ins with students and fellow staff. Lawyers for both sides in March said Winfrey and Mzamane met to resolve their differences out of court.

The Leadership Academy continues to provide 450 students with a high quality education that includes textbooks, uniforms and meals. The “O” brand still thrives with a favorable public image!

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