

**AN ASSESSMENT OF CRISIS READINESS OF SELECTED RURAL
BANKS IN ASHANTI REGION**

DILYS AMOANIMAA SEKYERE

ISAAC BOAKYE

NICHOLAS OSEI-WUSU

NANA AYIM-GYASI



**A DISSERTATION PRESENTED TO THE CHRISTIAN SERVICE UNIVERSITY
COLLEGE IN A PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE
AWARD OF A BACHELOR OF ARTS DEGREE IN COMMUNICATION STUDIES.**

June 2015

STATEMENT OF AUTHENTICITY

We have read the University College's regulations relating to plagiarism and certify that this report is all our own work and do not contain any unacknowledged work from any other source. We also declare that we have been under supervision for this report herein submitted.

Dilys Amoanimaa Sekyere 10142531

Student	Signature	Date
----------------	------------------	-------------

Isaac Boakye 10142676

Student	Signature	Date
----------------	------------------	-------------

Nicholas Osei-Wusu 10148555

Student	Signature	Date
----------------	------------------	-------------

Nana Ayim-Gyasi 10142239

Student	Signature	Date
----------------	------------------	-------------

SUPERVISOR'S DECLARATION

We hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision laid down by Christian Service University College.

Certified by

Justice Boffah Pokumensah (Rev.)

.....

Supervisor

Signature

Date

Anthony Adade-Yeboah (Mr.)

.....

Head of Department, Communication Studies

Signature

Date

ABSTRACT

The study assesses the crisis readiness of selected rural banks in Ashanti Region. The study aimed at finding out the possible crisis the rural banks could face in their operations, whether or not rural banks have crisis communications plan in place and to evaluate possible crisis situations vis – a – vis the crisis management plan and communications plan. Qualitative Method was adopted for the study. The study employed the purposive sampling technique to select a sample size of twenty (20) respondents. An interview guide was used for data collection. The study found that although the rural banks have documented measures in place to deal with crisis in case it occurs, the lower level employees were not aware of such document while some of the middle level employees were but did not know what it entails. The study recommends that the Rural Banks must accept the reality that fire outbreaks, embezzlement and armed robbery are major potential crisis that can seriously affect their operations. For this reason they must make their premises easily accessible to security and emergency service providers, such as the National Ambulance Service, the Ghana National fire Service and the Ghana Police Service at all times and also the Rural banks must, as a matter of necessity put in place crisis communication team and structure to effectively handle all communication with the stakeholders in times of crisis.

ACKNOWLEDGEMENT

We wish to acknowledge Rev. Justice Boffah Pokumensah, our supervisor, for his invaluable support in the areas of constructive criticism, advice and direction in the preparation of this work.

We also thank the Head of Communications Studies Department, Mr. Anthony Adade-Yeboah and the entire lecturers of the Department for their support.

We also acknowledge the support of the Management and staff of Sekyere Rural Bank and Yaa Asantewaa Rural Bank for accepting our request to use their organisations and time for this study.

DEDICATION

This work is dedicated first of all to the Almighty God for seeing the group through our entire programme of study. The work is also dedicated this work to the spouses of the group members namely: Mrs. Martha Osei-Wusu, Elizabeth Prah, Patricia Manu and the late Mr. Oduro-Sekyere for their immense support throughout our study at Christian Service University College.

TABLE OF CONTENT

STATEMENT OF AUTHENTICITY	ii
SUPERVISOR’S DECLARATION	iii
ABSTRACT.....	iv
ACKNOWLEDGEMENT	v
DEDICATION	vi
TABLE OF CONTENT	vii
LIST OF TABLES	xi
LIST OF ABBREVIATIONS	xii
CHAPTER ONE	1
INTRODUCTION AND BACKGROUND TO THE STUDY	1
1.1 Introduction	1
1.2 Background to the Study	1
1.3 Problem Statement	2
1.4 Purpose of the Study	3
1.5 Objectives of the Study	4
1.6 Study Questions.....	4
1.7 Significance of the Study	4
1.8 Scope of the Study.....	4
1.9 Definition of key terms	5
CHAPTER TWO	7
REVIEW OF EMPIRICAL AND THEORETICAL LITERATURE ON CRISIS MANAGEMENT.....	7
2.1 Introduction	7
2.2 Review of Related Studies on Crisis Management	7

2.3	Theoretical Framework	11
2.3.1	Situational Crisis Communication Theory (SCCT)	12
2.3.2	Crisis Management	14
2.4	The relevance of the SCCT to this Study	18
2.5	Summary of Chapter	19
CHAPTER THREE		20
STUDY METHODOLOGY		20
3.1	Introduction	20
3.2	Research Method.....	20
3.3	Study Design	20
3.4	Population of the Study	21
3.4.1	Accessible Population.....	21
3.5	Sampling.....	21
3.5.1	Sample Size.....	22
3.5.2	Sampling process	22
3.6	Study Location	23
3.7	Data Collection Instruments.....	24
3.8	Data Collection Process	24
3.9	Data Analysis Plan	24
3.10	Ethical Considerations.....	25
3.11	Summary of chapter.....	25
CHAPTER FOUR.....		26
PRESENTATION OF INTERVIEW FINDINGS.....		26
4.1	Introduction	26
4.2	Demographics of Respondents.....	26
4.3	Findings from Interviews by Top Management.....	27

4.3.1 The Possible Crisis Facing Rural Banks	27
4.3.2 Availability of Crisis Communications Plan	29
4.3.3 Examining Possible Crisis Situations vis-à-vis Crisis Management Plan	30
4.4 Findings from Interviews by Middle Level Employees	31
4.4.1 The Possible Crisis Facing Rural Banks	31
4.4.2 Availability of Crisis Communications Plan	33
4.4.3 Examining Possible Crisis Situations vis-à-vis Crisis Management Plan	33
4.5 Findings from Interviews by Lower Level Employees	34
4.5.1 The Possible Crisis Facing the Rural Banks	34
4.5.2 Availability of Crisis Communications Plan	35
4.5.3 Examining Possible Crisis Situations vis-à-vis Crisis Management Plan	36
4.6 Summary of Chapter	37
CHAPTER FIVE	38
DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS	38
5.1 Introduction	38
5.2 Discussion of Key Findings	38
5.2.1 The Possible Crisis Facing Rural Banks	38
5.2.2 Availability Crisis Communications Plan	39
5.2.3 Examining Possible Crisis Situations vis-à-vis Crisis Management Plan	41
5.2.4. Applying Situational Crisis Communication Theory (SCCT) To The Findings of the Study.	42
5.3 Conclusions	43
5.4 Recommendations	44
5.5 Suggestions for Further Research	45
APPENDICES	49
APPENDIX 1: INTERVIEW GUIDE FOR TOP MANAGEMENT	49

APPENDIX 2: INTERVIEW GUIDE FOR MIDDLE LEVEL MANAGEMENT- BRANCH MANAGERS	50
APPENDIX 3: INTERVIEW GUIDE FOR LOWER LEVEL EMPLOYEES.....	51

LIST OF TABLES

Table 1: Showing the Selected Rural Banks and their population.....	22
Table 2: Showing the Category of employment	23
Table 3: Showing the demographics of respondents	26

LIST OF ABBREVIATIONS

BoG	Bank of Ghana
CEO	Chief Executive Officer
DRP	Disaster Recovery Plan
SCCT	Social Crisis Communication Theory
IT	Information Technology

CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 Introduction

Crisis management is a critical organisational function. Failure can result in serious harm to stakeholders, losses for an organisation, or end its very existence. Public Relations practitioners are an integral part of crisis management teams. So a set of best practices and lessons gleaned from our research on crisis management would be very useful resource for those in Public Relations. Volumes have been written about crisis management by both practitioners and researchers from different disciplines making it a challenge to synthesize what is known about crisis management and public relations' place in that knowledge base. The field of crisis management has been researched extensively in the last two decades, with a focus on man-made organisational crises in large corporations (Pearson & Clair, 1998; Weick, 1988; Mitroff et al., 1988). This study is therefore situated in this context.

1.2 Background to the Study

Crises, as phenomena, are very complex events with low probability of occurrence, (Pearson & Clair, 1998) which subsume multiple layers in their construction causes and manifestation; Pearson and Clair explain that crises have a “cross-disciplinary nature which can be explained using a systems approach”, including psychological, social-political and technological-structural issues.

In recent years, the number of crises has increased dramatically, with either natural, technological or human causes and each of us can name at least few dozen examples: the Chernobyl catastrophe in 1986, the terrorist attack of 9/11, the financial crisis from 2007

that affected companies and economies worldwide, Mexico's swine flu in 2009, the Egypt revolution in 2011, followed by the events in Libya, the Japan earthquake and unfortunately, many others. Crises are no longer an aberrant, rare, random, or peripheral feature of today's society; they are built into the very fabric and fibre of modern societies (Mitroff et al., 2001, p. 5). Crises are seen as "dilemmas, opportunities or both" (Kouzman, 2008, p. 155) since the handling of the events throughout the crisis, if wise, can serve as opportunities to learn and develop the organisation; crisis serve as a threshold with each action taken: the firm needs to first recognise the imminence of the crisis and its signals, then take a step forward to react and act in response to the crisis, finally, take a step back and look at all the decisions and mistakes that have been made (Kouzman, 2008; Mitroff et al., 2001). Previous studies on crisis management has dealt with the problematization of organisational crisis (Hutchins, 2008; Kouzman, 2008; Sementelli, 2007; Pearson & Clair, 1998) and the need for creating a framework that would be useful to managers and organisations in detecting and dealing with risks.

Further on, Barton, Shenkir & Walker (2008) describes how "high impact, rare-event risks are generally undermanaged -until they occur- and over-managed afterwards" (p. 24). Thus, we can affirm that the general perception of crisis in the literature is concerned with the management of risk and probability of risk occurrence.

1.3 Problem Statement

Several studies in the economic field have treated crisis management as a problem that needs to be approached before its occurrence, in hope of awakening the attention of managers in implementing crisis management plans that would save their companies millions of dollars and "a whole lot of trouble" (Schenker-Wiki et al., 2008). Mitroff et al. (2001) argue that "every organisation should plan for the occurrence of at least one

crisis in each of the various families or types, for the reason that each type can happen to any organisation” (p. 36). The same authors support the argument that a crisis, once it occurs, can be a cause to another crisis, which is, a political crisis impacts the society and organisations, which in turn, has a direct influence on the appearance of an internal crisis that has the potential of destroying the organisation. Companies usually learn how to prepare for crisis by studying cases of similar companies “generate visual maps to better understand how crisis unfold” (Mitroff et al., 2001, p. 38).

As a company grows and expands, it should take into consideration the economic, social, political and cultural context and prepare accordingly (Smith, 2011). It is an obligation of the organisation to protect its employees and stakeholders from “any risks which relate to injury, sickness, safety, security, health and finances” (Smith, 2011: p. 6). The negative effects of organizational and industrial activities have been treated as minor "externalities" of production. It can be argued that until recently, it was unnecessary to focus on such crises. Previous researches are poor in covering organisational crisis that occur as a consequence of unavailability of crisis communications plan, which have a higher preponderance in the banking sector, especially the rural banks. For this reason, the researchers considered that there is a gap in the research for organisational crisis management that has a primary cause of unavailability of pre-arranged measures. Today, however, such crises as pollution, industrial accidents, products defects, fire outbreak, embezzlement, and armed robbery have assumed a greater magnitude. This study therefore seeks to shed more light on crisis readiness of Sekyere Rural Bank and Yaa Asantewaa Rural Bank in the Ashanti Region.

1.4 Purpose of the Study

The study sought to assess crisis readiness of selected rural banks in Ashanti Region.

1.5 Objectives of the Study

1. To find out the possible crisis the rural banks could face in their operations
2. To find out whether or not rural banks have crisis communications plan.
3. To examine possible crisis situations vis-a-vis the communication plan and crisis management.

1.6 Study Questions

1. What is the possible crisis the rural banks could face in their operations?
2. Do the rural banks have crisis communications plan?
3. To what extent does the crisis communications plan works for the rural banks in managing crisis?

1.7 Significance of the Study

The findings of this study will serve as a source of reference for other researchers in the area of crisis management.

Secondly, the findings would serve as guide to strengthen financial institutions, and other corporate institutions to approach crisis from a broader perspective and plan according to deal with them.

Lastly, the findings will contribute to existing knowledge in the field of crisis management studies.

1.8 Scope of the Study

This study was limited to two rural banks. The banks were Sekyere Rural Bank, and Yaa Asantewaa Rural Bank. However, there are 26 rural banks in Ashanti Region; the researchers did not include all for the study. The choice of the selected rural banks was informed by their sizes, period of operation, location and shareholder base.

1.9 Definition of key terms

Assessment

Assessment is the process of gathering and discussing information from multiple and diverse sources in order to develop a deep understanding of what students know, understand, and can do with their knowledge as a result of their working experiences.

Top Management

The study operationalizes ‘top management’ as the employees who are General Managers, Operations Managers, Public Relations Managers, Human Resource Managers, Loans and Credit Managers, Chief Internal Auditors, Financial Controllers and Marketing Managers. (Note: The organogram of the various head of departments differs from rural banks to rural banks).

Middle and Lower Level Employees

This study operationalizes ‘middle and lower level employees’ as those employees working below the above mentioned top management category, cashiers, tellers, front desk administrators, sales executives or marketing executives, loans officers, credit officers, the drivers, security officers, and janitors.

Communication Plan

According to Moyer (2011), Communications Plan outlines the roles, responsibilities and protocols that will guide an organisation in promptly sharing information with all of its publics during an emergency or crisis. The researchers defined communications plan as the strategic preparations documented by various stakeholders in an organisation to serve as a guide to curtail crisis in the future.

Crisis Management

The study adopted the definition of crisis management offered by Coombs (2011) which states that it is a process designed to prevent or lessen the damage a crisis can inflict on an organization and its stakeholders.

Crisis Readiness

It is a state of preparedness of persons, systems, or organisations to deal comprehensively with unforeseen situations and circumstances by carrying out planned sequence of actions.

Rural Bank

The study defined rural bank as a financial institution mostly initiated by traditional leaders in partnership with some natives from the respective traditional areas primarily to provide financial and credit support to mostly rural people and small and medium scale enterprises.

CHAPTER TWO

REVIEW OF EMPIRICAL AND THEORETICAL LITERATURE ON CRISIS MANAGEMENT

2.1 Introduction

This chapter covered a review of related literature from available sources of information on the various subjects of the study. The sources of literature review were basically the primary and the secondary data. They included materials gathered from libraries, textbooks, published and unpublished but printed materials from places like the school libraries, state libraries, and lecture notes were also consulted in some areas, especially areas related to the study. All these helped in no small measure to buttress and give credence to what the researchers analyzed in this work.

Classic natural, technological and human induced events such as the Tylenol poisoning case (1982), the Exxon Valdez oil spill (1989), Nestlé's commercialization of its powdered milk product in Africa(1970), Ford Explorers equipped with Firestone Wilderness tires (1980-1990), will provide lessons learned that emphasize each of these factors and the need for coordination and cooperation within and between organizations, and between all levels of government, the private and not-for-profit sectors.

2.2 Review of Related Studies on Crisis Management

The tragedy of Nestlé's commercialization of its powdered milk product in Africa, which has tarnished the company's reputation to this day, is an example. During the 1970s and 1980s, thousands of African women, charmed by this new Western product, purchased the powdered milk and mixed it with the water they had available. Unfortunately, this water was often contaminated and the product led to the deaths of several thousand

infants. Nestlé claimed for years that its product was perfectly safe and not to be blamed; the company further insisted that it was not doing anything illegal and that its packaging indicated that potentially unsafe water should be boiled prior to use. It ultimately took an order of the World Health Organization, after much lobbying by different activist groups, for the company to withdraw its product. In this case, Nestlé lacked moral maturity: It could not understand that its good product could become lethal when used by people with little to no education or reading ability in an environment like Africa where clean drinking water is not universally available.

Many scholars and practitioners consider the management of the Tylenol crisis by Johnson and Johnson (J&J) to be the prototypical example of efficient and ethical Crisis Management. In 1982 and 1986, the capsules of extra strength Tylenol had been tampered with cyanide, leading to the death of 6 people in the first case, and one in the second case. Even though J&J was exonerated of any wrong doings, since the products were tampered with in the market place and not in the company's facilities or its distribution network, J&J reacted quickly and responsively and recalled 31 million Tylenol bottles—a retail value of more than \$100 million. This case has been extremely influential on both Crisis Management practice and theory and has led to a check list of what to do in the case of a crisis. Johnson & Johnson's response certainly stands out when compared to less successful Crisis Management interventions, such as Union Carbide's Bhopal disaster, the Exxon-Valdez oil spill, the Perrier water contamination incident, or the Three Mile Island nuclear accident.

In the case of Exxon Valdez oil spill in 1989 in Alaska, a considerable damage was caused to the ocean. As a result, it received global media coverage. Though the accident site was cleaned up, Exxon was late in addressing its various publics especially, the

media. As a result of this failure of communication, its reputation was damaged substantially. To worsen the crisis situation, the CEO blamed the media for exaggerating ‘the public relations disaster’ that was created around the spill. Exxon’s stock market capitalization dropped \$3 billion in two weeks after the spill. In analysing the Tylenol and the Exxon incident, the Exxon acted badly by taking its stakeholders for granted. Johnson & Johnson on the other hand, won the trust and confidence of its stakeholders by acting swiftly to deal with crisis.

During the late 1980s into the 1990s, Ford Explorers equipped with Firestone Wilderness tires were linked to nearly 150 deaths and more than 500 injuries in the United States alone. Concerned about the company’s bottom line and its reputation, Ford Motor Company employed what might be called an “ignore it and it will go away” approach to crisis communications. The lack of a cohesive crisis communications strategy, paired with poor management decisions, resulted in a stock price drop of \$11.78 per share. Today, the Ford/Firestone debacle is considered by many to be a textbook example of what not to do when facing a crisis.

Coombs (1999) adds another level to these strategies called “attack the attacker”, and places it before denial. This strategy calls for turning denial into threats (such as legal action) against those who claim a crisis exists. The study also posits the organization should speak with one voice, not necessarily one person, a trained team needs to work together to collectively speak for the organisation, whether an individual or part of a team, the spokesperson should be pleasant on camera, which does not just mean attractive, but pleasant in attitude, stance, and demeanor, etc. They must be able to answer questions effectively, present the organization’s information clearly and handle difficult questions. The organization must respond quickly in a crisis communication

situation, since silence is seen as a sign of uncertainty (Coombs, 1999).

Hunter, et al. (2002), conducted a systematic analysis of extant literature on crisis communication strategies, both in the civilian and military environment to build a typology of effective crisis communication for Department of Defense (DoD) public affairs professionals. They used O'Connor's (1987) social-political theory to examine the advantage of a proactive crisis communications plan over the more commonly used reactive response to crisis. The resulting proactive crisis communication typology identifies 12 key strategies to include or omit from an effective public affairs crisis communication plan depending upon the crisis at hand.

Penrose (2000) examines how perception of crises, as threats or opportunities, is related to the effectiveness of crisis communications. Not surprisingly, those organizations that view crises as potential opportunities are more proactive in crisis planning and report more success in managing meaning during a crisis. Penrose proposes the formation of an integrated crisis management team and proactive crisis planning are the underpinnings of such a philosophical bent and are therefore strongly encouraged.

In the Mirafex Systems, LLC, and Weatherhead School of Management, (2004), it was discovered that over one-third of firms surveyed (34%) had no risk management or disaster recovery plans in place when the blackout occurred. Another study, by Info-Tech Research, found that 60 percent of businesses did not have plans to help IT departments deal with the blackout, even if they did have business continuity plans. The survey also found, however, that nearly half (46%) of the businesses surveyed claimed they would be investing more in crisis management, business continuity and/or disaster recovery in the future.

Taylor and Kent (2007) assert that most crisis management research tends to neglect the communication component of crisis situations. As a corrective, this study suggests that a terminological approach is useful to studying public relations crisis, particularly those in which the organisation is guilty of wrong doing and delivers an apology. This study analyses the corporate apologetic discourses of three paradigmatic cases – at Chrysler, Toshiba and Volvo – and examines the use of persuasive descriptions and strategic dissociations preferred by these corporate apologists.

Hartmann (2011), researched into crisis management of the hotel industry in Finland. Object of The study was prepared in order to present the situation and the acting of hotel managers nowadays to guarantee guests a safe and secure stay and to raise the awareness among hoteliers towards crisis as well as amongst employees, investors, stakeholders, authorities and students from hospitality related fields. The study used qualitative method of research. The findings reviewed that chain hotels are better prepared for crisis than independent ones.

2.3 Theoretical Framework

Crisis today is a complex function involving public safety and security, financial affairs, business affairs, public and information affairs, information systems administration, communication technologies, mapping sciences and hazard modelling, legal affairs, and coordination with numerous other organizations. This diverse set of functions and activities requires crisis managers to be effective managers of programs and operational managers of many direct disaster activities. The effective management of both program and operational activities requires an understanding of management principles. This chapter examined the development of situational crisis communication theory (SCCT) and some of the major contributions that SCCT has made to the field of crisis

management. It discusses some of the major management concepts including the strategic crisis communication planning, and crisis communication which are critical to the practice of crisis management.

The crisis management concept with its different stages was used for the analysis of the events of the crisis at different stages and how the rural banks reacted to the crisis communications plan at different stages of the crisis. Situational Crisis Communication Theory was the main medium for supporting the study. This was made up of the communication approaches that were been used by the rural banks before, during and after the crisis. The situational crisis communication theory will help to give an idea of how the crisis communications plan will be communicated to the target group.

2.3.1 Situational Crisis Communication Theory (SCCT)

The theory was propounded by W. Timothy Coombs in 2007; SCCT posits that each unique crisis requires a unique response tailored to the events and characteristics at hand. It is based on convergent research from Coombs, Benoit, Benson and Hearit that aims to minimize or deflect all possible negative outcomes such as lost sales or low stock prices. In order to determine the best strategy, corporate communicators must assess the reputational threat of the crisis. This is a two-step process. The first step is to determine the nature of the crisis. There are three types:

Type 1. Victim Cluster (mild reputational threat, the company is an innocent victim)

- a. Natural disasters
- b. Rumours
- c. Workplace violence
- d. Product tampering

Type 2: Accidental Cluster (moderate reputational threat, the company is responsible for the crisis, but the actions leading up to it were unintentional)

- a. Challenges from stakeholders
- b. Mega-environmental-damage from an accident
- c. Technical breakdown accidents
- d. Technical breakdown recalls

Type 3. Preventable Cluster (severe reputational threat, company knew it was placing stakeholders at risk and violated laws)

- a. Human breakdown accidents
- b. Human breakdown recalls
- c. Organizational misdeed with no injuries
- d. Organizational misdeed with injuries
- e. Organizational misdeed management misconduct

The types vary in the amount of responsibility the stakeholders, audiences and publics think the company holds in the crisis. The second step considers whether the company has a history of such crises. Looking at both the type of crisis and history of crisis, corporate communicators can determine the reputational threat. For example, if a crisis is an accident but has occurred frequently, this may be a high reputational threat. If a crisis is an accident and this is the first time it has occurred, this would be a lower reputational threat. After ascertaining the reputational threat of the crisis, communicators must choose an appropriate response strategy. SCCT offers three choices: deny (say there is no crisis, or that you are not responsible), diminish (try to minimize the organization's responsibility or the severity of the crisis), or rebuild (apologize and offer compensation).

A fourth choice, "reinforces" (reiterate past positive actions and praise stakeholders), cannot stand alone as a response strategy but can supplement the other three.

2.3.2 Crisis Management

Crisis management is a process designed to prevent or lessen the damage a crisis can inflict on an organization and its stakeholders. Crisis management consists of the crisis management plan and crisis management team. Effective crisis management handles the threats sequentially. The primary concern in a crisis has to be public safety. A failure to address public safety intensifies the damage in a crisis. Reputation and financial concerns are considered after public safety has been remedied. Ultimately, crisis management is designed to protect an organization and its stakeholders from threats and/or reduce the impact felt by threats. Crisis management is a guide with different departments and plans. In the past different approaches have been used, mainly differing in the separate steps Crisis Management consists of.

Coombs (2007) 3 - stage model is a hybrid, which in practice works out as a 5-stage model. However, most crisis description models consist of 3 general stages: pre-crisis, crisis event and post crisis. The pre-crisis stage is concerned with prevention and preparation. The event crisis stage is when management must actually response to the crisis. The post stage looks for ways to better prepare for the next crisis and fulfils commitments made during the crisis phase including follow-up information. In this study, we are going to analyse with regard to the pre-crisis phase, the prevention and not the preparation because the rural banks do not forecast that a crisis will befall them in order to prepare for its coming. But when it took them unaware they normally are supposed to implement some communication strategies which would have prevent it

continuity. The analysis will also focus on the response stage which is the main phase of the crisis events. This phase has more on how the rural banks implemented the strategic communications plan to stop the outbreak of crisis. In this stage the crisis communicator experts have big roles to play. Finally the post stage, we are not going to analyse with regard to how the rural banks revise (revision phase), rebuild and test its crisis management. Within these stages we can recognize sub stages, and this ultimately results in the following 5 steps:

2.3.2.1 Prevention

Fink (1986) claimed that all crisis situations, whether they are unavoidable or just have the potential to develop into a crisis, have some signs. The prevention stage is the active search and interpretation of these signals. Prevention does not make it possible for a company to avoid all crisis situations, but can save the company substantial resources by identifying possible danger and dealing with it in good time. The actions taken depend for the most part on what the company is dealing in. Understandably, companies dealing with dangerous substances will need to take other Preventive measures than companies dealing with building materials. However, not all preventive measures are this easily observable. Coombs (2007) has identified three main crisis sources to monitor:

- Issues Management Sources (trends in traditional and online media)
- Risk Assessment Sources (risk factors or weaknesses that might be exploited)
- Reputation Management (stakeholders' evaluation)

These sources are analysed and each risk is given a value, thereby giving the company a sense of the more relevant risks and the preventive measures necessary to be taken.

2.3.2.2 Preparation

This is part of an organization's risk management program. Preparatory measures take off from where prevention has left us. The vulnerabilities are recognized, crisis types are assessed, a Crisis Management Team (CMT) is selected and trained, spokespersons are selected and trained, a Crisis Management Plan (CMP) is developed and the communication systems are reviewed (Coombs, 2007). Pre-draft select crisis management messages including content for dark web sites and templates for crisis statements. Have the legal department review and pre-approve these messages. At this phase, the occurrence of the crisis is anticipated. Whereas it is impossible to cover all possible crisis scenarios, the most common and company-specific crises can be prepared for and even trained

2.3.2.3 Recognition

Should an actual crisis arise, the preparations made are tested in real-life situations. However, the situation first needs to be assessed as such; as being a crisis. As said earlier, most crises are easily being identified – hurricane Katrina or the explosions of a firework factory in the Netherlands are obvious cases where the crisis was instantly felt and action had to be taken. However, this is not always the case. Some crises, particularly those involving conflicts with outside groups, are hard to notice. It is possible that an organization may not even know it is in a crisis. Crisis team members will have to sell a crisis to the dominant coalition before action can be taken to resolve the crisis (Coombs, 2007).

2.3.2.4 Response

Once a crisis hits, the crisis team must work to prevent it from spreading to unaffected areas of the organization or the environment and limit its duration (Mitroff & Pearson, 1993). Internal and external communication is important to reduce the duration of the crisis because it is at the heart of the initial response, reputation management, informing stakeholders, and providing follow-up information (Coombs, 2007). The crisis response is what management does and says after the crisis hits. Public relations play a critical role in the crisis response by helping to develop the messages that are sent to various publics. A great deal of research has examined the crisis response. That research has been divided into two sections: (1) the initial crisis response and (2) reputation repair and behavioural intentions.

2.3.3.1 Crisis Management Plan

A crisis management plan (CMP) is a reference tool, not a blueprint. A CMP provides lists of key contact information, reminders of what typically should be done in a crisis, and forms to be used to document the crisis response. A CMP is not a step-by-step guide to how to manage a crisis. Barton (2001), Coombs (2007a), and Fearn-Banks (2001) have noted how a CMP saves time during a crisis by pre-assigning some tasks, pre-collecting some information, and serving as a reference source. Pre-assigning tasks presumes there is a designated crisis team. The team members should know what tasks and responsibilities they have during a crisis.

2.3.3.2 Crisis Management Team

Barton (2001) identifies the common members of the crisis team as public relations, legal, security, operations, finance, and human resources. However, the composition will

vary based on the nature of the crisis. For instance, information technology would be required if the crisis involved the computer system. Time is saved because the team has already decided on who will do the basic tasks required in a crisis. According to Augustine (1995), plans and teams are of little value if they are never tested. Management does not know if or how well an untested crisis management plan will work or if the crisis team can perform to expectations. Mitroff, Harrington and Gia (1996) emphasize that training is needed so that team members can practice making decisions in a crisis situation. As noted earlier, a CMP serves only as a rough guide. Each crisis is unique demanding that crisis teams make decisions. Coombs (2007a) Summaries the research and shows how practice improve a crisis team's decision making and related task performance.

2.3.3.3.1 Spokesperson

A key component of crisis team training is spokesperson training. Organizational members must be prepared to talk to the news media during a crisis. Lerbinger (1997), Fearn-Banks (2001), and Coombs (2007a) devote considerable attention to media relations in a crisis. There are some best crisis media training practices which are, Spokespersons should avoid the phrase “no comment” because people think it means the organization is guilty and trying to hide something, Present information clearly by avoiding jargon or technical. Lack of clarity makes people think the organization is purposefully being confusing in order to hide something.

2.4 The relevance of the SCCT to this Study

The theory is relevant to this study because the focus of the study was about crisis communications plan in an intercultural crisis situation. Since Grunig and Hunt (1984: 6) describe communication management as: The overall planning, execution, and evaluation

of an organisation's communication with both external and internal publics – groups that affect the ability of the organisation to meet its goals. So the Situational Crisis Communication Theory was suitable for the interpretation of the institutions and its implications of the crisis communication plan which will be used by the rural banks. This Chapter thus demonstrated that situational crisis communication theory is a relatively recent field of endeavour that continues to evolve. While the work of theorists such as Lippmann, Lasswell and Schramm, in the earlier part of the twentieth Century, provides a useful foundation for contemporary major emergency communication, the rhetorical-based, one-way, top-down approach is shown to be deficient in many respects.

2.5 Summary of Chapter

Coombs (2007) 'On-going Crisis Communication– Planning, Managing and Responding' has been the starting point of the Literature Review. This research is quoted in nearly every article on crisis management, and Coombs is therefore often regarded as a leading expert in the field of crisis management and crisis communication. The research question of this study is seeking, to find out that do the rural banks have crisis communications plan in place. There are other authors who also have some literatures about crisis management theory but in the analysis the researchers used four of the Coombs (2007) 3 stages model hybrid which in practice works out as a five stages model. The theory will be essential for the analysis of how different stakeholders reacted to crisis and especially crisis communications plan implemented by the rural ban

CHAPTER THREE

STUDY METHODOLOGY

3.1 Introduction

The study aimed at assessing the crisis readiness of selected rural banks in the Ashanti Region. This chapter deals with the research method that was used to conduct the study. It provides information on the research design, the study population, sample size and sampling procedure, the data collection instruments, data collection process and data analysis tools. Issues of ethical concern were also addressed.

3.2 Research Method

This study therefore used the qualitative research method. This method was chosen because researchers who use a naturalistic approach to investigate people's feelings and beliefs, opinions, or ways of life, find qualitative data in variety of sources and are interested in appreciating the 'meanings' attached to them. It is also regarded as more appropriate because the basic aim of this study is to describe and explain the crisis readiness of selected rural banks in Ashanti Region.

3.3 Study Design

This study used the descriptive design. According to Mugenda and Mugenda (2009), descriptive design is a process of collecting data in order to answer questions concerning the current status of the subjects in the study. Descriptive design aims at ascertaining and describing the characteristics of variables in a study. The purpose of the study was to assess crisis readiness of selected rural banks in Ashanti Region. The descriptive design was selected based on the type of data that the study was seeking to collect. Thus, obtaining relevant and complete information and describing the situation or describing how ready the rural banks were for crisis.

3.4 Population of the Study

There are 26 rural banks in the Ashanti Region; the researchers did not include all for the study. However, the study was limited to two rural banks in the Ashanti Region. The banks were Sekyere Rural Bank and Yaa Asantewaa Rural Bank. The two Rural Banks were selected based on their rank (best performing rural bank, average performing and the least performing bank), their sizes (The number of employees), period of operation (the number of years the rural banks has be in operation), location (the place a rural bank is located can also be a determining factor for crisis to happen, either a rented or privately owned premises) and shareholder base (total number of people who own shares in the rural banks and can be affected by crisis).

3.4.1 Accessible Population

The accessible population was employees from the two rural banks. The researchers chose the employees from the two rural banks because the study's findings were limited to the two banks only.

3.5 Sampling

Purposive sampling was used to select respondents for this study. Purposive sample includes subjects selected for specific characteristics and eliminate those who fail to meet these set criteria. Purposive sampling was chosen with the knowledge that it is not representative of the general population. According to Opoku-Amankwah (2009), in purposive sampling, the respondents are intentionally selected for the study based on certain characteristics to meet the needs of the study.

3.5.1 Sample Size

The study used purposive sampling to select twenty (20) employees from the two rural banks. The total population of employees from the two rural banks was Three Hundred and Forty one (341). Table 1 below shows the selected rural banks and sample sizes:

Table 1: Showing the Selected Rural Banks and their population

Name of Rural Bank	Accessible Population	Sample Size
Sekyere Rural Bank	300	10
Yaa Asantewaa Rural Bank	41	10
Total	341	20

Out of the total accessible population of 341, the researchers used 10 employees from each selected rural bank.

3.5.2 Sampling process

Purposive sampling which is non-probability was used. The researchers interviewed some selected top management, middle and lower level employees from the two rural banks. Thus, out of the Twenty (20) employees for the sample size, Eight (8) were selected from top management, Six (6) were selected from middle level employees and the remaining Six (6) were also selected from the lower level employees. Table 2 below shows the names of the banks of the respondents and their levels of employment:

Table 2: Showing the Category of employment

NAME OF RURAL BANK	LEVELS OF EMPLOYEMENT		
	Top Management	Middle Level Employees	Lower Level Employees
Sekyere Rural Bank	4	3	3
Yaa Asantewaa Rural Bank	4	3	3
Total	8	6	6

3.6 Study Location

The data was gathered at the Head Offices of the two rural banks, Sekyere Rural Bank and Yaa Asantewaa Rural Bank.

Sekyere Rural Bank Limited

Sekyere Rural Bank Limited was set up in September 1983 as a Public Limited Liability Company. The head office of the bank is at Jamasi in the Sekyere South District of the Ashanti Region and currently operates six branches located in Agona, Ntonso, Mampong, Ahwiaa, Abrepo Junction and Afrancho. The ARB Apex Bank has rated it among the average performing rural banks in the Ashanti Region (2013 fiscal year assessment).

Yaa Asantewaa Rural Bank

Yaa Asantewaa Rural Bank Limited was incorporated on 14th April, 2010 under the Companies' Code 1963 (Act 179) as a company limited by liability to provide rural and community banking among other services to its clients. Yaa Asantewaa Rural Bank started operation on October 1, 2012. The bank is 100% owned by the indigenous of Ejisu in the Ashanti Region.

The importance of Rural Banks as providers of financial services to ensure growth in a predominantly agro-based economy cannot therefore be over-emphasized. Rural Banks are, therefore, the main vehicle for financial intermediation, capital formation and retention of rural dwellers in the rural areas.

3.7 Data Collection Instruments

The main instrument for data collection was in-depth interview guide. A total of Nine (9) questions (for top management and lower level employees) and Eight (8) questions (for Middle and Lower Level employees) were integrated in the interview guide. The guide captured the background information of the employees, the roles and activities performed, the crisis they are likely to face in their operations and what they think could be done to manage crisis.

3.8 Data Collection Process

In all Twenty (20) employees from the two rural banks were interviewed. Interview guide with covering letters was delivered personally to potential respondents at the various rural banks. The first drafts of the interview guide were pre – tested in a selected manner similar to structures of the rural banks to be studied. This helped to fine tune the tool for possible re- design; reduce the total time to be spent on using each tool for the data collection and the relevance of the responses to the answering of the study's questions.

3.9 Data Analysis Plan

In this study, qualitative data was collected through in-depth interview. Data collected was analysed manually. The in-depth interview was recorded by notes taking and transcribed, data collected was grouped according to the questions asked; issues of similarities and dissimilarities of the questions and answers were compared, and

emerging themes searched for. The emerging themes were discussed in relation to the objectives of the study.

3.10 Ethical Considerations

To ensure ethical considerations, the consent of the two Rural Banks to be used in this study was sought. This was done through the writing of letters before the data was collected. In the fulfilment of the issues of anonymity, personal details of the respondents were not included, such as names of respondents and age. The issue of confidentiality was also strictly adhered to. Copies were made available to each of the two rural banks as an evidence of academic use. This would help strengthened the relationship between Christian Service University College and the two rural banks. Also the study will guide various persons who are in charge of managing rural banks and who are in charge of public relations activities of rural banks in Ashanti Region.

3.11 Summary of chapter

This chapter presented a description of the steps used in collecting data, the discussion of the research methodology, the determination of sample size, method of data analysis and how ethical issues was addressed. Therefore, the next chapter which is the chapter four will cover how the data which has been gathered in chapter three will be analysed and presented descriptively for easy understanding of the findings.

CHAPTER FOUR

PRESENTATION OF INTERVIEW FINDINGS

4.1 Introduction

This chapter presents the interview findings of the study collected through interviews. The findings were analysed based on the objectives of this study. The chapter discusses the demographics of respondents for this study and provides responses from the respondents on specific questions that addressed crisis readiness of the two Rural Banks.

4.2 Demographics of Respondents

Out of the twenty six (26) Rural banks in Ashanti Region, the study focused on only two of the Rural Banks; Sekyere Rural Bank and Yaa Asantewaa Rural Bank. In all, twenty employees were interviewed. Table 3 below shows the details of respondents:

Table 3: Showing the demographics of respondents

LEVEL OF EMPLOYMENT	SEKYERE RURAL BANK	YAA ASANTEWAA RURAL BANK
Top Management	4	4
Middle Level Employees	3	3
Lower Level Employees	3	3
TOTAL	10	10

4.3 Findings from Interviews by Top Management

4.3.1 The Possible Crisis Facing Rural Banks

To establish the possible crisis the banks could face in their operations, two questions were asked, 1. What do you consider as threats to the operations of the bank? 2. Has the bank faced any form of crisis before?

In responding to the first question above, it emerged that there are operational risks, credit and loans risks, the risk of default, legal risk, liquidity risk and reputational risk. They explained that the Legal Risks refer to the risk of being taken to court for not complying with regulatory requirements. On the other hand, Liquidity Risk is the risk of the Bank not being able to meet its liability. It also emerged that Reputational risk occurs when the bank's name is tarnished as a result of its inability to handle some customer issues satisfactorily. Another view was high interest rate, the economy and keen competition; they explained below that the competition is very great.

Some rural banks are around and other banks too. Thus, we are all chasing for new and existing money in the system. There is this strong competition where Bank of Ghana now allows for the multiplicity of the establishment or operations of rural banks in the same area.

One of the issues pointed out was that the most threatening activities that might affect the operations of the bank may include viruses and (spy) wares. He said

These may be caused by employees who may accidentally insert or plug in their pen drives or flash drives into the bank's computer system which could affect the entire computers on the network. It would actually make our operations very difficult if the viruses or (spy) wares attack our network.

Another view was that panic withdrawal from customers and suppression of funds by staff could be considered as threats to the operations of the bank.

In responding to a follow up question raised, “What about issues of fire outbreak, embezzlement and armed robbery?” There were mixed responses where it emerged that all those issues could be considered as threats. It also emerged that all those issues cannot be considered as threats and further explanations was that plans were in place to check especially fire outbreak whereby fire extinguishers had been placed at vantage points at the banks’ premises especially the offices and the banking halls. They said,

The employees are periodically taken through “fire combat training” to acquire the relevant and necessary skills and techniques to control or fight fire should it occur at the banks. With armed robbery, the banks have made available policemen and private security men who are at post 24 hours ready to fight any armed robbery attacks.

In responding to the second question raised above, it was pointed out that,

Yes, for crisis, the bank had not faced any but occasionally it has been a cyclical issue in almost all the financial institutions. When it gets to some times in the year especially July, August and September, occasionally they face a bit of liquidity problems. That is the time academic year begins, so the bank receives a lot of loan applications and if it happens that the bank don’t have enough cash to give out as loans, we try to get into liquidity problems. And as a bank too there have been few instances where we have encountered suppression of cash, yes we are human institution and no matter how strong the company is, there will be one or two problems, but all these problems were not as severe or to cause any run down of the bank. We were able to detect them early and sort them out.

Another view was that he recollects somewhere in 2007/2008, the bank faced a lot of liquidity problems. That is the bank was not able to pay customers and also unable to grant loans and added that there was also a minor fire outbreak in one of their server rooms but it was detected early and wasn’t able to spread to other rooms. It was quenched immediately after detection. One of the issues pointed out was that some of the

rural banks do not consider fire outbreak, embezzlement and armed robbery as threats to the operations of the bank.

4.3.2 Availability of Crisis Communications Plan

To ascertain whether or not rural banks have crisis communications plan in place, two questions were asked from the top management, 1. Is there any pre-arranged remedial measures that are documented to deal with crisis should it occur in the bank? 2. What is the level of awareness of middle and lower level employees about the measures?

In response to the first question above, the responses were as follow: Some of the respondents gave similar specific measures that are put in place to deal with crisis should it occur in the Rural Banks.

1. There is a contingency plan for risk. When it comes to the credit risk, there is also credit policy that we follow so that we will be guarded against some of these things. And then again there is insurance policy for the building, the staff and other assets of the bank.
2. There is Business Continuity Plan (BCP), which is broad. It is within that plan where the bank has crisis management plan. The Business continuity Plan acts as a universal set that other plans revolve around. It covers everything, the Crisis Management Plan and Communications Plan, so the bank has a policy governing them, a guideline to that effect.
3. We have the Five (5) year - strategic plan of which the bank works around and the same time we attend meetings and sit down to compare ourselves with our competitors, strategize for short term, long term or immediate term, therefore there is a documented plan that guides us in all situations.
4. There is what we call Disaster Recovery Plan (DRP). In case a disaster occurs, there is a documented policy that guides the bank on how we should go about restoring our system.

Another view was that there is the weight debt requirement by Bank of Ghana and the risk register.

In response to the issue raised in the second question, it was revealed that both levels of employees are informed and it starts from recruitments where the staff is given orientation on the operations of the bank and also the bank organise staff meetings to inform employees about certain issues and receive their concerns. It is usually at these meetings that the staff are trained or educated on how to handle fire and other basic situations that could hinder the operations of the bank. Another view was that the rural banks do inform the middle and lower level employees about the operational policies but it is not everything that is communicated to them especially the insurance cover for the staff in times of funds embezzlement. Further explanation was that it depends on the level that an employee is before some information will be released to them.

4.3.3 Examining Possible Crisis Situations vis-à-vis Crisis Management Plan

To find out how the rural banks evaluate possible crisis vis a vis crisis management plan and the communications plan, two questions were asked, 1. Is there a mechanism of evaluating or measuring the effectiveness or the success of the plan? 2. Will you make any suggestions to management to make available crisis communications plan? Or if you were to meet management what suggestions will you make to them on issues that threaten the operations of the bank?

On the issue raised in the first question, the following emerged

The Internal Auditors and External Auditors check the books of the banks. Bank of Ghana's Auditors also check the books of the bank. Once you have risk and audit managers there, they have to check whether or not some of these policies are complied with. There are also external auditors engaged by the banks to check whether or not their operations are in accordance with Bank of Ghana's directives or regulations.

We have a yearly appraisal system; the appraisal is very detailed and touches on the operations, job duties, and so on. Aside from that, the internal audit reports also communicate to management about how well the staff complies with the policies of the bank.

Another view was that there is an evaluation twice a year, at the end of June and that of December. Basically, some of the things considered for evaluation are the performance of the staff, commitment and effectiveness of the team.

In response to the second question some explained that without customers and employees the bank will not be in business, so there is the need to have laid down communication structures to handle communication in case crisis occurs. By so doing the bank will be able to communicate to the customers.

Why not since it will ease the flow of information or communication within the bank and outside the bank and also serve as a laid down principle in terms of who to communicate in times of crisis to customers and whom internally you are supposed to talk to or report to first. We will advise management to put in place structures or policies that will make it easier for the customers to be informed about the operations or activities that affect them directly.

Another view was that there is availability of such plans already in place in the business continuity plan.

4.4 Findings from Interviews by Middle Level Employees

4.4.1 The Possible Crisis Facing Rural Banks

To establish the possible crisis the banks could face in their operations, two questions were asked in the interview, 1. What do you consider as threats to the operations of the bank? 2. Has the bank faced any form of crisis before?

In response to the first question above, some issues were raised that there are competition, credit and loans risks, and liquidity risk. Below is what they said,

With the competition there is the wide spread of microfinances offering high interest on deposits. The liquidity risk is anything that affects the operations of the bank which include the cash; how to manage the cash because people have deposited their monies with you, therefore they expect that any time they make withdrawal, the bank should be in the position to make available the money for them to withdraw. If the person comes and you tell him that you don't have enough funds for him to withdraw, it means he /she is going to have a bad impression about the bank.

Another view was that staff tampering with customers account and further explanation was that some staff deliberately take monies from some customers' accounts either with the consent of other culprits or do it alone. It also emerged that money laundering, dealing with sanction countries and using the marketing department to wash the bank can also be considered as threats to the operations of the bank.

In responding to a follow up question raised, "What about issues of fire outbreak, embezzlement and armed robbery?" The following issues were raised

Yes they are all threats to the operations of the bank but it will be very difficult for one to embezzle funds due to the regular audit of both internal and external auditors and also the staff has been conscientize on how to handle fire. Also, with armed robbery, the rural banks have made available policemen to combat any crime situation at the banks.

Another view was that there have not been such problems at their rural banks before.

In response to the second question, it emerged that 'Yes' the rural bank has faced crisis before.

An employee was once attacked by an armed robber. Another explained that "a minor fire outbreak in one of our server rooms but was detected early and wasn't able to stretch to other rooms, it was quenched immediately after detection.

Another also explained that “I remember somewhere in 2007/2008, the bank faced a lot of liquidity problems.

One of the issues that emerged was that since the rural banks started operations there has not been such incident before.

4.4.2 Availability of Crisis Communications Plan

To ascertain whether or not rural banks have crisis communications plan in place, two questions were asked, 1. Is there any pre-arranged remedial measures that are documented to deal with crisis should it occur in the bank? 2. What is the level of awareness of the lower level employees about the measures?

In response to the issues raised in the first question some respondents indicated that

We have a 5 year strategic plan in place that guides the bank in all situations; there are selected officers of the bank who after every five years go for meeting to sit and strategize for the bank. Management always has meetings with the staff on the plan and the way forward.

It also emerged that there is a well-documented plan that deals with all the operations or activities of the bank. This plan is termed as the Business Continuity Plan.

In response to the second question it was pointed out that everybody is aware of the plan.

4.4.3 Examining Possible Crisis Situations vis-à-vis Crisis Management Plan

To find out how the rural banks evaluate possible crisis vis a vis crisis management plan and the communications plan, a question was asked, “Will you make any suggestions to management to make available crisis communications plan? Or if you were to meet management what suggestions will you make to them on issues that threatens the operations of the bank?”

In response to the question above, it was pointed out that such plans are already in place. Another view was that there should be a communications plan on how the rural banks would interact with customers.

Another view was that,

I would encourage the bank to secure all insurance coverage in case risk occurs and also there should be intensive training and seminars for the employees.

4.5 Findings from Interviews by Lower Level Employees

4.5.1 The Possible Crisis Facing the Rural Banks

To establish the possible crisis the banks could face in their operations, two questions were asked in the interview, 1. What do you consider as threats to the operations of the bank? 2. Has the bank faced any form of crisis before?

In response to the first question, it emerged that some of the rural banks have not encountered such issues before. Other views indicated that false pretends, false information, debt equity ratio and liquidity risk are all threats to the operations of the bank, further explanation was that

With the false pretends it is when the customer comes to the bank and they come in with different cheque books and it behoves on you the banker to look at the features of the cheque before it can be considered for withdrawal. Also, the debt equity ratio, thus you consider the cash out and cash in and you strike the difference and see if the bank can stand the test of time if there is any crisis. Not until you calculate the debt loss and meet the liquidity stage. Again, when the customer comes to the bank and he/she is unable to withdraw money from the bank, it is a major threat to the bank for the bank to halt operations.

Another view indicated that there is the money movement risk. Thus, the distribution of huge sums of monies to other branches is very risky and sometimes the officers and the distribution van may be attacked by armed robbers.

In response to a follow up question raised “What about issues of fire outbreak, embezzlement and armed robbery?” There were mixed responses where the rural banks admitted that all those issues could also be threats and indicated that all those issues are general problems but there are necessary measures in place to check all those issues especially fire outbreak and armed robbery attack. It also emerged that the staff has undergone some fire training on how to handle fire in case there is a fire outbreak and there are security men at post to combat any crime situation. Other views were that they don’t see them as threats.

In response to the second question, one of the issues pointed out was that the rural banks have not experienced any such incidents since the banks started operations. Another view was that

Yes the bank has faced some crisis before and the bank had problems with the software when they were changing from the old currency to the new currency in 2007.

4.5.2 Availability of Crisis Communications Plan

To ascertain whether or not rural banks have crisis communications plan in place, two questions were asked, 1. Is there any pre-arranged remedial measures that are documented to deal with crisis should it occur in the bank? 2. Who is responsible for handling information?

In response to the first question, it emerged that the employees were not aware of the availability of any plan or measures that is documented to deal with crisis when it occurs. Another view was that the bank has a policy document that covers insurance of officers and fixed assets.

In response to the second question, the following emerged;

Human Resource Manager and his assistants disseminate information through circular and staff meetings. The Operations Manager and the head of security handle information during meetings and other gatherings. The General Manager does that.

4.5.3 Examining Possible Crisis Situations vis-à-vis Crisis Management Plan

To find out how the rural banks evaluate possible crisis vis a vis crisis management plan and the communications plan, two questions were asked, “Have you undergone any training since you joined this bank? 2. If you were to meet management what suggestions will you make to them on issues that threaten the operations of the bank?”

In response to the first question above, they pointed out the following as the trainings they have undergone since they joined the bank;

1. Fire training by Ghana National Fire Service (GNFS)
2. Cheque Clearing and Cashiering
3. Customer Service Training
4. Apex Link
5. How to detect fraudsters and money launderers

In response to the second question raised above, the following were suggested by the lower level employees;

I think there should be a laid down communication structures to ensure effective communication with customers. The bank should intensify security to combat crime 24 hours a day and intensive training and seminars for employees to improve staff retention. I think officers in charge of moving out and distributing cash to the agencies should be insured. I suggest the bank should improve customer service and there should be measures in place that will enable customers do business and leave the banking hall early

4.6 Summary of Chapter

This chapter has discussed the demographics and findings of interview which was the main instrument used for this study.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter deals with the summary of the entire study especially of the key findings; the conclusions drawn from the findings and the recommended measures stipulated by the findings of the study. The chapter also outlines recommendations for further studies in the area of Crisis Management. The purpose of the study was to assess crisis readiness of selected Rural Banks in the Ashanti Region. Three objectives were captured in achieving this purpose, 1. To establish the possible crisis the banks could face in their operations, 2. To ascertain whether or not rural banks have crisis communications plan in place and 3. To evaluate the possible crisis solutions vis a vis crisis management plan and the communications plan.

5.2 Discussion of Key Findings

5.2.1 The Possible Crisis Facing Rural Banks

Objective one was to establish the possible crisis the rural banks could face in their operations. The study found out that top management staff of the rural banks considers operational risks, credit and loans risks, legal risk, liquidity risk, reputational risk, viruses, (spy) wares, competition, and panic withdrawal from customers and suppression of funds by staff as the possible crisis the rural banks could face. The middle level employees enumerated on staff tampering with customers' account, money laundering, dealing with sanctioned countries and using the marketing department to wash the bank also pose as potential crisis to the rural bank. Similarly, lower level employees identified false pretence, debt equity ratio and money movement risk as possible crisis to the bank.

However, the respondents at all the levels were divided in their opinion about whether or not fire outbreak, embezzlement and armed robbery could be possible crisis to the operations of the rural banks. The findings also revealed that those who did not consider fire outbreak, embezzlement and armed robbery as being potential causes of crisis in the rural banks claimed that their banks had put in place adequate preventive measures to avert their occurrence.

The study found out that whiles the Yaa Asantewaa Rural Bank has not faced any form of crisis in their three and half years of operations, the Sekyere Rural Bank, on the other hand, had encountered some operational challenges before like suppression of cash, fire outbreak and liquidity.

5.2.2 Availability Crisis Communications Plan

The second objective was to ascertain whether or not rural banks have crisis communications plan in place. The study findings were that respondents in the top management and the middle level employee categories provided similar answers. According to them, their rural banks have in place Contingency Plan for risk, Business Continuity Plan (BCP), Five (5) year - strategic plan, Disaster Recovery Plan (DRP), and the Risk Register. On the other hand, respondents in the lower level category gave different responses whiles some of them said emphatically that they were not aware of the availability of any such plan or measures, the others believed that their rural banks' policy document of insurance cover for staff and fixed assets catered for crisis communication plan.

In the Mirafex/Weatherhead survey (2004), it was discovered that over one-third of firms surveyed (34%) had no risk management or disaster recovery plans in place when the

blackout occurred. Another study, by Info-Tech Research, found that 60% of businesses did not have plans to help IT departments deal with the blackout, even if they did have business continuity plans. The survey also found, however, that nearly half (46%) of the businesses surveyed claimed they would be investing more in crisis management, business continuity and/or disaster recovery in the future. The findings of the Mirafex/Weatherhead survey (2004) clearly indicate that it is appropriate for organisations to put in place crisis management plan, business continuity plan or disaster recovery plan to curtail crisis should it occur. Therefore, the study findings with regard to the rural banks putting in place pre - arranged remedial measures to deal with crisis is very necessary and helpful according to the survey by Mirafex/Weatherhead (2004).

From the top management perspective, it was revealed that both levels of employees (middle and lower levels) are informed and it starts from recruitments where the staff is given orientation on the operations of the bank while the bank organises staff meetings to inform employees about certain issues and receive their concerns. Another significant finding of the study was that the rural banks do inform the middle and lower level employees about the operational policies but it is not everything that is communicated to them especially, the insurance cover for the staff in times of funds embezzlement and the employees could be informed depending on the rank of the employee is.

However, the study found out from the middle level employees that every member of staff is aware of the plan and are usually informed about the specifications of the plan during staff meetings. Another significant finding of the study was that the lower level employees were not aware of the availability of any plan or measures that is documented to deal with crisis.

The study also found out that whiles in Yaa Asantewaa Rural Bank the Operations Manager and the Head of Security handle information, in the Sekyere Rural Bank it is either the General Manager or the Human Resource and the assistants who handle information in the rural bank.

5.2.3 Examining Possible Crisis Situations vis-à-vis Crisis Management Plan

The third objective was to find out how the rural banks evaluate possible crisis vis a vis crisis management plan and the communications plan. The study revealed that several measures are put in place by the rural banks to evaluate the success or effectiveness of the pre –arranged remedial measures or plan which included Internal and External Auditors checks of the banks' books, Bank of Ghana's (BoG) Auditors checking the books of the bank, risk and audit managers checks, yearly appraisal system, and twice a year evaluation of the plan (June and December). Penrose (2000) examines how perception of crisis, as threats or opportunities, is related to the effectiveness of crisis communications. Not surprisingly, those organizations that view crises as potential opportunities are more proactive in crisis planning and report more success in managing meaning during a crisis. The findings of the study that indicate that several measures are put in place by the rural banks to evaluate the success or effectiveness of the pre – arranged remedial measures or plan support what Penrose (2000) posits, formation of an integrated crisis management team and proactive crisis planning are the underpinnings of such a philosophical bent.

The study also found out that all the three categories of employees suggested that there should be laid down communication structures to ensure effective communication with customers. On the other hand, they emphatically stated that such plans already existed in the plan (Contingency Plan for risk, Business Continuity Plan (BCP), Five (5) year -

strategic plan, Disaster Recovery Plan (DRP)). Other respondents specifically from the lower level suggested that they would encourage the bank to secure all insurance coverage in case risk occurs and also encourage management to organise intensive training and seminars for the employees, encourage management to intensify security to combat crime 24 hours a day. They as well advised them to make sure officers in charge of moving out and distributing cash to the agencies are insured and the bank should improve customer service and therefore put measures in place that will enable customers to do business and leave the banking hall early. Taylor and Kent, (2007) study asserts that most crisis management research tends to neglect the communication component of crisis situations; their study disagrees with the respondents who suggested that they are satisfied with the current plan that guides their rural bank, without the inclusion of any crisis communication plan. Therefore their study encourages that the rural banks should include crisis communications plan in their Contingency Plan for risk, Business Continuity Plan (BCP), Five (5) year - strategic plan, Disaster Recovery Plan (DRP).

5.2.4. Applying Situational Crisis Communication Theory (SCCT) To The Findings of the Study.

1. Assessing the type of threat: First, assessing the type of threat facing the rural banks. Choosing from SCCT's types, there are two that could explain the rural banks' cases. The first is the "Victim Cluster," which encompasses product tampering and malevolence--when an external party causes damage to an organization. Here, the external party is the customer making false alarm about the rural banks and staff tampering with a customer's account or suppression of funds by staff. This is a low reputational threat to the rural banks. The second type of threat that could apply here is the "Preventable Cluster," which is a high /severe

reputational threat. Here, the rural banks knew it was placing stakeholders at risk and violated laws and organizational management misconduct--when management violates its own regulations. Thus, when the rural banks had not being able to meet their liability.

2. Assessing crisis history: The Liquidity problem has been a cyclical issue in almost all the financial institutions. When it gets to some times in the year especially July, August and September, occasionally the rural banks face a bit of liquidity problems.
3. Choosing a response strategy based on history and type: The Rural Banks' liquidity crisis is likely a high reputational threat of the "Preventable Cluster." The Rural Banks have a history of not having enough cash to give out as loans. Some parties might rank it low risk, but for the purposes of this study the researchers will assume it is high. Therefore, the Rural Banks should adopt Rebuilding Strategies, it should apologize and offer compensation to customers and also should adopt the diminishing strategies, try to minimize the organization's responsibility or the severity of the crisis.

5.3 Conclusions

The study established that operational risks, credit and loans risks, legal risk, liquidity risk, reputational risk, viruses, (spy) wares, competition, staff tampering with customers' account, money laundering, dealing with sanctioned countries, panic withdrawal from customers and suppression of funds by staff are the possible crisis the rural banks could face. However, the researchers observed that the fact that only one out of the twenty respondents mentioned reputational risk indicate that the rural banks place less emphasis on the importance of reputation to the overall operations of the bank.

Although the study discovered that the rural banks have documented measures to deal with crisis in case it occurs, the lower level employees were not aware of such document while some of the middle level employees were aware but did not know what it entails.

Also, the study revealed that the rural banks have several means of measuring the effectiveness of the documented plan, such as the Internal and External Auditors' audit report on operations of the bank, yearly appraisal system, and twice a year evaluation in June and December. The Researchers observed that the evaluation focuses on the operations of the bank, job functions and financial performance of the bank; however, they seldom review the risk profile of the organisation and re-strategize against their occurrence.

5.4 Recommendations

Based on the findings of the study, the researchers made the following recommendations;

1. The Rural Banks must place greater emphasis on building and maintaining good corporate reputation to engender goodwill and support from their stakeholders in times of crisis. This could be done by having well- structured communication plan for regular exchange of information and feedback from each party.
2. The Rural Banks must accept the reality that fire outbreaks, embezzlement and armed robbery are major potential crisis that can seriously affect their operations. For this reason they must make their premises easily accessible to security and emergency service providers, such as the National Ambulance Service, the Ghana National fire Service and the Ghana Police Service at all times.
3. The rural banks should go beyond the theoretical trainings on the possible crisis and organise periodic simulation exercises on scenarios of possible crisis situations and

how the staff should manage such situations. This would help to avoid knee – jerk reactions and spread of false information in times of crisis.

4. The Rural banks must, as a matter of necessity put in place crisis communication team and structure to effectively handle all communication with the stakeholders in times of crisis.

5.5 Suggestions for Further Research

Due to certain constraints and limitations of the study, the following recommendations are also important with regards to future research in the area of crisis readiness and crisis management of institutions especially the rural banks. Further research into this topic should be conducted in more rural banks and other banking institutions to ascertain whether the findings of this study are dependent on particular institutions.

REFERENCES

- Augustine, N. R. (2000). *Harvard business review on crisis management*. Boston: Harvard Business School Press.
- Barton, T.S. W., & Walker, L. P. (2008). 'Managing the Unthinkable Event', *Financial Executive*, 24, 10, 24-29, *Business source Premier*.
- Coombs, T. W. (1999). *Ongoing crisis communication: planning, managing, and responding*. London: Sage.
- Coombs, T. W. (2007). *On-going Crisis Communication, Planning, Managing and Responding*. London: Sage Publications Ltd.
- Cretu, P. M., & Puentes, J. A. (2010). *Managing Organisational Crisis in the light of Political Unrest: Case Study of the Gulf Agency Company in Egypt*, Sweden: Linkoping University
- Fearn-Banks, K. (1996). *Crisis communication: A casebook approach*. NJ: Lawrence Erlbaum Associates.
- Fink, S. (1986). *Crisis management: planning for the inevitable*. New York: Amacom.
- Grunig, J. E., & Hunt, T. (1984). *Managing public relations*. New York: Holt, Rinehart and Winston.
- Hartmann, J. (2011). *Crisis management of the hotel industry in Finland*. Haaga- Helia University of Applied Sciences.
- Kouzmin, A. (2008). Crisis Management in Crisis Administrative Theory and Praxis, 30, 2, pp. 155 – 183, *Business Source Premier*
- Lasswell, H. (1948). The structure and function of communication in society. *IN: Bryson, Lyman (ed.). The communication of ideas*. New York: Harper and Row.
- Lerbinger, O. (1997) *The Crisis Manager: Facing Risk and Responsibility*, Mahwah, NJ: Lawrence Erlbaum.
- Li, Fengru. (2003). "Ford Motor Company: What Went Wrong," *MBA 645 Public Relations in Crisis Management*, University of Montana.
- Mitroff, I., & Pauchant, T. C. (1992). *Transforming the Crisis-Prone Organization*. San Francisco: Jossey-Bass, Inc.
- Mitroff, I., Harrington, K., & Eric, G. (1996). Thinking about the unthinkable. *Across the board*. 33(8), 44-48.
- Mugenda, O. M., & Mugenda, A.G. (1999). *Research Methods: quantitative and qualitative approaches*. Kenya: ACTS Press.
- O'Connor, J. (1987). *The meaning of crisis*. New York: Basil Blackwell.

- Opoku -Amankwah, K (2009). *Social research method*. KNUST: University Printing Press.
- Pearson, C. M., & Clair, J. A. (2008). Reframing Crisis Management. In Boin, A.: *Crisis Management*, Vol .2, part II, 1-24. Los Angeles: SAGE Publications Ltd.
- Pearson, C. M., & Judith A. C. (1998). "Reframing Crisis Management," *Academy of Management*. 23: 60.
- Penrose, J. M. (2000). The role of perception in crisis planning. *Public Relations Review*, 26 (2), 155-170.
- Reynolds, B. (2003). *Crisis emergency risk communication: by leaders for leaders*. Atlanta: Centers for Disease Control (CDC).
- Rice-Johnston, W. (2008). Language: A Definition from First Principles - Three Grand Over the Truckstop. *PHILICA.COM Article number 136*.
- Sandman, P. M. (2006), *Crisis Communication Best Practices: Some Quibbles and Additions*, *Journal of Applied Communication Research*, 34(3), pp. 257-262
- Schenker – Wicki, A, Inauen, M, & Olivares, M 2010, 'Unmastered Risks: From Crisis to Catastrophe: An Economic and Management Insight', *Journal of Business Research*, 63, 4, pp. 337-346, Business Source Premier
- Seitel, F. P. (2004). *The practice of public relations* (9th ed.). NJ: Pearson Education.
- Sementelli, A. (2007). 'Toward a Taxonomy of Disaster and Crisis Theories', *Administrative Theory and Praxis (Administrative Theory & Praxis)*, 29, 4, 497-512, *Business Source Premier*.
- Smith, D., & Elliot, D. (2006). 'Key Readings in Crisis Management: Systems and Structures for Prevention and Recovery. (1st ed.). Routledge Publishers
- Taylor, M., & Kent, M. L. (2007). Taxonomy of crisis response on the Internet. *Public Relations Review* 33(2), 140–146.

Online Sources:

An Analysis of the Consequences of the August 14th 2003 Power Outage and its Potential Impact on Business Strategy and Local Public Policy, Mirafex Systems, LLC, and Weatherhead School of Management, 2004.

U.S. Department of Defense Crisis Communication Strategies Analysis Case Study: The Johnson & Johnson Tylenol Crisis. <http://www.ou.edu/deptcomm>

Federal Emergency Management Agency, FEMA 443, 2003. Building a Disaster-Resistant University. Government Accountability Office (GAO), "2003 Blackout Identifies Crisis and opportunities for the Electricity Sector. November. GAO-04-204. http://www.fema.gov/pdf/fima/dru_report.pdf

APPENDICES

APPENDIX 1: Interview Guide for Top Management

1. How long have you worked for this bank?
2. Can you briefly explain your job description?
3. What do you consider as threats to the operations of the bank?
4. What about issues of fire outbreak, embezzlement and armed robbery?
5. Has the Bank faced any form of crisis before?
6. Is there any pre – arranged remedial measures that are documented to deal with any form of crisis, should it occur in the bank?
7. What is the level of awareness of the middle and lower level employees about the plan you put in place?
8. Is there a mechanism of evaluating or measuring the effectiveness or the success of the plan?
9. Will you make suggestions for management to make available crisis communications plan?

APPENDIX 2: Interview Guide for Middle Level Management & Branch Managers

1. How long have you worked for the bank?
2. Can you briefly explain your job description?
3. What do you consider as threats to the operations of the bank?
4. What about issues of fire outbreak, embezzlement and armed robbery?
5. Has the bank faced any form of crisis before?
6. Is there any pre-arranged remedial measures that are documented to deal with crisis should it occur in the bank?
7. What is the level of awareness of lower level employees about the measures?
8. Will you make any suggestions to management to make available crisis communications plan?

APPENDIX 3: interview Guide for Lower Level Employees

1. How long have you worked for the bank?
2. Can you briefly explain your job description?
3. What do you consider as threats to the operations of the bank?
4. What about issues of fire outbreak, embezzlement and armed robbery?
5. Has the bank faced any form of crisis before?
6. Is there any pre-arranged remedial measures that are documented to deal with crisis should it occur in the bank?
7. Who is in charge of handling information?
8. Have you gone through training since you started working in this bank?
9. If you were to meet management what suggestions will you make to them on issues that threatens the operations of the bank?