

**COMMUNICATION CRISIS IN FINANCIAL SECTORS AND THEIR
RELATIONS IN RESPECT TO THE MEDIA: (A CASE STUDY OF MENGOLD
GHANA AND OTHER FINANCIAL INSTITUTIONS IN GHANA)**

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ABSTRACT

This research was conducted to provide evidence based data on Communication Crisis in Financial Sectors in Ghana and their relations in respect to the media (A case study of MenzGold Ghana and other financial institutions in Ghana). This research seeks to show the communication techniques used by some financial institutions including MenzGold Ghana in times of Crisis and in respect to their relationships with the Media. As part of the objectives of our research, was to translate existing literature on crisis communication principles and theories with a focus on the financial environment across Ghana, Africa and the rest of the world. The study used a conceptual model of communication between an organization and the media during crisis periods derived from a thorough review of recent crisis communication literature. With deeply and thoroughly tailored theoretical work and models of communication, this study is expected to contribute in the area of communication and public relation in the financial sectors.

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DEDICATION

We dedicate this project to God Almighty our creator, our strong pillar, our source of inspiration, wisdom, knowledge and understanding. He has been the source of our strength throughout this program, and on his wings only have we soared. We also dedicate this work to our family members who have encouraged us all the way and whose encouragement has made sure that we give it all it takes to finish that which we started. To our close relatives who have been affected in every way possible by this quest, thank you. Our love for you all can never be quantified. God bless you.

LIST OF ACRONYMS

MenzGold - MenzGold Ghana Limited

PR - Public Relations

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CHAPTER ONE

CRISIS COMMUNICATION

1.1 Introduction

Perceptions are a critical aspect that needs to be considered when studying crises, as a crisis only occurs when people perceive the situation to be a crisis (Rosenthal et al., 2001). In addition, the complexity of a crisis situation stimulates multiple “voices” (Frandsen and Johansen, 2009) and creates multiple interpretations (Ulmer et al., 2007b). In such contexts, communication activities are often misinterpreted, resisted or rejected by employees, despite strategies grounded in principles of “excellent” communication (Daymon, 2000). Organizations can sometimes exacerbate the impact of the crisis through poor communications (Goodman and Hirsch, 2010). Du Plooy’s (2001:29) succinct statement underscores the necessity of research to accord the communication field scientific status. With deeply tailored theoretical work and models of crisis communication applied across the globe, this project is expected to contribute in this area of communication and public relations.

A conceptual model of communication between an organisation and the media during crisis periods is derived from a thorough review of recent crisis communication literature. Its intention is to provide crisis managers with a comprehensive decision-making tool for the content of crisis communication, a lesser-developed area of research (Coombs, 2004). This chapter presents an overview of the study and explains the purpose, background, relevance and applicability of the topic to the field of communication.

1.2 Purpose of the Study

The purpose of this study is to translate existing literature on crisis communication principles and theories with a focus on the financial environment across Ghana, Africa and the rest of the world, into a currently relevant conceptual model for organisational strategies of crisis communication with the media. This will contribute to the body of public relations knowledge in Ghana and assist crisis communication experts with the critical task of dealing with crises while preserving or even enhancing the reputations of their organisations during crises.

Recent texts describe three stages of crisis management: prevention, response and recovery (Coombs, 2004; Dulek, Hale & Hale, 2005). While a large portion of the current literature on crisis communication thus far appears to have focussed on the prevention and recovery stages (Coombs 2004), this study will focus on the crisis response stage. This is the point where crisis communication experts make important decisions that could significantly influence public opinion about the crisis and an institution's handling of the crisis.

In any given crisis situation, it should be assumed that the matter could well become public knowledge (Mersham & Skinner, 2004). The reality today is that bad news travels at swiftly. More than a million people will read about your organisation in the first hours after a crisis before you can even begin to impact your news coverage (Clawson-Freeo, 2003:1). Communication to the journalists who work for media organisations during the crisis response stage (this process will be referred to throughout the study as crisis communication to/with the media) can therefore be described as a critical aspect of any crisis management plan and is the subject of this study.

The industry chosen for this study is the financial sector. Due to the fact that the Ghanaian banking/financial sector owns about 60-70% of the total banking or financial assets of the top 100 banks in Sub-Saharan Africa, its importance to the economies of the region cannot be underestimated. In the words of Derek Cooper from the Financial Sector Summit: The financial sector is like the oil in an engine. Without oil, the economic engine will function defectively, if at all (Wu, 2003:14).

In 2014, Bank of Ghana (BoG) discovered that Menz Gold was operating microfinance in Kasoa under the guise of gold trading organisation and illegally using the name Bank. In 2015, Bank of Ghana (BoG) published a list of illegal and unlicensed financial institution working in the name and authority of (BoG) which was never true, including Menz Bank. Menz Bank then changed its name to Menz Banc Ghana Company Limited. Again, in 2016 (BoG) released a warning notice to the general public cautioning them against the deposit-taking operations of Menz Banc.

Furthermore, Bank of Ghana (BoG) in 2017 issued another warning, this time to the company itself to desist from that act of taking further deposits. Lastly, Menz Banc then changed its name back to Menz Gold in August 2018; (BoG) issued another caution notice to the general public over Menz Gold in September, the Security and Exchange Commission (SEC) ordered Menz Gold to stop trading which left off fear and anxiety among clients.

The crisis at Menz Gold had a lot of customers fuming because the company kept rescheduling the payment date. Angry customers felt that the company was not being truthful and kept making them go back and forth instead of providing accurate information (Yen.com, 2018).

The lack of trust by stakeholders in organizational communication during and after crisis is a challenge Ghanaian financial institutions are confronted with. This study therefore sought to assess the nature of crisis communication within the Ghanaian financial sector.

The financial sector is currently facing pressure from government, shareholders and customers alike. These pressures include (Vermeulen, 2003):

- Compliance with various new regulations issued by The Securities and Exchange Commission (SEC) of Bank of Ghana

- Government calls for community empowerment shareholding and financing;
- Money laundering;
- Increasing fraud and robberies;
- Growing consumer dissatisfaction with high prices and poor service
- Huge financial risks, such as providing finance to the traditionally underserved section of the population;
- Bad debt;
- Streamlining/cost-cutting exercises, which includes the closure of branches and retrenchments;
- Diversification of income streams from non-interest income to offset high cost-to-income ratios and increase shareholder return on investment;
- Financial products traditionally offered only by banks being eroded by retail offerings;
- The threat of take-overs by larger, overseas banks.

Against this backdrop of possible stories that could attract the interest of journalists and thus result in potential negative publicity for the banks involved if they are not managed well, the purpose of this study is summarised

as follows: to articulate a theory-based conceptual model for matching crisis response strategies to the crisis situation to best preserve organisational reputation and by synthesising the major approaches to crisis in the essay of the project.

1.3 Relevance of the Topic

According to authors such as Fearn-Banks (2002) and Mersham and Skinner (2002), it is inevitable that organisations will face crises. Helping to manage both crisis and opportunity is one of the critical challenges for public relations professionals. Public relations have been frequently criticised for its lack of theory and for basing practice more on intuition than on scientific principles (Holtzhausen, 1995; Olson, Signitzer & Windahl, 1992). According to communication scholar, David Berlo (1960), a good theory has practical application. A new dynamic model of crisis communication management may be required because traditional linear models and theories of communication, persuasion and management do not fully explain the multi-channelled and sometimes chaotic communication environment which characterises crises in most organisations (Bloom, Crystal & Verwey, 2002; Gayeski & Majika, 1996: 22). Very often when a crisis breaks, it is unexpected and the organisation only becomes aware of it when a journalist enquires (Seitel, 2001). Many factors happen at once and crisis events escalate. Information can be ambiguous or conflicting and chaos reigns (Seitel, 2001). Crises do not generally follow an orderly sequence, as the traditional theories would have us believe, and cannot necessarily be controlled using traditional cause-effect persuasive techniques.

Much of the literature provides rudimentary and what could be criticised as somewhat idealistic checklists for the crisis communication planner. For example, a typical crisis

manual will state that it is necessary to have a list of journalist and key management contact numbers and that the organisation should respond quickly to queries. These checklists do not give details on the actual content of communications and do not cover the contingency of the communication planner having to change tactics midstream, perhaps in response to the ineffectiveness of messages. This study will bring a different perspective to the phenomenon through the formation of a flexible, content- driven model that can be adapted to suit different crises situations.

The majority of research in the field has been carried out on crises at large international organisations like Nike's footwear, Johnson & Johnson's pain medication Tylenol, Nestle's infant formula and Perrier's sparkling water. Limited information is available in the Ghanaian context. This study, by concentrating on the global business context, and on a particular industry vertical, the financial services sector, is expected to produce some relevant information that can be applied by public relations professionals in this country.

An important characteristic of most crises is that the news media are highly interested (Fearn-Banks 2002; Gonzalez-Herrero, 1994; Mersham & Skinner, 2002). Media attention and scrutiny is a fact of business life and journalists must be engaged with, whether the organisation likes it or not (Fearn-Banks, 2002; Gonzalez-Herrero, 1994; Mersham & Skinner, 2002). Communication to the media is thus a critical aspect of any crisis communications plan. Silence in the midst of a crisis implies guilt, whether justified or not, and reporters face deadlines hour by hour (Gonzalez-Herrero, 1994; Levine 2006). Control of the situation requires that the organisation in crisis controls the message (Fearn- Banks, 2002). Current literature on crisis communications management includes all the elements of a crisis communication plan (communication

to staff, shareholders and the like). This study will be unique as it focuses on one aspect of crisis communications, that is, communication to the media.

According to Coombs (1999:125), a significant part of crisis management literature is devoted to detecting and preventing a crisis pro-actively because the best crisis is the one that is avoided. However, Coombs (1999) believes that an organisation cannot avoid, prevent or prepare in advance for all possible crises. The success of a crisis management effort is heavily dependent on what the organisation says and does after a crisis begins – termed: the crisis response (Benoit, 1997). Hale et al (2005:131) suggest that communication models can prove most beneficial under such circumstances. According to Bloom (2001:85): Inventing a response to a crisis as it breaks cannot be done to the best of a public relation consultant's advantage under the pressure of events. Given this situation, a set of guidelines or model could help crisis communication experts to formulate responses to the media during a crisis.

1.4 Introductory Literature Review

In this section the background to existing theories and models of crisis management is presented. Crisis management refers to how organisations deal with crisis situations. It comprises crisis communication to various stakeholders such as staff, shareholders, the public and the media. This study focuses on one aspect of a crisis communication plan – that is crisis communication to/with the media. Crisis communication described by this study refers to a process of symmetrical communications during a crisis to the media that is carefully crafted to protect or even potentially enhance and organisation's image.

1.5 Background to Theories of Crises Management

For the past century, both the natural and social sciences have been dominated by metaphors of well-regulated and predictable machines (Gayeski & Majika, 1996). Much classic crisis communication and crisis management research has been based on a mechanistic view of control. For every action, there was a specific reaction and communication experts believed that it was possible to predict how audiences would react to a carefully crafted message (Gayeski & Majika, 1996). This traditional linear cause-effect view is being questioned by progressive systems approaches which consider the dynamic interdependence of factors such as context and the mind in meaning-making (Bruner, 1990; Gergen, 1999). The calculation of probabilities, rather than absolute prediction has become the norm (Gayeski & Majika, 1996). The effect of these paradigm shifts on the field of crisis management can be briefly described as follows:

- **Traditional linear approaches:** According to Keene (2000:15), in the traditional linear paradigm of seeing the world and organisations in a mechanistic way, crises were viewed negatively as signs of trouble. Organisations following this approach seek to control their environment and experience frustration when it behaves in a way that is incongruent and in conflict with the operation of the organisation.
- **Progressive systems approach:** In contrast, progressive organisations follow the premise that environments are dynamic and that change and uncertainty will come to pass irrespective of organisational efforts to control and direct them (Keene, 2000). This approach views crises as opportunities for beneficial restructuring (Bloom et al, 2002). In this study, the following theories and models of crisis management and crisis communication are discussed which can be classified on a continuum between the traditional linear approaches to the more progressive systems approaches.

Models leaning towards the traditional, linear continuum of crisis management and crisis communication:

- Meyers and Halusha's model (1986)
- Stage models of crisis: Fink (1986), Mitroff (1988), Horsley & Barker (2002)
- The linear crisis response model (Hale, Dulek & Hale 2005)

Models leaning towards the progressive, systems continuum of crisis management and crisis communication:

- The spiral crisis response model (Hale et al 2005)
- Chaos theory
- Situational crisis communication theory – SCCT or SCC theory

The models and theories listed above are helpful in building a body of knowledge to further the understanding of crisis management. While they all acknowledge the importance of communication decisions made during a crisis, none of them actually examine these decisions and responses. The SCC theory addresses these responses and is thus the approach most relevant to the model designed from this research.

1.6 Type of Study

The study is both exploratory and descriptive as it aims to explore theoretically organisational communication to the media during a crisis. Through this process it endeavours to gain a new understanding of the topic, which can be formulated into a descriptive, conceptual model, with particular relevance to the Ghanaian financial services environment. According to Du Plooy (2001) and Neuman (2000:21), some of the goals of exploratory research, which are particularly relevant to this study, are to promote knowledge of a process, to determine the accuracy of a principle or a theory

and to build a theory. In comparison with the quantitative or positivist tradition of experimentation, theory testing and verification (Gergen, 1999) - qualitative researchers place more emphasis on description, understanding and discovery (Du Plooy, 2001; Gordon, 1999). The attitudes associated with this mode of inquiry have been described as open, reflexive and sometimes a-theoretical (Flick, 2002; Hoshmand, 1989). Neuman's (2000:145) argument further confirms the qualitative nature of this research: Instead of converting ideas of the social world into general variables to form hypotheses, qualitative researchers borrow ideas from the subjects that they have included in their study to develop new ideas as they look at or examine a specific case in its context or natural setting.

This study will not attempt to measure or quantify the phenomenon under study as it just a theoretical essay, but will rather draw themes from the literature study, to come to conclusions on which a new model of understanding crisis communications with the media will be based. It is appropriate for the study to draw from a qualitative theoretical framework because the intent is to avoid speculative quantification and to learn from great models and theories and help go around cases of financial crises in Ghana as many microfinance institutions, commercial and investment banks dealt with their various media crises. Scholars such as Babbie and Baxter (2004), Du Plooy (2001), Hammersley (1992) and Silverman (1993), have demonstrated that qualitative research is a justifiable and legitimate means of gathering information for additional insights and theory development. The application of this knowledge may make the difference between salvaging or destroying an organisation's reputation, in spite of the fact that bad news attracts media audiences.

CHAPTER TWO

CRISIS COMMUNICATION WITH THE MEDIA

2.1 Introduction

As stated in chapter one, the purpose of this study is to translate the existing literature on crisis communication principles and theories, into a currently relevant conceptual model for organisational strategies of crisis communication with the media. In this chapter, existing literature is examined in order to contextualise, define and describe terms and principals relevant to crisis communication with the media. This will lay the foundation for the study.

It is suggested that a notable part of the literature is focused on the structure or fundamentals of planning for a crisis such as the development of crisis communication manuals, media training and selecting a media spokesperson and that lesser attention is given to the actual content of crisis communications (Coombs 1994). These fundamentals are discussed in the sections that follow to provide a background of literature on the topic.

Media attention is identified in the literature as endemic to most crisis situations (Gonzalez-Herrero 1994; Fearn-Banks 2002) and many scholars agree that an organisation's response to journalists during a crisis (the content of communications) can have far-reaching effects on its reputation (Kempner, 1995; Coombs, 1994; Fearn-Banks, 2002; Hale, Dulek & Hale, 2005; Mersham & Skinner, 2002). The focus of this research - communication to the media during a crisis - is therefore given credence. The following sections of this chapter will discuss the varying definitions and descriptions in the literature of terms relevant to the topic.

2.2 A Contextualisation of Crisis Communication to the Media

In order to provide context for the focus of the study - crisis communication with the media - the following related concepts will be defined and described: crisis, common organisational crises, description of an organisation dealing with a crisis, crisis management and organisational legitimacy. These concepts will help to build a framework for the study.

2.2.1 Crisis: Case-Definition

The term crisis can often be ambiguous. As Guth points out (2002:125): One person's incident is often viewed as another person's crisis. In a similar vein, Fearn-Banks (2002:2) asserts that many professionals claim they have daily crises and argues that a crisis is more serious than a problem. Fearn-Banks (2002:2) explains this as follows: A crisis is a major occurrence with a potentially negative outcome affecting the organisation, company, or industry, as well as its publics, products, services or good name. It can interrupt normal business operations and can threaten the existence of the organisation. It can take the form of a strike, terrorism, fire, boycott, product tampering, product failure, an earthquake and so on.

Also focusing on the potential consequences of crisis, Artigue and Matera (1999:216) postulate that a crisis can be any non-routine event that could be disruptive to business operation. According to Modzelewski (1990:12), referring specifically to the financial context: a crisis can be defined as a negative event which, amongst other factors, causes the financial organisation's stock price or market share to go down.

Clawson-Freeo's (2000:1) definition builds on to the aforementioned definitions by incorporating media attention into the description of a crisis. Clawson-Freeo (2001) also suggests that the manner in which an organisation handles a crisis is important

and that inappropriate reactions to the crisis by management could, in itself, cause another crisis (2001). Clawson-Freeo (2001:1) describes a crisis as any situation that threatens the integrity or reputation of a company, usually brought on by adverse media attention. It can also be a situation, where, in the eyes of the general public, the media, shareholders, stockbrokers and analysts, the company did not react to any of the already mentioned situations in an appropriate manner.

Crisis expert Fink (2005:129) also points out that all crises run the risk of coming under scrutiny of the media, escalating, interfering with normal operations, jeopardising the positive public image of the organisation and affecting a company's bottom line. Gonzalez-Herrero (1994) concurs that an important characteristic of most crises is that the news media are highly interested. Media attention and scrutiny is a fact of business life and journalists must be dealt with whether the organisation likes it or not (Gonzalez-Herrero 1994:10).

What is evident from most of the discussed definitions of crisis is the negative connotation given. In a slightly different light, Webster's dictionary (1995:225) defines a crisis as a turning point for better or worse, a decisive moment or crucial time. This suggests a possibility that a crisis may have a positive outcome. Therefore, a crisis may not necessarily be viewed as being negative (Darling 1994). According to Fink (2005:15): It is merely characterised by a certain degree of risk and uncertainty.

Developed from the aforementioned descriptions, the following definition applies to this study and considers the focus on media attention and the possible opportunity for a favourable outcome: A crisis is a turning point for an organisation, usually brought on by adverse media attention, which, if managed properly, can maintain or even enhance the reputation of a company.

2.2.2 Crises: Case- Description

One way to describe a crisis is, according to Cantor (1989), based on its time-scale.

Examples relevant to the financial industry have been included as illustrations:

- 1) A sudden fire, accident or other noticeable event with immediate impact is termed an exploding crisis (Cantor, 1989). An example could be the acts of terrorism at the World Trade Centre in New York on September 11, 2001, which destroyed the headquarters of many financial institutions, killing more than 2000 people, including many leading financiers.
- 2) An immediate crisis (Cantor, 1989) describes an event that may come without warning, such as the sudden resignation of the CEO of a bank. Very often no time is allowed for research as to the cause because the media want comment immediately.
- 3) A building crisis (Cantor, 1989) can be termed an emerging crisis or an anticipated crisis which gives communication experts time to research and plan a response. For example, a media office may anticipate that the increase in banking fees may cause public dissent, and can thus prepare well-researched responses. However, the disadvantage is that it cannot always be determined exactly when the crisis will strike – it might take many months, or just a few weeks for the crisis to hit.
- 4) A continuing crisis (Cantor, 1989) is a chronic problem that usually develops over a longer period of time and is not easily resolved. The media may carry speculative stories and rumours may be persistent. All crises differ in terms of the length of time they last, the damage caused and the measures required to deal with them. Different crises require different management techniques and the crisis manager must identify the type of crisis and its accompanying time

constraint (Cantor, 1989). It could be argued that Cantor's descriptions of crises are only useful retrospectively as it is not possible at the outset to know whether a crisis will be protracted or not.

Nevertheless, what is evident about current crises is that, given the proliferation of electronic media, they are so much more visible than ever before. According to Calloway and Keen (1996), in the world of fast-response, real-time communication, perceptions become reality very quickly. Calloway and Keen (1996) state: The fluctuations in today's financial marketplace rely on fast- responses of less than 20 seconds. Foreign exchange markets are coordinated worldwide by information technology-based services like Reuters.

Technology ensures that a damaging message about an organisation, even if only partly true, can be spread within minutes to millions of people, including the news media (Irvine & Millar 1998). Irvine and Millar (1998:8) warn: You may not know about the problem until your switchboard is being flooded by calls from irate customers, contributors and reporters wanting to know what is going on. It is therefore necessary for companies to galvanise their operational communication systems and decision-making processes for dealing with potential crises. The next section describes common crises in organisations that have typically made newspaper headlines.

2.2.3 Organisational Crises

A large part of recent negative crisis publicity is caused by personnel in the financial services sectors: scandals, questionable policies, unethical actions and white-collar crimes such as bribery, fraud and insider trading (Bloom et al, 2002). Irvine and Millar (1998) suggest that many smouldering crises are often the result of

questionable management decisions. These renowned companies had to declare bankruptcy because of immorality on behalf of executive management, which led to severe crises. The emphasis was on the numbers and immediate success rather than on long-term values of ethics and morality. There was a gradual descent into poor judgment, denial, failure to challenge the system, greed, deceit, ego, wishful thinking, poor communications and lax oversight (Centre for Business and Ethics, 2006). The implication of these factors in terms of developing guidelines for handling future crises is that organisations will have to be absolutely ethical and moral in their crisis communications to counter-act the negative actions and perceptions that created the crises in the first place. Stevens (1999) also found that organisational cultures that blurred ethical boundaries contributed to financial crises and that the crises could only be addressed effectively after senior staffers were replaced and cultural changes implemented. Given these examples alone, one could deduce that the profit motive may frequently induce a lesser morality standard than that of societal norms. This suggests that organisations may be prone to scandal at some time or other and that crisis communications will need to be honest, ethical and demonstrate what the organisation is doing to rectify the situation.

According to Irvine and Millar (1998) western-based commercial banks featured among the top five crisis sectors during the 1990s. In the past number of years African examples abound. This work is based on those crises that have typically made the news headlines of the financial media in recent years. They include an internet hacking crisis, a hostile take-over by a competitor bank and a non- executive director being charged of corruption. The next section describes what typically occurs when an organisation is forced to deal with a crisis.

2.2.4 A Typical Description of an Organisation in Crisis

Seitel (2001:541) provides a typical description of an organisation in crisis. The views of additional scholars have been added to Seitel's (2001) descriptive framework.

- 1) Surprise: When the crisis breaks, it is often unexpected and the communication team of an organisation only becomes aware of it when a journalist calls and wants to know what is being done about the issue.
- 2) Insufficient information: According to Mersham and Skinner (2002), one of the biggest liabilities in any crisis is that often all the facts are not available, especially in the early stages, and the danger is to act on that lack of information. Often information is ambiguous or conflicting. Augustine (1995) notes that companies sometimes misclassify a problem, focusing on the technical aspects and ignoring issues of perception. It is often the public perception that causes the crisis (Augustine, 1995).
- 3) Escalating events: The crisis starts to grow and people want answers.
- 4) Loss of control: This begins to happen when many factors start to happen at once and chaos seems to predominate.
- 5) Siege mentality: The organisation feels surrounded. Legal advisers are saying one thing and the organisation may feel that the easiest response is to say nothing. Seymour (1996) states that when panic sets in, management could refuse to acknowledge the fact that they are in a crisis. Kempner (1995) says an organisation's first instinct during a crisis may be to draw in the wagons and withhold comment from the media.
- 6) Panic: The pressure mounts and a sense of panic pervades. It is difficult at this stage to get management to take immediate action and to communicate what is transpiring.

7) Increased outside scrutiny: The media, employees and the public in general feed on rumours, the media want a response and investors demand details. Seymour (1996) is of the opinion that there can also be an increased scrutiny of management, in particular by the media and shareholders. Effective crisis management is required to handle the somewhat chaotic situation endemic of many crisis situations.

2.3 Crisis Management Case-Definition

Crisis management basically refers to the management or handling of crises by organisations (Lagadec, 1990; Goodman & Marcus, 1991). Crisis management comprises crisis communication to various stakeholders such as the public, employees, government and the media. It also includes consideration of operational issues such as emergency evacuation procedures, the establishment of crisis communication hotlines and planned schedules for back-up equipment and staff resources.

Darling (1994) describes crisis management as follows: In essence, crisis management provides a business firm with a systematic, orderly response to crisis situations. This response permits the organisation to continue its day-to-day operations while the crisis is being managed. Furthermore, systematic crisis management creates an early detection or warning system. Many crises can be prevented – or at least coped with more effectively – through early detection. Darling's (1994) definition of crisis management is both practical and operational and stresses the need for crisis management to be ongoing in order to provide early detection of crises, so that the organisation can be prepared. Darling (1994) even goes so far as to suggest that a crisis can be curtailed through effective crisis management.

Augustine (1995) incorporates into his definition of crisis management his belief that every crisis contains the potential for success as well as the risk of failure: Finding, cultivating, and harvesting that potential success is the essence of crisis management (Augustine, 1995). Through this definition Augustine gives crisis management the additional responsibility of improving the organisation. Mersham and Skinner's (2002) definition, in contrast to that provided by Augustine (1995), has, perhaps, a more realistic approach to crisis management in that they ascribe it a protective role rather than an enhancement role. Mersham and Skinner also place the emphasis on the public relations or communications element of crisis management (2002): Crisis management involves public relations-led techniques to protect the company's reputation and/or licence to operate when under threat from negative outside influences.

Fearn-Banks (2002) contains her description of crisis management, and its aims, to reducing some of the risks and ambiguity posed by a crisis. Like Darling (1994), Fearn-Banks (2002) includes planning as a key component of this definition. Fearn-Banks (2002) states that: Crisis management is a process of strategic planning for a crisis or turning point, a process that removes some of the risk and uncertainty from the negative occurrence and thereby allows the organisation to be in greater control of its own destiny.

Kempner (1995) also acknowledges that proper preparation is a key factor in diminishing the potential negative impact of a crisis. Kempner (1995) claims that it is not the crisis that causes the potential downfall of the organisation, but rather, the poor handling of it. Anticipating potential problems and determining how to present them to the media will not just save valuable time during a crisis but will help an

organisation to portray itself in the best light possible (Kempner, 1995). Herein, Kempner (1995) stresses the aspect of crisis management that pertains specifically to communication to the media. Kempner (1995) further argues that successful crisis management can have a beneficial effect on the organisation's bottom line/profits.

For the purposes of this study, the following brief definition, which incorporates the key elements identified by the aforementioned authors, is applied: Crisis management is the preparation and management of an organisation's response (including its communication to the media) during a crisis in a beneficial manner.

According to Rockett (1999), crisis communication should not be viewed as a separate/speciality discipline to be managed only by public relations officers, communication practitioners or media specialists, but should be regarded as a corporate discipline directly overseen by the chief executive officer, and should be instilled into management at all levels. In a similar vein, Darling (1994:4) suggests that organisations should capitalise on the expertise of appropriate individuals from various operational areas in order to plan for and manage the crisis situation. As discussed in the section that follows, an organisation that does not manage a crisis well may risk its legitimacy, or license to operate.

2.4 Organisational Legitimacy: Description

The concept of organisational legitimacy suggests that an organisation is granted legitimacy if stakeholders or the public believe an organisation is good, responsible and/or has the right to continue operations (Allen & Caillouet, 1994; Hearit, 1995).

According to Allen & Caillouet (1994), an organisation with a negative perception in the media as a result of the poor handling or management of a crisis may forfeit its

organisational legitimacy. Organisational legitimacy can therefore be linked to crisis management in the sense that both are regarded as managerial issues.

Gouws, Grobler and Schoonraad (2005) describe the concept of organisational legitimacy as a licence to operate afforded by society/stakeholders. Stakeholders can be the general public, social groupings, regulatory bodies, organisational shareholders, staff and the like. Legitimacy is built by conforming to the social rules and expectations of stakeholders and is critical to the successful operation of an organisation (Coombs & Holladay, 2006). Society judges the legitimacy of an organisation based on its image (Puth & Steyn, 2000) and the image of an organisation has been linked to significant outcomes such as attracting customers, generating investment interest, access to infrastructure and resources, attracting top employee talent and positive media coverage (Allen & Caillouet, 1994; Gouws et al 2005). A crisis is a threat or challenge to an organisation's reputation, and thus to its legitimacy, and an organisation will use communication strategically in response to threats to its legitimacy, in the hope of influencing how the public view the organisation (Allen & Caillouet, 1994; Barton, 2001; Marcus & Goodman 1991). It could be said that a legitimacy gap arises if new information about the activities of an organisation suddenly becomes known, particularly if it differs dramatically from the image (Puth & Steyn, 2000). Crisis management is employed to restore an organisation's legitimacy.

According to Boyd (2000), the corporate desire for public legitimacy has not always existed. In fact, before this century, corporations were not at all accountable to the consumer public, legally or otherwise, given that most of the regulatory agencies that govern corporate activity today did not exist (Boyd 2000). It was the investigative

journalists of the early 20th century that changed the situation (Boyd 2000). Several exposés about companies that carried out oppressive labour conditions and were corrupt, forced big business to counteract the negative publicity that had up to that point been avoided (Boyd 2000). Since then, new regulatory agencies, greater competition and increased awareness have reinforced the idea that corporations do require some degree of public support (Boyd 2000). Corporate governance, or the responsible leadership and management of an organisation (Naidoo 2002), has become an essential requirement of business. It encompasses an organisation's accountability to the broader society in which it operates. Halal (2000) explains that corporate governance has evolved from a traditional profit-centred model to one which includes social responsibility. The 1994 Southern African King Report on Corporate Governance was one of the first of its kind, worldwide, to advocate an integrated approach to corporate governance that goes beyond financial and regulatory aspects to include good social and environmental practice – the triple bottom line (Gouws et al, 2005; King Committee on Corporate Governance, 2002).

Nowadays, organisations attempt to influence public sentiment by various means such as identifying with legitimate external power figures, obtaining endorsements, making cash contributions to charity, complying with laws and standards, changing procedures, opening and closing communication channels and arguing that the organisation serves ends beyond its own (Gouws et al, 2005; Mersham, Skinner & Von Essen, 2001). A crisis could disrupt this productive work and it therefore is necessary that an organisation learns how to manage a crisis successfully to prevent its legitimacy from being upbraided. The next section on crisis communication with the media, an essential component of crisis management, deals with this issue.

2.5 Crisis Communication with the Media

This section deals with the aspect of crisis management that is the focus of this research: crisis communication with the media. Beginning with a definition of communication, relevant terms are described and defined for the purpose of clarity.

2.6 Communication: Case-Definition

Basic scientific or mechanistic definitions of communication describe it as the linear transmission and reception of information (Angelopulo & Barker, 2006; Griffin, 1997). An exclusively mechanistic approach suggests a rigid portrayal of communication (Angelopulo & Barker, 2006). Other more humanistic, approaches describe communication purely as the generation of meaning (Griffin, 1997). Building on from this, contemporary theory and definitions regard communication not only as a dynamic process of exchanging meaningful messages, but as a transaction between participants during which a relationship develops (Angelopulo, 2000; Angelopulo & Barker, 2006; Mersham, Skinner & Von Essen, 2001). Relationship building and maintenance is therefore considered to be a critical component of communication.

Most relevant to this study, because of its focus on organisational crises, is the definition of organisational communication provided by Puth and Steyn (2000) Corporate communication is communication on behalf of an organisation. It is managed communication with the aim of increasing organisational effectiveness (and its reputation) by creating and maintaining relationships with stakeholders. This definition will be used for the purposes of this study because it incorporates the intentional aspect of communication, as well as the relationship component identified by scholars such as Angelopulo and Barker (2006). However, an addition to the

definition has been made in brackets in order to stress the influence that communication can have on an organisation's reputation.

2.7 Media: Case-Definition

The term media, the plural of medium, generally refers to the means (or intermediate agency) for the dissemination of communication (Webster's Dictionary, 1995; Windahl, Signitzer & Olson, 1992). Often the term is used synonymously with mass media (Webster's dictionary, 1995:615), where the organised means of communication such as radio, television, the press and the internet, is aimed at the widest possible audience (Federman, 2004). An individual corporation within the mass media is referred to as a media institution (Federman, 2004). For the purposes of this study, the term media will refer collectively to the journalists who work for print media such as newspapers and magazines, digital media such as on-line/internet websites and broadcast media such as television and radio and news agencies (The Media List, 2003).

2.8 Crisis Communication to/with the Media

Early definitions of crisis communication focus on the concept of persuasion and suggest that communication is asymmetrical, or one-way – from the organisation to the media. This reflects the sentiments of organisational power and control. For example, Sturges states (1994): The objective of crisis communication, beyond coping with the aftermath of the crisis, is to influence public opinion development to the point that opinions held after the crisis are at the same level or greater in positive opinions and at the same level or lower in negative opinions.

Coombs and Holladay's (1996) definition reflects a similar paradigm:

Communication can be used to influence how stakeholders interpret a crisis and the organisation in crisis. In contrast, a basic, practical definition is offered by Mersham, Skinner and Von Essen (2001): Every large organisation must be prepared to handle enquiries from the media or other interested parties arising from a variety of crisis situations. These scholars suggest that crisis communication is largely reactive in response to approaches from journalists, and fail to mention the potential of crisis communication to influence public perceptions of the organisation.

Fearn-Banks's (2002) definition incorporates the concept of two-way communications between the public and the organisation, but suggests that crisis communication is merely akin to damage control. In this, Fearn-Banks (2002) appears to ignore the opportunity for crisis communication experts to enhance an organisation's reputation by the effective management of a crisis: Crisis communications is the dialogue between the organisation and its publics prior to, during, and after the negative occurrence. The strategies and tactics are designed to minimise damage to the image of the organisation (Fearn-Banks, 2002).

What can be interpreted by synthesising the essential components reflected in the definitions proposed by the aforementioned scholars, is that crisis communication, apart from having a practical role to dispense information to various publics during a crisis, can, like organisational communication also be used proactively to guide and influence media and public perceptions about the organisation during a crisis.

For the purposes of this study, crisis communication to the media shall therefore refer to a pro-active process of symmetrical and informative communication to the media during a crisis situation, carefully crafted to protect or even potentially enhance an organisation's public image. This description adequately incorporates the essential

components of crisis communication. Crisis communication to the media forms an integral part of an overall crisis management plan, which includes communication to other stakeholders such as government, clients and employees. Because the focus of this study is on communication to one particular stakeholder during a crisis – the media – the next section discusses the value of this process and why it is the strategic focus of this study.

2.9 A Contextualisation of the Media and Crises

Although the importance of communication to the media in a crisis has already been discussed, the following quote from Fearn-Banks (2002) succinctly illustrates its significance: Do not assume that the crisis story will go away. The media can do their stories without you. They can build a case against your organisation, portrayed as “the bad guy,” by talking with disgruntled employees, volunteers and customers, and even more often, by seeking out disgruntled former employees, former volunteers, and former customers. The media can also use computer files and call up long-forgotten problems and mistakes, and, in a few seconds, regurgitate them and place them before the eyes and ears of the public. The people thus hear the negative story.

The media often transmit the opinions of the general public, as well as moulding public opinion, based on what they publish (Bloom, 2001). While the media respond to public awareness and opinions, it is the media themselves who are the major force in creating public opinion, according to agenda setting theory (Bloom, 2001). The media dominates public information by serving as filters through which the public receives news and interpretations of crisis events (Bloom, 2001). The media can thus create a crisis out of an event by putting it in the spotlight or play down the event by ignoring it (Skinner, 1995). The information it chooses to publish, its visual and

verbal symbols and the tone of its presentation can define the meaning of events and shape the attitudes of its audience (Bloom, 2001). The timing, content and tone of media coverage can upset or reassure the public or even create fear and complacency (Bloom, 2001). This persuasion technique is called the agenda setting theory and is closely related to the gate-keeping theory, which describes the function of editors who decide what and how a story is going to appear in the media (Bloom, 2001).

Although the prevailing view today is that media audiences are active participants and the media do not merely inject information into users (Bloom, 2001), organisational executives are highly sensitive about what gets published in newspapers and what is broadcast to the public about their organisation (Smith, 2006). It is true, unfortunately, that bad news sells (Fearn-Banks, 2002). A negative story is deemed more newsworthy than a positive one; the media consider an organisation's positive news as puffery (Fearn-Banks, 2002:65). Positive news is looked upon as a form of advertising and the media believes that all advertising must be paid for (Levine, 2006). Bad news inevitably garners more public interest than good news.

The media's agenda in a crisis is to solicit facts and background information (Bloom, 2001), in order to write a story with the purpose of meeting deadlines. By not providing a journalist with any facts, he or she will likely publish an article based on speculation (Bloom, 2001). According to Fink (2005), there can often be an adversarial relationship between the media and the subjects it covers. Negative perceptions occur in the media when a crisis is occurring, and most of these are based on misunderstandings (Bloom, 2001). According to Fearn-Banks (2002), this is ultimately why the media warrants management. Failure to manage the media suggests that the media will manage the organisation through bully tactics (Fearn-

Banks, 2002). When journalists request information the organisation in crisis must not ignore this, but rather view the request as an opportunity for the organisation to disseminate its message to the widest market of recipients (Gonzalez-Herrero, 1996). The media will acquire a newsworthy story, regardless of the assistance of an organisation. An organisation has a far better chance of controlling the message and minimising the damage if it shares at least some information with journalists (Fink, 2005).

Fearn-Banks (2002) describes gotcha/in-your-face journalism, often not accurate journalism at all, as a relatively new source of crises, emerging in the 1990s on television news shows and talk shows. Unlike the reputable investigative news teams that have been doing consumer protection pieces for years, “gotcha” journalism has a new irresponsibility: a drive to entertain the viewer more than to protect the consumer (Fearn-Banks, 2002). Levine (2006) warns of another development in the local media. Levine (2006) notes that the young generation of new journalists tend to test the thin red line of slander while striving for celebrity status. The quality of journalism is on the decline and severe cost cutting exercises mean that fewer journalists are employed with less time to do research on stories. Given this situation, organisations could, as part of their media relationship-building programmes, sponsor relevant educational seminars for young journalists. For example, financial institutions could host training sessions for journalists and use various in-house specialists to give interactive presentations on their field of expertise. Topical events and information on relevant issues such as economics, the retail housing boom, interest rates, black economic empowerment and so on, could be discussed. This could serve to introduce new journalists to the banking field and encourage them to produce informed material. It could also help to build positive relationships between the journalists and the

organisational specialists which could lead to positive publicity, at no charge. Journalists could be encouraged to contact the specialists for comment on various news stories and in this way, the organisation could become known as an expert or authority on financial matters.

The media can be used as part of a strategy to contain the effects of the crisis (Mersham et al, 2001). Messages can be sent to customers and the public through interviews with journalists or placed on internet sites. The public can perhaps even be invited and encouraged to provide feedback or comment. However, having an online blog (comment) site could provide ideas for additional negative angles to newspaper and broadcast journalists covering an organisation's crisis. A hypothetical example of a newspaper article follows: Today on XYZ Banking Company's crisis hotline site, an irate customer, Mr X, posted a complaint that showed that despite XYZ's reassurances about the safety of online banking, his account has been hacked into three times in the last month. A comment or feedback process from customers to an organisation in crisis can provide valuable insights, but need not be posted on a public site. Two-way communication can help companies to know and understand their audiences and their grievances. Mersham et al (2001) suggest that an organisation can win the confidence of adversaries or critics such as journalists by asking for their help in developing solutions to problems.

In summary, being accessible to the media and proactively communicating with journalists during a crisis is critical, according to Fink (2005) for the following reasons:

- ◆ It allows the organisation to be proactive rather than reactive.
- ◆ There is a greater chance of controlling the message.

- ◆ There is a 100 percent greater chance of correcting misinformation than if there is no communication with the media.
- ◆ Not engaging with the media sometimes makes the organisation look like it is not in control of the situation, and, furthermore, arrogant.

2.10 Communicating with the Media during a Crisis

During a crisis, executives typically receive two opposing chunks of advice (Kaufmann, Kesner & Hazen, 1994). On the one hand, corporate lawyers may encourage extreme caution in speaking out publicly about a crisis. On the other hand, academics and crisis communication experts suggest that executives should make full and immediate disclosures about the circumstances surrounding the crisis (Kaufman et al, 1994). Though these two sides may not agree on what and how much should be said during crises, they both concur on one aspect: What you say or do not say will determine the outcome of the crisis for the organisation (Kaufmann et al, 1994). A policy of full disclosure during a crisis refers to communicating information about the crisis that is complete and timely to internal and external publics. Questions are answered completely and without delay. As Augustine (1995) states: One's objective should be to get it right, get it quick, get it out, and get it over. Trust and open communication with customers, above all other organisation concerns, are critical (Augustine, 1995). When a response cannot be given immediately, investigations commence and a response is to be issued as soon as possible. The purpose of this open, timeous response appears to be to maintain credibility with an organisation's key stakeholders such as shareholders, employees and the public. Full disclosure is thought to minimise long-term damage to the organisation (Kaufmann et al, 1994).

Another fundamental assumption of the argument for full disclosure is that all relevant information regarding the crisis will eventually emerge (Kaufmann et al, 1994). Given this assumption, it is therefore essential for companies in crisis to deliver any bad news. If the public were to hear such news from third parties, they may assume that the organisation is attempting to withhold important information from them and thus be deceptive. Augustine states (1995): My experience has been that it is preferable to err on the side of over-disclosure, even at the risk of harming one's legal position. Credibility is far more important than legal positioning. Augustine (1995) goes on to say that sometimes a CEO must override the lawyers and that even in the face of contradictory evidence and confusing advice, one cannot simply remain silent. Kaufmann et al (1994) suggest that a policy of full disclosure might encourage an organisation to be forgiven for its role in the crisis (Kaufmann et al, 1994). Advocates of full and immediate disclosure also contend that the need for such a policy is even more acute when dealing with the media (Kaufmann et al, 1994). Journalists are under tremendous pressure to meet deadlines in covering crisis situations (Bloom, 2000; Mersham & Skinner, 2002). If the information required is not provided swiftly by the organisation, they will seek it from other sources (Mersham & Skinner, 2002). The effect of this on the organisation can be serious especially if the other sources are less knowledgeable, less reliable, or less sympathetic. Journalists may also approach sources that have a vested interest in wanting the organisation to appear in the worst possible light, such as attorneys for victims, competitors and special interest groups (Kaufmann et al, 1994). A policy of full and immediate disclosure may therefore afford the organisation an opportunity to control how the message is presented to the public (Darling, 1994; Kaufmann et al, 1994).

According to Kempner (1995), reporters should be given as much information as possible without jeopardising the organisation's reputation or disclosing highly confidential information. Although supporters offer compelling arguments for full disclosure, it is by no means an appropriate solution for all crisis situations (Kaufmann et al, 1994). This is predicated on the assumption that all relevant information will come out eventually. The question is raised as to whether this is always the case. Kaufmann et al (1994) make the following point: We have no way of knowing when an organisation has been successful in withholding information. The fact that the public may not have heard about a particular episode may mean that the company has successfully handled its crisis internally and averted a more public incident. What we do not see are companies that have adopted successful nondisclosure strategies.

Although some lawyers acknowledge that their concern over litigation may subordinate other costs of the crisis, such as reputation loss, it is suggested that advocates of full disclosure may significantly underestimate the legal costs involved (Kaufmann et al, 1994). The scope of potential negative publicity associated with a series of extensive public trials is inestimable (Kaufmann et al, 1994). Although open and complete communications during a crisis may reassure consumers and the public at large, it may ignore other groups to which management maintains a fiduciary responsibility, such as stockholders and creditors (Kaufmann et al, 1994). As such, decision makers who only consider the interests of victims of a crisis may breach these necessary obligations (Kaufmann et al, 1994).

Thus, a policy of full disclosure policy has its own costs and risks. When crisis communication experts encourage managers to act one way, while corporate lawyers

advise them to act in an opposite fashion, senior executives may become confused. This raises the question as to which strategy executives should use to handle crisis communications. Given that there is no single answer to this question, it is suggested that these decisions are contingent upon the situation. Kaufmann et al (1994) propose five questions that could help the executive to make these decisions. They are:

- ◆ Could non-disclosure be fatal or lead to further injury?

If so, there can be no response other than full or timely disclosure. This is the ethical stance that an organisation should assume in a crisis. Augustine (1995) suggests that senior executives set aside for a few minutes the voices of trusted advisers and, in as calm and dispassionate a manner as possible, evaluate in human terms the real issues and the real message.

- ◆ Is your organisation the culprit or the victim?

If the cause of the crisis is external to the organisation, full disclosure is advised because the organisation can present itself as a fellow victim. Given the low probability of an organisation being blamed for failures originating in its remote environment, it would appear relatively easy for an organisation to engage in two-way symmetrical information processing with parties in its environment during such a crisis (Engelhoff & Sen, 1992). If the organisation is the culprit, for example through negligence, it may be forced to pay huge punitive damages. Symmetrical information processing with outside parties is likely to be more difficult when failure originates in the firm's relevant environment. In this case the firm is more likely to be held responsible for the failure (Engelhoff & Sen, 1992).

- ◆ Are the fictions surrounding the crisis worse than the facts?

Rumours about a crisis can be more negative and damaging than the truth. In this case it is far better to reveal the story in as rapid a manner as possible. However,

communication experts also need to be aware of and prepare for any deep-seated issues or organisational skeletons in the closet that may be exposed as a result of the crisis.

- ◆ Can the organisation afford to respond after the crisis?

An organisation that makes full disclosure but then fails to take corrective actions may significantly increase its liability. Once liability is admitted, an organisation is legally liable to compensate victims for damages. Organisations not in a position to withstand the costs of such actions may want to rethink a strategy of full disclosure.

- ◆ Can the organisation afford not to respond?

Executives should remember that there are also costs of not responding. Disclosure is more important when used as a means of clearing the organisation's name in order to protect its overall reputation or other products in its dominant businesses.

The preceding factors are important in helping managers identify an appropriate policy of crisis communications. Only with a complete understanding of the situation can executives do an effective job of weighing the total costs and benefits of disclosure.

According to Fink (2005), regardless of whether a spokesperson faces friendly or hostile media in a one-on-one interview or press conference, honesty is an important consideration. He states: Being dishonest or less than honest with the media will only escalate your crisis into proportions that will stagger you. It will serve to destroy your present and future credibility with the media. However, it could be argued that sometimes it is necessary, for the organisation's reputation, to withhold certain truths or information from the media. The crisis communication experts interviewed for this study all agree that honesty is paramount in dealing with the media, but at times appear to contradict this statement in their described actions, such as by withholding

certain information. While the spokesperson does not necessarily have to tell everything they know, whatever they say must be the truth (Smith, 2006). Patterson (1993) warns: Once a reporter is lied to, a financial organisation spokesperson will have destroyed their reputation with all of the reporters covering the crisis. A perceptive, investigative journalist is often able to detect deceptive or contradictory statements, as has been demonstrated countless times by the cynicism, questions and incredulous attitudes reflected in media interviews and articles.

Whatever the decision chosen, most scholars agree that as far as the actual response is concerned, spokespeople should be cautious of phrases such as no comment (Fearn-Banks, 2002; Kauffmann et al, 1994; Mersham & Skinner, 2002). These words are often interpreted as a confession of guilt as seen in excerpts of MenzGold Saga. Even when no information is available, every effort should be made to ensure that reporters view the information as being provided as quickly as is possible (Kempner, 1995; Mersham & Skinner, 2002). If the answer to a question is not yet known, responding with a reply such as we're still examining that issue (Kempner, 1995) is acceptable, as long as a pledge is made – and kept – to relay the information to the reporter as soon as possible. Mersham et al (2001) recommend that the organisation seize early initiatives by rapidly establishing the organisation as the single authoritative and reliable source of information about the crisis. Birch (1994) advocates this approach even when the organisation has little information to impart. How quickly and effectively an organisation responds affects its reputation, credibility, integrity and market performance (Calloway & Keen, 1996). Organisations are advised to communicate regularly throughout the crisis but only with confirmed facts (Mersham et al, 2001). The majority of the crisis communication literature wisely advises communication experts not to speculate, not even minimally (Irvine & Millar, 1999).

Even if an organisation intends to follow a controlled disclosure policy, professionals such as legal counsel, crisis experts and communication consultants should be used to construct an organisation's message, to ensure its careful crafting so as not to alienate the public (Kaufmann et al, 1994; Mersham & Skinner, 2002). To maintain or even enhance an organisation's reputation despite the crisis, Mersham et al (2001) recommend that an organisation be prepared to demonstrate human concern for what has happened. Mersham et al (2001) advocate messages to the media that impart care about what has happened and clearly demonstrate that the organisation is trying to put matters right. Augustine (1995) also stresses that the interests of the consumer must be top priority in all communications and advises against the use of jargon to ensure understanding of messages.

The careful crafting of a message to protect an organisation is the work of crisis communication experts, but this work, as will be discussed in the next section, can be viewed by journalists in a derogatory manner to be spin doctoring.

2.11 Spin Doctoring

In Africa, the media are assigned the role of watchdogs of industry (Bloom, 2000). There is a strong belief in the business community that an anti-business bias exists among journalists and reporters, that prevents businesses from getting fair and objective public exposure (Bloom, 2000). On the other hand, journalists consider crisis communication experts or public relations practitioners in a derogatory sense, that is, to be spin doctors (Esser, Fan & Reinemann, 2001).

The term "spin doctor" was coined by journalists to describe the work of political public relations experts or media manipulators (Esser et al, 2001). It has ominous, negative connotations, as a manipulator, conspirator and propagandist (Esser et al,

2001). Esser et al (2001) describe a spin doctor as someone (especially someone in politics), who attempts to influence public opinion by putting a favourable bias on information presented to the public or to the media. In an objective sense, that is precisely what a media department or public relations department undertakes to do. It can be argued that the framing of a piece of information within the advocacy of an organisation is the essence of public relations practice (Mershman & Skinner, 2001).

Spin doctoring has become a widely used term, particularly by journalists, to discredit the work of communication experts. It suggests that communication experts try to control the media's coverage and interpretation of crises and problems (Esser et al, 2001). Nonetheless, according to Esser et al (2001:40) the media are dependent upon the essential information provided by media strategists or communication experts, and the journalistic use of the term spin doctor can be problematic if it is used to discredit the legitimate interest of politicians, parties and governments in asserting themselves against an autonomous and powerful journalism that pursues an agenda of its own and whose mechanisms and motives are not always exclusively oriented toward the public welfare.

Putting the best light on a situation is, according to Mershman and Skinner (2002), a legitimate activity of media communication experts. Perhaps a more suitable word than spin should be used to describe this activity. It is not lying: You should never lie to the media (Smith, 2006). Fink (2005) explains that crisis communications really is about what you say and how you say it and therefore truth or honesty, may be couched or framed in ways that protect the organisation from irreparable damage. Following a crisis, a corporation attempts, in the words of Giacalone and Payne, (1990) to provide the public with a reasonable explanation for the event, carefully posturing the explanation to minimise the organisation's blameworthiness. In other

words, the crisis communication experts redefine an understanding of the “facts” surrounding a crisis.

Woodward (2000), in his work on Transactional Philosophy, suggests that public relations has responded to criticisms against it by moving from one-way to two-way communication – and from emphasising knowledge and persuasion to relationship-building. Grunig’s (2000) theory of excellence also stresses a two-way symmetrical approach to building relationships between organisations and their publics. Grunig (2000) states: “Recently, my research has moved toward the development and maintenance of relationships as the central goal of public relations”. This suggests that maintaining good relationships with journalists, as one of the key stakeholders of communication, is becoming a priority of organisational communication experts, and should be a key feature of planning in advance for effective crisis communication, with the media. Symmetrical communication implies a greater emphasis on social responsibility and ethical behaviour on the part of communication experts (Grunig, 2000).

2.12 Planning in Advance for Crisis Communication with the Media

In contemporary society, business crises are no longer a matter of if, but when, no longer the exception, but the expected – even the inevitable (Bloom, 2001; Mersham & Skinner 2002). Given that crises can damage – even terminally – careers or an organisation (Pinsdorf, 1999) it is not unexpected that much of the literature on crisis management is focussed on planning for a crisis. Planning in advance is an important element in a crisis management programme, so that when a disaster does strike, the crisis team will know exactly what to do about it and can be pro-active (Bloom, 2001). Formulating a response to a crisis when the pressure is intense is not the best

option (Bloom 2001). Failure to plan suggests that an organisation may go into defensive mode and react negatively (Regester & Larkin, 1997).

According to scholars such as Angelopulo and Barker (2006), Bloom (2001), Fearn-Banks (2002) and Skinner et al (2001), to lay the groundwork for successful crisis communications with the media, the crisis communications head should be an important part of the top management of the organisation. In addition, Angelopulo and Barker (2006) and Kaufmann, Kesner and Hazen (1994) recommend that a useful starting point for pre-crisis planning is to appoint a crisis management team composed of people who are creative, knowledgeable of the business, powerful (have the authority and responsibility to make decisions and allocate resources quickly), and are able to bring a variety of unique perspectives to bear on solving issues. Included in this team should be a lawyer, to explain the legal implications of disclosing information, and a public relations expert, to explain the consequences of disclosure for the organisation's image. The team should also comprise a senior manager whose responsibility it is to combine the two types of advice and make a final decision on the optimal level of disclosure for an organisation during crisis (Kaufmann et al, 1994).

Programmes should be designed to build ongoing relationships prior to the crisis with all key stakeholders of an organisation such as the media, employees, unions, special interest groups, consumer advocates and other relevant parties (Puth & Steyn, 2000).

Training sessions to educate journalists about the organisation and its business can serve to build credible relationships with journalists. Sometimes these relationships can help prevent crises. At other times, they can help lessen the severity of crises. According to Coombs and Holladay (2006) prior relationships with key stakeholders is an important consideration in protecting an organisation's reputation during a crisis, and also helps to facilitate its repair.

Identifying exactly which people could be affected by the crisis is an important consideration during the planning phases (Bloom, 2001). Questions should be asked such as: Who could be affected? Who could affect us? Who needs to know? (Bloom, 2001). This includes the internal staff as well as the public. In this way the target population is segmented into smaller groups so that messages can be communicated with each of these groups.

A two-way symmetrical programme of communications should be the basis of all organisational communication (Grunig, 2000). This is also referred to as the mutual understanding model in that the practitioner attempts to achieve a dialogue with strategic publics, not a monologue (Mersham & Skinner, 2002).

Either management, or the publics, may make changes in behaviour as a result of this two-way model of communication. This is in contrast to one-way models of communications that are premised on persuasion and very little feedback. Symmetrical communication means that the intended effect of the communication is of benefit to both parties equally, through an open and frank exchange of information (Grunig, 2000). Asymmetrical communication implies a screening of the information communicated in order to favour one's own position (Engelhoff & Sen, 1992).

As part of the planning process, the crisis team should anticipate issues that could turn into potential crises and rank them according to the probability and possible damage that might occur (Fearn-Banks, 2002). This is termed issues management (Darling, 1994; Fearn-Banks 2002; Mersham & Skinner, 2002). Strategies and tactics are developed and implemented to lessen the likelihood of issues turning into crises (Angelopulo & Barker 2006). The crucial element here is early identification of potential issues or crises and this is dependent on having symmetrical communications in place. Issues management is thus proactive (Puth & Steyn, 2000).

The solution might involve forming allies with potential adversaries or meeting with community activists to explain an issue that might be construed as damaging by consumers (Fearn-Banks, 2002; Puth & Steyn, 2000). The successful handling of an issue may prevent a crisis from occurring. What may assist this process is if the organisation conducts public opinion research or an audit on the organisation's strengths and weaknesses (Bloom, 2001; Puth & Steyn, 2000). It is essential to have a full understanding relating to the potential threats to the business (Seymour, 1996). According to Fearn-Banks (2002), the importance of the crisis inventory is to force organisations to consider the possibilities. The ranking procedure may encourage ideas for prevention programmes. When formulating strategies to deal with crises, it is important to keep in mind the worst-scenario approach (Regester & Larkin, 1997). Questions must be asked such as: Where are the greatest risks? What are the implications if a crisis strikes? (Katz 1987). Involved in this process is the reviewing of all previous crises faced by the organisation or its peers in the industry (Mersham & Skinner, 2002). A news clipping service to pick up industry/product stories can be employed, but key to this is to analyse the information into a source of intelligence for the organisation (Irvine & Millar 1998).

Next to the listing of potential crises, the information that the organisation is prepared to communicate should be noted (Fink, 2005). For example, in the case of internet fraud, backup statistics such as those listed below could enable the crisis team to quickly issue statements: Prior to this incident of fraud, in the past five years only a limited number of incidents of fraud have been reported, which represents a smaller percentage of the total number of transactions done during this period. The crisis communication plan forms part of a larger crisis management plan – which includes information such as evacuation procedures, emergency staffing, places to rent

emergency equipment – or it could be a stand-alone document. Fearn-Banks (2002) states that it should be manageable and easy to read. A list of factors that should be included in the crisis communication manual includes:

- ◆ Names of members of the crisis team, their responsibilities/duties and phone numbers (Baird 2006).
- ◆ The plan should identify the various stakeholders (such as the media, government, the public) for each potential crisis and appropriate contact details such as telephone and e-mail addresses must be readily available (Angelopulo & Barker, 2006; Baird, 2006).
- ◆ Pre-prepared messages or guidelines indicating what can be said in the first media statement (Baird, 2006; Baker, 2000) are helpful. It is useful to have a straightforward one-paragraph statement that can be used until further information is available such as (Irvine & Millar 1998:40): Regarding the news report of a Y this is what we can confirm at the present time. At approximately X we were alerted that Z (fire, explosion, shooting, looting etc.). We have called for assistance from XY (police, fire, etc.) and have notified management. At this point we do not have any details regarding what happened but will update you as soon as we have additional verified information. Please bear with us in the meantime. Thank you for your consideration.
- ◆ Resources (where things are): Establishment of a communication system and preparation of appropriate facilities and equipment (Mersham et al, 2001; Baird, 2006).
- ◆ Briefing notes (processes and how things work), or a clear definition of the organisation's policy and procedures for handling a crisis (Angelopulo &

Barker, 2006; Mersham et al, 2001; Puth & Steyn, 2000). The briefing notes could include issues such as what medium of communication is most useful under what circumstances: a press interview, press conference, holding statement, or media release. Added to this should also be a communication response list of actions that may need to be taken at the outset of the crisis (Mersham et al, 2001). The crisis team must have knowledge of who the target audiences are likely to be, who the key people are in the organisation, what the internal briefing procedures are and what the external communications procedure is (Bloom, 2001).

- ◆ Facts and figures about the organisation, such as the number of staff employed and amount of bank branches, ATMs and their locations, amounts donated to charities, position papers representing the organisation's view on various controversial topics such as bank charges, black economic empowerment, social responsibility and such relevant information, should be kept constantly updated (Baird, 2006).
- ◆ Evaluation of the effectiveness of actions taken and the effects of the crisis on the organisation's reputation (Angelopulo & Barker, 2006; Baird, 2006).

Being prepared involves planning, training, exercises and corrective action. Once the media training has taken place, the whole crisis plan needs to be tested (Regeester & Larkin, 1997). This is carried out by conducting simulation and mock crisis drills to assess an organisation's state of communication's readiness (Bloom, 2001; Baird, 2006). The concept of realism is a crucial aspect and when a drill or exercise is developed it should be tailored to the exact needs of the financial organisation (Bloom, 2001).

According to Bloom (2001), the fact that an organisation has a set plan to deal with a range of issues and crises does not mean that it is ready to tackle any crisis. It should also be noted that a communications plan should be flexible (Angelopulo & Barker, 2006; Bloom, 2001), as circumstances change constantly and these must be managed to the organisation's advantage. Flexibility is necessary, as responses need to adapt to new information coming in and to changes in circumstance (Carney & Jorden, 1993). Stevens (1999) warns against rigidity as no crisis will ever adhere to a preconceived blueprint. Delaney (1991) concurs that a good crisis plan, no matter how detailed and complete, should only be used as a framework to consider issues and make informed decisions. Bloom (2001) states that plans should never be used as a substitute for clear and firm decision making. Kaufmann, Kesner and Hazen (1994) agree that response policies, even if identified early, should be treated as guidelines rather than invariable rules carved in stone. In a crisis, the key is to maintain flexibility so that the response fits the situation (Angelopulo & Barker, 2006; Kaufmann et al, 1994). Flexibility, however, requires that crisis decision makers understand the full range of response options.

Media training, as discussed in the next section, is an important part of preparing for a crisis in advance.

2.13 Media Training

Because of the potential influence that the media has on public perceptions it is necessary that a comprehensive media training programme forms part of any crisis plan. Mersham and Skinner (2002) claim that media training is vitally important, because if a spokesperson cannot handle a media interview, they can come across totally lacking in credibility and honesty. Regester and Larkin (1997) concur that

media training is important because it can influence perceptions about the organisation's handling of a crisis. Being media trained will help the spokesperson to be effective in communicating the organisation's messages to its various publics. The fact that the media can carry a spokesperson or their organisation's image world-wide in a split-second underscore the necessity for media training. The alternative could be serious damage to an organisation's reputation.

One of the most highly regarded methods of media training, according to Baird (2006), is the effective development of question and answer sessions. It is in these sessions that potential probing questions that the media may ask the spokesperson are brainstormed and accurate, well-conceived answers developed to prepare the spokesperson in advance (Baird, 2006; Bloom, 2001; Carney & Jorden, 1993; Mersham & Skinner, 2002). Role-play is another valuable tool for media training (Baird, 2006). This is where a crisis team member adopts the role of a journalist and puts the organisation's spokesperson through a series of strenuous and aggressive interviews (Bloom, 2001; Fearn-Banks, 2002). This is when the question and answer session, already mentioned, is applicable.

A spokesperson can be trained to diffuse difficult or tricky questions and manage journalists who may be hostile (Baird, 2006; Fearn-Banks, 2002). A skilled communicator will know how to turn an interview to his or her advantage by using the opportunity to promote the organisation's key crisis messages, no matter how leading or antagonistic the questions from the interviewer (Baird, 2006; Fink, 2005). One tactic is for the spokesperson to refer only slightly to a negative question and then make a positive statement about the situation (Englehardt et al, 2004). When dealing with broadcast reporters, corporate spokespeople should ideally answer questions with key messages in easily digestible 15-to-20-second sound bites, rather

than longer statements that can be taken out of context through the video editing process (Baird, 2006; Kempner, 1995; Mersham & Skinner, 2002). Should the spokesperson need a moment or two to derive a positive, informative reply, repeating the question buys a little more time (Kempner, 1995).

According to Mersham and Skinner (2002), the spokesperson is the key individual in crisis communication. They state: In the eyes of the public and the media, this person represents the total company and what it stands for. Due to the importance of selecting a spokesperson carefully, the following section provides some guidelines for this process.

2.14 Selecting a Media Spokesperson

Mersham and Skinner (2002) suggest that centralising all media contacts with a single spokesperson minimises the possibility of conflicting statements. Kaufmann et al (1994) also recommend that a single person should be identified to handle public communications because organisations that do not do this in advance may find themselves facing a confusing array of mixed messages when real crises hit. Coombs (1999) also suggests that responding consistently during a crisis is advisable to make messages credible.

Very often it is recommended, in the case of serious crises, that the Chief Executive Officer (CEO) becomes the spokesperson for the organisation (Fearn- Banks, 2002; Mersham & Skinner, 2002). In contrast, Irvine and Millar (1998) argue that the CEO should not be the primary spokesperson for the organisation during a crisis. The reason they give for this is that if the CEO makes a mistake or does not convey the important points in a convincing, compassionate way, no one else in the organisation is in a position to undo the damage (Irvine & Millar, 1999). Kaufmann et al (1994)

propose that the spokesperson should vary depending on the crisis. Although the media would prefer this person to be the CEO, it may not always be the most appropriate choice. This is because the CEO may be weak in certain areas, such as technical knowledge, and thus may be less effective (Kaufmann et al, 1994). However, Augustine (1995) argues that in situations that truly threaten the organisation's reputation or existence, the CEO belongs in the front lines. The crisis communication consultants in most cases across the globe such as internet fraud, hostile take-over, actions of non-executive chairman, regarded the CEO as the most appropriate person to handle the crises that they were confronted with because of their perceived severity. It thus appears that the choice of spokesperson should be dependent on the nature and severity of the crisis situation. An important criterion for any spokesperson is that he/she must be accessible throughout the crisis to meet with journalists and to answer their questions (Engelhardt et al, 2004). The CEO's willingness to answer questions, and even personally meet with journalists and receive phone calls from reporters during crisis is an example of Druckenmiller's (1993) protection of corporate image via accessibility to the CEO in action.

2.15 Conclusion

This chapter focused on crisis communication with the media and defined and described crisis, crisis communication and crisis management from different scholarly perspectives. It is suggested that a notable part of the literature is focused on the fundamentals of planning for a crisis, media training and selecting a media spokesperson and that lesser attention is given to the actual content of crisis communications. Media attention is identified in the literature as endemic to most crisis situations (Gonzalez-Herrero, 1994; Mersham & Skinner, 2002) and scholars

such as Benoit (1997) and Coombs (2004) concur that an organisation's response to journalists can have far reaching effects on its reputation. The focus of this research – communication to the media during a crisis – is therefore given credence.

The following definition of crisis communication to the media was developed to incorporate its essential components: Crisis communication is a pro-active process of symmetrical and informative communication to the media during a crisis situation, carefully crafted to protect or even potentially enhance an organisation's public image.

The argument is made that although prior planning is essential to good crisis communication management, the key in a crisis is to maintain flexibility so that the response suits the situation and can adapt to changes in circumstances. Flexibility requires that crisis decision makers understand the full range of response options.

A point raised in this chapter is that in a crisis, executives usually receive two opposing recommendations (Kaufmann, Kesner & Hazen, 1994). On the one hand corporate lawyers may encourage extreme caution in speaking out publicly about a crisis. On the other hand, academics and crisis communication experts suggest that executives should make full and immediate disclosures about the circumstances surrounding the crisis (Kaufman et al, 1994). Though these two opinions may not agree on what and how much should be said during crises, they both concur on one aspect: What you say or don't say will determine the outcome of the crisis for the organisation (Kaufmann et al, 1994).

The careful crafting of a message to protect an organisation is the work of crisis communication experts but, as explained, this work is often described in a derogatory sense by journalists as spin doctoring. It was suggested that reframing or putting the

best light on a situation to protect an organisation, without lying, is acceptable public relations practice.

Theories and models relevant to the field of crisis management and communication are discussed in chapter three which follows. Many of the principles discussed in this chapter are incorporated into the theories and models discussed in chapter three.

CHAPTER THREE

CRISIS MANAGEMENT AND CRISIS COMMUNICATION THEORIES AND MODELS

3.1 Introduction

In chapter two, principles relevant to the study of crisis management and crisis communication to the media (a component of crisis management) were discussed and contextualised. Media attention was identified as a common thread running through all organisational crises and the importance of communicating to the media during a crisis was highlighted. It was acknowledged that the content of crisis communication – what an organisation says to the media or does – can have a critical impact on an organisation's reputation.

In this chapter, theories and models relevant to the field of crisis management and crisis communication are discussed in order to lay a foundation for the conceptual model of crisis communication to the media as proposed in chapter six. These theories range from the traditional linear to the more progressive open systems approaches. While these approaches acknowledge the importance of communication decisions made during a crisis, none of them actually examines the content of these decisions in detail. The exception is the situational crisis communication theory, elements of which have been adapted for the basis of the conceptual model designed from this research.

3.2 Dominant Theoretical Approaches to Crisis Management and Crisis

Communication: Traditional Linear Versus Progressive Systems Approaches

This section presents an overview of selected theoretical approaches to crisis management and discusses the most prominent models emanating from these

approaches. According to Hale, Dulek & Hale (2005), crisis management is multidisciplinary, uniting management theory with psychological, social political and public relations perspectives. A theoretical approach, in the context of this study, refers to ways of conceptualising and practicing crisis management (Angelopulo, 1997). Models derived from theories refer to simplified ways of representing the thinking on crisis management and crisis communication, much of which has been discussed in chapter two. These models can also be described as pictures but could be criticised because they tend to over-simplify dynamic communication processes. However, they provide order to sometimes complex issues which allows for clarification and interpretation. Theoretical approaches and models are often tested for their viability.

For the past century, both the natural and social sciences have been dominated by metaphors of well-regulated and predictable machines (Gayeski & Majika, 1996). According to Gayeski and Majika (1996) much classic crisis management research has been based on a mechanistic view of control. For every action, there was a specific reaction and communication experts believed that it was possible to predict how audiences would react to a carefully crafted message (Gayeski & Majika, 1996). This traditional linear cause-effect view is questioned by progressive systems theory which considers the dynamic interdependence of factors such as context and the mind in meaning- making (Bruner, 1990; Gergen, 1999). The calculation of probabilities, rather than absolute predictions has become the norm (Gayeski & Majika, 1996). The application of the traditional linear approach to crisis management and crisis communication suggests the following:

- ◆ In the old traditional paradigm of seeing the world and organisations in a linear, mechanistic way, crises were seen as signs of trouble (Keene, 2000).

Organisations following this approach seek to control their environment and experience frustration when it behaves in a way that is incongruent and in conflict with the operation of the organisation.

- ◆ The organisation is viewed as a closed system with information only flowing out of it in a linear, one-way fashion (Grunig, 2000). Such asymmetrical or persuasive communications (Grunig, 2000) is the key to control or manipulation. These dyadic, sender-receiver models emphasise transmissions and their effects (Woodward, 2000).
- ◆ Traditional organisations are essentially conservative and resist change at all costs (Grunig, 2000). The crisis communicator's role is to defend the status quo (Holtzhausen, 1995).
- ◆ The linear assumption is that there are defined steps or actions the crisis communicator can take to control the situation during a crisis. The traditional view focuses on ways to simplify things in an effort to get control (McDaniel, 1997).

In contrast progressive systems approaches to crisis communications are premised on the following assumptions:

- ◆ Environments are dynamic and change and uncertainty will come to pass irrespective of organisational efforts to control and direct (Keene, 2000). Crises are viewed as leading to opportunity or beneficial restructuring (Bloom, Crystal & Verwey, 2002).
- ◆ The organisation is viewed as a system open to other interpenetrating systems and freely exchanges information with those systems. The emphasis is on relationships, two-way communication, inter-connectedness and

interdependence (Pearson, 1989) while considering social, economic and political contexts (Woodward, 2000).

- ◆ Crisis communication encourages understanding between the organisation and its publics, is ethical and socially responsible; persuasion and one-way or asymmetrical communication is less desirable (Grunig, 2000). Crisis communication experts practising symmetrical public relations tend to have an interactive and cooperative relationship with the media whereas asymmetrical or traditional practitioners usually try to manipulate the media agenda and continually experience conflict with journalists (Grunig, 1990).
- ◆ The crisis communicator's role is to assist the organisation to co-operate and adjust to the outside environment through negotiation not through linear, controlled steps or force (Holtzhausen, 1995). Mersham et al (2001) believe that the crisis communicator should solicit the public's involvement in the problem as they can assist in solving the crisis.

The differences between the traditional linear against the progressive systems approaches can be described as follows:

Views \longrightarrow Traditional Linear Approach \longrightarrow Progressive Systems Approach
Organisations \longrightarrow Closed systems \longrightarrow Open, interconnected systems
Communication \longrightarrow Asymmetrical (one-way) \longrightarrow Symmetrical (two-way)
Crises \longrightarrow Signs of trouble \longrightarrow Seeks to control \longrightarrow Opportunities for improvement.
Co-operate \longrightarrow and adjust to changes through stakeholder negotiation and support.

Figure 3.1 Traditional Linear against the Progressive Systems Approaches

The progressive systems approach is in itself a criticism of the traditional linear approach in that it presents an alternative, contrasting view. Unlike the linear

approach, the systems approach acknowledges the interconnectedness of organisations to their dynamic environments. It recognises that in order to succeed organisations need to understand and adapt to situations, rather than to resist in favour of the status quo. Two-way symmetrical communication is favoured as a means to engage with publics and solicit their support, instead of one-way persuasive communication styles - the preference of traditional organisations.

Based on these differences, the models and theories discussed in the next section can be classified on a continuum between the linear, traditional approaches to the more progressive systems approaches.

3.3 Models Leaning towards the Traditional Continuum

The following models can be described as leaning towards the traditional continuum:

- ◆ Meyers and Holusha's model
- ◆ Stage models of crisis: Fink, Mitroff, Horsley and Barker
- ◆ Hale, Dulek and Hale's linear crisis response model

3.4 Meyers and Holusha's Model (1986)

Meyers and Holusha's model (1986) can be viewed as a traditional model because of its bias towards control. The relevance of it to the field of crisis communication is that it provides a framework for practitioners to understand crises and act accordingly.

Meyers and Holusha's model analyse a crisis on the basis of four major considerations (Meyers & Holusha 1986:207-216):

- Dimension: the size of the crisis
- Control: the ability of the organisation to influence the environment
- Time: the time in which the organisation has to manoeuvre

- Options: the number and quality of options available to the organisation

According to Meyers and Holusha (1986), the way in which these factors relate indicate what management tools should be applied. For example, a crisis that can be categorised as low dimension, low control, means that the outcome does not greatly depend on how management acts or what communication is issued to the media (Gonzalez-Herrero 1994).

A crisis that can be categorised as high dimension, high control signifies that the situation is of greater seriousness, but the organisation is still able to effectively manage the crisis. However, an incorrect action or badly compiled communication could put the organisation at risk (Coombs, 2004).

The most threatening categorisation is that of high dimension, low control. In this case the type of communication actions taken are extremely critical, as the risks to the organisation are great (Meyers & Holusha, 1986).

Like Cantor's (1989) description of crises based on their time-scale (refer to section 2.2.2), Meyers and Holusha's model (1986), while providing a useful categorisation of the nature of a crisis and the available time and necessity for response, does not offer anything further. Its value is restricted to mere description and categorisation and it provides no guidelines or tools on how to manage stakeholders such as the media or staff in each crisis category. It could also be argued that Meyers and Holusha's model (1986) can only really be applied retrospectively, after a crisis. This is because it is not always possible to know at the outset what the dimensions of the crisis will be or how long it will last.

It could also be argued that every crisis, no matter how small or insignificant it may initially appear, should be dealt with as if it was in the most dangerous category as proposed by Meyers and Holusha (1986). This is because a small crisis or issue could

develop into a larger, more serious challenge. In fact, the control of issues, before they get to crisis point, is acknowledged in the literature as an important component of crisis management (Fearn-Banks 2002; Fink 1986). Issues management is discussed in section 2.3.7 titled planning in advance for crisis communication with the media. Meyers and Holusha's (1986) belief that the outcome of low dimension, low control is not dependent on how management act or what communication is issued to the media – is challenged. It is proposed that an incorrect action or inconsiderate/ill- considered communication to the media can create additional bad publicity for an organisation. The views of authors such as Bloom (2001), Mersham & Skinner (2002), Fearn-Banks (2002), Hale, Dulek and Hale (2005) presented in section 2.3.4 support this statement by underscoring that an organisation's response to journalists can have far reaching effects on its reputation. It could thus be disputed that the categorisation proposed by Meyers and Holusha (1986) could be more damaging than useful. The limitations of Meyers and Holusha's model (1986) preclude its inclusion into the model to be developed through this research. Fink's model (1986), to be discussed, highlights the importance of recognising prodromes or warning signs and thus addresses one of the chief criticisms of Meyers and Holusha's (1986) model which is the lack of attention to issues that could evolve into crises.

3.5 Stage Models of Crisis: Fink (1986); Mitroff (1988); Horsley and Barker (2002)

In this section, three influential stage models of the entire crisis management cycle will be discussed. These models lean towards the traditional continuum because of their step-by-step linear description of crises. They include Fink's (1986) stage model of crisis, Mitroff's (1988) stage model of crisis and Horsley and Barker's (2002)

synthesis model of crisis management. The principles of these models are reflected in the literature on crisis management discussed in chapter two.

3.5.1 *Fink's Stage Model of Crisis*

Fink's (1986) stage model of crisis uses the metaphor of illness and details four distinct stages or stages through which a crisis evolves:

- Prodromal or prevention • Acute
- Chronic
- Crisis resolution

His emphasis is strongly on the prevention or prodromal stage. He believes that crises, like illnesses, usually present warnings which he terms prodromes (Calloway & Keen, 1996). Long before a triggering event occurs, symptoms appear as precursors to a crisis (Sturges, 1994). These precursors represent repeated messages and persistent sets of clues that, if recognised, may help an organisation to implement activities intended to anticipate a crisis in order to exploit its benefit or reduce its negative consequences (Sturges, 1994). Sometimes these may be as obvious as union leaders informing management that members will strike in 24 hours. Other prodromes can be oblique and hard to recognise (Calloway & Keen, 1996) and it is incumbent on management to uncover and address these. Any measure, such as a risk audit, that minimises the uncertainty in a given situation and thereby allows for more control of an outcome is, according to Fink (1986), a form of crisis management. Fink (1986) suggests that it is much easier for the crisis team to address a crisis in its prodromal stage.

The literature supports Fink's (1986) focus on prevention. For example, Gonzalez-Herrero (1994) suggests that an organisation should scan the environment looking for trends that may affect it in the near future – also called issues management.

Organisations that remain sensitive to their environments, to important audiences, and to relevant trends are better positioned to recognise a crisis (Sturges, 1994). The acute stage evolves when efforts at avoidance fail and events trigger a crisis. This stage is described by Fink (1986) as high in intensity and speed and it is believed that the ability of management to control this stage depends on the quality of planning undertaken in the earlier stage. Nevertheless, the key, according to Fink (1986), is to try and control as much of the crisis as possible by, for example, deciding to release the bad news to the media after journalist deadlines on a Friday afternoon. This would mean that the media would have to go with the story as presented by the organisation, or maybe not even use the story at all.

The chronic crisis stage is, according to Fink (1986), a period of recovery, healing or self-analysis. During this time the crisis is turning the corner and the organisation is perceived to be resolving the issues (Glascock, 2004). It could also be a time of financial upheaval, management shake-ups, hostile take-overs or bankruptcy (Fink, 1986). A skilful crisis manager will analyse the management of the crisis and take appropriate actions to rectify any mistakes. The chronic stage can linger indefinitely, but according to Fink, those organisations without a crisis management plan suffer the lingering effects of a crisis much longer than those that are prepared. While Fink (1986) offers no clear-cut distinction between the acute and chronic stages, one criterion might be the intensity of media coverage, which may lessen during the chronic stage (Glascock, 2004).

The crisis resolution stage in Fink's model means that the crisis is over. Using Fink's analogy of illness, the patient becomes well and whole again (Glascock, 2004). However, Fink warns that crises historically evolve in a cyclical fashion and that another prodromal signal may be on the horizon, thereby suggesting the start of a new

crisis (Fink, 1986). In this, Fink (1986) suggests that an organisation should always be on guard for signs of crisis, a warning that is reflected in the literature on crisis management discussed in chapter two.

The influence of Fink's model on the field of crisis management is clear in that much of the literature is focused on the prevention/planning stages (refer to chapter two). Fink's model offers a useful description and understanding of the stages of a crisis but does not appear to provide much detail on how an organisation should respond to a crisis in the media, or the content of such communication.

3.5.2 Mitroff's Stage Model of Crisis

Mitroff's (1988) stage model is similar to that of Fink's with the exception of an additional stage. Mitroff's (1988) five-stage model is based on the stages through which a crisis moves and on the corresponding types of crisis management:

- signal detection,
- preparation/prevention,
- containment/damage,
- recovery and
- learning.

By describing two stages before the actual crisis event takes place, as opposed to Fink's (1986) single prodromal stage before the crisis hits, Mitroff (1988) places even more emphasis on the prevention stage of crisis management.

Signal detection and preparation/prevention constitute proactive types of crisis management and are aimed at preventing crises from occurring (Mitroff, 1988). Actions during this stage could include the creation of crisis teams, crisis training and simulation exercises as discussed in chapter two. Containment/damage limitation and

recovery are reactive activities conducted after a crisis to contain its damage or recover from its effects. Like Fink (1986), Mitroff (1988) believes that the success of containment depends on the planning stage as it is difficult to innovate during the crisis. During the recovery stage the organisation reinstates its normal business operations (Calloway & Keen, 1996).

The two stage models of crisis management by Fink (1986) and Mitroff (1988) clearly emphasise the importance of the planning stage to the success of crisis management and are thus pro-active in approach. A constructive insight gleaned from both authors is the value of issues management – to prevent issues from becoming crises. This insight has found its way into crisis management literature. However, as Pearson and Claire (1998) warn, executives may develop a false sense of security around their crisis prevention plans and may be taken completely off guard when a crisis strikes. Both Fink (1986) and Mitroff (1988) do appear to place more emphasis on the stages prior to the crisis, rather than on the actual crisis stage which occurs when efforts in previous stages have failed to curtail the onslaught of a crisis. It could also be said that a crisis cannot always be planned for because it is not expected.

A further criticism is that these scholars describe a linear, orderly progression of stages, from signal detection to the recovery of normal operations after the crisis - which may not necessarily describe the evolution of a dynamic crisis. According to scholars such as Seitel (2001), escalating events, floods of queries from journalists and chaos are characteristic of most crises environments. Nevertheless, Fink (1986) and Mitroff (1988) make the important point of stressing the inevitability of crises and the necessity for vigilance.

The next stage model by Horsley and Barker (2002) appears to build on the models described by Fink (1986) and Mitroff (1988) by including in the planning stage the

important criteria of relationship building or public relations prior to the crisis and on an on-going basis. These criteria are neglected by the aforementioned models. By suggesting that relationship building is a continuous process, Horsley and Barker's (2002) model appears to be a slightly less linear and step-by-step as compared to the models proposed by Fink (1986) and Mitroff (1988).

3.5.3 Horsley and Barker's Synthesis Model of Crisis Management

Horsley and Barker's (2002) synthesis model of crisis management provides a partial insight into the understanding of crisis management and crisis communication. Horsley and Barker's (2002:416) synthesis model includes the following five interconnected stages or stages:

- ongoing public relations efforts;
- identification of and preparation for potential crises;
- internal training and rehearsal;
- the crisis event or crisis response stage;
- the evaluation and revision of public relations efforts.

Preparation for a crisis, to highlight its importance, which differs from Mitroff's (1988) allocation of two preparation stages and Fink's (1986) specification of notable is that Horsley and Barker (2002) allocate three stages to the only one stage prior to the actual crisis event which he terms the prodromal stage.

Stage One: Planning or Prevention/Ongoing Public Relations Efforts

Like Mitroff (1988) and Fink (1986), Horsley and Barker (2002) advocate a proactive approach to crisis communication and crisis management. However, Horsley and Barker (2002) retain a focus on diligent image building and continuous thought to public and media relations in good times so as to ensure that communication systems are in place when they are really needed – during a crisis (Horsley & Barker, 2002). A

constructive relationship with the media helps companies to relay their messages during a crisis, and a good relationship with customers and shareholders increases the credibility of those messages (Horsley & Barker, 2002). Companies that constantly cultivate a positive image are, according to Mersham and Skinner (2002), better able to withstand a crisis because they are already perceived as being honest and candid in their communication efforts. Sturges (1994) argues that one of the key objectives in crisis management and crisis communication is damage control, but acknowledges that planning only for damage control results in activities that may be too late to secure positive relationships important to the organisation. The real work of influencing relationships should be conducted well before a crisis arises (Horsley & Barker, 2002; Sturges, 1994). Some organisations invest considerable resources in advocacy or institutional advertising and community welfare programs with the objective of creating positive opinions about the organisation in the minds of the public before a crisis event occurs (Ruiters, 1999; Skinner, 1995; Sturges, 1994). Horsley and Barker's (2002) stage one reflects and organises much of what has been discussed earlier around symmetrical communication.

Stage Two - Planning: Identification of and Preparation for Potential Crises

The literature (refer to chapter two) stresses the importance of having an effective crisis communication plan in place well before a crisis even occurs (Bloom et al, 2002; Gonzalez-Herrero, 1994; Horsley & Barker, 2002). Planning is the bedrock of crisis management (Gonzalez-Herrero, 1994). In this process, good communication experts identify potential threats or risks to the organisation (Mersham & Skinner, 2002), their possible impacts and prepare for them. "What if" scenarios might be likened, in geopolitical terms to war- games. A coherent approach to planning for a crisis begins with the identification of potential crises, including issues that may turn

critical, crises that have beset the organisation in the past and may recur, and crises that are known to have affected comparable organisations (Fearn-Banks, 2002; Regester & Larkin, 1997). All crises, or worst-case scenarios cannot possibly be predicted, but good plans that have top management support (Fearn-Banks, 2002; Seitel, 2001) can be used as a flexible framework to make informed decisions. This stage of Horsley and Barker's (2002) model is very similar to the early planning stages described by Fink (1986) and Mitroff (1988).

Stage Three - Planning: Internal Training and Rehearsal

A written crisis communication plan in conjunction with preparation actions such as media training and mock crisis drills ensures that all members of a crisis team know their roles and are prepared to handle their allocated tasks (Horsley & Barker, 2002). Training of spokespeople to deal with journalists is critical in this stage because when the crisis spills over into the public eye, the organisation spokesperson will have to face the media and give an opinion on the crisis. It is important that the spokesperson knows exactly what the journalists seek, and will need to know how to answer both aggressive and friendly queries from the media (Bloom, 2001). The importance of selecting the right spokesperson for the job has been discussed in previous section. Once again, this stage can be likened to the early planning stages described by Fink (1986) and Mitroff (1988).

Stage Four – Crisis Response: The Crisis Event

The crisis response stage which has been selected as the focus of this study is entered into when all avoidance efforts fail and events trigger a crisis (Hale et al, 2005). This is the stage that involves the immediate minutes, hours, days or weeks after the crisis and is characterised by short decision time, complexity and ambiguity (Hale et al, 2005; Pearson & Claire, 1998). Quality decisions are the result of quality information

(Coombs, 1999) and it is thus important that the crisis team receive up-to-date information about the crisis from reliable sources. According to Hale et al (2005), it is dangerously common to receive incorrect, incomplete and inconsistent data during crisis response.

The importance of the manner in which an organisation reacts and communicates at this stage has been discussed in chapter two. As succinctly expressed by Calloway and Keen (1996) how quickly and effectively an organisation responds often affects its reputation, credibility, integrity of operations and market performance. Most organisations depend on crisis teams for decision-making during a crisis and it is necessary for these teams to be supported by appropriate information and communications technology (Calloway & Keen, 1996). After a crisis occurs, prompt, open and concerted two-way communication, firstly to staff, and then externally to the media, prevents rumours and speculation. As advocated by Fearn-Banks (2002) using the media to diffuse information is a key element in maintaining good public relations (Fearn-Banks, 2002). Silence in the midst of a crisis implies guilt, whether justified or not, and reporters face deadlines hour by hour (Gonzalez-Herrero, 1994). Resolving the crisis in an ethical and compassionate manner is crucial (Horsley & Barker, 2002). Media attention is prevalent at this stage and crisis response communication involves making decisions regarding whether and what amount of information to share.

Stage Five – Recovery: Evaluation and Revision of Public Relations Efforts

Over time, the risk of additional direct damage subsides and organisations enter the final stage of the crisis management process, namely recovery (Hale et al 2005). Recovery involves attempts to learn in hindsight from the event internally and managing public perceptions externally (Horsley & Barker, 2002).

An organisation's leaders need to demonstrate that they have recovered from the crisis, have made changes to prevent it from re-occurring, and are prepared to deal with future potential crises (Horsley & Barker, 2002). It could be argued that these actions should be taken during the crisis and not after it, in order to influence public sentiment and to resolve the crisis at the critical time. An organisation can create additional media opportunities by providing follow-up stories and progress reports and thus handle negative situations in a positive way (Horsley & Barker 2002).

Like Fink (1986) and Mitroff (1988), Horsley and Barker (2002) do not place much emphasis on the crisis event or crisis response stage other than to describe it. Crisis management literature (also refer to chapter two) recognises the need to approach each of the crisis stages with a focus to meeting the different management needs and challenges represented by different dynamics and dimensions in each stage (Sturges 1994). But communication during the crisis situation remains relegated to generalities about accuracy and timeliness, without regard to meeting the audience's psychological needs during the passage of a crisis (Sturges 1994). The steps leading up to the crisis and after the crisis in the recovery stage are given more emphasis. The next model to be discussed addresses this gap by including a description of the communication decision-making process involved in the crisis response stage during the actual crisis.

3.5.4 Hale, Dulek and Hale's Linear Crisis Response Model

Hale et al (2005) propose a process-oriented approach to crisis management. Their linear crisis response communication model suggests that crisis response communication actions follow a pattern of five sequential but interdependent steps (Hale et al 2005:119) as shown below:

Triggering event → Observation → Interpretation → Choice → Dissemination

Figure 3.2 Hale, Dulek and Hale's Linear Crisis Response Model

Following a crisis, fast and accurate information about the crisis is gathered (observation). The next step involves assigning meaning to the data by assessing its accuracy and relevance. The members of the crisis management team discuss the viability of action alternatives and choose which actions to implement. Faced with limited resources, ambiguity, time pressures and stress, the crisis team has to understand the current crisis situation, acknowledge that various actions will prevent or reduce crisis damage and arrive at a decision. Once an action is decided upon, the next step of dissemination involves informing those responsible for implementing the decisions. This step also involves exchanging information with the public through the media. The former action involves operational directives, whereas the latter action often influences subsequent events within the crisis and frequently defines the organisation for years to come.

The value of this model is that it focuses solely on the crisis response stage of crisis management, which is absent from the stage models discussed previously. It thus provides valuable insight into the processes involved which contributes to the model developed as part of this thesis. However, Hale et al's (2005) model, by suggesting that a linear, orderly process is followed in order to make decisions concerning a course of action to be communicated, does not adequately describe the rapidly changing crisis environment. In this, Hale et al's model tends towards idealism, rather than realism. Hale et al's (2005) model also implies one-way persuasive communications from top management to staff and the media. These limitations will be addressed by Hale et al's (2005) second model, entitled the spiral crisis response communication model that will be examined in the section describing the more

systemic approaches to crisis management and crisis communication. While describing the process involved in making communication decisions during a crisis, this model does not focus on the content of these decisions.

3.6 Critical Analysis of More Traditional Views of Crisis Management and Crisis Communication

Although valuable in providing some structure to the process of public relations or corporate communications before, during and after a crisis, the models presented provide what can be described as a traditional, linear view of crisis management. These models suggest that effective management of a crisis can only occur if all the structures are in place such as a crisis plan and an orderly progression of steps. The crisis plan ensures effective communication occurs with stakeholders, including the media, while the organisation supposedly carries on functioning as normal. Once the crisis is over, the organisation must communicate with a view to restoring its image and adopt a business as usual attitude to ensure that the organisation's reputation is rebuilt to its status before the crisis. The crisis plan is evaluated and necessary changes are made in anticipation of the next crisis. If the crisis team is effective, according to these approaches, it minimises the chance that a crisis can occur and that if it does, it is quickly and efficiently managed. While these approaches to crisis management may be effective in linear systems where a crisis can be controlled and predicted, they may not be appropriate in complex, dynamic systems (Bloom et al, 2002), which is often how crisis situations are described. These approaches also assume asymmetrical views of communication rather than symmetrical two-way communications, the preference of current public relations scholars such as Grunig (2000). By not focussing enough on the actual content of crisis communications, these

models cannot assume that the recovery stage will necessarily follow the crisis. Through poor communication during the crisis it can be said that an organisation may face another crisis within a crisis or may never permanently recover from the crisis or from negative perceptions about its handling thereof. The models leaning towards the traditional linear approach characteristically give crises negative connotations – as events that have to be controlled in order to return the organisation to its former status quo. Unlike the more progressive systems approaches to be discussed next, the traditional models do not see the possibility for growth and improvement in the reputations of their organisations through effective crisis management. The section on chaos theory is also, in essence, a criticism of this traditional view of crisis management reflected in the models discussed. Nevertheless, it can be said that the traditional models provide a useful framework for understanding the much of the literature on crisis communication discussed in chapter two.

3.7 Models for Progressive Open Systems Continuum of Crisis Management and Crisis Communication

The approaches discussed in this section move away from the traditional, linear approaches discussed towards a progressive systems approach.

3.7.1 The Spiral Crisis Response Communication Model

Hale et al (2005) acknowledge that their linear model discussed earlier, failed to illustrate the complexities of the communication process during the crisis response stage and thus adapted it into the spiral crisis response communication model.

Triggering event → Observation → Interpretation → Choice → Dissemination

THE SPIRAL CRISIS RESPONSE COMMUNICATION MODEL

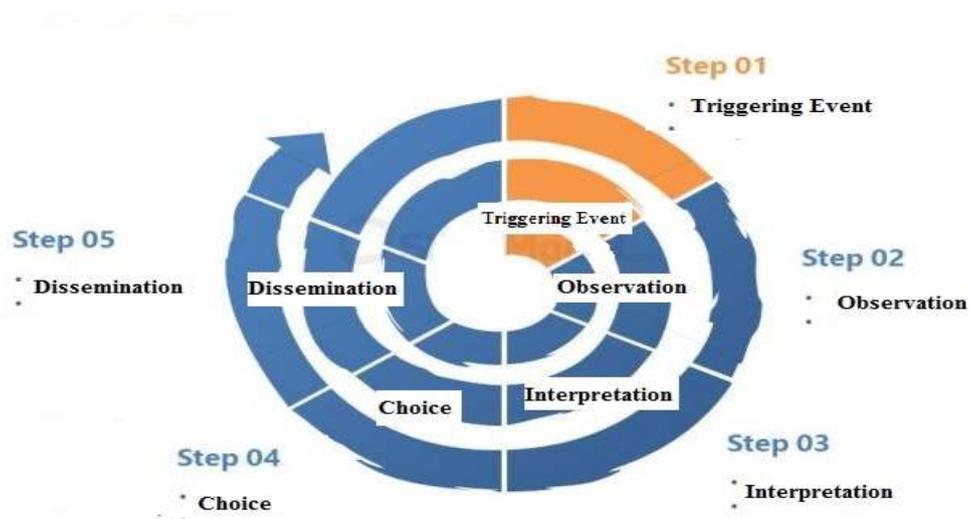


Figure 3.3 Spiral crisis response communication model (Hale, Dulek & Hale, 2005)

The spiral crisis response communication model illustrates more accurately how in reality, as additional information and data is obtained and greater understanding is achieved of the crisis, the members of the team repeat the decision-making process during a crisis. Each new observation step involves the assignment of new values or interpretations of the information about the crisis. If during the choice step a decision cannot be made due to ambiguity, missing or conflicting information, the interpretation step is evoked. Participants in Hale et al's (2005) research describe rapid, judgement-based evaluations and acceptance or rejection of distinct, non-competing solutions. This is arguably a more realistic description of how decisions are made in reality during the pressure of a crisis, rather than the careful analysis and comparison of competing solutions suggested by the linear model discussed earlier.

Hale et al (2005) also note that although the steps are discussed as separate and distinct, they will overlap (a single conversation being used to gather and disseminate information, and to add insight to a proposed action) and will be conducted in parallel

(people assigned to data gathering, dissemination and choice roles working next to each other). This clearly distinguishes the spiral crisis response communication model from the linear step-by-step version described above.

It can be argued that the spiral crisis response communication model provides an accurate description of the rapid iteration through the decision-making steps needed to keep pace with a rapidly changing crisis environment (Hale et al, 2005). It suggests an open systems approach to communication allowing for the inflow and digestion of information and feedback from the environment into the decision-making process. The communication is thus symmetrical rather than one way or asymmetrical, an important consideration for scholars such as Grunig (2000) and Woodward (2000). Refer to chapter two for further discussions on symmetrical communication. The spiral crisis response communication model does not however address the actual communication decisions to be taken by the crisis team during the crisis. Rather, it focuses on describing the process involved. Another less linear approach to crisis communication is offered by chaos theory which is also premised on an open systems approach reflected in the spiral crisis communication model.

3.7.2 Chaos Theory

Murphy (1996) suggests that chaos theory is particularly useful for understanding a crisis because its dynamic resembles that of a chaotic system as it moves through increasingly complex stages towards a disordered state. Murphy (1996) describes a crisis as a sequence of events, which, over time, appear to gather volume and complexity with increasing speed. Seital's (2001) description of a typical description of an organisation in crisis elaborates on Murphy's (1996) description.

As a derivative of systems theory, chaos theory attempts to understand and describe the behaviour of non-linear, unpredictable systems. A basic concern in chaos theory is how nonlinear systems change over time. Therefore Bechtold (1997) maintains that it seems an appropriate model to inform crisis communication strategy development in today's dynamic and ever-changing business environment.

Murphy (1996) argues further that chaos theory defies a planned approach to public relations because a key assumption of chaos theory is that crises have a life and logic of their own which leaves little room for intervention (Murphy, 1996). McDaniel (1997) concurs that a fundamental insight from chaos theory is that the unfolding of the world over time is unknowable. This assumption contradicts the basis of much of the crisis management literature on planning and prediction of crises (refer to models leaning towards the traditional approach).

However, according to Bechtold (1997), by encouraging an open flow of information between the organisation and the outside environment, the organisation can stay connected to its simultaneously evolving environment and is better able to handle changes or issues that may in time lead to a crisis. While it is not possible to plan, forecast or control a crisis, it is, according to chaos theory, possible to monitor small changes, interpret their context and determine reactions in the short term (Bloom et al, 2002). This is the key to successful crisis management from the perspective of chaos theory. The organisation must rely on constant feedback to ensure that it adjusts to even minor environmental demands and changes (Bloom et al, 2002).

Chaos theory is particularly relevant to public opinion – the understanding of how issues emerge and how individuals and groups are transformed from states of inactivity to activism using the media as an ally (Bloom et al, 2002). Because chaos

theory suggests that crisis communication experts remain alert to small changes outside the organisation, they can capture changes in public opinion and deal with issues before they escalate into crises. In the longer term, organisations should seek to identify any similarities or irregularities in elements of patterns of change, and determine from these, acceptable courses of action (Edgar & Nisbet, 1996). According Bloom et al (2002): The organisation would tap the information and intelligence of all its members, connect itself with the evolving environment and draw that information into its self-generation. In this way, crises can be seen as opportunities for change and beneficial restructuring of the organisation.

A key principal of chaos theory is that monitoring change and interpreting its context may be more realistic public relations goals in complex, dynamic systems than prediction and control suggested by traditional crisis management systems (Murphy, 1996). According to a study led by Bloom et al (2002), Swiss banks in general were criticised for the way they handled money invested by Jews during World War II. These banks did not manage their crisis effectively, as they did not remain alert to the environment. By ignoring the court of public opinion and placing strict control on communication flowing into or out of the organisation, the problems they faced became magnified and resulted in extremely bad media coverage and an enormous drop in share price and profits for the banks. The decision to restrict communication was an effort to contain the uncertainty resulting from the crisis, typically an action of a traditional organisation (Bloom et al, 2002). In organisations that understand the dynamics of chaos, the crisis communicator's role should be to establish communication channels that encourage dialogue, diversity of ideas and participative decision- making. By not remaining connected to the external environment the Swiss banks were unable to monitor changes and seize the opportunities to respond in an

innovative manner. This implies that the Swiss banks were unprepared to identify emerging issues, much less capitalise on the business or communication opportunities that may have been present. They chose instead to practically ignore the media, which proved to their detriment. Bloom et al (2002) conclude that the Swiss banks' inefficiency in managing the crisis stemmed not from the crisis event itself but from their rigid corporate structures and processes. This example demonstrates the influence of an organisation's values on its style of crisis management.

3.8 Summary: Key Points of Crisis Management/Crisis Communication

Suggested by Chaos Theory

The value of chaos theory is in its description of the field of crisis management and crisis communication which is interpreted as follows:

- ◆ Gayeski and Majka (1996) suggest that the crisis communicator's role is to establish communication channels that facilitate dialogue, diversity of ideas and participative decision-making. The issuing of advice in one direction, is, according to Grunig (2000), doomed to fail. Practicing symmetrical communication helps organisations adjust their own behaviour and communications in order to accommodate the beliefs and concerns of their publics throughout the crisis (Bloom et al, 2002). This is in sharp contrast to the more traditional approaches to crisis communication followed by organisations that seek only to predict and control their environments rather than adapt to them.
- ◆ Open lines of communication between members of the organisation and between the organisation and the public and journalists are of marked importance throughout the process of prevention, according to chaos theory

(Comfort, 1994; Bechtold, 1997). The idea is that the responsibility for crisis management should not only rest on the shoulders of the crisis team. The entire organisational structure, from the customer care department through to the client-facing staff should be on the alert for possible issues that might, if not addressed, escalate into crises.

- ◆ Support for the plan and the whole process of crisis management must come from top management throughout the organisation to ensure its application (Bloom et al, 2002).
- ◆ Chaos theory warns that over-reliance on a plan or an analysis of past events should be minimised and that the focus should be on building an innovative, creative and spontaneous approach to strategy (Bloom et al, 2002). This contrasts with the more traditional views of crisis management mentioned, in which adherence to a crisis plan or manual, prepared in advance of a crisis is paramount.
- ◆ Chaos theory posits that continuous tracking with a view to identifying changes through constant feedback, to ensure that the organisation adjusts to environmental and organisational demands, is critical (Comfort, 1994). This cybernetic approach to management can provide an early warning system for crises (Bloom et al, 2002). Analysing media coverage on a day-to-day basis can help the organisation to anticipate and tackle potential problems before they arise (Bloom et al, 2000).

3.9 Critical Analysis of Chaos Theory

Chaos theory provides a substantially useful alternative framework for viewing crises to the more traditional approaches of crisis communication management prevalent in

the literature. It acknowledges that it is not always possible to plan for a crisis and that it may be more useful to devise strategy based on information received at the time. This may also help avoid the development of an issue into a crisis. Murphy (1996) also contends that the value of public relations may come less from attempts to influence audience's perceptions in a planned direction than from the ability to capitalise on unplanned opportunities. This sheds a new light on the field of crisis management and crisis communication – one that appears to be missing from the linear approaches discussed above.

The approach is unique in that it entrusts everyone in the organisation with a responsibility for crisis management, instead of only a core team of crisis communication experts. Staff members on every level are encouraged to share information through open communication channels and to be alert to possible changes in the environment. In theory, this could be constructive for the organisation in terms of monitoring and adapting to situations. However, it may not be practical and many organisations appear to apportion responsibility for crisis communication to a small team of specialists.

In addition to an image restoration strategy, chaos theory postulates that effective crisis management requires a business mindset and strategy that can take advantage of the prospects that occur as a result of the crisis (Seitel, 2001). This suggests that senior executives would need to form part of the crisis management team as crisis management decisions could impact on the various operations of the organisational system. In this regard, chaos theory underscores the influence that crisis management decisions can have on the organisation.

Chaos theory's reframing of a crisis as a positive opportunity for restructuring is also uniquely opposed to the more traditional view of crises as negative events that need to

be managed quickly so that the organisation can return to its former state of equilibrium.

Because of the benefits of chaos theory some of its elements will be used as a framework for analysing the responses of the crisis communication experts in this study. Its value appears to lie in analysing a crisis after it happens, rather than in advising crisis communication experts on the course of action during the crisis. While it may describe the role of crisis communication experts operating on the edge of chaos, what appears to be missing from chaos theory is guidance on what communication experts should say to the media about the crisis – the content of crisis response.

The aforementioned models and theories discussed are helpful in building a body of knowledge to further the understanding of crisis management and crisis communication with the media. They are also helpful in providing a structure or framework for understanding and describing the principals drawn from crisis communication literature discussed in chapter two. While the majority of them acknowledge the importance of communication decisions made during a crisis, they omit to examine these decisions and responses. The forthcoming model, which can also be described as being predicated on systems epistemology, addresses these responses and is thus the approach which will be adapted for the model designed from this research.

3.10 Situational Crisis Communication Theory (SCCT or SCC Theory)

In summary, the area of crisis management devoted to what organisations say (and their actions) to publics or the media after a crisis occurs is termed crisis- response or crisis communication strategies (Coombs, 1995; Goodman & Markus, 1991; Ice,

1991). Communication to the media at this stage shapes public perceptions of a crisis and the organisation involved in the crisis (Russ, 1991). The literature predominantly argues against stonewalling when accused of a wrongdoing (Bradford & Garrett, 1995; Coombs, 1995; Hearit, 1994). Hearit (1994) argues that the speech of self-defence or apologia presents a compelling counter description to situate alleged wrongdoing in a more favourable context. This is a valuable line of research because crisis-response strategies are an important resource for crisis managers (Coombs, 2004).

As already discussed, the crisis response stage is characterised by high consequence and short decision time that creates a unique and threatening decision-making environment that must be conscientiously supported (Hale et al, 2005). During this stage, events occur quickly, and critical, stressful, decision-making takes place (Hale et al, 2005). In the definition of a crisis, it was acknowledged that each crisis contains degrees of both success and failure and that the actions of the organisation significantly affect the relative number of these successes and failures.

The purpose of this section is to examine the latest thinking in this dynamic area of research under the rubric of situational crisis communication theory (SCCT). This perspective has also been dubbed the symbolic approach (Coombs, 1999), because it describes how communication can be used as a symbolic resource to protect an organisation's image. In other words, from this perspective, crisis communication strategies are viewed as the symbolic resources with which crisis managers help protect or repair the organisation's image. The roots of the symbolic approach are found in the rhetorical concept of apologia. Apologia examines how individuals use communication to defend their character (image) from public attacks (Coombs, 1999). The SCCT model links crisis response strategies to crisis types and according to

Englehardt, Sallot and Springston (2004): Coombs' repertoire seems to promise the greatest utility for practitioners facing crises in the field.

3.10.1 *Theoretical Foundation of SCCT*

The foundation of this theory rests on the assumption that an organisation's reputation or image is a valued resource that can potentially be threatened by a crisis (Barton, 2001). The reputation or image of the organisation is described as the perception that the public has of the organisation (Barton, 2001) and which affects its organisational legitimacy or sanction to operate.

SCCT postulates that the image of an organisation or its organisational legitimacy can best be protected by crisis communication experts if they assess the crisis situation, (which is conceptualised as the frame used by the public to interpret the event), and then select a crisis response strategy that fits the crisis situation. The crisis strategy chosen, should, according to the theory (Coombs & Holladay, 1996), have the following effects:

- Convince stakeholders there is no crisis or
- Have stakeholders see the crisis as less negative and/or
- Have stakeholders see the organisation more positively

The crisis situation is, according to SCCT, most effectively evaluated according to attribution theory, which is derived from interpersonal communication research (Benoit, 1995; Cupach & Metts, 1990 & 1989; Sharkey & Stafford, 1990). Attribution theory posits that people will make judgements about the causes of events, especially unexpected events with negative outcomes such as a crisis (Coombs, 1995). Attributions are perceptions of the causality or the perceived reasons for a particular event's occurrence (Weiner, 1985).

The public will ask themselves whether the crisis was something the organisation could control or prevent (Coombs, 2004). Control implies responsibility (Weiner, 1995). If the public assume that an organisation could control a crisis, they will pass the responsibility for the crisis onto the organisation (Coombs, 1995). When a crisis event is repeated (stable), the public is more likely to attribute responsibility to the organisation (Coombs, 1995). The messages people develop to explain an event can shape attributions, which in turn shape feelings (Weiner, 1995). Greater attributions of responsibility lead to stronger feelings of anger and more negative views of organisations (Coombs, 1995). Crisis attributions are therefore important because they mould feelings and behaviours toward the organisation involved in the crisis (Coombs, 2004).

3.11 Identification of Crisis Clusters/Crisis Types

Using crisis responsibility to form crisis clusters, that is, groupings of similar crisis types, has further refined thinking about crisis types (Coombs, 2004). The development of crisis clusters is based on the premise that similar crises can be managed in similar fashions (Coombs, 2004). Because crisis types within each crisis cluster will produce similar attributions of crisis responsibility, crisis managers can use similar crisis response strategies to deal with crisis types within the same cluster (Coombs, 2004). Thirteen crisis types have been categorised into three distinct clusters (Coombs, 2004):

- victim
- accidental
- preventable (Coombs, 1999) or intentional crisis cluster (Coombs, 2004).

The victim cluster involves crisis types in which the organisation is an innocent party but harm is inflicted on it and its stakeholders (Coombs, 1995). Examples of this type of crisis could be a natural disaster, workplace violence, acts of terrorism or damaging rumours about an organisation (Coombs, 1995). The accidental cluster involves unintentional actions by an organisation such as a technical failure or misdeeds attributed to a staff member (Coombs, 1995). It is assumed that the organisation could do little to prevent the crisis and did not intend for it to happen (Coombs, 2004). However, research shows a general bias towards internal causes for accidents (Coombs, 2004). The preventable cluster involves intentionally placing stakeholders at risk, knowingly violating laws or regulations, or not doing enough to prevent an accident or a defective product from reaching the market (Coombs, 1995).

According to the theory the stronger the potential damage to the organisation's reputation, the more the crisis response strategy must try to accommodate those adversely affected (Coombs, 2004). Publics will expect an organisation to do more for victims of a crisis when the organisation is held more accountable for that crisis (Coombs, 1995). The crisis response strategies should then mitigate damage to its reputation by showing that the organisation is concerned for the victims and is willing to make amends for its questionable behaviour, thereby accommodating the public's expectations (Coombs, 2004). A full apology and publicly accepting responsibility escalate costs because the organisation will be found liable (Coombs, 2004; Tyler, 1997). Thus, a crisis manager would use more expensive crisis response strategies in a human error accident than in a technical error accident (Coombs & Holladay, 2006). Scholars such as Benoit (1995) frequently recommend highly accommodative / mortification strategies that feature apologies for the crisis. However, the universal application of highly accommodative strategies is problematic because of the legal

and financial liabilities incurred (Coombs, 1999). Apologies require an organisation to publicly accept responsibility for a crisis, thereby weakening its legal position in the case of a lawsuit (Fitzpatrick, 1995; Tyler, 1997). However, current business thinking maintains that financial interests should not be the only deciding factors in all crisis situations (Naidoo, 2002). Crises that prompt little to no attributions of organisational crisis responsibility, such as natural disasters, or rumours, can be managed using just instructive information - telling people what to do to protect themselves from the crisis, as the crisis response (Coombs, 2004). In the case of an act of terrorism, the organisation can be portrayed as a victim and the public might even feel sympathy for it (Coombs, 2004). Sympathy from the public can help build a more positive view of the organisation (Benoit, 1997). In the event of false rumours, crisis managers are recommended to add the denial crisis response strategy which is the most defensive strategy (Coombs, 1995). But the crisis manager should have some concrete evidence to show that there is no crisis or that the rumours are unfounded before applying this response (Newsom, Scott & Turk, 1992).

Crises that prompt moderate to low attributions of crisis responsibility, such as accidents, are effectively managed via moderately defensive crisis response strategies such as excuse (Coombs, 1999). The crisis manager might try to emphasise the organisation's lack of responsibility for the crisis or the minimal damage created by a crisis (Allen & Caillouet, 1994; Benoit, 1995). In both instances, the crisis manager attempts to place distance between the organisation and responsibility for the crisis event. For this strategy to be effective there must however be some aspect of the crisis responsibility that indicates that there is limited responsibility or minimal damage (Coombs & Holladay 2006). Distance accepts the crisis but tries to weaken the association between the organisation and the crisis (Coombs & Holladay, 2006).

Crises with strong attributions of organisational responsibility, such as organisational misdemeanours, require strongly accommodative responses such as corrective action and full apologies (Coombs & Holladay, 1996). This step might also involve creating new practices to prevent a crisis event from being repeated (Glascock, 2004). This remedial action (also termed rectification by Coombs (1995) helps to re-establish legitimacy by demonstrating organisational concern for societal norms (Allen & Caillouet, 1994). Coombs and Holladay (2006) advise crisis managers to take the remedial/accommodative route when the organisation cannot distance itself from the crisis.

Identifying the crisis type enables an initial assessment of the amount of crisis responsibility that publics will attribute to a crisis situation. Adjustments are then made to this initial assessment by considering two factors – severity and performance history (Coombs, 2004). Severity is the amount of damage created by a crisis in terms of factors such as financial, human and environmental damage (Coombs, 1999). Performance history refers to the past actions or conduct of an organisation, including previous crises, and relationship history especially how well or poorly it has treated stakeholders – that is the media, its clients, shareholders, the government and community in which it operates. (Coombs, 2004). Performance history and relationship history can also be described as prior reputation which is, according to Coombs and Holladay (2006) the balance of reputation capital an organisation has in its account prior to a crisis.

Relationship and performance history (prior reputation) affects how the public interpret current events (Coombs & Holladay, 2006). The crisis is therefore not seen in isolation and prior reputation adds to an understanding of the crisis situation

dynamic (Coombs & Holladay, 2006). As severity increases or performance history worsens, publics will attribute greater crisis responsibility to the organisation and may discount the organisation's interpretation of the crisis. In contrast, favourable pre-crisis relationships can serve as buffers for accused organisations and can thus be a valuable asset to crisis management (Huang, 2005). According to Coombs and Holladay (2006), prior reputation helps to protect and repair an organisation's image during a crisis. A crisis may cause an organisation to experience some loss of reputation. It is possible that a prior reputation can offer more than just a large reserve of goodwill from which to withdraw during a crisis. According to researchers such as Fombrun and Van Riel (2003) a favourable reputation may actually create a halo effect, which might change how much crisis responsibility the public attributes to an organisation in crisis. Coombs and Holladay (2006) go so far as saying that organisations might be afforded the benefit of the doubt and not be assigned as much crisis responsibility, as would be attributed to an organisation with an unknown or unfavourable reputation. The halo as shield explanation is part of a larger psychological phenomenon of expectancy confirmation. Research suggests people are reluctant to revise initial expectations even when confronted with clear disconfirming evidence (Frey, Greitemeyer, Schulz-Hardt & Traut-Mattausch, 2004). For favourable reputations, the public or media may ignore or dismiss the recent negative information created by the crisis and continue to support the organisation (Coombs & Holladay, 2006). However, what should be noted is that a favourable reputation does not protect an organisation if it uses an inappropriate response (Dean, 2004).

In summary, the assessment of a crisis is a two-step process. In the first step, the crisis team identifies the crisis type (Coombs, 2004). After assessing the level of crisis responsibility, crisis managers then choose a crisis response strategy appropriate to

the level of crisis responsibility, considering contexts such as relationship history, prior reputation and severity of damage (Coombs, 2004). For example, repeated or severe technical breakdown accidents should be treated more like the preventable cluster than the accident cluster (Coombs, 1999). If a crisis keeps happening, the public likely think it could be avoided (Coombs & Holladay, 2006). An example of this could be the regularity of global mine disasters

Coombs (1995) proposed the following list of crisis-response strategies which crisis managers can apply in making decisions when communicating to the media. Examples pertinent to the financial services industry have been included.

3.11.1 Non-Existence Strategies

These strategies seek to eliminate the crisis. If no crisis exists there is no reason for the organisation to be tarnished by the supposed crisis. This strategy can be used as a response to rumours that are evidently false and consists of four tactical options, namely: denial (a simple statement that nothing happened), clarification (extends the denial strategy with proof of why there is no crisis), attack (confronts those who wrongly report that a crisis exists) caution and intimidation (use of lawsuits against those who are spreading the rumours). According to Hearit (2001) an attack strategy is deemed highly risky because it portrays the organisation as aggressive. This strategy should therefore be used with caution.

Companies or even powerful individuals have frequently used both the attack and intimidation strategies even at times when they have been at fault. For example, executives from the now defunct multi-national giant, Enron, initially denied that they had been involved in unlawful actions. Hearit (2001) states that an organisation might have an initial impulse to start with a strategy of denial and to try other approaches only once it is clear that denial no longer works for an organisation. However, crisis

managers may need to consider that protestations of innocence may be treated with scepticism by a wary media.

3.11.2 *Distance Strategies*

These strategies acknowledge the crisis and act to create public acceptance of the crisis, while weakening the link between the crisis and the organisation. If the link is weak, the negatives attached to the crisis will have a reduced chance of tarnishing the organisation's image. Distance strategies comprise tactics such as excuse, which tries to minimise the organisations' responsibility. Excuse tactics include denial of intention and denial of volition. Scapegoating is an example. An organisation cannot control an event if some third party is responsible for the crisis or has acted without organisational sanction (Ihlen, 2002).

However, one could question the efficacy of shifting blame and it is suggested that this strategy should, in general, be avoided. Arguably these tactics do depend on the context of mediation and are influenced by the validity of charges, the existence of a scapegoat and the degree of guilt (Ihlen, 2002).

Justification seeks to minimise damage associated with the crisis and includes denying the seriousness of the crisis or claiming that the crisis event has been misrepresented. The aim is to reduce the offensiveness of the act and to persuade the public that the act or crisis is not as bad as it might seem (Gluscock, 2004). Benoit (1995), having researched interpersonal communication, asserts that a major goal of crisis communication discourse is to save face. Therefore, when an organisation's reputation is threatened, the natural inclination is to present a response consisting of denial, justifications or excuses for the offence (Benoit, 1995).

3.11.3 Ingratiation Strategies

These strategies seek to gain public approval for the organisation by connecting the organisation to things positively valued by the public, such as corporate social investment policies. Examples include the following: Transcendence as an ingratiation tactic attempts to place the crisis in a larger, more desirable context. For example, large-scale retrenchments could be justified as a necessary step for the long-term sustainability of an organisation. Bolstering reminds publics of the existing positive aspects of the organisation and praising others is used to win approval from the target of the praise (Englehardt et al, 2004). In the study conducted on X Company as part of this research statements using ingratiating strategies employed by spokespeople after the internet hacking crisis, in order to show X Company's commitment to internet safety, included: X Company's internet banking complies with the highest standards of safety possible (Smith, 2006).

3.11.4 Mortification Strategies

These strategies attempt to win forgiveness of publics. Remediation willingly offers some form of compensation to help the victims in the form of money, goods and aid. Repentance involves asking for forgiveness. Rectification involves acting to prevent a recurrence of the crisis in the future. X Company used the following statement indicative of a mortification strategy, to demonstrate that the organisation was making sure the problem did not reoccur: We have accelerated our planned roll-out of safety features (Smith, 2006).

3.11.5 Suffering Strategies

These strategies are designed to win sympathy from publics. They could portray the organisation as an unfair victim of a malicious, outside entity. An example could be

the argument, by banks, in defence of charges levied on deposits and withdrawals of cash, that the spate of cash heists in this country makes such charges necessary.

In many cases a combination of strategies is used, for example, apology and justification or denial may be combined (Coombs, 2004). Literature further supports the effectiveness of the combined use of strategies in terms of favourable imagery coverage in the media (Huang, 2005). It is possible for an organisation to use two or more strategies in one sentence (Englehardt et al, 2004) such as: We are very sorry about the suffering this accident has caused, but this was not the result of any negligence on our part. In the beginning of the sentence a mortification strategy is applied, but the second half of the sentence reflects a dominant strategy of justification and/or denial. According to Englehardt et al (2004), Coombs' five categories are not discrete or mutually exclusive in complex situations such as crises.

The crisis response strategies can be ordered along a continuum ranging from defensive, putting organisational interests first, to accommodative, putting victim concerns first (Marcus & Goodman, 1991; Shrivastava, 1993). The defensive-accommodative continuum is adapted from the work of McLaughlin, Cody, and O'Hair (1983), which used the continuum to conceptualise accounts, or explanations/excuses people offer for their untoward or negative behaviour. Using this continuum, the crisis manager then matches the crisis response to level of crisis responsibility. The greater the crisis responsibility generated by the crisis the more accommodative the crisis response strategies must be according to SCCT (Coombs, 2004). Following this principle should, according to the theory, offer a defence for the organisation's reputation.

3.12 Critical Comment on SCCT

The quest for simplicity, by summarising the crisis response types and crisis responses into categories, may affect the application of this theory to real life situations. It is possible that some valuable, explanatory factors and variables have been excluded (Coombs 1995).

Some of the variables excluded by SCCT include the following:

- ◆ While SCCT acknowledges that the crisis response should be tempered with consideration of the organisation's history, it does not mention other context variables that may impact on the choice of crisis response such as perceptions that the public might have of an industry as a whole. For example, in some parts of Africa, the life insurance industry is receiving bad publicity following rulings by Pensions Funds Adjudicator Vuyani Ngalwana. The negative perception of the industry as a whole would need to be considered should a particular insurance organisation have a crisis in the media during this time.
- ◆ Other factors such as the cultural context in which the organisation operates, could possibly also have an impact on the choice of crisis response strategy. The theory does not cater for the variance from one country to another, let alone one city to another.
- ◆ Another aspect not addressed by the theory, is that there could be a real possibility that it may be in the interests of competitors or journalists to exaggerate the consequences of an organisation's crisis in the media. This would of course impact on public perceptions of the organisation in crisis and the attributions made. Even though these perceptions may be unjust, they could exist nevertheless and need to inform crisis response strategies.

- ◆ In addition, the morality of crisis response strategies is not addressed by SCCT. An inference could be drawn from the discussion on compassion and apologies that an organisation should not admit to anything that is going to cost them money. According to Cohen (1999) respect for others would seem to require that when an offender has hurt someone, she should apologise to the extent that she feels at fault. However, the same author admits that lawyers may advise their client not to risk apology because of the implications of liability (Cohen, 1999). According to Cohen (1999) the ideal is for crisis communication experts and legal counsel to work together to develop a response that satisfies the public's need to know, yet avoids self-implication of legal wrongdoing.
- ◆ The human response is not mentioned in the theory. Horsley and Barker (2002) state that: If an organisation is at fault, its spokespersons repair the organisation's reputation much faster if they apologise, accept responsibility, and show remorse. In the same vein, if a disaster has occurred that is not necessarily the fault of the organisation, the public and the media are still looking for some humanity; they want to see the organisation spokespersons express regret for what happened and show compassion for the victims (Horsley & Barker, 2002). During the 1989 Exxon Valdez oil spill, the organisation did not even attempt to show concern over the animals that died in the oily mess and too often declined to comment. Englehardt et al (2004) found that Coombs' crisis response strategies do not allow for corporate statements that express concern and sympathy without placing the blame on the organisation. Englehardt et al's study (2004) demonstrates the need for an additional strategy to be added to SCCT, perhaps called compassion without

blame (Englehardt et al 2004:151). Compassion may affect stock prices, but it avoids the liabilities associated with apologies (Fitzpatrick 1995; Marcus & Goodman 1991; Tyler 1997). Like apologies, compassion addresses public concerns by acknowledging victims' needs and in this way bolsters the organisational reputation (Barton 2001; Pearson & Mitroff 1993). The most useful way to maximise both social and legal concerns during an accident crisis could be to incorporate compassion into the crisis response.

- ◆ In addition, initial early responses when organisations are trying to find out what happened to cause the crisis, are not included in SCCT. Englehardt et al (2004) say that statements such as It's too early to know if our airplane maintenance was a key factor in the crash do not fall into Coombs' (1995) repertoire. At this stage the organisation is not denying anything, it is not making an excuse, nor is it clarifying: it merely does not have an answer (Englehardt et al, 2004). Englehardt et al (2004) call for a re-conceptualisation of SCCT to account for the findings of more recent research.
- ◆ SCCT does not suggest that the client or victims of a crisis be put first, which has been a hard-learned lesson by X Company demonstrated hypothetically. A number of recent studies predict a strong connection between an organisation's values and culture and its behaviour during the response stage (Hale et al, 2005). At the heart of the decision-making process conducted by the crisis team is an organisation's values. According to Foster and Snyder (1983), the effectiveness of the decision-making process is significantly enhanced if these organisational values are made explicit and communicated clearly to crisis decision makers. Foster and Snyder (1983) cite the Johnson and Johnson Tylenol crisis as a case in point. Seven people in Chicago died

from taking Tylenol capsules laced with cyanide. News of this incident travelled quickly and was the cause of a massive, nationwide panic. These poisonings made it necessary for Johnson & Johnson to launch a public relations program immediately, in order to save the integrity of the product and the organisation as a whole.

- ◆ The decision makers stated unequivocally that, when they were forced to act in the dark during the Tylenol crisis, they looked to the credo for guidance and took actions that supported the first line of the credo which states: We believe our first responsibility is to the doctors, nurses, and patients, to mothers and all others who use our products and services (Foster & Snyder, 1983). The corporate president of Johnson and Johnson, David R Clare (Foster & Snyder, 1983) noted that the events surrounding the Tylenol crisis were so atypical that they found themselves improvising every step of the way. Crisis planning did not see us through this tragedy nearly as much as the sound business management philosophy that is embodied in our credo (Foster & Snyder, 1983).
- ◆ The crisis response strategies of SCCT have been derived from interpersonal communication research (Benoit, 1995). This may limit their applicability to the organisational world. For example, the denial of volition (the intention to do harm), as a distance strategy suggested by SCCT, may be more effective in an interpersonal setting, than as an effective explanation for an organisation that has caused harm to its clients. The public may not care whether the crisis was intentional or not, particularly in the case of large wealthy organisations.
- ◆ The ingratiation strategy of bolstering discussed earlier which entails emphasising the positive aspects of the organisation may appear to be in bad

taste during a crisis. One could ask whether the organisation should be trying to garner support when it is dealing with a crisis where the public's primary concern is the impact of the crisis.

- ◆ In a similar vein, the justification strategy of seeking to minimise the damage associated with the crisis, would need to be skilfully managed so as not to appear callous of the injury or damage done to the parties concerned. According to Horsley and Barker (2002) attempts to blame the incident on some other entity or to take the pressure off the organisation, through suggested strategies such as justification or excuse, can backfire and hinder further public relations. Huang (2005) warns that the excuse response could be associated with manipulation and controlling and could ruin relationships between the organisation and the public.
- ◆ Hearit (2001) criticises approaches to public relations messages during crises such as SCCT because they often treat the responses of organisations as static and linear when in reality they are dynamic and variable. According to Ihlen (2002), while focusing on choosing crisis-response strategies, the study of combining, and especially changing, strategies is left unexplored. For example, media coverage could force an organisation to change its response strategy (Ihlen, 2002), as in the case of X Company during its internet "hacking" crisis. Benson (1988) and Ihlen (2002) suggest that tentative language and ambiguity in the first stages of a crisis can help an organisation to be flexible in its responses in the later stages.
- ◆ Two issues are, according to Coombs and Holladay (2006) worth further consideration. Does a favourable prior reputation create expectations about how an organisation should respond? Will "good" organisations be expected

to exceed the normal response? It may be that if a prior reputation is favourable an organisation will need to use the most expensive response regardless of the crisis situation. No evidence as yet supports this conclusion.

In spite of the shift in communications and public relations towards a more symmetrical way of communicating and more socially responsible actions and interactions; it seems that at the heart of crisis communications dialogue and certainly at the core of a theory such as SCCT, is persuasion or influence (refer to discussion above). The organisation wishes the public not to judge it too harshly and therefore designs messages using techniques such as bolstering, scapegoating, minimisation and so on to persuade the public or the media to view it in a better light.

3.13 Conclusion

This chapter critically reviewed the existing literature on crisis management and crisis communication theories and models, ranging from the more traditional approaches to those based on open systems approaches. The traditional approaches generally view crises as signs of trouble, while the progressive systems approach such as chaos theory view crises as opportunities for change and improvement to the organisation. While traditional organisations seek to predict and control their environments, progressive organisations choose to adapt to them.

A valuable recommendation from the models reviewed, particularly the more traditional models, is that an organisation should remain alert to signals and address issues before they become serious crises. Although prior planning in advance of a crisis is acknowledged as important, flexibility in approach during a crisis, rather than strict adherence to the plan is advised by progressive theories.

While the discussed approaches acknowledge the importance of communication decisions made during a crisis, none of them (with the exception of the SCCT theory) actually examine these decisions or responses to investigate how messages can be communicated to the media to shape public perceptions of an organisation the shortcomings of SCCT were examined which can be addressed in real-time studies beyond theoretical modelling. These include the lack of acknowledgement for flexibility in crisis response and issues such as the absence of a strategy to reflect compassion without incurring blame. The applicability of some of the tactics suggested by SCCT, such as bolstering and justification were questioned in this chapter.

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