Role of Crisis Communication in Risk Management

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Abstract

Emergence of crisis are inevitable and unavoidable. And communication indubitably plays a pivotal role in crisis management. Especially crisis communication has proved to be a significant component for effective crisis management for organizations around the world. During crisis or emergency clearcut, brief and reliable communication strategies make a huge difference in tacking them efficiently. Crisis communication incorporates components such as effective persuasive communications strategies which provide public and stakeholders a quick, empathic and trustworthy response in times of unforeseen events. Crisis communication helps in taking precautions during troubled times and can minimize the communication gap and the efforts on the part of management. With the help of principles of crisis communication (The Relationship Principle; the Accountability Principle; The Disclosure Principle and The Symmetrical Communication Principle) organization can effectively implement precautionary measures for smooth tackling of crisis with less colossal damage. The PR practitioners or public officials need to communicate effectively with the public and the media during the time of crisis. The message should be delivered in such a way that there is no scope for confusion or misinformation. The main purpose to crisis communication strategies is to inform and educate without infuriating fear when acts of terrorism, mass violence, disasters, destruction and public health emergencies occur.

Keywords: Crisis, Crisis Communication, Crisis management, Risk Communication Tools

A crisis can be an adversative event, an unexpected calamity that needs fast-track addressing. Crises may range from natural disasters such as famines, droughts, cyclones, earthquakes, to that of man-made catastrophes such as cyber-attacks, financial meltdowns, insurgency, terrorism, wars, epidemics, corporate warfare, employee agitations, project closures, product recalls, and scams etc. Failure in combating aptly to such incidents, results in severe damage to the brand's reputation, possible leg al action and financial losses.

According to Register (1995), crisis is a period within a system dynamic, characterized by the accentuated accumulation of difficulties, the conflicting outburst of tensions. Crisis involves an event, a revelation, an allegation, or a set of internal and external problems that threatens an individual's or which is an organization's integrity, reputation, or even existence.

According to Hill and Knowlton has classified crises in the following four segments:

Classification of crisis

- Exploding crises: Disasters such as fires, explosions, accidents, earthquakes, floods, famines etc.

These can be termed as exploding crises.

- Immediate crises: Controversial or scandalous incidents, involving companies, individuals, governments et al. these are referred as immediate crises.
- Building crisis: Anticipated crisis due to premeditated decisions like closure of a plant, discontinuance of a service, retrenchment etc.
- Continuing crisis: when an organisation, a product or a service is under long-term attack from some stakeholders like special interest groups, media, judiciary, consumer group et al.

The National Disaster Management Authority in India defines disasters/ crises as under:
- Natural sudden disasters (earthquakes, cyclones, tidal waves, tropical storms, volcanic eruptions, landslides, floods)
- Slow impact disasters: (droughts, famine, environmental degradation, deforestation, pest infestation)
- Manmade, complex emergencies: (industrial, displacement, terrorism, food scarcity, food insecurity et al).

Sigmund Freud, neurologist rightly opined that "Out of your vulnerabilities will come your strength." Each crisis is unique and needs special handling, keeping in view the enormity of the crisis, stakeholders involved and who would be in charge of crisis management. One thing, however, common among all kinds of crises is the important role of communication in various stages of managing a crisis.

In a crisis situation, implementation of crisis management plan becomes necessary. The crisis management plan contains the composite procedures and protocols for dealing with a crisis. Leonard Saffir, PR Expert rightly said that "In crisis management, be quick with the facts, slow with the blame". This process helps organizations to respond quickly and effectively, minimise the effect of the crisis, and aid smooth recovery. In today's dynamic and highly volatile business landscape strategic crisis management plan is the only solution for businesses to ensure their existence and success. During this process a detail scanning and analyzation of the situation is carried out. Systematically risk factors are identified, assessed, and are quantified by the degree of importance. The prioritization of the respective environmental risks to the organization, are estimated to find the possibility of a specific crisis occurring, its expected frequency and its latent impact on operations. Crisis situation is usually characterised by obscurity and limited time duration to take decisions. The risk of immediate damage persists. Rapid conclusive action is required, and efforts are to be made in containing the crisis and curtailing damage bringing the situation under control. The organization pass through a path of "observation, interpretation, choice, and dissemination-repeating the process steps numerous times"(Hale, Dulek&Hale, 2005).

The first step towards crisis containment is to assess the situation by quickly gathering as much accurate information as possible. Because multinationals can be faced with crises that transcend boundaries, and which therefore require transnational cooperation, it is important to define the scope of the crisis, meaning whether it's local, regional, or global. Post-crisis: In the post-crisis phase, when the crisis eases down, the organization enters the final phase, the post-crisis phase, in which the risk is over and business is resuming as usual. Thus, the crisis is no longer the focal point of management's attention although it still requires some attention. Now the organization can focus its resources on recovering from the crisis and rebuilding trust and credibility by managing public perception. Recovery involves attempts to "learn from the event internally and "handle" the event externally." (Coombs, 2011).

Coombs (2007) defined crisis management as a vital executive role. He further elaborates that the result of failure can have grave harm to stakeholders, culminating in an organization or institution incurring extensive losses that can lead to its extinction. Hence it is important to stress that in communication, emotions, environment, psychological and technical characteristics of the medium are relevant to enhance organizational productivity. According to Okoye (2004), the psychological transmission goes beyond the reception of information but understanding and feedback. Mismanaged organizational crisis has been traced to breakage in communication (Lee, 2003; Scott, 2004).

During a disaster or controversy, crisis management requires to draft action plans for mitigating the effects of the crisis. According to Andy Gilman "the secret of crisis management is not good vs bad, it preventing the bad from getting worse". Crisis Communication comes handy in due course of risk management. Crisis Communication is an essential aspect of public relations. As effective communication becomes vital during a crisis, these times are a real test of PR practitioners. Hence, the public relation department in any organisation plays a vital role not only in the pre-crisis phase but also during the crisis and in the post crisis phase.

Phases of Crisis Management: Crisis management contains three phases and they are

There are various phases of crisis. The first phase is called as Pre-crisis. it is usually considered as the initial point of crisis management.At this stage, risk assessment is done, it is a laborious process of identification, analysis and response to potential risks (Petru, 2013). **Pre-crisis phases** includes preparedness, mitigation and prevention. **Crisis Phase** is comprised of aspect such as response, recovery and development. **Post-crisis phase** is composed of relief. recovery, rehabilitation

During the pre-crisis phase, the company will intend to avert and prepare for a crisis. The next step is to enter the crisis response phase. Here the management tries to deal with the crisis, put efforts to contain it and limit its damage, and the post-crisis phase, concerned with the long-term goal of recovery from damage and image restoration (Coombs, 2011). If an organization overlooks or fails to manage crisis it may cause catastrophic damage to stakeholders, culminating in an organization or institution incurring extensive losses that can lead to its annihilation.

The post-crisis phase helps to be vigilant for subsequent crisis. It also realizes assurances made all through the crisis phase. It intends to repair any reputational damage sustained during the crisis. The evaluation of crisis management efforts has to conducted to know the effectiveness of crisis management measures undertaken by the crisis management team. Rectification of problematic aspects in crisis management measures will minimize crisis recurrence and mutilation. These efforts will let top management to improve anticipation, preparation, and the response.

Crisis Communication: An Overview

Communication is the essence of crisis management. During crisis a need is felt for sharing of information as is considered to be crucial in crisis management. With the help of communication at every phase of crisis management, the information is collected, processed into knowledge, and is shared with others. The creation and sharing of information facilities crisis management.

Based on the three phases of crisis management the various types of crisis communication can be classified. The two basic types of crisis communication are: (1) crisis knowledge management and (2) stakeholder reaction management (Coombs 2009).

Crisis knowledge management involves knowledge creation this process includes categorizing sources, gathering information, evidence and data, analysing information, information sharing, and decision making. Crisis knowledge management is behind the scenes. It involves the work the crisis team does to create public responses to a crisis. Stakeholder reaction management comprises communicative efforts (words and actions) to influence how stakeholders perceive the crisis, the organization in crisis, and the organization's crisis response. All of the various crisis communication subjects covered in this section can easily fit into either of these two categories.

The pre-crisis phase, crisis communication concentrates on locating and reducing risk. The anticipatory model of crisis management is among the limited research in this area (Olaniran & Williams 2008). Prevention is the top priority for the anticipatory model. The model employs vigilance during the pre-crisis phases to aid crisis decision making and prevention. Wan and Pfau (2004) recommend using pre-crisis messages to inoculate stakeholders about crises. Using the biological analogy, the pre-crisis messages give stakeholders some information about a potential crisis to help build up resistance to a negative reaction and negative media coverage of the crisis. The results of their study largely replicate the results of prior reputation research. In other words, reputation building prior to a crisis is beneficial to an organization in crisis (Coombs & Holladay 2002, 2006; Dawar & Pillutla 2000).

Communication plays a vital role in an organization and when a crisis occurs, the art of communicating should be carefully looked at, to avoid misguidance or miscommunication, especially from the media and the public. Moden (2008) asserts that communicating amid a crisis is more difficult than in everyday interaction. Effective communication, therefore, requires coordination, cooperation, and a great deal, of internal communication. It is imperative that in an organization, everyone should have good communication skills which will in turn enable them to achieve organizational goals and objectives and thereby to a larger extent minimize the possibility of crisis from occurring. When crisis eventually occur in an organization, consistent and persistent communication becomes the organization's top priority. Depending on the exact nature of the crisis at hand, the team should determine how much detail is appropriate for different stakeholder groups to know, from board members to staff, volunteers, media, clients, or funders. (Moden, 2008) The crisis management team should be establishing a system that provides staff, clients, volunteers, and other key stakeholders with any information they may need before during and after a crisis. According to Benoit (2010), there are certain communication strategies in crises: the negation strategy (by rejecting accusations); the responsibility denial (by declining charge of ability about certain events); the lessening of the dangerous action nature (by trying to obtain support, by reducing the negative sentiments, by differentiating, by transcending, attacking or compensating); the correction strategy (involving promises for Restauration, recomposition, etc.), and the humiliation strategy.

According to Coombs (2007) crisis communication strategies are classified into negation, outstripping, partiality, humiliation, and suffering. Once the action strategy has been established, the tactical steps need correlation with the action, based on logical sequencing; in other words, the solution to the problem (the analogical approach) must come into gradual steps (the digital approach), and respectively, for each of these steps, there must be specific objectives and action deadlines.

Organizations make use of crisis communication to settle a crisis, whereas some firms might use it to resolve a crisis. Hence, organizations that are just concerned in pacifying their employees, are least bothered about the feedback or finding solution to the problems and in conflict resolution. On the contrary, organizations that encourage their employees to grow and learn usually are serious about conflict

resolution. Open communication channels assist upper management to avoid negative reactions by the employees (**Cloke &Goldsmith (2000).**

Grunig postulates four principles of crisis communication: a) The Relationship Principle: an organisation can withstand crises, if it has well-established relationship with key stakeholders. b) The Accountability Principle: an organisation should accept responsibility for a crisis even if it was not its fault (he cites the example of a product recall that has been threatened or tainted by an extortionist). c) The Disclosure Principle: in a crisis an organisation should disclose all it knows about a crisis or problem. If it does not have immediate answers, it must promise full disclosure once it has additional information. d) The Symmetrical Communication Principle: in a crisis, the public interest should be considered as equal in importance to the organisation's intent.

Risk communication tools may include "Written, verbal, or visual statements containing information about risk. They should put a particular risk in context, possibly add comparison with other risks, include advice about risk reduction behaviour, and encourage a dialogue between the sender and receiver of the message" (U.S. Environmental Protection Agency, 2018)

It is rightly said that crisis is not only dramatic but also newsworthy. Due to this condition media reporting become important during crisis. Crisis preclusion can be seen as working to evade adverse media attention. This features the communication side of crisis, and perhaps obscures the larger reality that crisis, even a bad news day, can harm or force correction of strategic business planning. And, crisis prevention, mitigation, and communication response begin with savvy strategic business planning. Thus, the integrity and legitimacy of the organization is central to the theme of crisis.

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