

Crisis Management: Adopting Reputational Repair Approaches in the Organization

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Abstract

There are numerous events that will pose challenges to an organization that needs to be resolved as soon as possible which ranges from threats to the organization's reputation through the social media, adverse media reports, labour disputes and product safety. This paper discusses lessons to managers in an increasingly competitive global business environment from Nigerian managers of using reputational repair approaches to resolve crises in order to successfully manage to minimise the damage of crisis inflicted to their organization.

Keywords: Crises management; Approaches; Repair; Organizational crises; Strategies

Introduction

A crisis is a significant threat to an organization that can have serious consequences that can impact on the survival of an organization if not handled properly in a timely manner. Therefore time is of the essence in crises management [1]. In crisis management, the threat is the potential damage a crisis can inflict to an organization's reputation and finances, its stakeholders, and the industry. This article focuses on three aspects of crisis which are regarded as threats: (1) public safety, (2) financial loss, and (3) reputation loss. Complications arising out of the use of an organization product will result in loss of reputation in the public and loss of reputation can create financial loss the organizations [2].

Crisis management deals with all the processes established by an organization to deal with threats that threaten to disrupt an organization [3]. Crises Management is critical in an organization because crises can pose grave dangers to the profits of the organization, therefore, managers should be prepared by assessing possibilities of crises and reduce or eliminate the negative impacts on the organization [4].

Crisis management is a process designed to prevent, reduce or eliminate the damage a crisis can inflict on an organization and its stakeholders [5]. This paper deals with Crisis management in two phases: (1) pre-crisis and (2) crisis response.

Pre-Crisis Phase

Prevention involves seeking to reduce known risks that could lead to a crisis [6]. This is part of an organization's risk management program. Preparation involves creating the crisis management plan, selecting and training the crisis management team, and conducting exercises to test the crisis management plan and crisis management team. Organizations are better able to handle crises when they (1) have a crisis management plan that is updated at least annually, (2) have a designated crisis management team, (3) conduct exercises to test the plans and teams at least annually, and (4) pre-draft some crisis

messages. Pre-assigning tasks presumes there is a designated crisis team. The team members should know what tasks and responsibilities they have during a crisis [7,8].

An essential part of crisis training is spokesperson training to communicate efficiently through various channels of communication. Crisis team members must be willing to talk to the news media during a crisis to address any concerns arising out of the crisis situation.

Crises Response: Reputation Repair and Behavioural Intentions

Researchers in public relations and communication have suggested ways an organization can repair reputational damage a crisis can inflict on an organization [9]. Coombs [10] has created a list of reputation repair strategies that crises managers can use to minimise or eliminate the negative impact of a crisis situation to an organization which ranges from attack the accuser to compensation of the victims and sincere apology from the organization.

List of Reputation Repair Strategies

Attack the accuser

Crisis managers confront the individual or group alleging that something is wrong with the organization. Crises managers use various rebuttals in social media or any other media to attack the accusers who in most cases are used by competitors to attempt to discredit the organization.

Rebuttal

Crisis managers clearly state that there is no crisis.

Excuse

Crisis manager reduces or eliminate responsibility by denying intent of the events that led to the crisis.

Lack of information

Crises managers make it abundantly clear that there was no information about events leading to the crisis.

Accidental

Lack of control and inability to prevent the events which lead to the crisis.

Justification

Crisis manager reduces the damage as a result of the crisis by providing information that the organization did the needful to prevent the crises.

Reminder

Crisis managers tell stakeholders about the track record of the organization in meeting its obligations to stakeholders and enhancing corporate social responsibility.

Ingratiation

Crisis managers are grateful to stakeholders for their actions in promoting the image of the organization.

Compensation

Crisis managers offer compensation in the form of money or gifts to victims.

Apology

Crisis manager indicates the organization takes full responsibility for the crisis and asks stakeholders for forgiveness.

Dana Airlines' Managers Best Practices on Crisis Management

Dana Airlines is one of the airlines that operate local flights in many parts of Nigeria. There was a fatal crash involving one of Dana Airlines' aircraft from Abuja to Lagos route while attempting to land at a local airport in Lagos, Nigeria in on Sunday, 3rd June, 2012.

In the aftermath of the crash of Dana Flight J9 992, the managers of Dana Airlines took urgent steps to manage the crises arising from the crash of their aircraft. As a first step, staff of Dana Air Limited visited the displaced residents in Lagos, Nigeria where the aircraft came down on Sunday, giving donations to them. Also, the airline sent psychologists to the area affected by their aircraft crash to manage the emotional and psychological trauma of people affected by the crash.

Crash of DANA Air Fight 9J992 on Sunday, June 3, 2012- Press statement

The Management of Dana Airlines Limited issued a public press statement which was released on social, print and electronic media and the press statement was personally signed by Jacky Hathiramani, Chief Executive Officer to express their condolence over the loss of lives and properties following the aircraft crash.

In the public statement, the Chief Executive Officer of Dana Airlines Limited expressed the organization's deep sorrows concerning the loss

of live and injuries of individuals associated the ill-fated Dana Air, flight 9J 992, with Registration Number 5N-RAM, from Abuja that crashed which led to the tragic loss of the lives of 146 passengers on board and the entire crew in the ill fated Dana Air Flight from Abuja to Lagos.

Presently, we are working with various investigative organs of the regulatory bodies to find the root cause of the crash. Already, the black box had been recovered and we hope to share information on what happened in no distant time. We are also working with families of the deceased and those who are presently receiving treatment at the hospital. Our management has been at both the site and hospital to address issues with families of the deceased even as plans are on to address issues with the statement government and immediate community where the incident took place.

The Management of Dana Airlines Limited in the press statement gave repeated assurances that the aircrafts in its fleet are airworthy and there has been no compromise on quality. The press release states that it is important to inform all its numerous customers and the general public, that at Dana Air, we place a high premium on safety and adhere strictly to the maintenance schedule of all our aircrafts as prescribed by the manufacturers, and the Nigerian Civil Aviation Authority.

The Chief Executive Officer state that the aircraft involved in the crash had its last 400-hourly check (A-Check) only in May 30, 2012 while the statutory annual maintenance (C-Check) is not due until September 2012.

Approaches of DANA Airlines in Crisis Management

The Management of Dana Airlines Limited used three approaches namely:

Accidental

The management of the airline informed the general public that the fatal aircraft crash was accidental and unpreventable.

Compensation

Victims of the aircraft crash were compensated with millions of dollars by the airline.

Apology

The Chief Executive Officer of Dana Airlines Limited expressed the organization's deep sorrows and regret concerning the loss of live and injuries of individuals associated the ill-fated Dana Air, flight 9J 992, therefore, moving forward despite reassuring members of the public that Dana Airlines aircrafts were safe, they offered their apologies over the fatal aircraft crash.

Crises Management: Implications to Managers

Crisis management can minimize or repair the reputation damage of an organization, however, the organization need to prepare for crisis since time is of the essence when dealing with crises by setting up a crises management team in advance [11]. There are numerous crisis management approaches that managers can use to deal with crisis which ranges from attack to apology. There is need for organizations to develop a crisis management plan according to Fearn-Banks [12] which is updated annually to include a detailed vulnerability analysis [13].

Conclusion

A crisis signifies threat to an organization that can have negative impact on the continuity of an organization if not properly resolved in an efficient manner. Setting up a crisis management response team in advance is important. It has been proven that crisis can lead to reputation and financial losses to an organization. This article focussed on three aspects of crisis which are regarded as threats: (1) public safety, (2) financial loss and (3) reputation loss. Therefore, complications arising out of crisis in an organization will result in loss of reputation in the public and loss of reputation can create financial loss the organizations.

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