The Response Effectiveness Model in an Organization Susceptible to Crisis Events and Image Elements of Corporate Defence Strategy Based on Research Conducted Among Polish Entrepreneurs

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ABSTRACT
Scientific objective: The article describes the most important conclusions drawn from research conducted by a team led by the authors. Research methodology: It presents a new definition of an image crisis based on empirical data. Results and conclusions: It includes a description of factors that determine the image safety of corporate entities, like preparation, expert support, awareness of dangers or analytical activities. The last aspect presents the elements that contribute to an organization’s readiness for a crisis. The next part of the article contains an analytical decision chain that determines an organization’s image security and a response effectiveness model in an organization susceptible to crisis events.

KEYWORDS
communication in crisis, crisis management, crisis manual, organization’s image security, public relations
1. Introduction
One of the most important challenges facing modern companies is their readiness for a crisis. For this article, the term crisis situation is treated in the same way as crisis, although some scholars separate the two terms. They point out that there is a distinction between the concepts and also that a crisis situation turns into a crisis at a critical moment, when the growing disorder begins to pose a real threat to the continued functioning of the organization (Rydzak, 2011). However, Monika Kaczmarek-Śliwińska (2015), among others, looks at the problem of these two definitions differently. She uses the term crisis situation to define a crisis.

Readiness for a crisis is not a common situation, since many managers and companies reflect on the need for such a crisis management strategy only after the first situation occurs. Research confirms that 44% of managing directors of public relations agencies in Poland admit that their client’s crisis strategy focuses on solving problems ad hoc, which means—without prior preparation. Moreover, 32% described their client’s actions in the context of crisis management as delayed and taken only after the problem has already occurred (Tworzydło, Szuba, & Życzyński, 2019). It is also usually not possible to fully prepare for a crisis, meaning that a company has to understand that when it happens, safe guidance through events that damage not only image, but also the company’s foundations is necessary. Dangers involving image crisis may invoke severe consequences. In hours or days, they can destroy an image that has been built over the years or impact brand awareness (Regester & Larkin, 2005). Apart from that, there are consequences impacting the internal environment (perception by employees, shareholders) as well as external ones (image shaped for clients, counterparties or support bodies, for example banks). Negative effects of a crisis include severe financial losses, which in the minds of managers invokes a strong need to avoid, mitigate or take actions in a way that best protects assets, human resources, and “reputation” (Boin & Hart, 2003). According to management science, reputation in particular is a strategic resource or even a strategic investment of an organization (Wojcik, 2022). Therefore, in order to avoid negative consequences of crisis forces action, increases activity and has an impact on decision making.

Crisis management (also understood in this article as crisis situation management) was never easy. It requires preparation, and when the crisis strikes—composure and following procedures, which are best prepared ahead of time. Lack of them, but also strong emotions and stress, which always arise when a crisis happens, can worsen the problem. Decision making is also hampered by organizational chaos, media pressure, and incorrect or inaccurate data (Tworzydło, Łaszyn, & Szuba, 2018).

Looking from a perspective of variables which characterize a crisis situation, this article will start by describing factors determining crisis as an image problem. There are factors presented that have an impact on an organization’s safety in the context of its image, including a chain of analytical decisions that determine them. In the concluding sections, an original model of reaction effectiveness in an organization sensitive to crisis is presented. The article is based on several research projects which were conducted over a long time under the leadership of the author.

2. Defining a Crisis and Crisis Management
It is a kind of truism to say that crises are nowadays an inevitable part of business, and no form of economic activity is free of them (Quarantelli, 1988; Barton, 1993; Mitroff, 2000; Smits and Ezzat, 2003; Coombs and Holladay, 2007; Coombs, 2015; Fearn-Banks, 2017). Crises are defined as turning points where adverse events or actions may increase, disrupting the normal functioning of an organization (a company), resulting in threats to its image and adverse financial consequences (Fink, 1986).
A research conducted among experts and practitioners of public relations, especially dealing with crisis management, concluded in 2017 on a sample of 500 biggest Polish companies (Tworzydło, Łaszyn, & Szuba, 2018) shows that image crisis is defined mostly by its severity. In his research, Coombs (1998) identified two factors that increase a company’s responsibility: crisis’ history and, as in previous research, the severity of it. Crisis severity is mentioned in several research papers from the fields of public relations and crisis management (Arpan & Pomper, 2003; Arpan & Roskos-Ewoldsen, 2005; Claeys, Cauberghe, & Vyncke, 2010; Hong & Len-Riós, 2015; Isaacson, 2012; Laufer, Gillespie, McBride, & Gonzalez, 2005; Lee, 2004; Vassilikopoulou et al., 2009).

The research was focused on the crisis experience of the biggest Polish companies and analysis of readiness to communicate during crisis events. During analysis, there were indicators designed which can be used as benchmarks for crisis prevention (understood as preventive actions) for many companies, for instance attributes index or the crisis awareness indicator. Severity, selected from research as an element characterizing a crisis is closely linked to another keyword—vulnerability. Tying those two words together means that one can define a crisis as a situation that severely impacts a vulnerable organization. Coombs (1998) stressed that with increasing the severity of crisis damage, company image becomes more negative, and its responsibility increases. He also noticed something opposite in this hypothesis—a smaller damage scale led to an increase in crisis responsibility, negative impressions and a negative image of the organization. Coombs claimed that fondness of the organization caused the reversed situation. Lee (2004) similarly suggested that bigger crisis severity leads to bigger responsibility, negative impressions and reduced fondness and trust. Severity has its reflection in effects, which may strongly impact the organization’s image. It can be:

- **Critical**, in this case there are severe disturbances in image, which lead to serious damage to internal relations within the organization, directly tied to financial parameters of the company, its structure, and foundation,
- **Strategically crucial**, which leads to disturbances in several areas of a company’s operations that do not have a major impact on parameters like sales or finances, but can affect strategic decisions,
- **Strategically unimportant**, has an impact on a company’s image, but is not a major threat to it, does not damage its internal relations or foundations, and does not majorly affect employees or other environmental elements.

Coombs distinguished two crisis severity levels: light (with insignificant damage) and severe. Lee also divided crisis situations into two categories, based on their severity in context of customer reaction. Collins (1998) divided crisis situations into three groups—of high, medium, and low severity (Zhou, Ki, & Brown, 2019). Nusinov (2016) proposed crisis severity to be divided into the following categories: critical, severe, mild, light, no crisis.

Apart from severity, a crisis is also defined in relation to its impact on image—which is usually negative. It must be noted though that correct and professional responses can lead to different reactions than initially predicted. There can be positive or mixed reception when problems lead to strengthening of the organization, its structures, procedures, or other areas of crisis management.
Figure 1. Criteria for defining a communication crisis.

Considering elements described in Figure 1, being an effect of the authors’ research, as well as a few other studies conducted in 2020–2022, among others, a precise definition of a crisis can be drawn. An image crisis is a set of hard-to-predict, sudden and violent events affecting image and reputation, which represent a turning point in the overall processes of an organization. Different causes, residing both inside the organization and in its external environment, noticeably and severely affect its structures, reputation and image, and in some cases threaten the stability of its operations. The crisis, due to the high dynamics of spreading, with the media’s participation, among other things, requires an immediate decision, followed by a response or a lack thereof, which is reflected in the consequences. Many times, it is necessary to change the existing procedures. A crisis is a totality of cognitive and decision-making disturbances that affect the ability of the subject experiencing it to recognize an adverse situation and respond appropriately using known techniques for communicating as well as building and maintaining relationships (Tworzydło, 2022).

An image crisis, although typically difficult to predict, usually offers some opportunities to manage it to minimize negative impacts or achieve positive results. According to Caponigro (2000), crisis management is a function that works to minimize the impact of a crisis and helps an organization gain control over the negative situation it finds itself in. It focuses on planning and implementing communication effects within daily operations, while maintaining continuity of business operations (Barton, 1993; Caponigro, 1998).

Crisis management described in the literature on the subject most often focuses on external crises affecting large entities, although of course crises are also experienced by smaller organizations (Spillan & Hough, 2003) and are also generated by internal conditions (Kim et al., 2019). According to D.T. Berge (1991), crisis management is conditioned by two key issues—appropriate action planning and skilful communication management. That is why so much attention is paid to crisis communication and crisis management.
In the literature on the subject there are several classical models relating to crisis management, focusing on various factors that determine the emergence of a crisis and the method of recovering from it. Y. Lu and Y. Huang (2018) point to emotions as the most important factor for effective crisis management. An emotion-cognition dual-factor model of crisis communication proposed by them refers to a concept that combines crisis management with communication theory and psychology. One of the best-known concepts in this area is the Situational Crisis Communication Theory. Crisis responsibility, the core concept of this theory, determines the most effective post-crisis communication strategy for protecting an organization’s reputation (Coombs & Holladay, 2007). Another concept, the Integrated Crisis Mapping model, identifies the various emotions experienced by key stakeholders in crises (Jing et al., 2012).

Crisis communication management is sometimes placed in the area of communication activities related to public relations. Crisis communication, like PR, combines both social communication and marketing communication (Gawroński & Jakubowski, 2018). The variety of instruments offered by crisis communication management within PR is evidenced by the multitude of research projects carried out all over the world over the past decades (Avery et al., 2010).

One of the key elements that impact crisis management effectiveness is market oppressiveness (Tworzydło & Szuba, 2019b). It especially applies to knowledge and awareness of public relations managers working in the field. The knowledge that your company operates in an oppressive market urges preparations which may reduce damage caused by the crisis, which not only may, but will happen during the company’s operation. According to studies conducted in 2017–2018 the most oppressive markets were: food, public, medical, pharmacy, financial, mining, construction, and insurance sectors (Tworzydło & Szuba, 2019a).

The specificity of the industry sometimes results in the creation of unique models of crisis communication management taking into account specific conditions. S. Elsubbaugh et al. (2004) propose a concept based on the experience of the textile industry, and C. Sapriel (2003) extends the analysis to the petrochemical and other industries, while E.K. Olsson (2014) relies on crisis models in public organizations.

S. Sarkar and O. Osiyevskyy (2018) claim that the available theoretical models and typologies of both crises and ways of managing them are of little use. They base their deliberations on a specific typology of crises, taking into account crisis determinants (technological/economic versus human/social), and the temporary progress of a crisis (extreme or deviant causes (“cataclysm”) versus processual crises).

Operating in the oppressive market means that a crisis is more likely to happen—which has an impact on the communication strategy (Tworzydło & Szuba, 2018). It is worth noting that managers working for the biggest Polish companies prefer offensive strategies, since according to 83% of the respondents, during a crisis it is better to focus on cooperation with the media, rather than applying a “stronghold” strategy, which is based on restricting information dispensed to an external environment (Tworzydło, Szuba & Życzyński, 2019).

Operating in an oppressive, prone-to-crisis market means that preparatory-anticipatory actions are necessary, which are divided into:
- Active,
- Activating,
- Urging.

The first, active actions, are based on anticipating a possible crisis, responding to possible dangers, creating plans and documents necessary to properly react to the situation as it unfolds. The second, activating ones, are based on training employees in observation skills and assessing symptoms that may emerge in the environment. Thanks to that, employees become an integral
part of the corporate defence system. They can not only actively participate in fulfilling their respective jobs, but also notice dangers for the company’s image. Urging actions are the last type of anticipatory actions. They are based on broadening communication channels with the customers, but—above all—are aimed to force decision-makers to take preparatory action in case of a crisis. Urging may be focused on education, can be backed up by examples and sets of recommendations or examples of situations that happened in the environment or other organizations. Increasing awareness both of potential dangers, but also possible defence systems, comprehensiveness, and professionalism in defence systems implementation have an impact on strengthening an organization but are also important for its safety.

3. Research Description

Conclusions mentioned above come from research focused on image crisis management from the perspective of people employed in public relations agencies in Poland (Tworzydło, Szuba & Życzyński, 2019). They were undertaken based on the CATI method among all public relations agencies across the country. The research was based on a list of public relations agencies (N=736). Data from 204 successful interviews were analyzed, which are focused on three main research questions: the importance of crisis management in the public relations agencies portfolio, oppressiveness of markets, and trends in crisis management public relations.

Several key research issues have been addressed in the studies mentioned above. Among the most important ones was the analysis of current trends and assessment of the situation on the Polish market of public relations services. Besides, the analysis covered the components of the crisis resistance system, but also the factors determining the effectiveness of crisis management. The functioning of public relations agencies on the Polish market was verified. The conducted research was representative of the Polish market and the result was the examination of 204 PR agencies.

4. Factors Determining Image Safety of an Organization: Presentation of Key Research Findings

The key factor in determining the image safety of an organization is its preparations made in case of a crisis. It is never possible to be fully prepared, but it serves one crucial role. It is a form of insurance against an image crisis. Preparations will not remove the danger completely but improve the ability to objectively assess company safety in case of a crisis.

A very important part of image safety is expert support. It can be based on an internal team, but it can also be outsourced to, for example, a public relations company. In the International Communications Consultancy Organisation report (2018) concerning world public relations trends, we can notice that crisis management has become one of the crucial roles of public relations (52% of indications in 2018, a year before only 25%) (International Communications Consultancy Organisation, 2018). In 2017, other competencies of public relations workers were preferred over crisis management—like creativity, effectiveness measurement, analysis, social media work or graphic design software use. This can indicate higher expectations from PR experts and an increased number of crisis events.

The research whose methodological backbone was presented above and that was conducted for several years under the author of this article shows that approach to crisis management changes over time. This relates to both companies and their partners—public relations agencies in this case. Companies (clients) are increasingly looking for professional advisory services. It is worth mentioning that crisis management PR was stated as the main activity by one-third of the
inquired agencies. This indicated changes in the market service portfolio (Tworzydło, Szuba, & Życzynski, 2019). We can thus observe that expert support increasingly becomes an important element in management, especially due to the increased importance of image crisis management in organizations and companies.

High image safety of an organization is also determined by a well-prepared team or external personnel available for management in case of a crisis, but also influencing changes in the organization, basing them on identified symptoms or management decisions. Lack of them in an organization’s structure or lack of external support can cause severe limitations in available options when the crisis strikes. This can also stem from a lack of preparation or poor ability of management to communicate. Having an autonomous dedicated crisis team spotting problems may also help alleviate the negative impact of the crisis. Early creation of a crisis team, its training, and support in situation analysis can identify problems that may turn into a crisis. The existence of such a team also makes other employees more prepared for a crisis. T. Coombs points out that the preparation mainly involves working on the development of a crisis management plan, selecting and training a crisis management team and conducting training exercises to test the crisis management plan and the crisis management team. He also points out that prevention is about striving to reduce the risks that may lead to a crisis. This is part of the organization’s comprehensive risk management programme (Coombs, 2007). In the time of a crisis, there exists a strong pressure to take corrective action at the correct time and this requires mobilization in the organization (Salvador & Ikeda, 2018).

Image safety is also dependent on possible dangers awareness. It can make management and personnel responsible for communications become stronger. Awareness that a company is functioning in an oppressive market can positively influence the whole preparation program and prevent adverse situations from happening. Conclusions come from a research project aimed to find markets that have a higher chance of image crises happening, according to public relations experts. According to data collected during this research, a conclusion can be drawn that companies operating in oppressive markets (especially in public, food, pharmaceutical, or telecommunication sectors) are more prone to image crises and are forced to deal with them more often (Tworzydło & Szuba, 2019b). Awareness can induce an automatization of preparations and also trigger a need for self-improvement in critical areas. Awareness is an element of decision making, which has an impact on an organization’s image safety. It triggers a need for constant observation and making decisions based on adequate observation of the environment and assessment of symptoms.

Image safety can be shown in a diagram illustrating several elements which impact an organization’s readiness for a potential crisis. They are best described by two keywords: observation and analysis. An image crisis is more difficult to identify than other types of crisis (e.g., economic), and its effects may be confused with those of an organizational crisis, so a comprehensive analysis and assessment of the situation are all the more necessary (Vid, 2016). Based on that reasoning and an assessment of critical parameters, like symptoms indicating a potential imminent crisis, is done. Before a crisis occurs, most of them send warning signals, traces that announce the possibility of image problems. These signals are sometimes weak or difficult to detect (Hamidovic, 2012). Taking this into account, public relations experts readily benefit from support, which is media monitoring. This tool is a base for crisis events assessment. It is worth underlining that in last year, 92% of inquired public relations practitioners used media reports. Moreover, the more frequently an organization suffers crises, the more it decides to benefit from media monitoring (Tworzydło & Szuba, 2020).
5. Diagnosis of Changes is the Organization’s Image
In order to get the most out of preparations and then (when the need arises) properly react to a crisis, a recurring audit of the organization is necessary. Of course, there are a number of other activities or tools used in this process, but this article takes it as a priority to describe auditing as one of the key tools. An internal audit can help companies to prepare for a crisis and take the organization from a state of being aware of the danger to being immune to a crisis—being ready to react, defend itself and get through major problems (The Institute of Internal Auditors,
Audits can be tied to normal research activity in the company—for example when testing the employees’ satisfaction and engagement or assessing procedures. They can also be done separately, to gather data about the internal or external company image. The scope and type of audit have to be selected based on several variables, such as:

- Cost,
- Required time,
- Selected target,
- Methodological base,
- The total, annual number of research projects conducted in the company,
- Prior research experience.

The main factor determining the audit is cost, which majorly impacts not only the decision regarding the selection of the type but also execution of the research itself. Awareness of the audit’s potential is crucial, but not enough in itself to warrant a decision. Sometimes this decision is a result of other actions undertaken by the company, which, among other things, may be:

- Crisis, or a body of events that may be symptoms of a crisis,
- Preparing strategy or internal documents required for the next action regarding the image of the company.

The image change audit is especially important in the first case when it affects crisis management. Changes identified during audits can determine problems that the company will be forced to deal with in the future. The audit gives insight on the weak and strong points of the company, but also regarding potential that can be used for crisis management.

6. Model of an Organization Vulnerable to Crises

Taking into account the possibility of events that can have a fundamental impact on a company’s structure, it is reasonable to consider the model of an organization vulnerable to potential threats. In the frame of this model, a vital part of assessing the impact of a crisis on an organization is determining the crisis topic sensitivity. In the analysis regarding the sensitivity of the topics compared to their real-world appearance, one more variable was added. It is preparedness in case of an event that can damage a company’s image. This way we get two aspects:

- First one regarding the sensitivity of topics that can be a potential backdrop for crises; we can divide those into minimum, medium, and extreme sensitivity. We also recognize that the most common crises are those of medium sensitivity (Tworzydło, 2019). An organization sensitive to crises is aware that the impact of the crisis will be largely dependent on its topic. Such an organization can function both within an oppressive industry and in other—non-oppressive industries.
- Second one is related to preparedness in case of a crisis occurring, taking into account the sensitivity of topics. It largely depends on the managers’ awareness.

Point “A” marks a company well prepared for a crisis, provided it regards topics of low sensitivity. The square in which the “A” point is located represents a controlled-unthreatening situation. The problem that causes the crisis has no intense impact on the internal or external emotions of external environmental representatives. The effectiveness of a reaction is optimal. Managers dealing with communications have the comfort of operation, activity, and decision-making is high. We notice that there is full control over what happens in the company, including critical events. An organization with a damaged image can rebuild it and fulfill its business objectives.

Effectiveness of organization “B”, marked in a square described as a controlled-threatening situation may be very high, repercussions low and image consequences not threatening its
operational and strategic plans. This organization is prepared to react adequately to any threat that may arise. This allows it to have limited control, even if the crisis touches sensitive subjects. This square clearly indicates that during a crisis this company operates with high sensitivity and great awareness of its preparations. It also has adequate security protocols.

In squares representing uncontrolled-unthreatening and uncontrolled-threatening situations, we can observe limited control in case of an image crisis. The square in which point “D” is located (major threat) suggests severe problems within the organization, which is not only susceptible to high sensitivity crisis, but is also unprepared to face it. Reactions in situations like those are usually chaotic, without any control or influence.

In a case when the analyses place a company in a “C” point, which is located in the square representing a situation that is uncontrolled and unthreatening, they are described as unprepared. You also have to note that a potential crisis may not impact this company that much.

It is obvious that each crisis forces companies to build a proper defence mechanism. Specifying a point in which the company is currently situated is a vital auto diagnosis, but also a way to define actions that should be undertaken to reduce the risk of an image crisis when it strikes.

The aforementioned auto diagnosis is a crucial challenge for any board, and it results in defining the defence that the organization has. The model of a defence system is composed of four elements, which are (Tworzydło & Szuba, 2019b):

- Crisis manual,
- Anti-crisis structure, which incorporates the public relations team, spokesmen, and the dedicated communication manager,
The crisis management team, Communication training.

The elements define preparedness and strength of an organization that has to face image crises. A crisis manual is a document that plays a supportive role in problem-solving. This document contains not only outlines of documents like exemplary statements, key messages, and scenarios, but also foundations of the training calendar or operation of the crisis management team. In the face of potential crises, preparation is necessary, but there is no universal guide to providing a set of information on how organizations should prepare. Analysts and practitioners dealing with crisis management have developed a broad, flexible, and often abstract set of principles that are treated as good practice (McConnell, 2006). Crisis manuals should, therefore, be regarded as a tool to support the process of reacting during crises. It is not a guarantee and certainly not a fully protective tool. It is worth noting that among the biggest Polish companies, crisis prevention is severely lacking. In 2017, from companies listed on the 500 list of Rzeczpospolita only 53% declared that they conduct communication training for the management board, and 60% have a crisis management team. Key procedures look slightly better since 76% have a crisis manual (Tworzydło, Łaszyn, & Szuba, 2018).

7. Summary and Conclusions
Crisis is a challenge for any organization and its management. It is a severe burden for any corporate structure. It often also impacts the board’s psyche and affects decision making. Taking this into account, preparations, and proper reaction when crisis strikes are vital. It can happen when a company first understands its defence system and knows that it has to manage or create one. Equally important is the company’s attitude in the face of a crisis. It impacts how it is perceived by society. The organization’s reaction can be varied, from shedding any responsibility to accepting it and attempting compensation. The attitude that is perceived as fraudulent or irresponsible only makes people blame the organization more. Attitude perceived as transparent and fair increases the chances that the interpretation suggested by the organization will be accepted. The factor that is as important as the previous one is the speed and reliability of information (Salvador & Ikeda, 2018). Managers’ awareness about potential dangers that the organization must face is also important, including the need to prepare for any situations that may harm the image.

In this article, a company’s safety is framed in a scheme in which key elements are events analysis and constant surveillance of the environment. Perception and assessment of key factors impacting a company’s image are possible thanks to permanent self-assessment (of the internal and external environment). Analysis strengthens the organization, but also results in a huge amount of information regarding possible crisis symptoms, assists decision making, and aids management.

The crisis management effectiveness model of an organization vulnerable to crisis presented in this article allows assessment of the condition of the company, but also effective support of management mechanisms. Knowledge and awareness of danger is in this case very important. The company has information on the level of danger that it must cope with. The place which the company occupies is impacted by factors like crisis topic sensitivity, awareness, and preparedness, including the company’s security procedures. The potential severity of damage that a crisis may bring is also vital. Together, those factors place the company on the model’s map of image safety, with indicated mistakes and areas to improve.
References


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