MANAGEMENT COMPETENCES IN CRISIS COMMUNICATION*

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The goal of the article is to identify differences in competences of a crisis manager and competences of a manager of a company that is not in the acute phase of crisis. Furthermore, the article focuses on the principles of crisis communication which is a part of crisis management in crises resulting in particular from breakdowns, disasters and in similar fast developing crises as well as procedural crises. The analyses of crisis communication carried out have revealed that its level and the efficiency of implementation or non-implementation may positively or negatively impact the image and goodwill of a company as well as the public opinion which in turn reflects in the loyalty or disloyalty of customers, brand perception and also advertising and sales support. The article identifies and characterises frequent shortcomings in crisis communication, in particular with respect to the media and in connection therewith proposes steps to eliminate them. Companies should concentrate on preventive measures in the area of crisis communication that enable them to promptly respond to a crisis situation in the media, turn it into their own advantage and make the public perceive them positively. In order to achieve this, companies must be able to identify potential crises, such as breakdowns and disasters, and procedural crises that may occur in the future and must prepare for such events by developing crisis scenarios. Crisis scenarios are not to be detailed manuals but rather concise documents specifying measures that in a period of stress contribute to the feeling of relative certainty and help to proceed along the desired route. These scenarios must contain principles and methods of crisis communication as well as instructions regarding training. Such training, in the form of workshops and practice in dealing with potential crisis situations, is very important for acquiring the necessary skills. Crises scenarios should also comprise model press releases, declarations to business partners, employees and other important groups involved.

competence; company crisis; crisis management; crisis communication

INTRODUCTION

Due to the intensifying competition, discontinuous development of phenomena, chaotic and turbulent entrepreneurial, economic, political, social, technical and technological, global and other environment and complexity of the world, company crises have become a common phenomenon. As a result of company crises, the names of famous firms with long-lasting tradition have been disappearing from the world of business and are replaced by new ones, emerging in particular in successful modern and fast growing industries.

Until now, company crisis has not been perceived and defined in a uniform way. As regards its content and occurrence, there are many definitions and interpretations of crisis. For example, K r y s t e k (1987) defines crisis as an unwanted and unplanned process of limited duration and influence ability with an ambivalent starting point which ends in non-achievement of dominant goals and may ruin the company.

According to the speed of their development, company crises may be divided into two groups. Fast developing crises belong to the first group. S e y m o u r and M o o r e (2000) compare them to a cobra that strikes and kills its victim unexpectedly. Such crises are usually a consequence of a breakdown (human error, breakdown of a technical or technological system) or a catastrophe (natural disasters). Crises due to employee strikes, scandals, sabotage, terrorism, etc. are similar in development terms.

Such crises are characterised by sudden occurrence, speedy course, property losses, and damage to human health and may even pose a threat to lives of people. The aim of crisis management is to effectively respond to crisis occurrence as early as possible, to deal with the crisis situation and to prevent losses. As these crises represent a threat to the public and have a negative impact on it (e. g. leakage of toxic substances into the air, fire), they attract the interest of the media that do not always provide objective and true information on the event. Therefore crisis management also includes coping with a crisis situation with respect to the media.

Crises of the second type are those that develop slowly and may also be called procedural crises (Z u z á k, 2004). S e y m o u r and M o o r e (2000) compare them to a python that slowly approaches its victim. Such a crisis may last for several years before it surfaces and starts to affect the financial sphere. For this reason they are often defined as financial crises. A financial crisis is an acute phase of crisis development when a company fails to meet its obligations. At this phase the crisis is already noticeable externally and the company frequently becomes the focus

of interest of the media that inform the vast public of its difficulties, in particular if connected with personnel changes in the company's management.

For the first type of crises and some of the crises falling within the second category, companies should elaborate crisis scenarios (Z u z á k , 2004) setting steps to cope with such crises. Crisis scenarios should also focus on crisis communication, the aim of which is to help the company to promptly respond to some anticipated crisis situations. Crisis communication is directed both internally and externally. In-company communication is targeted at company employees to inform them about the current situation and instruct them how to behave in the given situation to prevent damage to property and health and to avoid casualties.

External crisis communication has a similar goal. Each company has social responsibility and its activity in the event of breakdown or disaster should not affect the lives and health of citizens and their property. Similarly, financial crises affect company employees and their family members and impact customers, suppliers and other entities.

MATERIAL AND METHODS

The aim of the contribution is to identify differences in management style in the period of crisis – with a focus on crisis communication – and subsequently to determine the relevant management competences. To achieve this goal, we have defined the most frequent shortcomings in crisis communication resulting from the lack of management competences and then suggested the principles of efficient crisis communication. Using the methodological apparatus, we have carried out an analysis of crisis communication in Czech and foreign companies, interviewed company managers and consultants and prepared a structured questionnaire with limited open-ended questions.

RESULTS AND DISCUSSION

In the period of crisis a top manager turns into a crisis manager or, based on the type of crisis, the role of a crisis manager is taken on by another company manager or an external manager. The goal of crisis managers is primarily to stop further development of the crisis, to eliminate the negative impact of the crisis and potential losses and to lead the company out of the crisis. Crisis managers thus become key figures in the process of change. Any crisis is perceived as a diversion from a standard situation, which places quite different requirements on a crisis manager. Not all managers have competences necessary for crisis management and are suitable for the position. This, however, does not mean that such a person is a bad manager. Although unable to cope with crisis situations, under "ordinary" circumstances the person may be very successful. S/he is simply unable to resist the increased amount of stress and adapt to a different style of management and deal with it.

Through the survey and analysis carried out, several typical crisis-specific factors have been identified and based on these factors we have determined the main differences in the style of management and adequate and specific competences.

Time factor

Time plays an important role in crisis management. With the time passing the worsening of problems accelerates and requires speedy decision-making which, however, is adequate to the given circumstances. This creates stress to which individuals react differently. To launch crisis management, it is vitally important for a company to promptly identify the cause or causes of the problem, to set priorities and measures for their elimination. Simultaneously, the time factor is crucial in the process of searching for opportunities since exploiting an opportunity may significantly change the company's position. In combination with other factors, such as limited resources and resource mobilisation, the time factor sets a heightened requirement for the ability to distinguish between the important and unimportant, urgent and non-urgent, and efficient and inefficient.

Resource mobilisation

During crises, resources may be partly devastated and exhausted. One of the first steps a crisis manager has to take is to evaluate the situation in the company in terms of resources: what is the remaining potential of the company and which of its valuable assets it may use and exploit. In order to lead the company out of the crisis, the resources available have to be used very efficiently. Furthermore, the crisis manager has to be able to find completely new resources that will become the potential for a change. Such resources may include in particular the undiscovered, hidden, ignored or even rejected abilities and ideas of people.

Motivation

Crises represent, for both the crisis manager and the entire top management team, an opportunity for self-realisation, it is a challenge to demonstrate or test one's own skills in overcoming barriers. For some managers it is an opportunity to "build the name" in managerial circles.

Only a self-motivated manager who is aware of his skills, in the positive sense of the word, can motivate others. K o p č a j (2000) wrote that "one can never achieve long-term external success unless successful inside". In the period of crisis the manager has to pass his energy, sober optimism and faith in success on others. The crucial success-oriented competences include the competence to identify, win and engage all other qualified and devoted employees willing to join the crisis team and take part in activities aimed at leading the company out of the crisis.

The manager's radiating internal self-confidence together with his/her abilities and informal authority are transmitted to others and the employees who are worried about their future gain more confidence, feel inspired and motivated to act. Trust is one of the typical traits of leaders and crisis management requires a crisis manager who is a leader.

Responsibility

Crisis managers take on increased responsibility for the interest groups involved. It is by no means an easy task as their success or failure impacts the standard of living of the families of employees, however, not only those, it may also affect suppliers and customers. Crises have a negative impact on owners who expect increase in the value of their deposits and sometimes also of their personal savings. Realising such responsibility is one of the key managerial values and literally an obligation, but at the same time, and this is particularly difficult, it should not be too binding and lead to the postponing of important decisions that the manager deems correct and necessary.

Change in attitudes and thinking, communication

Crisis managers are the leading architects of change, "carriers" of the predominant idea. They have to win company employees for the change and their vision of the desired state of the company. They may not succeed in implementing a change with just a narrow circle of collaborators or on their own, without having the support of the majority of employees. They need to possess and employ their personal mastery that S e n g e (1994) characterised as the "discipline of continually clarifying and deepening our personal vision, of focusing our energies, of developing patience, and of seeing reality objectively".

To execute the change, managers must choose a procedure corresponding to the given situation and follow the below specified steps, if possible.
- Inform the employees openly and plainly about the situation without emotions and without searching for or identifying potential or real parties responsible. Moreover, it is necessary to mention the impacts of the situation on the company and its employees, briefly outline the measures to be taken, the procedure to be followed and company's expectations from the employees.
- Time permitting, involve a large number of employees into the process of developing of a new strategy and thus increase the probability of its acceptance.
- Identify key employees, informal leaders and staff willing to accept the change and win them for the new strategy. Eliminate the influence of those who are against (any kind of) change.
- Present the new strategy to the personnel and explain the process of change.

Management style

Crisis as an exceptional situation requires concentration on the use of people and their skills. B i b e a u l t (1998) states that crisis managers are rarely characterised as "nice guys"; on the contrary, one third uses the term "tough guys". One Czech crisis manager (see Z u z á k , 2004) expressed a similar idea: democracy ends at the gate of the company.

Crisis management requires an operative combination of a participative and authoritative (or even dictatorial) style of management. The participative style of management is acceptable (in order to achieve an efficient result by gaining greater support for the process) if there is no time pressure and if there is space for searching for a better solution to the crisis.

The new strategy has to be elaborated by the top management or the crisis team. The proposal of the strategy, or at least its key points, are then forwarded downwards, in particular to the key staff, informal leaders and people from whom a creative reaction may be expected. New ideas and comments are then directed upwards, to the centre. The accepted procedure of dealing with the crisis thus becomes a binding law for everyone and may be changed only after a new round of negotiations.

Crisis communication

The crisis communication analyses that have been carried out reveal that the level of communication and the efficiency of its implementation or non-implementation has a positive or negative impact on the image and goodwill of companies and the public opinion, which in turn reflects in the loyalty or disloyalty of customers, brand perception and also advertising and sales support. A typical example is the diametrical difference between crisis communication (a detailed analysis in Z u z á k , 2004) in the so-called Tylenol crisis suffered by Johnson & Johnson in 1982 and in the Bhopal tragedy in Union Carbid in 1984. While Johnson & Johnson was not virtually responsible for the crisis origination, it managed to reverse the crisis in its favour and in the media create a positive corporate image of caring for the public and being open to it. Even after a quarter of a century the company's reaction is still remembered and the positive corporate image maintained.

On the contrary, the refusal to communicate with the media and the subsequent poor crisis communication in Union Carbid, which was directly responsible for the occurrence of the crisis, significantly affected the company which was (and still is, for example, in 2004 Prague hosted an exhibition of photographs of victims of this tragedy) the target of unceasing attacks of the media and various organizations. The company has never restored its image in the public, not even by "leaving the public stage" following a merger.

Companies may even benefit from the media's negative response to crisis occurrence and solution. A good

Table 1. Most frequent shortcomings in crisis communication

Communication	Communication implications
No communication (non-informing)	Creates space for speculation and rumours and free activities of the media.
Delayed	Gives space to the media to be the first to inform the public. Information distortion, invention of affairs and scandals, commercialisation of the situation by the media (in particular during the "silly season"). If a company responds with delay, the public perceives the communication as camouflaging company's shortcomings, defence against shortcomings discovered by the media, etc.
Changing the previously given information	Produces distrust, it seems the company is trying to "sweep the causes under the carpet".
Incompetent spokesperson	Poor persuasion skills of a spokesperson produce distrust. It results in speculations and gives the media free hand to react.
Several spokespersons who take turns, several information channels	Providing different (contrary) information leads to distrust, speculations and doubts.

example it the Prague zoological garden where, as a result of floods in 2002, an extensive evacuation of animals had to be undertaken in a short period of time. The then circumstances did not permit the evacuation of some of the animals and also an elephant that was drowning had to be shot. A well-known personality opposed that solution in the media, nevertheless, the reaction of the public to this media campaign was quite contrary and led to a moral and financial support for garden renovation.

A number of mistakes that crisis communicators make negatively affect the public opinion and corporate image. The most frequently occurring identified mistakes are listed in Table 1.

The process of crisis management begins with the identification of a crisis in the company and implementation of measures leading to the elimination of the crisis and ends by the "mastering" of the crisis and restoration to the "normal" state. The intensity of crisis communication during the phase of crisis management is not the same and changes according to the goals that are to be achieved. Crisis communication is most intense in the initial stage of crisis management. The goals are: maintaining loyalty of interest groups involved, in particular its customers, the financing bank, co-operating partners, etc. that the company needs to cope with the crisis.

During crisis management it is relevant to provide information on the progress and partial outcomes. It is obviously impossible to publish information on the change of the corporate strategy and similar information that forms part of the company's trade secret. The following important phase is to report about crisis mastering at the time when the company has almost returned back to normal, i.e. when the crisis is over and the company is "regaining control". At this stage it is important to inform the interest groups as well as the broader public about the process of dealing with the crisis, steps taken as well as about the regained strength and health (Fig. 1).

In order to communicate efficiently with the media, shareholders, suppliers, customers and other interest groups, the following principles must be observed:
- Poor crisis communication can cause more damage than a crisis situation itself, the interest groups involved should be informed as early as possible and the company should be the first to address them after the crisis occurrence,
- From the very beginning, accurate and true facts and information should be provided in such a way to avoid speculations; in case of information shortage, admit the situation and supply the details later, admit company's mistakes and the scope of responsibility for these mistakes and simultaneously stress what has been done to remedy the situation,
- If possible, avoid changing press releases, or only based on new facts,
- If there are more information channels, the information provided must be in compliance, the communicator(s) must be well informed, the language of communication must suit the recipient of the information (avoid using technical terms, avoid explaining principles of technological processes, etc.),
- Crisis communication may not create chaos or even panic, communication towards the public must be based on the opinions of people as regards the cause and course of the situation.

Fig. 1 shows that a company has to begin to communicate immediately after crisis occurrence or its identification. If a crisis is unexpected, it is usually accompanied by shock and stress, which leads to chaotic behaviour. Therefore it is important for companies to be prepared for the occurrence of potential crises. It is essential to elaborate crisis scenarios (the terminology differs, sometimes terms like crisis plans, crisis projects, etc. are used).

Crisis plans, as brief and concise in-company documents, basically contain the characteristics of a crisis situation and measures to be taken, including powers and responsibilities of individual company employees. They also lay down the principles of crisis communication inside and outside the company, instruction for its employees regarding communication with the media, etc. As time is, in terms of communication, a crucial factor, crisis scenarios may comprise background documents for, for example, press releases, statements to customers and business partners, etc. Experience from corporate practice shows that to be able to cope with crisis situations, the incorporation

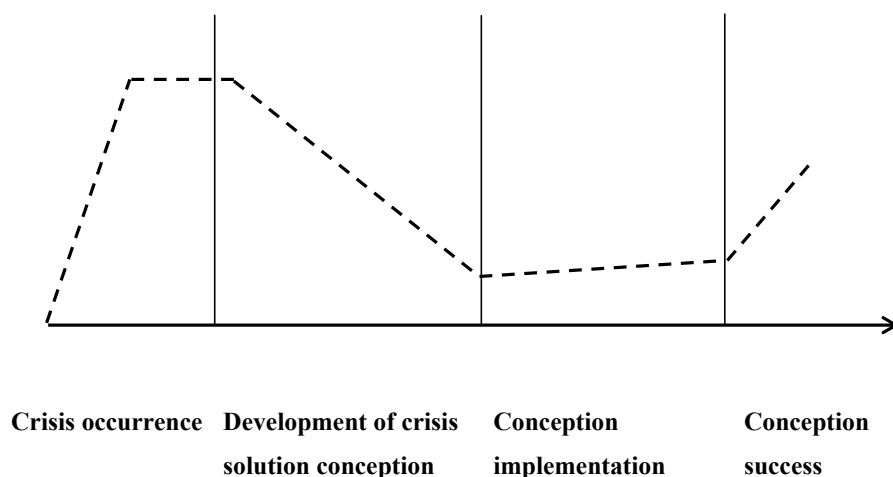| Crisis occurrence | Development of crisis solution conception | Conception implementation | Conception success |

Fig. 1. Intensity of crisis communication during crisis management

of principles and measures into crisis scenarios is not sufficient, they must be practised in workshops and training sessions.

In terms of competences, successful crisis communication requires the following:
– documents (crisis scenarios), produced in a short and clear form, that serve as background material for study, workshops, training and crisis situations as such,
– training during which the designated employees acquire certain work habits to be applied in crisis situations,
– management competences in the period preceding crisis occurrence that lead to the processing of documents (crisis plans) and introduction of a system of preparation (workshops, training),
– management competences of a crisis manager to deal with crisis management including crisis communication.

CONCLUSION

The success of a company, its competitiveness and the ability to build competitive advantages are a result of long-term and systematic work. A crisis situation may elicit negative attitude to the company both on the part of customers and the vast public. This leads to the deterioration of the company image at the time when it needs to feel the support of the surrounding world, to maintain the loyalty of existing customers and win new ones. Well and efficiently implemented crisis communication is a key tool. Therefore companies should pay attention to it before a crisis occurs.

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Manažerské kompetence pro krizovou komunikaci.

Cílem příspěvku je identifikace odlišností kompetencí krizového manažera od kompetencí manažera ve vedení podniku, který není v akutní fázi krize. Dále se příspěvek zaměřuje na zásady krizové komunikace, která je součástí krizového řízení u krizí, které jsou především důsledkem havárií a katastrof, krizí obdobného charakteru, které mají rychlý průběh, a některých krizí procesních. Provedené analýzy krizové komunikace ukazují, že její úroveň a efektivnost

realizace, resp. nerealizace se pozitivně nebo negativně odráží v image a goodwillu podniku a ve veřejném mínění, což se odráží v přízni nebo nepřízni zákazníků, ve vnímání značky a také reklamy a podpory prodeje. Článek identifikuje a charakterizuje časté nedostatky v krizové komunikaci zaměřené především k médiím. V souvislosti s nimi přináší návrhy na postupy k jejich odstranění. Důležitá jsou v podniku preventivní opatření v oblasti krizové komunikace, jejichž efektem je schopnost podniku ve vztahu k médiím rychle reagovat na krizovou situaci a přeměnit ji ve vlastní výhodu a v pozitivní vnímání podniku veřejností. Pokud toho chtějí docílit, musejí být podniky schopny identifikovat potenciální krize typu havárie a katastrofa a procesní krize, které mohou v budoucnosti nastat a na které se mohou připravit zpracováním krizových scénářů. Krizové scénáře nesmí být chápány jako rozsáhlé manuály, ale jako stručně formulované postupy, které vytvářejí ve stresovém období pocit relativní jistoty a nasměrování požadovaným směrem. Součástí těchto scénářů musí být zásady a metody krizové komunikace a zároveň jejich trénink. Právě tréninky ve formě workshopů a nácviku řešení potenciálních krizových situací umožňují získat potřebné návyky. Krizové scénáře by měly rovněž obsahovat vzorová prohlášení k médiím, obchodním partnerům, zaměstnancům a k dalším důležitým zájmovým skupinám.

kompetence; krize podniku; krizové řízení; krizová komunikace

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