

Chapter 10

Crisis Communication and Crisis Management during the Crisis: Case Study of Croatia

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ABSTRACT

Corporate managers are faced with one important role in managing company's overall communications, especially when one crisis event occurred. Since the whole business world was preoccupied with the crisis that has gripped the year 2008, it is interesting to explore the content and the level of development of crisis management teams and crisis communications guidelines in the biggest Croatian companies. The results of research showed that Croatian companies do not stay behind their peers in the rest of the business world in the terms of establishment and development crisis management and crisis communications. Deep business crisis did not stop Croatian companies to invest in their workforces and their communication skills in order to achieve competitiveness in the market. Even though the business environment was very turbulent during the observed period, and suffered from many cutoffs the research results showed even some improvements in 2014 compared to the research from 2011.

INTRODUCTION

Communication is an essential part of any relationship, particularly for a company in terms of a complex network of internal and external relationships with a large number of company's stakeholders. Corporate managers are faced with many important decisions in managing company's overall communications, especially when a crisis event occurs. The power of readiness of crisis communication, crisis management, crisis teams, and their potential in unexpected situation may turn crisis into a predictable chance, which

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is highly connected with crisis team power and capability to make good decisions. Some prerequisites for that turnover are in the preparedness of the crisis management team and crisis communication. It is a part of corporate strategy and strategic decision of establishing corporate crisis management team as regular one. If the crisis management team is established in advance, and works as a proactive one, has defined roles assigned so as to act as a coherent group, with clearly defined duties, many of potential crisis could be alleviated or even prevented. Crisis communication can be a powerful company tool and a milestone in predicting, preventing, and overcoming a crisis situation. If a crisis event occurs, and good crisis management and crisis communication are developed at an appropriate level and coordinated with the overall corporate strategy, it will help a company survive the crisis, and, moreover, prevent the creation of rumors and destroying the reputation of the company.

Nevertheless, management teams in companies, the level of understanding the overall communication function, and a special connection between corporate communication strategy and corporate strategy are crucial in the decision-making process of communications function positioning in an organization, and decisions of protecting company's mission, vision, and values particularly during hard times.

Since the entire business world has been preoccupied with the crisis that started in 2008, it was interesting to explore the content and the level of development of crisis management teams and crisis communications guidelines in biggest Croatian companies which the authors surveyed in two iterations; first, at the beginning of the big global crisis and in the current moment (i.e. in 2014), while the crisis was still evident in Croatia. Throughout this chapter the authors explored companies' management and companies' communication teams for crisis management and communication in crisis, stressing that they all need to be analyzed and established in advance, as a strategic management decision, with the aim to protect company in crisis and enable it to survive in hard times. The aim of this research was to explore and compare the level of proactivity of companies for crisis event and crisis communication in Croatia in 2011 and in 2014. The main purpose was to explore the effects of crisis on crisis management and crisis communication over the period of long economic crisis, and find out whether the observed companies showed progress of declinations of its efforts in crisis management and crisis communication.

Literature review of previous research regarding the readiness of Croatian companies for a crisis is poor, particularly if it is observed over time. Google Scholar search confirmed author's assumption that there is a lack of surveys on crisis management in Croatian companies with zero result. Similar research results were found at EBSCOhost and Emerald Insight so authors realized that this research would broaden knowledge about critical decisions, made by Croatian top managers regarding companies' readiness to face crisis.

In order to investigate the above mentioned topic in Croatia, the remainder of the chapter is organized in five sections. The first section gives an overview of corporate crisis and previously explored causes of the crisis. In the second section, authors emphasizes the importance of strategic approach to crisis management. In the third section authors discuss the strategic approach to crisis communication. The fourth section is reserved for research methodology and methods, and present research findings. In the fifth section the concluding remarks and directions for future research are discussed.

CORPORATE CRISIS

Crises are becoming increasingly important social, political, economic, and environmental forces and arguably create more change more quickly than any other single phenomenon (Sellnow and Seeger,

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