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Organizational Crisis Management: Importance of Role of Communication in Resolving Conflicts

ABSTRACT

This research paper delves into the significance of organizational crisis management and the role of communication in resolving conflicts within the organizations. In today's dynamic and volatile business environment, crises are inevitable, posing significant threats to organizational stability and reputation. Effective crisis management is paramount for organizational resilience and survival, as it enables proactive identification of risks, minimizes the damage, and fosters recovery. Furthermore, communication plays a pivotal role in conflict resolution by facilitating dialogue, building trust, and fostering collaboration among parties. Through a comprehensive review of literature and empirical analysis, this paper highlights the importance of integrating crisis management strategies with effective communication practices to navigate challenges, resolve conflicts, and ensure organizational success.

Keywords: Crisis management, Communication, Conflict resolution, Organizational resilience, Collaboration.

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INTRODUCTION

What is Management?

Management is understood as a process of effectively attaining goals to the utmost efficiency. It is a process that differentiates the socially coordinated and motivated goal-oriented activity from socially uncoordinated activity.¹ The primary objective is to establish order amid chaos to ensure survival. Numerous management thinkers have dedicated themselves to uncovering processes for planning, coordinating, controlling, and directing organizational operations in dynamic environments, effectively guiding enterprises from crisis to stability. Much of the conventional wisdom managers rely on originates from early theorists.

Two important theories of management

The two of the most important theories of management that the contemporary management thinkers still adhere to and actively engage these theories in achievement of modern organizational goals include the Scientific management theory of Fredrick Winslow Taylor and The Administrative Management Theory of Henri Fayol.¹

Scientific Management Theory by Fredrick Winslow Taylor

The basic essence of his theory of management was that ‘the principal object of management should be to secure the maximum prosperity for the employer, couples with the maximum prosperity for each employee.’¹ For employee, prosperity means high wages and room for personal development so that they could perform efficiently to the highest level of work their abilities allowed.

He assumed that there is naturally inherent harmony of interest between employer and worker but he also recognized and regarded that conflicts may arise and it could be identified to lead to crisis and collapse. He aimed to overcome the conflicts in the management and suggested a harmonious approach to work through four principles;

1. Development of a science of work: “Work must be scientifically studied to find the optimum level of labor for each specific task”. Through this, the labors who worked to

¹ SIMON A. BOOTH, CRISIS MANAGEMENT STRATEGY COMPETITION AND CHANGE IN MODERN ENTERPRISES 09-18 (Routledge Taylor & Francis Group 1993).

their optimum level would be rewarded with optimum level of wages and those who worked less than this would receive less than the optimum level.¹

2. The scientific selection of employees and progressive development: Taylor suggested that the employees must be selected scientifically so that people with correct mental and physical characteristics are assigned roles to achieve outputs optimally.¹
3. Bringing the science of work and scientific selection and training together: One of the most difficult tasks for the management was to bring together the scientifically defined work and trained employee. If it was done accurately, it was assumed that the employee would not only be highly effective but also satisfied that he had the necessary ability and responsibility to undertake the work.¹
4. Constant and intimate cooperation of management: Taylor was of the view that with employees and the management carrying out the functions for which they were best suited, conflict would be eliminated. Employees would value and acknowledge the importance of management and its authority for the reason that their decisions would not be arbitrary but based on the scientific analysis.¹

The scientific approach given by Taylor was that there was one best way of organizing and managing for stability, change or crisis.

Administrative Management Theory by Henri Fayol:

Fayol is seen as a historical figure referred to briefly as the founder of the administrative approach to management. His theories are recognized to be of tremendous importance because of his insights they give as to how to provide for effective internal management. Fayol's idea of management grew and revolved around his personal experiences and observations.¹ He learnt through these experiences as to how the top management could steer the organization off the crisis towards recovery. It is through his experiences of corporate crisis and turnaround he derived the following principles for good administration. He classified the important activities of the organization into six different functions; technical activities, commercial activities, financial activities, security activities and accounting activities.¹ The variety of general principles for effective management of activities included – division of work, authority, discipline, unity of command, unity of direction, subordination of individual interest to the general interest, remuneration, centralization or decentralization, scalar chain of command, order, equity, stability of tenure, initiative, *Espirit de corps*.¹

The important critical point for these principles in the contemporary world of management is that the principles ignored different cultural styles. This cultural myopia, significant enough in normal times, can become of critical significance when planning for dealing with a crisis. His views on change and crisis were that they were the part of environment of management. His principles provide the best ways in which the crisis can be managed.

The contemporary managers of today are more focused on the practical aspect of managing crises and not the theoretical aspect propounded by the theorists such as Taylor and Fayol. They are aware that following of one set of principles would lead to ignorance of the other. Thus, the best of both worlds is combined to derive at a solution best for the situation at hand.

How Communication plays an important role in crisis management?

In the stage of crisis, the most basic instinct of the manager in charge would be to should down all the possible communication channels to localize the damages present in hand, but the opposite of this is always true. Even when the official channels of communications are closed, the communication does not stop there. It can be in the form of rumors, innuendos, inconsistencies, half truths and exaggerations.² While handling the situation during crisis, the manager in charge should implement the 5Cs of communication²; Concerns, Clarity, Control, Confidence and Competence.

Communication during a crisis often requires honest and timely communication. In case of any failure to communicate can severely damage trust, and can lead to rumors running out of control. To remain and control the organization, there is the requirement to deliver accurate and comprehensive message to the stakeholders.

SIGNIFICANCE OF THE STUDY:

This study examines integrating crisis management strategies with organizational communication processes. By combining proactive crisis management with transparent, collaborative communication, businesses can boost resilience, reduce damages, resolve conflicts successfully, and ensure long-term organizational stability and success.

²Mind Tools Content Team, Communicating in a Crisis, MINDTOOLS (Mar. 04, 2024, 10:57 AM), <https://www.mindtools.com/asovf6t/communicating-in-a-crisis>.

OBJECTIVE OF THE STUDY

- To analyze the theoretical framework of crisis communication and analyzing its application in practical situations.
- To suggest training and development practices to incorporate effective crisis resolution practices.
- To study the ethical considerations in crisis management.
- To critically analyze what are the future trends in organizational crisis management.

CONTEMPORARY RELEVANCE

In today's world, crisis communication is vital due to the complexities of the modern business environment, including globalization, technology, and interconnected supply chains, which make organizations vulnerable to a range of crises, such as natural disasters, cyber-attacks, reputation loss, and financial downturns, amplified by social media. Organizations prioritizing proactive crisis preparedness and effective communication strategies are better equipped to navigate uncertainties, maintain stakeholder trust, and ensure long-term sustainability.

REVIEW OF LITERATURE

Crisis Management Strategy Competition and Change in Modern Enterprises, a book by Routledge Taylor & Francis expounds about the crisis management strategies utilized by the companies. This book provides extensive knowledge on crisis management and is utilized to understand the classical and scientific school of crisis management.

Communicating in crisis by Mindtools is a dynamic blog that provides knowledge about the importance of communication in the situation of crisis faced by the organization.

Social media and Crisis Communication by Routledge Taylor & Francis is utilized to understand the various theoretical frameworks in crisis communication.

The Gulf Coast Oil Spill: Extending the theory of image restoration discourse to the realm of social media and beyond platform, by Sidharth Muralidharan published in Science Direct is utilized to understand the image restoration theory of crisis communication.

Introducing the Co-oriented Scansis (Cos) model: A Core of Chatbot, Lee Luda, by Hesoo Jang and Suman Lee published in Science Direct provides comprehensive knowledge and understanding regarding Co-oriented Scansis model of crisis communication.

Attribution Theory as a guide for post crisis communication research, by W. Timothy Coombs published in Science Direct is a dynamic article which critically analyses the usage of attribution theory by organizations in crisis management situation.

Navigating Crisis: The Role of Communication in Organizational Crisis, published in International Journal of Business Communication by Sky Marsen extensively explains the role and the lessons to be learned by the organizations in handling crisis situations effectively for the benefit of the organization.

Common Challenges of crisis communications by David Gilbert, is a well composed blog published in Whispir.com that engages the reader with the challenges that organizations face in crisis communication and also aims to provide the solutions to tackle the situation of crisis.

Crisis management revisited: A new agenda research, training and capacity building within Europe by Paul't Hart and Bengt Sundelius is an article published in Cooperation and Conflict journal volume no. 48 is utilized to understand the various techniques of training and preparedness methods utilized by managers in the organization. Though the article highlights the important points to focus on, it fails to provide the information about the advent of AI and machine learning and how can it be effectively utilized by the organization to ensure that the employees are updated to the maximum possible level to tackle effectively the situation of crises.

Evaluating Ethical approaches to Crisis Leadership: Insights from Unintentional Harm Research, published by David C Bauman in the Journal of Business Ethics volume no. 98 provides the three ethical areas where the organization must focus on to ensure that the organization does not forget to comply with the ethics while handling the organizational crisis situation.

RESEARCH QUESTION

What are the effective methods of implementation of crisis management in the organization keeping organizational communication in focus?

CENTRAL ARGUMENT

Communication is an important tool utilized by management heads in administration of methods of crisis management as a proactive role rather than a reactive role to ensure that the dynamic changes in the environment does not adversely affect the functioning of the organization.

RESEARCH METHODOLOGY

The research done for this paper is DOCTRINAL in nature. All the data presented in the paper is an amalgamation of information from online articles, blogs, books, and research papers.

SCOPE AND LIMITATION OF THE STUDY

This research work is constrained to the use of secondary data.

THEORETICAL FRAMEWORK OF CRISIS COMMUNICATION

The theoretical framework of crisis communication includes several key concepts and models that guide the understanding of the practice of crisis communication in this field. Few of the most use crisis communication models can be listed as follows:

1. Situational Crisis Communication Theory (SCCT):

The driver of SCCT was Benson's (1998) observation that there was no serious and systematic means of connecting crisis-response strategies; what crisis communicator's say and do during a crisis and crisis situations.³ The development of SCCT began in 1995 with the publication of a decision tree for crisis communication in *Management Communication Quarterly*.³ By the end of 1990s, researchers had identified lists of crisis-response strategies and crisis types but the theoretical framework to link the crisis-response strategies and crisis types in a systematic manner was yet to emerge. Attribution theory holds that people always equate reasons for events, and especially the negative ones.³ They either attribute it to the external factors or internal factors. Here SCCT argues that crises are the negative events that lead people to make attributions about the crisis responsibility of the organization involved in the crisis.³

2. Image Restoration Theory:

Crises inevitably endanger the reputation of the organization and it is during such times of stress that crisis communication becomes a central focus of a corporation. The goal of crisis communication is to limit the harm caused by the crisis to the organization. It primarily concerns with the delivery of accurate and consistent news and information to the public and thereby strengthening the image of the group/ organization or the industry. The theory of image restoration was developed by William L. Benoit, where it outlines the strategies for repairing organizational reputation following a crisis. It identifies five primary image repair strategies namely; denial, evasion of responsibility, reducing offensiveness, corrective action, and mortification.⁴

³ W. TIMOTHY COOMBS, SOCIAL MEDIA AND CRISIS COMMUNICATION 21-24, (Routledge Taylor & Francis Group 2018).

⁴ Sidharth Muralidharan, *The Gulf Coast Oil Spill: Extending the theory of image restoration discourse to the realm of social media and beyond platform*, SCIENCE DIRECT (Mar. 04, 2024, 5:56 PM), <https://www.sciencedirect.com/science/article/abs/pii/S0363811111000683>.

3. **Co-oriented Scansis (CoS):**

The Co-oriented Scansis model helps understand the challenges posed by crisis communication and provides a systematic framework for examining the role of perceptions and meta-perceptions (i.e., beliefs about how other people perceive the self) in the development of a scansis, especially those that are due to mismatched co-orientation. Using co-orientation theory, the CoS model offers a step-by-step process to comprehend how discrepancies between the perceptions and meta-perceptions of the organization and those of the public can lead to suboptimal choices in crisis response. Therefore, this model can serve as a valuable tool for both practitioners and researchers in the post-crisis stage as they analyze the crisis and response strategies and identify the potential areas for improvement.⁵

4. **Attribution Theory:**

Attribution theory provides a common set of concepts and shared methods that allow for easier integration of research findings from different researchers. Two key traits of crisis are that they are unexpected and negative. These are also the key characteristics that Attribution theory expert Bernard Weiner identified as driving people's need to search for causes for an event. It explores how individuals assign causality to events, including crises. It suggests that the way an organization communicates about a crisis can influence a stakeholder's perception of responsibility and blame.⁶

⁵ Hesoo Jang and Suman Lee, *Introducing the Co-oriented Scansis (CoS) model: A case of Chatbot, Lee-Luda*, SCIENCE DIRECT (Mar. 04, 2024 6:39 PM), <https://www.sciencedirect.com/science/article/abs/pii/S0363811123000759>.

⁶ W. Timothy Coombs, *Attribution Theory as a guide for post-crisis communication research*, SCIENCE DIRECT (Mar. 04, 2024, 6:55 PM), <https://www.sciencedirect.com/science/article/abs/pii/S0363811106001585>.

ROLE OF COMMUNICATION IN CRISIS MANAGEMENT

Crisis communication engages both practitioners and scholars in terms of ethics, problem solving, strategy, and effective interpersonal communication. From the perspective of an organization, management of a crisis effectively is crucial in reestablishing control of the organization, restoring the company image, and regaining stakeholder trust.⁷ The role of crisis communication can be discussed in the form of the learnings from the analysis of theories of crisis communication. They include:

1. Rapid responses to a crisis are beneficial to the organization. Researchers have argued that longer an organization takes to respond to a crisis, the more sufferings it faces from the public and stakeholders. This is more pertinent in the age of social media where, facilitation is immediate, two-way symmetric communication.
2. Selection of an appropriate spokesperson(s) to communicate with the public during and after crisis is a strategic decision that can have a far better reaching result.⁷ The spokesperson should be capable of addressing, informing, instructing and reassure a variety of stakeholders, within a short period of time. Though the spokesperson(s) is often required to speak on behalf of the organization but, they are also expected to show a personal commitment and, possibly, an emotional tone, producing conflicting intentions in discursive choices.⁷ Therefore, it becomes a matter of utmost importance to choose the spokesperson(s) carefully.
3. Paying attention to local cultures can play an important role in today's globalized world. Spokesperson(s) here can play a critical role in managing the organization's reputation during crisis. For example, during the BP Oil Spill crisis of 2010, British CEO Tony Hayward and Swedish President Carl-Henric Svanberg represented the company in media engagement.⁷ Here both were outsiders to the situation with regards to the region and its concerns, and both were met with cold receptions from the local people.
4. Communication is essential for facilitating the organization's recovery from the crisis and learning from the experience to prevent future incidents. By communicating openly about the lessons learnt, corrective actions can be taken, and improvements implemented, the organization can demonstrate its commitment to continuous improvement and rebuilding trust with stakeholders.

⁷ Sky Marsen, *Navigating Crisis: The Role of Communication in Organizational Crisis*, 57 INTERNATIONAL JOURNAL OF BUSINESS COMMUNICATION, 163, 1 (2019), [HTTPS://JOURNALS.SAGEPUB.COM/DOI/EPUB/10.1177/2329488419882981](https://journals.sagepub.com/doi/epub/10.1177/2329488419882981).

All in all, effective communication is essential for guiding organizational responses, managing stakeholder perceptions, and ultimately mitigating the impact of crises on the organization's reputation, operations and long-term success.

CHALLENGES TO EFFECTIVE CRISIS COMMUNICATION

Though the role of communication outlines the broad strengths of crisis communication, in reality the achievement of the goal of crisis communication is met with many challenges. As stated above, the lessons of crisis communication can have an impact on how the organization addresses and needs to address the situation, it is not met with the same amount of effectiveness in the real world. Some of the problems that can be seen in crisis communication are as follows:

1. Disseminating too much information:

When an organization faces any detrimental situation, the organization is bombarded with plethora of information which may become overwhelming to the management. It is not just about the amount of information they get, but also about its quality. With this amount of information, it is natural to be even more muddled and miss the thread of the truth that runs through any messaging.⁸ To mitigate the chances of information wipe-out, the best practice is to think in advance about how the manager will get the information out to the team members and external audiences and also from whom will the manager be getting the information.

2. Too little information is neither good:

It is a paradox, when there is no too much information about the situation at hand, it means that the organization has too little information. Though nothing can be said about measuring the quantity of information but, it is suggested that the person in charge of the organization to have the required amount of information so as to communicate appropriately the issue at hand to the stakeholders and public.

3. Unpredictable situations:

Crises are of such nature that it is very difficult for the organization to anticipate what is going to happen and how to plan to mitigate such situations. Though it rather sounds

⁸ David Gilbert, *Common Challenges of crisis communications*, WHISPIR.COM (Mar. 04, 2024, 7:51 PM), <https://www.whispir.com/en-us/blog/common-challenges-of-crisis-communications/>.

imprudent that managers are psychic to know all difficulties that are going to arise but, what managers could do is that it could draft a comprehensive report for the next incident.⁸

4. Maintaining control of narrative;

During a crisis, organizations may struggle to maintain control of the narrative as stakeholders, including employees, customers, and the public, share their perspectives and opinions. Communicators from the organization must actively monitor and respond to conversations while striving to shape the narrative in a favorable direction.

5. Social Media Amplification:

Social media platforms allow information to spread at a rapid rate and reach to a large spectrum of audience. While social media can be a valuable communication tool during crisis, it also presents challenges, such as misinformation, viral rumors, and negative sentiment.

Addressing these challenges requires effective planning, clear protocols, strong leadership skills, and agile communication strategies that prioritize transparency, empathy, and stakeholder engagement.

TRAINING AND PREPAREDNESS FOR CRISIS MANAGEMENT

Major crises in the organizations though are scary but highly consequential to the organization, training provides a pivotal substitute for personal experience and collective memory, i.e., eliminates the rule of thumb to prevent trial and error in reaching solutions to the situations which needs immediate management attention. The training programs must be tailor made to address a range of areas, including risk assessment, risk management, principles of planning and preparedness, the organization of command, control and decision-making, interorganizational communication and coordination, public information, media relations, coping with stress and collective behavior, trauma and recovery, litigation, and evaluation and learning.⁹

The devised areas in which employees must be trained, the management should utilize training methods which involves the combination of conventional lectures, case study analysis, joint scenario development, role-playing simulations and full-scale exercises.⁹ All these methods must be utilized with plans developed and in close coordination with the expertise assembled from various reputed organizations.

These training and development programs must receive proper support from the top management level. Without the support from the top-management, these training and development activities would fall into the pit and would turn into nothing but a meagre activity. To ensure maximum commitment levels, there must be a three-fold activity which includes; appropriate levels of resource allocation, personal modelling of involvement, and insistence on rigorous quality assurance practices.⁹

In present scenario involving rigorous implementation of digital tools and AI modelling in the organization, it becomes an inherent need for the organization to familiarize the personnel with technology platforms and tools used for crisis communication, such as mass notification systems, social media and monitoring tools, and crisis management software. Organizations can also establish strategic partnerships with relevant agencies, organizations, and industry peers to share best practices, resources, and lessons learned in crisis management. Collaborating on joint training practices and simulations can enhance the preparedness and coordination amongst employees.

⁹ Paul't Hart and Bengt Sundelius, *Crisis management revisited: A new agenda research, training and capacity building within Europe*, 48 COOPERATION AND CONFLICT 444, 456 (2013).

By implementation of these training and preparedness methods, organizations can enhance their readiness to effectively respond to crises, minimize and localize the levels of disruptions and protect their reputation and also maintain the stakeholders' interest.

ETHICAL CONSIDERATIONS IN CRISIS MANAGEMENT

Ethical considerations for crisis management in the organizations may involve looking at different facets of the organizations. The most important facet becomes the crisis management while taking care the interests of stakeholders. Crises can result in unintentional harming of stakeholders. It maybe a result from a manufacturing process that leads to a safety concern or ignoring safety equipment breakdowns that result in a disaster or from an effort to acquire more customers that unintentionally offends the current customers.¹⁰ Ethical considerations play a crucial role in crisis management, as organizations must balance transparency, honesty, and accountability with protecting their interests and stakeholders' welfare. There are three general ethical approaches found in business literature which includes; virtue ethics, an ethic of justice, and ethic of care.¹⁰

A virtue ethics approach emphasizes how an agent's character and dispositions guide decision making.¹⁰ The person's character takes precedence over strict ethical codes or merely considering the consequences of one's actions.

The second approach which is ethic of justice is oriented towards impartiality, fairness and reciprocity.¹⁰ It also focusses on protecting the individual rights by reciprocity and objectively evaluating conflicting rights. It involves disregard for the feelings of others into account and impartially considers all the parties involved before making a decision.

The third approach which is ethic of care, emphasizes strengthening relationships and fulfilling responsibilities to others.¹⁰ It is in complete contrast to the ethic of justice approach and here it is crucial for maintaining relationship rather than complete disregard of others.

Thus, it is through these approaches the management of the organization can uphold their reputation, build trust with stakeholders, and navigate crises with integrity and accountability.

¹⁰ David C. Bauman, *Evaluating Ethical Approaches to Crisis Leadership: Insights from Unintentional Harm Research*, 98 JOURNAL OF BUSINESS ETHICS 281, 282-284 (2011).

FUTURE TRENDS IN ORGANISATIONAL CRISIS MANAGEMENT

Considering the monumental changes that the organizations have seen in their functioning in the recent past, it becomes imperative for the organizations to understand and predict the future trends so as to incorporate the changes to the overall functions of management. This does not exclude crisis management in the organization. Several future trends are expected to shape the landscape of organizational crisis management, few of which in my opinion include:

1. Technological Advancements:

The integration of emerging technologies such as artificial intelligence (AI), machine learning, and data analytics is projected to impact hugely in crisis management. AI powered tools can enhance risk assessment, early warning signals, and predictive modelling, allowing the organizations to anticipate and respond to crises more effectively.

2. Remote Crisis Response and Virtual Collaboration:

The rise of remote work and virtual collaboration platforms will necessitate the development of new strategies and technologies for conducting crisis response activities, such as virtual command centers, remote training simulations, and digital communication tools.

3. Digital and Social Media Monitoring:

With growing influence of social media, organizations will increasingly rely on advanced monitoring and analytics tools to track online conversations, detect early warning signs of crises, and manage reputation risks in real time.

4. Integrated risk management:

There will be integrated risk management approaches that includes a broader range of risks, including strategic, operational, and reputational risks. Organizations will adopt holistic risk management frameworks that incorporate crisis management as an integral component of overall risk mitigation strategies.

5. Collaborative Partnerships and Ecosystem Resilience:

Organizations will seek to strengthen partnerships with government agencies, industry competitors, NGOs, and other stakeholders to enhance collective resilience and response capabilities.

All in all, the future of organizational crisis management would be characterized by significant integration of technology, a keen focus on resilience and adaptability, and a collaborative approach to risk management and crisis response. Through proper integration and adaptation to these trends the organizations can be better equipped to navigate the complexities of the modern business environment and allow them to steer clear of any challenges that would come their way.

CONCLUSION

In conclusion, effective organizational crisis management, coupled with strategic communication, is essential for navigating complex challenges and maintaining stakeholder trust. Drawing from theoretical frameworks such as Situational Crisis Communication Theory and Image Restoration Theory, organizations can develop proactive strategies to address crises transparently and authentically. Training and development practices play a crucial role in preparing personnel for crisis response, emphasizing ethical considerations and stakeholder engagement. Looking ahead, future trends such as technological advancements, remote collaboration, and integrated risk management will shape the landscape of crisis management, requiring organizations to adapt and innovate to ensure resilience and success in an ever-evolving environment.