

# Relationship between the Crisis Response Strategy and the Attribution of Responsibility by the Stakeholders during Crisis

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**Abstract:** *Social media is a platform where information and ideas are shared. It is in the same platforms where problems and discussion of issues affecting individuals, groups or communities are shared and feedback achieved immediately. Most organizations have been using social media to get feedback on their products. Service industries on the other hand have been using the platform to respond to complaints and to perhaps crises. In this regard, this study sought to assess the relationship between the crisis response strategy and the attribution of responsibility by the stakeholders during crisis. The study obtained secondary data from the customers' posts on the Facebook platform. The data was collected from the Facebook account of KPLC where the text data was then coded based on the study objectives. The researcher used qualitative method as the main research approach for the study with the descriptive method as the research design. The result revealed that KPLC used both primary crisis response strategy and secondary crisis response strategy. In primary crisis response strategy, KPLC attacked the accusers that were making negative post on their Facebook account by reminding them that the power failure was an emergency and they were working on it to have it resolved. KPLC used denial strategy by denying through their Facebook post that there was no crisis as the situation was under control. KPLC also used an excuse strategy by denying the intention to cause a crisis where it explained the cause of the crisis to the stakeholders and assured them that the situation would soon be under control as the engineers were already working to bring it back to normalcy. Finally, KPLC apologized to the stakeholders for the inconvenience caused to them by the power failure making them feel appreciated by the company. KPLC used secondary response strategy by reminding the stakeholders about the good work that it has undertaken in the past and how fast it has always responded to similar crisis. Finally, KPLC indicated to the stakeholders that they were also victims of circumstances that the power failure was not their fault and they were working expeditiously to return the power supply to normalcy. The study therefore recommends for a continued use of the rebuild strategy in any crisis event and a further study on the use of other mass media such as print media and radio transmissions on crisis management by any organization with a national outlook.*

**Keywords:** Crisis response strategies, Kenya Power and Lighting Company, attribution of responsibility, stakeholders

## 1. Introduction

An organizational crisis is an event perceived by managers and stakeholders as highly salient, unexpected, and potentially disruptive (Coombs & Holladay, 2002). Coombs and Holladay further argue that organizational crisis can threaten an organization's goals and have profound implications for its relationships with stakeholders. For example, British Petroleum's (BP) Gulf oil spill harmed its financial performance and reputation, and redefined its relationship with customers, employees, local communities, and governments. Similarly, Target's consumer data breach caused financial and reputational damage to the company, and the crisis spurred large-scale changes in the way electronic records are now processed and stored. Because of these implications, organizational research from a variety of disciplines has devoted considerable attention to crises and crisis management, working to understand how and why crises occur (Coombs & Holladay, 2002).

Menzel and Günther (2012) also observed lack of formal crisis management strategies in small enterprises in their second-year in-depth qualitative single-case study of 65 employees working in a medium-sized enterprise in Germany. They concurred that strategy making for crisis management in small firms is emergent, adaptive, and based on personal

relationships. In another survey of 500 small- and medium-scale manufacturing concerns in the United States of America, Metts (2011) investigated the role of adaptive decision-making as a crisis management strategy and its potential significance in small- and medium-sized manufacturing companies and found that adaptive decision-making plays a significant role in the management of crisis in manufacturing SMEs. He proposes an adaptive decision-making where the managers try to avoid uncertainty by searching for reactive solutions to existing problems. However, the study was also conducted in the context of a developed country. Besides, the study did not compare whether the adaptive processes led to better performance than other informal modes of managing crisis.

On a slightly different vein, Sidaya (2006) carried out a study whose main purpose was to analyze what strategies small and medium businesses actually adopt when confronted with a major crisis such as a fire, flood, or similar catastrophe and determine what factors proved vital to the survival of the business in Australia. A qualitative approach was taken, which involved interviews and in-depth analysis of 12 case studies. To develop a model, many components of earlier models of strategic management were tested for relevance to the manager during a major crisis in the business. The study found that the owners and managers of small and medium businesses rated the development of a Crisis Management

Model (CMM) as a crucial management tool to assist them to fight for the survival of their business following a crisis. Though the study findings were consistent with reactive strategies in the context of crisis management, it concentrated only on a one-off crisis management and not on the day-to-day management experience of small enterprises, which this study intends to reveal.

### 1.1 Statement the problem

Most scholars affirm that the crisis response strategies in most organizations are still misunderstood (Mwasi, 2014; Chue & Wang, 2015). In addition, there is no clear consensus regarding the link between the crisis response strategies and attribution of responsibility by the stakeholders. The existing studies do not give in-depth coverage on the relationship between the response strategies on the perceived reputation of an organization since most global studies focused on strategic responses with respect to a firm's performance (Ofori & Atiogbe, 2015; Chue & Wang, 2015).

Review of literature indicates that there exists limited number of studies on crisis communication across multiple linked crisis events that affect multiple organizations. This gap offers a new theoretical opportunity for scholarship in crisis communication and public relations. Therefore, the study sought to fill the knowledge gaps of the existing little literature on the relationship of crisis response strategies on the attribution of responsibility by the stakeholders at KPLC.

### 1.2 Research Objective

To find out the relationship between the crisis response strategy and the attribution of responsibility by the stakeholders during crisis

## 2. Theoretical Framework

### 2.1 Sequential Theory of Decentralization

This paper positions Situational Crisis Communication Theory (SCCT) as the foundation of this study, particularly in regards to linking the crisis type and the application of crisis response strategies (CRS). At a glance, SCCT suggests that an organization's reputation is a valued resource that is threatened by crises. Moreover, SCCT functions to predict the reputational threat presented by a crisis and to prescribe CRS designed to protect reputational assets. One can predict reputational threat with two steps by assessing the initial crisis responsibility attached to a crisis (that is the crisis type) and then assessing the other two intensifying factors of reputational threat – crisis history and prior relationship reputation. These crisis types, increased by factors of crisis history and prior relationship reputation, allow the organization in crisis to indicate the crisis responsibility that is posed upon it and thus anticipate its stakeholders' perception and reaction towards the crisis and the organization itself. Based on SCCT theory, they have 3 goals; changing perceptions of organizations in crisis, shape the attributions of

crisis and reduce the negative effects generated by crisis. These strategies can be achieved through primary crisis strategy (Rebuild, denial, diminish) and one secondary response strategy (bolstering) (Coombs, 2007).

### 2.2 Conceptual Framework

The study adopted the following conceptual framework:



### Crisis Response Strategy and attribution of responsibility

The crisis history is the previous occurrences of the crisis and how the situations were handled by the organization can help improve on the organization reputation. Reputation is a combination of the way an organization presents itself (its image), the way it is presented by the media, advertising, and word of mouth, and the perceptions stakeholders and the public have of the organization which is sometimes influenced by the crisis history (Coombs, 2007; Gilpin, 2010; Lyon & Cameron, 2004). Crisis history is important because it can determine favorable outcomes for organizations, including generating customers, sales and investments, recruiting talent, and creating a competitive advantage based on the unique characteristics of the company image (Chis & Talpos, 2011; Coombs, 2007; Coombs, 2006). The organization's reputation is what is being protected during a crisis. A crisis is a sudden, unexpected threat to the organization and its distinctive brand qualities that can potentially do financial and reputational damage (Coombs, 2007; Coombs & Holladay, 1996; Greyser, 2009). The way an organization responds to a crisis can determine whether it can recover and succeed once the crisis has passed.

Recent literature suggests that social media websites and blogs are well suited for organizations to track what is being said about them in real time (Khang, Ki, & Ye, 2012; Seeger, 2006; Veil, Buehner & Palenchar, 2011). Additionally, research has shown that organizations that have "reputational capital" (Coombs, 2007, p. 165) tend to do better during a crisis and will emerge with less damage than an organization with a poor pre-crisis reputation. According to Barton (2001) the internet has provided many platforms for organizations to engage with customers, stakeholders, and even the media to develop interactive relationships, build trust, and enhance reputation which was further stressed by (Gonzalez-Herrero & Smith, 2008). Internet users seem to prefer communication from organizations that is "customer pull" (Gorry & Westbrook, 2009, p. 196) rather than company-driven, and companies who are embracing new media technologies appear to be better situated to manage their own messages and maintain their reputations in the event of a crisis

## 3. Research Methodology

The study adopted a descriptive, causal and cross-sectional survey approaches aiming at addressing the objectives of the

study. Descriptive research design is therefore appropriate for this study since it gives what is the role of online crisis response strategies on organizational reputation at Kenya Power and Lighting Company.

The research approach used in the study is qualitative. According to Coombs, (2012), qualitative research methods are designed in a manner that they help reveal the behavior and perception of a target audience with reference to a particular topic. He further indicated that there are different types of research methods like an in-depth interview, focus groups, ethnographic research, content analysis and case study research that use a qualitative approach. The study in this case adopted a content analysis as the type of qualitative research suitable for this case since content analysis from facebook post by KPLC on the power failure provided an opportunity to reveal the behavior of KPLC customers with respect to the communication provided online on power failure. The researcher used data coding sheets as the main data collection instruments where the facebook page for KPLC was reviewed then the comments regarding the 9th February 2018 national power interruption was taken. The comments were coded against the set themes such as comments on attribution of responsibility, comments on perceived reputation of KPLC and comments on the crisis history on the perceived reputation of KPLC.

The study results under this section area of content analysis was tailored in establishing the crisis response strategies used by KPLC to inform their customers about the power crisis which was a national power blackout that occurred on 9<sup>th</sup> January, 2018. It covers the analysis of documents that was used by the KPLC during the crisis period. Using the coding sheet, the researcher coded all the data that was related to reputation of the organization then obtained information from the coded sheet for the purposes of the analysis after which the researcher used own judgement to obtain information from the text data on what the stakeholders.

#### 4. Results and discussions of the findings

##### **How the Crisis Response Strategy Relationship the Attribution of Responsibility by the Stakeholders**

The stakeholders tailored the question under this section area of content analysis in establishing how the crisis response strategies used by Kenya Power and Lighting Company relationship the attribution of responsibility. This is evaluated through the Facebook responses when the Kenya Power and Lighting Company communicated the power blackout that occurred on 9<sup>th</sup> January, 2018 and recorded on a codebook as indicated below.

Some of the major stakeholders at KPLC such as Davis and Shritlif, Tononoka Steel and Uniliver expressed their disappointment with the manner in which power failure was handled by KPLC. Some organizations complained of experiences while some complained of the timing of the response. Most of the customers' comments stated that the Kenya Power and Lighting Company are to blame for the

national power blackout that happened on that day. Most of the customers suggested that the crisis was a sign of irresponsibility of the company since they were aware of the massive number of people that depend on their services. Despite Kenya Power and Lighting Company taking the initiative of informing their customers about the crisis that was to happen on that day a large number of the customers that commented on KPLC Facebook page still stated that the organization management were reckless and did not take into considerations about the interest of the customers.

The crisis communication was made late by the organization stakeholders since most of the customers responded in a way that indicated that the management of KPLC did not consider their interest despite an obligation of government institutions to provide a reasonable service to its citizens without discrimination to its citizens. The customers suggested that the organization should have provided them with an alternative power source instead of communicating the crisis online where some users still disputed the results from the Facebook post. The customers suggested that by providing an alternative source that could supply power in the whole country, businesses and companies would not incur loss since where some business owners do not have alternative power source like generator and solar panels, which makes them to fully depend on Kenya Power and Lighting Company for power.

Most of the customers blamed the organization management team for having communicated the crisis late where they stated that the management has poor communication strategy. They suggested that the stakeholders should have communicated the crisis earlier than the time when the communication was given since that would help they plan for an alternative power source. Although the communication team at KPLC made a good communication response on the power failure, the citizens of Kenya served by KPLC did not see the communication as effective and thus attributed the power failure to the KPLC rather than being regarded as an emergency.

However, there are those customers that suggested that the KPLC was not to blame for the crisis that occurred on that day. Their comments on facebook indicated that the organization stakeholders blamed the response team for the late response and that the communication they received from the KPLC did not make them relieve the KPLC from their responsibility of power failure. The communication received by the public on the crisis did not solve any problem of power failure as it was only intended to make the stakeholders aware of the crisis. The way the communication was done did not attribute the KPLC from the responsibility though it reduced the level of anxiety on the part of stakeholders as they got the answers to the many questions that were raised regarding power failure.

The stakeholders from their response they were happy with the communication given by the KPLC on the power failure however they did blame the KPLC for the power failure

indicating that the communication given did not relieve KPLC from the power failure. The conduct of the stakeholders on facebook was not that of happy customers however, the communication given on the crisis did improve on the reduction of anger and anxiety that was brought by the power failure to the stakeholders.

The communication team from KPLC through their facebook post explained to customers that power restoration involves specific steps since they have set priority for power restoration. They steps involves checking the system and repairing damage to power plants, transmission lines and substations, restoring power to critical services such as hospitals, police, fire, water and communication systems, making repairs that will return service to the largest amount of customers in the least amount of time, such as high-density housing and large neighborhoods and restoring power to normalcy. The communication given by the KPLC on the process of power restoration was convincing to the public as some felt the empathy that KPLC displayed to their customers thus relieving the KPLC from the burden of power failure and considering it as an eventuality that could not be avoided.

The stakeholders took the response by the KPLC, which indicated that the organization was working to ensure that their customers could get the best services despite the crisis of power failure, positively as it showed concern on the part of the KPLC management towards power restoration. In their communication, they added that Kenya Power and Lighting Company were aware that the blackout was not going to be welcomed by majority of the customers because of the impact it would impose on their businesses, homes and companies but they had to communicate the crisis since that is how they operate within the organization and ineffective crisis response would indicate that they were irresponsible. He added that they were sorry for the blackout and that they would do all they could to restore power to normal operations. The organization encouraged the stakeholders to remain patient until the organization is able to achieve their aim of proper power supply to the country. The communication was effective as most of the respondents from facebook gave a positive reactions on the concerns of KPLC exonerated the company from the liability of power failure that had been accorded to them by the stakeholders.

Most of Kenya Power and Lighting Company stakeholders responded to the crisis response strategy made by the organization on their facebook page which was a sign of concern by the management of KPLC to their customers. Furthermore their comments were positive in that they encouraged the customers to remain patient until they restore the power and they informed the customers that the blackout was meant for maintenance of the system. By responding to the post made by the organization they indicated their concern and responsibility to their customers.

Generally the crisis response strategy of Kenya Power and Lighting Company has strongly relationship d the attribution

of responsibility of the stakeholders of the organization regarding the way the stakeholders responded about the crisis response strategy made by the company on KPLC Facebook page. The customers raised their suggestions where some of the customers blamed the stakeholders for being irresponsible. The stakeholders however indicated their responsibility through their response on KPLC.

The organization stakeholders' responsibility is justified by explaining to the public why there was blackout that day. They responded positively to the customers' comments on the platform since most of the customers raised their concerns about the crisis. They encouraged the customers to take the crisis positively as the company was working on the process of power restoration positively. In addition, they informed the customers that KPLC would restore the power as the maintenance process was over. The crisis response strategy was however not effective in the attribution of power failure to the organization by the KPLC

## 5. Summary

### **Crisis Response Strategy Used Relationship the Attribution of Responsibility by Stakeholders**

Schultz et al (2011) used the facebook response strategies in a similar study, to examine the perceptions of and reactions to crisis communication via social and traditional media where it established that effective and efficient online communication is a great communicator and builds the organizations reputation by influencing the attribution of responsibility. The study established that the poor communication strategy adopted by the KPLC did not attribute it from the responsibility of power failure as the comments from facebook stated that the Kenya Power and Lighting Company were to blame for the national power blackout that happened on that day. Most of the respondents suggested that the crisis was a sign of irresponsibility of the company since they were aware of the massive number of people that depend on their services. Despite KPLC taking the initiative of informing their customers about the crisis that was to happen on that day, a large number of the customers that commented on KPLC facebook page still indicated that the organization management were reckless and did not take into considerations the interest of the customers.

The study established that the crisis communication was made late by the organization stakeholders since most of the customers responded in a way that indicated that the management of KPLC did not consider their interest despite an obligation of government institutions to provide a reasonable service to its citizens without discrimination or favor. The customers suggested that the organization should have provided them with an alternative power source instead of communicating the crisis online where some users still disputed the results from the facebook post.

The study established that most of the customers blamed the organization management team for having communicated the crisis late where they stated that the management has poor

communication strategy. They suggested that the stakeholders should have communicated the crisis earlier than the time when the communication was given since that would help them plan for an alternative power source. Although the communication team at KPLC made a good communication response on the power failure, the citizens of Kenya served by KPLC did not see the communication as effective and thus attributed the power failure to the KPLC rather than being regarded as an emergency.

Coombs & Schmidt (2000) argue that an organization that takes the responsibility or expresses sympathy with the victims is regarded as honorable and sympathetic. They conducted an empirical study in order to test claims about the effectiveness of different image restoration strategies. The results showed that organizations that placed victim concerns over organizational concerns and demonstrated regret for the victims had a higher organizational reputation than organizations that did not (Coombs & Schmidt, 2000). In contrast, recent research has shown that providing information does not positively relationship the organizational reputation (Coombs & Holladay, 2008). According to this assumption, the researcher expects that an apology and sympathy will lead to a higher reputation of the organization than information. However, Schultz et al (2011) did not find a main effect of crisis response strategy on the organizational reputation. In other words, there was no difference between apology, information and sympathy on the estimation of the organizational reputation.

The study also established that the stakeholders from their response were happy with the communication given by the KPLC on the power failure however they did blame the KPLC for the power failure indicating that the communication given did not relieve KPLC from the power failure. The conduct of the stakeholders on facebook was not that of happy customers however, the communication given on the crisis did improve on the reduction of anger and anxiety that was brought by the power failure to the stakeholders.

The study finding is similar to a study finding by Schultz et al (2011) who indicated that an organization reputation could be damaged by a poor response to the crisis. The study finally established that the stakeholders took the response by the KPLC, which indicated that the organization was working to ensure that their customers could get the best services despite the crisis of power failure, positively as it showed concern on the part of the KPLC management towards power restoration. In their communication, they added that Kenya Power and Lighting Company were aware that the blackout was not going to be welcomed by majority of the customers because of the impact it would impose on their businesses, homes and companies but they had to communicate the crisis since that is how they operate within the organization and ineffective crisis response would indicate that they were irresponsible. He added that they were sorry for the blackout and that they would do all they could to restore power to normal operations. The organization encouraged the stakeholders to remain patient until the organization is able to achieve their aim of

proper power supply to the country. The communication was effective as most of the respondents from facebook gave a positive reactions on the concerns of KPLC exonerated the company from the liability of power failure that had been accorded to them by the stakeholders.

## 6. Conclusion

The effective crisis responses strategies should be exploited by the KPLC through the use of social media like the Facebook however much was effective in reaching out to the stakeholders within a shorter period of time, it was not effective in relieving KPLC from the attribution of responsibility on the failure of power supply. The communication team by the KPLC did not use the platform effectively in relieving the company from the power failure responsibility. Most of the attacks on KPLC were towards the failure of the organization in providing a reliable power supply. The response by KPLC on power failure through facebook post improved the image of the organization as a concerned organization that is always committed to service excellence however much there was a group of stakeholders that showed a lot of displeasure on the manner that the power failure was handled. This is an indication that the communication by facebook improved the reputation of KPLC.

## 7. Recommendations

The study recommends for a review of the communication strategy adopted by KPLC and other organization using online platform such as Facebook. The communication strategy adopted should aimed at exonerating the company from the attribution of liability with respect to crisis and it should also be directed towards improving the company image.

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