Communication in times of crisis: The interplay between the organization, news media, and the public

van der Meer, G.L.A.

Publication date
2016

Document Version
Final published version

Citation for published version (APA):

General rights
It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

Disclaimer/Complaints regulations
If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please Ask the Library: https://uba.uva.nl/en/contact, or a letter to: Library of the University of Amsterdam, Secretariat, Singel 425, 1012 WP Amsterdam, The Netherlands. You will be contacted as soon as possible.
CHAPTER 2

THE PERSPECTIVE OF THE ORGANIZATION

ABSTRACT
This paper studies the interplay between organizations and their stakeholders during organizational crises. During crises, the stakeholder-organization relationships are under pressure, and therewith the organization’s reputation and the crisis intensity. This paper’s purpose is to investigate how, during a crisis, pressure from both internal stakeholders (i.e., management and employees) and external stakeholders (i.e., news media and general public) influences communicative relationships between organizations and these stakeholders. 444 European public-relations professionals, who experienced crises, were surveyed about crisis and routine times. Special focus was on the mediation role of time pressure and uncertainty. Structural-equation models revealed that, in crisis, the increased pressure from news media, the public, and employees negatively affects the organizations’ communicative relationship with these stakeholders, whereas management pressure was found to have a positive effect. This observation might point to organizational isolation on a managerial level in the initial crisis phase, partly as a result of stakeholder pressure.

INTRODUCTION

No organization is immune to the occurrence of a crisis. Indeed, public relations (PR) professionals report to frequently encounter a crisis, defined as an unpredictable organizational event that potentially generates negative outcomes for the stakeholders of the organization and its performance (Ulmer, 2012; Verhoeven, 2001; Veil & Ojeda, 2010). Well-known examples are BP’s Deepwater Horizon oil spill in the Gulf of Mexico in 2010 (Kleinnijenhuis, Schultz, Utz, & Oegema, 2013) and the controversy around the disposal of Shell’s Brent Spar between Shell, Greenpeace, the media, international politics, and the public in 1995 (Heath, 1998). During such crisis situations the reputation of the organization is at stake (Coombs, 2007; Coombs & Holladay, 2002). Stakeholder-organization relationships are considered crucial for the formation of the organization’s reputation, in normal times as well as during and after a crisis. Therefore, organizations should work and communicate closely with their stakeholders in order to prevent or decrease the emergence of negative consequences of a crisis (Ulmer, 2001; Ulmer, Sellnow, & Seeger, 2007; Veil & Ojeda, 2010; Porter, 2012). Scholars have argued that an organization’s ability to prevent or effectively respond to a crisis depends on its relationships with stakeholders and the accuracy of understanding how stakeholders might behave in the context of crises (Ulmer, 2001; Alpaslan, Green, Mitroff, 2009). This paper investigates how stakeholder-organization relationships develop in the midst of an organizational crisis to gain further understanding of what precedes or forms the basis of crisis consequences and the crisis evolution.

A research deficit remains regarding the understanding of the interplay between the organization and its stakeholders during an organizational crisis, especially considering news media and the public (Schultz, Kleinnijenhuis, Oegema, Utz, & Van Atteveldt, 2012; Kleinnijenhuis et al., 2013; Van der Meer, Verhoeven, Beentjes, & Vliegenthart, 2014). So far, crisis-communication research is mainly approached from an organization-centered perspective and experimental studies have predominantly focused on the effect of organizations’ crisis-communication strategies on reputation with limited consideration of stakeholders’ role in the communication process (Coombs, 2006; Kim & Cameron, 2011). A stakeholder focus would provide valuable insights into the process of how the organization and its stakeholders relate to each other, and how they make sense and react to an organizational crisis (Lee, 2004; Yang, Kang, & Johnson, 2010). Also, understanding of this process, and the attendance and consequence of crises, may be advanced by a comparison between normal circumstances and crisis times (Avery, 2010). Therefore, a survey study is designed among organizations addressing the communicative relationship with and influence of news media, the general public, and internal stakeholders during an organizational crisis compared to normal circumstances.

During a crisis, stakeholders are likely to increase the pressure on the stricken organization and its PR professionals through various media. Due to the high news value of crisis situations (Galtung & Ruge, 1965; Seeger, Sellnow, & Ulmer, 2003; Kleinnijenhuis et al., 2013) organizations might be pushed by journalists and mass media (Newirth, 2010; Veil & Ojeda, 2010) to provide information quickly. Moreover, since social media have become an integral aspect of organizational crisis communication (Hallahan, 2010; Freberg, Palenchar, & Veil, 2013), the general public also is able to put more and direct (online) pressure on the organization (Perry, Taylor, & Doerfel, 2003; Avery, 2010; Jin, Liu, & Austin, 2014). Additionally, PR professionals might also be pushed by the management and other employees (David, 2011; Frandsen & Johansen, 2011) to act or communicate in a certain way. These various forms of pressure might alter the stakeholder-organization relationships in a crisis. The question is how the organization deals with the various forms of pressure and if this results in the organization isolating itself from its stakeholder or if the pressure improves the collaboration between the organization and its stakeholders. Furthermore, other characteristics of an organizational crisis-situation, being time pressure and uncertainty, might affect the communication between PR professionals and stakeholders (Stephens, Malone, & Bailey, 2005; Fleischer, 2013).

The current study incorporates the interplay of the organization and its internal and external stakeholders as a starting point to study the effect of stakeholder pressure on stakeholder relationship in times of crisis and in normal situations. The research question reads as follows: How do organization’s communicative stakeholder relationships differ when the organization undergoes a crisis, compared to routine circumstances?

THEORETICAL FRAMEWORK

Stakeholder relationships

Organizations operate in unstable environments where they must constantly evaluate how to interact with stakeholders (Stephens et al., 2005). To be successful, organizations need to acknowledge the importance of their relationships with stakeholders (Lewis, Hamel, & Richardson, 2001; Tampere, 2007; Ulmer, 2001) and recognize stakeholders’ ability to negatively impact the organization’s performance (Lebinger, 1997). This is in accordance with the well-established stakeholder theory (Freeman, 1984; Fassin, 2009). The fundament of Freeman’s original stakeholder theory has been conceptualized into a stakeholder model, which focuses on the legitimate interests of any group or individual who can affect or is affected by the organization. This stakeholder model shows the relationships among various groups of actors in and around the organization (Freeman, 1984), emphasizing the influence of numerous internal (e.g., employees, management, and financiers) as well as external stakeholders (e.g., mass media, the general public, and governments) (Fassin, 2009).

Stakeholder theory has been criticized because it fails to cover specific situations such as crisis events (Alpaslan et al., 2009). Nevertheless, this stakeholder-relationship approach has frequently been recommended as a useful perspective to study crisis communication (Patterson & Allen, 1997; Ulmer, 2001). It is argued that in the context of crises, adopting the principles of stakeholder theory will lead organizations to engage more frequently in proactive and/or accommodating crisis management behavior, explaining why stakeholder relationships can help organizations prevent crisis escalation and recover more successful from them (Alpaslan et al., 2009). The relationship with stakeholders shapes the perceptions of the crisis and the reputation of the organization and therefore affects the crisis situ-
The perspective of the organization

Chapter 2

external and internal stakeholders, this function becomes central in organization -
resources to exist – e.g., shareholders or management. As a starting point, this
unions, customers, and crisis victims. Enabling publics provide the organizations'
publics are responsible for the organizations' input and output – e.g., employees,
emerge when organizational activities, such as a crisis, result in external conse -
this study focuses on different stakeholder types, namely diffused publics, func -
pressure on the relationship (Sellnow & Sellnow, 2010; Verhoeven et al., 2014).

Pressure from stakeholders
Both the relationships with internal and external stakeholders are of significant
importance to an organizations' reputation (e.g., Fassin, 2009). Therefore, pressure
from the outside as well as from the inside of the organization needs to be addressed
in crisis communication. To gain a comprehensive overview of stakeholder pressure
this study focuses on different stakeholder types, namely diffused publics, func-
tional publics, and enabling publics (Dougherty, 1992; Ray, 1999). Diffused publics
emerge when organizational activities, such as a crisis, result in external conse-
quences – e.g., news media, environmentalists, and public at large. Functional
publics are responsible for the organizations’ input and output – e.g., employees,
unions, customers, and crisis victims. Enabling publics provide the organizations’
resources to exist – e.g., shareholders or management. As a starting point, this
study looks at the external stakeholder news media and the general public and
the internal stakeholders the management and employees.

Since the PR function of the organization includes the communication with both
external and internal stakeholders, this function becomes central in organization-
al-crisis communication (Guth, 1995). Therefore, organizational PR takes on a medi-
ating role between the organization’s internal and external stakeholders (Grunig,
1975), bridging different stakeholders with often contradicting aims and interests
(Grunig, Grunig, & Dozier, 2002; Van Ruler, Verčič, Büttschi, & Flodin, 2009). As this
function holds responsibility for stakeholder management, a key task is to meet
internal and external stakeholders’ needs and resolve problems in the stakehold-
er-organization relationships during a crisis to help prevent escalation and damage
to the reputation (Ulmer, 2001; Coombs, 2015). Thus, during a crisis situation,
organizations’ PR function represents organizational communication and might be
pressured from both ends – i.e., internal and external stakeholders.

External pressure
First, organizational crises are likely to be covered by news media because they fit
so well with news factors (Coombs, 2010; Neuwirth, 2010). In their coverage of
organizational crises, media are known to be most influential in creating initial
awareness and framing the situation (Neuwirth, 2010; Seeger, Sellnow, & Ulmer,
2010; Schultz et al., 2012). By failing to be aware of and respond to the power
and speed of (online) news media, the organization allows the crisis situation to
escalate with all its consequences (Weick, 2001; Gilpin & Murphy, 2010; Neuwirth,
2010; Veil & Ojeda, 2010).

Journalists demand detailed information from the organization that is under-
going a crisis (Sellnow & Seeger, 2001; Schwartz, 2010; Heath & O’Hair, 2012).
Especially in the initial crisis phase the demand for timely and accurate facts is high
(Seeger, 2006; Veil & Ojeda, 2010). A good communicative relationship with the
media might be crucial for the organization to limit reputational damage, as news
outlets will generally report negatively about organizational crises (Kleinijenhuis
et al., 2013). Hence, as crises render organizations newsworthy, the media can act
as a pressure group in times of crisis (Heath, 1998).

Second, in this study the general public refers to the public at large; people such as
consumers, crisis victims, and individuals or communities communicating (online) about
the organization. The general public should not be confused with multiple ‘publics’, which
is often used interchangeably with the term ‘stakeholder’ in PR literature (e.g., Grunig,
1997). The general public’s online communication has become crucial to organizations
due to the growing role of social media and its impact on organizations. Especially
during crises, organization-related social-media usage rapidly increases (Goode, 2009;
Heath & O’Hair, 2010; Liu, Austin & Jin, 2011). This increase implies that integrating the
public and social media into crisis management is no longer a choice for organizations
(Austin, Liu, & Jin, 2012; Jin et al., 2014). As social media have become mainstream
venues for crisis communication (Freberg et al., 2013), the role and influence of the
public in crisis communication and framing is enlarged (Hallahan, 2010; Freberg
et al., 2013). The news of a crisis, as well as inaccurate or unverified information, can be
easily shared online, reaching millions of people without the intervening presence of
the organization or journalists (Grunig, 2009; Hallahan, 2010; Veil, Buechner, & Palenchar,
2011; Gilpin & Murphy, 2010; Neuwirth, 2010; Freberg et al., 2013). Thus minor orga-
nizational problems or crisis threats might set the public agenda about the organization
and can easily spiral into major crisis situations (Weick, 2001; Gilpin, Murphy, 2010).
The general public expects quick and accurate crisis information, which is often not readily available to the organization at the onset of the crisis (Avery, 2010; Hallahan, 2010). The absence of crisis information provided by the organization may result in people relying purely on rumors to make sense of the situation, increasing uncertainty and possibly exacerbating the situation (Veil & Ojeda, 2010). The public’s enlarged role in combination with their demand for information in crisis times put pressure on the organization. The literature regarding the external stakeholder pressure results in the following hypothesis:

H1: When an organization undergoes a crisis, there will be more pressure on the organization from (a) news media and (b) the general public than under routine circumstances.

Internal pressure
To address the organization’s relationship with and pressure from its own members (internal stakeholders) the role of PR professionals in organizational-crisis communication needs to be considered. In the communication with internal stakeholders, the PR professionals assert the organization’s PR function and responsibility for stakeholder management. As such, the PR professionals are considered representative for the organization and the organizational communication during a crisis (Alpaslan et al., 2009).

To effectively cope with a crisis, internal communication becomes even more crucial to the organization (Johansen, Aggerholm, & Frandsen, 2012; Frandsen & Johansen, 2011). Internal stakeholders can act as external stakeholders to organizations during a crisis (Montague, 2006). To emphasize the different hierarchical levels in an organization two internal stakeholders can be distinguished: (1) the management as the most influential group within an organization and (2) the other employees besides PR professionals. Just like external stakeholders, these internal stakeholders also have high expectations of organizational communication during a crisis (David, 2011). Additionally, internal stakeholders are not only receivers of information, but also senders, enlarging their level of influence (Frandsen & Johansen, 2011). Therefore, just like external stakeholders, internal stakeholders can create additional pressure on organizational communication during a crisis. The literature regarding the internal stakeholder pressure results in the following hypothesis:

H2: When an organization undergoes a crisis, there will be more pressure on the organization from (a) the management and (b) other employees than under routine circumstances.

Pressure on stakeholder-organization relationship
Stakeholder-organization relationships are closely associated to how an organization reacts to stakeholder pressure in a crisis (e.g., Stephens et al., 2005). Organizations often have limited resources to communicate and react to pressure from the outside environment (Stephens et al., 2005). Especially in response to a crisis, when stakeholder salience and relationships can shift, the organization must decide which stakeholder to attend to and which to ignore (Pfeffer & Salanci, 1978). Previous research found that various stakeholders separately make sense of and frame a crisis situation at the beginning of a crisis (Snow, Rochford, Worden, & Benford, 1986; Leydesdorff & Hellsten, 2005; McCammon, 2012; Van der Meer et al., 2014). Subsequently, studies revealed that organizations differ in their initial understanding and frame production of a crisis situation compared to stakeholders such as news media (Schultz et al., 2012), and the public (Van der Meer, 2014). These different frames could indicate a weakened relationship between the organization and its stakeholders in the initial phase of the crisis. News media, the general public, and employees might pressure the organization by providing different frames than the organizational ones or claim that the organization takes responsibility for the crisis. As the stakeholders are either victimized or become more salient as a result of the crisis (Alpaslan et al., 2009), they can influence the general perception of the crisis responsibility or even boycott or take legal action against the organization. Therefore, the pressure from news media, the general public, and employees is likely to negatively affect the organization’s relationship with these stakeholders.

The relationship with the management however is likely to be positively affected by the pressure from the management during a crisis. Especially when PR professionals are part of the dominant coalition of managers in the organization (Grunig, 1992, Dozier, Grunig, & Grunig, 2002) and therefore will have close working relationships with the top management of the organization. The distinct processes of understanding and framing the crisis by the organization and stakeholders might imply that the organization partly isolates itself from its environment prior to understanding the situation at play. Therefore, it is hypothesized that the organization first strives to internally make sense of the complex crisis situation at the highest organizational hierarchical level – i.e., the managerial level. This holds that the pressure the management puts on PR professionals will, in the initial phase of a crisis, advance the quality of the relationship between management and PR professionals, contrary to the relationships with the other stakeholders. Therefore, hypotheses 3 and 4 read as follows:

H3: The pressure from (a) news media and (b) the general public on the organization has a negative effect on the communicative relationship with these specific stakeholders in crisis times.

H4: The pressure from (a) the employees on organization has a negative effect on the communicative relationship with this specific stakeholder in crisis times, while the pressure from (b) the management has a positive effect.

The mediating role of time pressure and uncertainty
The available crisis literature identifies two main crisis components, time pressure and uncertainty, that are inherently related to the occurrence of an organizational crisis. These crisis characteristics may help to further explain the changes in stakeholder-organization relationships during a crisis.
First, a crisis is fundamentally related to the idea of time as an external condition. The surprising and threatening nature of a crisis demands something to be done quickly before the situation will continue to worsen (Sellnow & Sellnow, 2010; Fleischer, 2013). Already in the initial phase of a crisis, an intense and immediate need for information by stakeholders is created (Sellnow & Seeger, 2001; Veil & Ojeda, 2010). The accelerating conflict between the time rationally necessary to cope with the crisis and the appropriate time to do so (Fleischer, 2013) might result in increasing time pressure for the organization (Hale, Dulek, & Hale, 2005). Not only might the occurrence of the organizational crisis already put stakeholder relationships at stake, also the urgency of the crisis might challenge an organization’s practice to maintain favorable relationships with their stakeholders (Hale et al., 2005; Gilpin & Murphy, 2010; Heath & O’Hair, 2010; Claey, Cauberghe, & Leysen, 2013). Hence, during a crisis, time pressure will be higher for the organization, which might weaken the communicative stakeholder-organization relationships.

Second, crisis situations are by definition complex events that create high levels of uncertainty (Lebinger, 1997). Crises occur by surprise and their threatening nature demands for something to be done (Sellnow & Sellnow, 2010). In this sense, uncertainty and chaos are embedded within the crisis event (Seeger, Sellnow, & Ulmer, 2003; Seeger, Ulmer, Novak, & Sellnow, 2005), resulting in feelings of uncertainty for the organization (Frandsen & Johansen, 2011), defined as absence of information and lack of predictability in work task and requirements (Leach et al., 2013). Therefore, the purpose of organizational-crisis communication is to reduce uncertainty (Stephens et al., 2005) and properly make sense of the crisis situation (Weick, 1988). The organization’s uncertainty might increase its intentions to advance the communicative stakeholder relationships in order to come to a (mutual) understanding of the situation at play. Hence, the increased uncertainty for the organization in a crisis might positively affect the stakeholder-organization relationships as the need for (collective) uncertainty reduction might improve the organization’s need for good relationships. Therefore, the following is assumed:

**H5:** Organizations perceive more time pressure and uncertainty when they undergo a crisis than under routine circumstances.

**H6:** Organizations’ communicative stakeholder relationships in crisis times are negatively affected by (a) time pressure and positively affected by their (b) uncertainty.

To better explain the effect of stakeholder pressure on stakeholder relationship, time pressure and uncertainty can be seen as mediating variables. As argued above, these crisis characteristics are likely to affect stakeholder-organization relationships during a crisis. Additionally, the level of time pressure and uncertainty might again be affected by stakeholder pressure. First, high stakeholder pressure might further push organizations to timely respond to the crisis and to disseminate extensive and accurate information early on (Veil & Ojeda, 2010; Fleischer, 2013). For this reason, time pressure does not only rise due to the occurrence of a crisis, but it can also be enlarged by stakeholder pressure. Secondly, stakeholder pressure might push the organization to understand and make sense of the crisis situation to be able to respond to the rising need and pressure of the stakeholders (Stephens et al., 2005; Frandsen & Johansen, 2011). The pressure to understand the situation might only increase the organizations level of stress to gain a solid explanation of and response to the crisis, enlarging their level of uncertainty. Not only does the organization have to make sense of the situation for itself, it has to be able to explain and communicate to others about how they understand the situation. The related mediation hypothesis is as follows:

**H7:** The effect of stakeholder pressure on communicative stakeholder-organization relationship is mediated by (a) time pressure and (b) uncertainty.

**METHOD**

**Data collection and research design**

To examine the pressure from and the relationship with stakeholders, PR professionals are surveyed because they represent the organization and organizational communication in times of organizational crisis (Alpaslan et al., 2009). An English language survey was administered among experienced European PR professionals. A screening question was applied at the beginning of the survey to only select PR professionals who had, at least once, undergone an organizational crisis. To recruit respondents, several professional associations of PR professionals spread the survey amongst their members. Since most organizations have a specific crisis-related working group it was possible to select PR professionals with affinity to organizational-crisis communication. Additional prospective respondents were recruited through the professional-networking site LinkedIn. This website provides users with the option to become part of professional groups of experienced PR professionals with specific interest or experience in organizational crises. Of these groups, randomly selected members received a personal invitation to complete the survey.

**Respondents**

In the end, 444 PR professionals volunteered to participate in the survey. The average age of the respondents was 44.67 (SD = 10.17) and on average they had 17.23 (SD = 8.98) years of experience in communication management or PR and they mainly operated on an international level (64.8%). Most had an education level of a master’s degree (57.4%) or bachelor’s degree (28.5%). In addition, 41.5% of the PR professionals had a position as head of corporate/organizational communication or CEO and 29.3% as team/unit leader. Furthermore, most respondents worked at communication departments of a joint stock company (26.2%) or government owned organization (21.2%). Finally, 94.14% of the PR professionals self reported that they dealt with an organizational crisis more than once. As there is no knowledge available about the population of PR professionals who experienced an organizational crisis in Europe, the findings cannot claim representa-
tiveness. However, the current sample is mainly in line with the social demographic of PR professionals found in a macro online survey targeting PR professionals in Europe: Predominantly male, about forty years old, and most of them have over ten years experience (Moreno, Zerfass, Tench, Vercic, & Verhoeven, 2015). Additionally, based on the sample of professionals with a thorough level of experience and education this study is considered to lay a solid ground for understanding the nature of stakeholder relationships during organizational crises.

Measurement
For each of the following concepts, PR professionals were asked to respond to each individual item twice, for normal times and crisis times (initial crisis phase). All items were assessed on 7-point Likert type scales anchored by 1 = ‘never’ and 7 = ‘always’. Appendix 1 provides an overview of all included items.

Independent variables
Media pressure. Media pressure was assessed by three items measuring several forms of media pressure on an organization. The selected statements were partly based on the study by Helmig, Spraul, and Ingenhoff (2013), e.g., “Our organization’s activities are closely monitored by the media.” Exploratory principal-component analysis with orthogonal rotation (varimax) and Cronbach’s alpha reliability test shows that in both normal ($EV = 1.79, R^2 = 59.67, Cronbach’s α = .65, M = 3.99, SD = 1.29$) and crisis times ($EV = 1.84, R^2 = 61.22, Cronbach’s α = .68, M = 5.18, SD = 1.26$) the three items formed one reliable concept for the measurement of perceived media pressure.

Public pressure. To measure public pressure, four items were included in the questionnaire (Park-Poaps, 2010) e.g., “There is a threat that our products/services will be boycotted.” The reliability analyses in both normal ($EV = 2.16, R^2 = 54.01, Cronbach’s α = .71, M = 3.81, SD = 1.27$) and crisis times ($EV = 2.34, R^2 = 58.60, Cronbach’s α = .75, M = 4.98, SD = 1.33$) showed reliable measurement.

Management pressure. In order to measure management pressure four items were used (Helmig et al., 2013) for internal pressure. The measurement included items like: “Management interferes in our public relations and stakeholder communication.” The reliability of the measurement of management pressure was confirmed for both normal ($EV = 2.28, R^2 = 56.94, Cronbach’s α = .80, M = 4.83, SD = 1.41$) and crisis times ($EV = 2.22, R^2 = 55.54, Cronbach’s α = .87, M = 5.58, SD = 1.30$).

Employee pressure. Employee pressure was assessed on a four-item scale (Helmig et al., 2013), included statements as: “Other employees monitor whether the promises concerning our public relations are fulfilled.” The reliability of the measurement of employee pressure was confirmed for both in normal ($EV = 2.45, R^2 = 61.32, Cronbach’s α = .81, M = 4.03, SD = 1.45$) and crisis times ($EV = 2.59, R^2 = 64.75, Cronbach’s α = .84, M = 4.97, SD = 1.49$).

Mediating variables
Time pressure. The time pressure component was assessed with a four-item scale (Zika-Viktorsson, Sundström, & Engwall, 2006; DeVoe & Pfeffer, 2010). Among the items were statements as: “I have so much to do in my function as PR professional that this affects my work performance negatively.” The reliability analyses in both normal ($EV = 2.19, R^2 = 72.98, Cronbach’s α = .81, M = 3.71, SD = 1.37$) and crisis times ($EV = 2.67, R^2 = 56.70, Cronbach’s α = .74, M = 5.27, SD = 1.24$) showed reliable measurement.

Uncertainty. To measure the PR professionals’ uncertainty, four items were included in the questionnaire (Leach et al., 2013), e.g., “The supply of information I need to do my job well is reliable.” The reliability analyses in both normal ($EV = 2.57, R^2 = 64.24, Cronbach’s α = .81, M = 4.61, SD = 1.25$) and crisis times ($EV = 2.51, R^2 = 62.68, Cronbach’s α = .80, M = 5.72, SD = 1.17$) showed reliable measurement.

Dependent variable
Communicative relationship with stakeholders. For each stakeholder, communicative relationship is individually measured using a three-item scale (Neijens & Smit, 2006). Items included for example: “The organization’s relationships with journalists/news media are good.” The reliability analyses showed reliable measurement for the analyses in both normal and crisis times for news media (normal times: $EV = 1.67, R^2 = 55.63, Cronbach’s α = .57, M = 5.32, SD = 1.02$; crisis times: $EV = 1.71, R^2 = 57.13, Cronbach’s α = .61, M = 4.57, SD = 1.14$), the public (normal times: $EV = 1.75, R^2 = 58.30, Cronbach’s α = .60, M = 4.90, SD = .98$; crisis times: $EV = 1.84, R^2 = 61.17, Cronbach’s α = .66, M = 4.15, SD = 1.18$), management (normal times: $EV = 2.07, R^2 = 68.95, Cronbach’s α = .77, M = 5.31, SD = 1.18$; crisis times: $EV = 2.15, R^2 = 71.81, Cronbach’s α = .80, M = 4.87, SD = 1.30$), and employees (normal times: $EV = 1.97, R^2 = 65.57, Cronbach’s α = .72, M = 5.20, SD = 1.06$; crisis times: $EV = 1.97, R^2 = 65.80, Cronbach’s α = .72, M = 4.75, SD = 1.14$).

Analysis
For the purpose of testing several hypotheses, path models were constructed using structural equation modeling (SEM) in EQS software. SEM is a confirmatory approach to data analysis highly appropriate for testing structural models with multiple mediations (Kline, 2011). Moreover, SEM provides fit statistics that allows drawing conclusions about how well the model fits the data – i.e., how well the model explains the data. For the assessment of model fit scholars have relied on a variety of fit indices. Most commonly, the following statistics should be used (Kline, 2011): Bentler Comparative Fit Index (CFI) > .90 (Hu & Bentler, 1999), the Root Mean Square Error of Approximation (RMSEA) lower bound < .05; upper bound < .10 (Browne & Cudeck, 1993), and ultimately Chi-square ($\chi^2$) goodness-of-fit statistic being insignificant. However, several scholars put the $\chi^2$ as a fit indicator up to discussion and emphasize it limitations (e.g., Steiger, 2007). Therefore, the main focus for assessing the hypothesized models will be on the fit indices CFI and RMSEA combined with the effect sizes and explained variances in which parsimony and theoretical plausibility of the models are crucial.

In advance to testing the structural models, the distribution of the data was analyzed. Since the multivariate kurtosis test Mardia’s coefficient (> 3) suggested
multivariate non-normality, Satorra-Bentler statistic as a corrected model-test fit statistics was applied (Satorra & Bentler, 1994). Moreover, the missing values are replaced by the estimations using probability models for missing values with the use of model-based multiple imputation (EM imputation).

RESULTS
Mean difference normal times versus crisis times
On average, in times of organizational crisis the pressure from stakeholders as perceived by PR professionals from (H1a) news media, (H1b) the general public, (H2a) the management of the organization and (H2b) employees is significantly higher than under normal circumstance. Table 1 provides an overview of the results based on ANOVA tested with stacked data. Hypothesis 1 states that when an organization undergoes a crisis, there will be more pressure on the organization from the external stakeholders than under routine circumstances. Additionally, hypothesis 2 stated that also the pressure from internal stakeholders would rise during an organizational crisis compared to normal circumstance. Hypotheses 1 and 2 can therefore be supported.

Additionally, the Table 1 shows the difference in relationship with the stakeholders between normal times and crisis times. The results indicate that for all four stakeholders the relationship is significantly weaker in times of crisis and that the relationship with the management is the strongest in crisis times.

Furthermore, PR professionals indicated that during a crisis, time pressure and uncertainty are significantly higher than under normal circumstance, as was predicted in hypothesis 5. Hypotheses 1, 2 and 5 were supported, therefore structural equation modeling is employed to further analyze the relationships between the communicative stakeholder relationships and stakeholder pressure in combination with time pressure and uncertainty.

Table 1. ANOVA test group mean difference normal times versus crisis times.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Normal times (M, SD, SE)</th>
<th>Crisis times (M, SD, SE)</th>
<th>F-test (df, F-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media pressure</td>
<td>M = 4.00, SD = 1.28, SE = .06</td>
<td>M = 5.20, SD = 1.26, SE = .06</td>
<td>F(1, 886) = 191.85*</td>
</tr>
<tr>
<td>Public pressure</td>
<td>M = 3.82, SD = 1.26, SE = .05</td>
<td>M = 4.98, SD = 1.33, SE = .06</td>
<td>F(1, 886) = 177.66*</td>
</tr>
<tr>
<td>Management pressure</td>
<td>M = 4.83, SD = 1.41, SE = .06</td>
<td>M = 5.58, SD = 1.30, SE = .06</td>
<td>F(1, 886) = 66.91*</td>
</tr>
<tr>
<td>Employee pressure</td>
<td>M = 4.03, SD = 1.45, SE = .07</td>
<td>M = 4.97, SD = 1.49, SE = .07</td>
<td>F(1, 886) = 87.73*</td>
</tr>
<tr>
<td>Media relation</td>
<td>M = 5.32, SD = 1.02, SE = .05</td>
<td>M = 4.57, SD = 1.14, SE = .58</td>
<td>F(1, 786) = 94.84*</td>
</tr>
<tr>
<td>Public relation</td>
<td>M = 4.90, SD = 0.98, SE = .05</td>
<td>M = 4.15, SD = 1.18, SE = .06</td>
<td>F(1, 780) = 93.8*</td>
</tr>
<tr>
<td>Management relation</td>
<td>M = 5.31, SD = 1.18, SE = 1.2</td>
<td>M = 4.87, SD = 1.30, SE = .06</td>
<td>F(1, 778) = 24.35*</td>
</tr>
<tr>
<td>Employee relation</td>
<td>M = 5.20, SD = 1.06, SE = .05</td>
<td>M = 4.75, SD = 1.14, SE = .06</td>
<td>F(1, 776) = 32.39*</td>
</tr>
<tr>
<td>Time pressure</td>
<td>M = 3.71, SD = 1.37, SE = .06</td>
<td>M = 5.27, SD = 1.24, SE = .06</td>
<td>F(1, 844) = 299.6*</td>
</tr>
<tr>
<td>Uncertainty</td>
<td>M = 4.61, SD = 1.26, SE = .06</td>
<td>M = 5.72, SD = 1.17, SE = .06</td>
<td>F(1, 828) = 174.32*</td>
</tr>
</tbody>
</table>

* p < .0001
Structural models
For the purpose of testing the hypotheses about stakeholder pressure, time pressure, and uncertainty for each specific stakeholder a separate path model was estimated since stakeholders’ pressure and relationship were measured individually among the four stakeholders. In order to acknowledge the element of time, in terms of comparison between normal times and crisis times, the models controlled for the relationship and pressure of the stakeholders under normal circumstance. In this way, the models also control for the importance of pre-crisis stakeholder relationships (Coombs & Holladay, 2001; Sohn & Lariscy, 2012) and document the pure and nuanced differences and effects in times of crisis. The structural design is inspired on meditational models with longitudinal data. Routine times and normal times can be treated as two different waves where X, M, and Y are measured at both times (e.g., Cole & Maxwell, 2003). The final structural model is presented in Figure 1 and Table 2. In Appendix 2 the complete individual models for the four stakeholders are shown along with the standardized total pathway estimates, explained variance in the endogenous variables, error terms, and error term correlations.

Pressure on stakeholder relationship
The retained models indicate acceptable model fit as reflected by the fit statistics presented in Table 3, allowing interpreting the pathway estimates for testing the expectations.

Hypothesis 3 predicted that, in times of crisis, pressure from the external stakeholder, (H3a) news media and (H3b) the public, has a negative effect on the communicative stakeholder relationships with these specific groups. As shown in Table 2 (c and c’), the effect of stakeholder pressure is significantly negative for the communicative stakeholder relationship for these two external stakeholders as indicated by the PR professionals. These findings support H3a-b.

Hypothesis 4 concerns the pressure from internal stakeholders. First, the hypothesis predicted that, in times of crisis, pressure from the (H4a) employees has a negative effect on the communicative stakeholder relationships with this
specific group. As shown in Table 2 (c and c’), the effect of stakeholder pressure is significantly negative for the communicative stakeholder relationship for this internal stakeholder as indicated by the PR professionals. Second, the hypothesis assumed a positive effect of (H4b) management pressure on PR professionals during a crisis. The findings indeed indicate a significant positive effect of management pressure on the relationship between PR professionals and management in times of crisis. Hence, also H4a-b are supported.

Regarding hypotheses 3-4, a difference in effect size among the four stakeholders is observed. It was found that the pressure from news media had the most pronounced negative effect on the relationship, followed by the negative effect of the general public and the employees. The positive effect of the management on the relationship is found to be the smallest in terms of effect size.

Hypothesis 6 assumed a negative effect of (H6a) time pressure on communicative stakeholder relationships and a positive effect of (H6b) uncertainty. The findings document a significant negative effect of time pressure on the communicative stakeholder relationship for all four actors and a positive effect of uncertainty, supporting H6a-b. See Table 2 (b1 and b2) for an overview. For all four stakeholders, the negative effect of time pressure and the positive effect of uncertainty are not equal in terms of effect size, indicating the absence of a null effect.

The final hypothesis stated that the effect of stakeholder pressure on stakeholder-organization relationship is mediated by (H7a) time pressure and (H7b) uncertainty. As predicted, a significant mediation effect of time pressure was found in the cases of news media, the public, and the management. However, no significant mediation effect was found in the model regarding the employees (see Table 2 indirect effect 1). Therefore, H7a can only be supported for news media, the public, and management and needs to be rejected for the employees. Moreover, no significant mediation effect was found for uncertainty among all four stakeholders (see Table 2 indirect effect 2), rejecting H7b completely.

Table 3. Fit statistics for structural path models regarding media, public, management, and employees.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Chi-square goodness-of-fit statistic</th>
<th>Bentler CFI</th>
<th>Root Mean Square Error of Approximation</th>
</tr>
</thead>
<tbody>
<tr>
<td>News media</td>
<td>$x^2 (10) = 23.03$</td>
<td>CFI = .99</td>
<td>RMSEA = .03 (CI: .025; .048)</td>
</tr>
<tr>
<td>Public</td>
<td>$x^2 (10) = 29.53$</td>
<td>CFI = .98</td>
<td>RMSEA = .05 (CI: .039; .069)</td>
</tr>
<tr>
<td>Management</td>
<td>$x^2 (9) = 16.57$</td>
<td>CFI = .99</td>
<td>RMSEA = .04 (CI: .000; .077)</td>
</tr>
<tr>
<td>Employees</td>
<td>$x^2 (10) = 17.45$</td>
<td>CFI = .99</td>
<td>RMSEA = .04 (CI: .000; .074)</td>
</tr>
</tbody>
</table>

CONCLUSION & DISCUSSION

The key purpose of this study was to explore how an organization’s communicative stakeholder relationships are different when the organization undergoes a crisis, compared to routine circumstances. The findings are in line with stakeholder theory (e.g., Freeman, 1984; Fassin, 2009) as the importance of stakeholder relationships for an organization is observed. In crisis times, external stakeholders (i.e., news media and the general public) and internal stakeholders (i.e., management and employees) are able to put substantial pressure on the organization. Stakeholder-organization relationships, as a crucial element in crisis development (Coombs & Holladay, 2001), can be significantly altered by stakeholder pressure. Attempting to capture the mechanism behind this relation, this study revealed the mediating role of time pressure during an organizational crisis.

Using survey data from 444 European PR professionals who underwent organizational crises, organizations’ situational differences between crisis times and normal circumstances were tested. To explore the formation of stakeholder-organization relationship during a crisis, several structural-equation models were constructed. This study expected a negative effect of stakeholder pressure from news media, the general public, and the organization’s employees on the organization’s relationship with these specific stakeholders. However, the relationship with the management was expected to be positively affected due to PR professionals’ close working relationship with the top management, and organizational isolation on the managerial level to separately make sense of the crisis situation. The results indeed showed that the increased pressure from media, the public, and employees negatively affected the organization’s relationship with these specific stakeholders, while a positive effect was found for management. This is in line with the notion that, during a crisis, stakeholders’ ability to negatively affect organizational performance increases while the organization’s ability to maintain intensive forms of stakeholder communication decreases (Lerbinger, 1997; Sellnow & Sellnow, 2010).

The findings regarding organization-stakeholder relationships contribute to the understanding of how an organization communicates and relates to their stakeholders during hectic crisis times. The results imply that the organization tries to keep news media, the general public, and employees at a distance in the initial phase of the crisis, despite that the stakeholders pressure the organization for communication. The employees might be seen as acting as external stakeholders to the organization (Montague, 2006). Whereas close-working relations with the stakeholders would help to deescalate the crisis, it is still found that organizations generally isolate themselves from their environment and assess their relationship with its management as most important. Thinkable, the organization might prefer to individually make sense of the crisis situation on a managerial level before they will intensively communicate about it. This managerial isolation might subsequently result in the separated production of crisis frames by the organization and its stakeholders in the initial crisis communication as was found in previous framing studies (Snow et al., 1986; Scheufele, 1999; Leydesdorff & Hellsten, 2005; McCammon, 2012; Van der Meer et al., 2014). This frame differentiation among the organization and its stakeholders endangers the escalation of the crisis situation since mutual understanding is essential for resolving a crisis (Weick, 1988; Seeger, 2002; Heath, 2006). In sum, the managerial isolation of the organization during a crisis might have its negative implication for solving the crisis.

Additionally, normal circumstances were found to have a substantial controlling effect on stakeholder relationships, indicating that well-nurtured pre-crisis rela-
The perspective of the organization

Chapter 2

The perspective of the organization

sionships with internal and external stakeholders will pay off in terms of a buffer in times of crisis. In other words, prior stakeholder relationships are found to have substantial explanatory power for the relationship in crisis times next to the stakeholder pressure. Regarding the stakeholders’ influence on the stakeholder-organization relationship, news media were found to have the strongest negative effect on organization-stakeholder relationships, followed by the public and employees.

To unravel the process of the effect of stakeholder pressure on stakeholder-organization relationship the mediating effects of time pressure and uncertainty were tested. Only a significant mediation effect of time pressure was found in the cases of news media, the public, and the management, whereas no significant mediation effects were found for uncertainty. Therefore, it can be stated that only time pressure helps to explain the effect of stakeholder pressure on stakeholder relationship during a crisis for certain stakeholders.

The absence of the mediating role of uncertainty is caused by the lack of a strong association between stakeholder pressure and uncertainty. Uncertainty might be more of a general consequence of the crisis occurrence rather than an effect of stakeholder pressure. In this phase, stakeholder pressure mainly increases time pressure and the organization might be primarily forced to act out of concern of time. The mediation effect of time pressure might overshadow the need for uncertainty reduction in the initial phase of the crisis. As the time pressure reduces, uncertainty may gain a more central role in the effect of stakeholder pressure on stakeholder-organization relationships in order to reduce uncertainty and come to a mutual understand of the crisis. This expectation should be further validated using for example observational studies.

Certainly more questions await future investigations. This study was limited to the inclusion of stakeholder pressure, time pressure, and uncertainty, there are however doubtless numerous other crisis characteristics not mentioned in this study, which will yield significant differences in the results. For example, the inclusion of variables such as crisis responsibility, crisis type, crisis-response strategy, or organizational features would provide a more detailed and nuanced overview of the formation of stakeholder-organization relationships in times of crisis. Additionally, the current study might have been limited as the units of analysis were individual PR professionals. If certain respondents have worked for multiple organizations, it might be hard for them to determine what should be the reference organization that they could base their answers on. These data characteristics could have hurt the empirical quality as the conclusions are made on the organizational level. Moreover, other methodological approaches such as observational studies are needed to gain a complete understanding of the process of organizational crises and the role stakeholders play in it. Furthermore, this study only includes four stakeholders whereas numerous others can be distinguished. Nevertheless, the PR professionals in this study did indicate that, amongst many stakeholders, news media, the public, and internal stakeholders are the most essential and dominant stakeholders in times of crisis. Future research can further delve into the role of other significant stakeholders such as the government, shareholders, financiers, NGOs, environmentalists, suppliers, and online and offline communities. However, by including the most important stakeholders and crisis features, this study fulfilled its task and provides a solid foundation for understanding organizational crises and the role stakeholders play in it.

REFERENCES


Freberg, K., Palenchar, M. J., & Veil, S. R. (2013). Managing and sharing H1N1 crisis information using social media bookmarking services. *Public Relations...
The perspective of the organization

Chapter 2


creating connections or enabling divides? *Management Communication Quarterly*, 27(1), 6–33.


APPENDIX 1: ITEMS INCLUDED IN SURVEY

<table>
<thead>
<tr>
<th>Concept</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media pressure</td>
<td>1. Our organization's activities are closely monitored by news media.</td>
</tr>
<tr>
<td></td>
<td>2. Information about our organization that appears in news media is biased.</td>
</tr>
<tr>
<td></td>
<td>3. If we do not provide the media with a story they come up with an inaccurate story.</td>
</tr>
<tr>
<td>Public pressure</td>
<td>1. There is a threat that our products/services will be boycotted.</td>
</tr>
<tr>
<td></td>
<td>2. The public demands responsibility from our organization.</td>
</tr>
<tr>
<td></td>
<td>3. The public reacts emotionally toward information about our organization.</td>
</tr>
<tr>
<td></td>
<td>4. Rumors about our organization exist.</td>
</tr>
<tr>
<td>Management pressure</td>
<td>1. Management interferes in our public relations and stakeholder communication.</td>
</tr>
<tr>
<td></td>
<td>2. Management is concerned about the role of our organization in society.</td>
</tr>
<tr>
<td></td>
<td>3. Management demands responsibility from our organization.</td>
</tr>
<tr>
<td></td>
<td>4. Management monitors whether the promises concerning our public relationships are fulfilled.</td>
</tr>
<tr>
<td>Employee pressure</td>
<td>1. Other employees interfere in our public relations and stakeholder communication.</td>
</tr>
<tr>
<td></td>
<td>2. Other employees are concerned about the role of our organization in society.</td>
</tr>
<tr>
<td></td>
<td>3. Other employees demand responsibility from our organization.</td>
</tr>
<tr>
<td></td>
<td>4. Other employees monitor whether the promises concerning our public relationships are fulfilled.</td>
</tr>
<tr>
<td>Time pressure</td>
<td>1. I have so much to do in my function as PR professional that this affects my work performance negatively.</td>
</tr>
<tr>
<td></td>
<td>2. I feel rushed or pressed for time.</td>
</tr>
<tr>
<td></td>
<td>3. My work as a PR professional is characterized by lack of time.</td>
</tr>
<tr>
<td></td>
<td>4. I work under short deadlines.</td>
</tr>
<tr>
<td>Uncertainty</td>
<td>1. The supply of information I need to do my job well is reliable.</td>
</tr>
<tr>
<td></td>
<td>2. I can rely on my suppliers (i.e., the people on whom I depend to do my job well) to deliver exactly what I asked for.</td>
</tr>
<tr>
<td></td>
<td>3. The requirements of my internal customers (i.e., the people within my organization to whom I supply, for instance, information, products, materials, or services) are clear.</td>
</tr>
<tr>
<td>Media relationship</td>
<td>1. The organization's relationships with journalists/news media are good.</td>
</tr>
<tr>
<td></td>
<td>2. Good arrangements can be made with journalists/news media.</td>
</tr>
<tr>
<td></td>
<td>3. I experience a tension in the relationship with journalists/news media.</td>
</tr>
<tr>
<td>Public relationship</td>
<td>1. The organization's relationships with the public are good.</td>
</tr>
<tr>
<td></td>
<td>2. We frequently have pleasant contact with public groups.</td>
</tr>
<tr>
<td></td>
<td>3. I experience a tension in the relationship with the public.</td>
</tr>
<tr>
<td>Management relationship</td>
<td>1. The organization's relationships with the management are good.</td>
</tr>
<tr>
<td></td>
<td>2. Good arrangements can be made with the management.</td>
</tr>
<tr>
<td></td>
<td>3. I experience a tension in the relationship with the management.</td>
</tr>
<tr>
<td>Employee relationship</td>
<td>1. The organization's relationships with other employees are good.</td>
</tr>
<tr>
<td></td>
<td>2. Good arrangements can be made with other employees.</td>
</tr>
<tr>
<td></td>
<td>3. I experience a tension in the relationship with other employees.</td>
</tr>
</tbody>
</table>

Figure 1: Relationship between organization and media as perceived by PR professionals.
Figure 2. Relationship between organization and public as perceived by PR professionals.

Figure 3. Relationship between organization and management as perceived by PR professionals.
Figure 4. Relationship between organization and employees as perceived by PR professionals.

Model fit statistics: $x^2(10) = 17.45, p > .05, CFI = .99, RMSEA = .04 (CI: .000; .074)$