



## **MANAGING REPUTATION RISK AND SITUATIONAL CRISIS IN HIGHER INSTITUTIONS OF LEARNING**

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### **ABSTRACT**

Extant literature on crisis and corporate reputation management has presented the Situational Crisis Communication Theory (SCCT) model as a valid and reliable framework for managing crisis and predicting stakeholders' perceptions of organizations' reputation in times of crisis. In order to verify the applicability of the model in higher institutions of learning in a developing country context, a study was conducted in September, 2011 in two public universities in Nigeria. The findings of the study revealed that although the institutions did not fully adopt the SCCT, the strategies adopted in each of the two crisis situations were similar to some of the recommendations of the SCCT in different ways. While one institution focused on a strategy similar to what the SCCT model describes as "rebuild crisis response strategy" with informing and adjusting tactics, the second institution utilized a victimization or "Victimage" strategy with strong attribution of blames; and frequent reminder of the stakeholders of the extent of losses that the institution would incur from the crisis. The outcome was that the institution with high emphasis on rebuilding and information adjustment strategy recorded very little damage to its reputation capital, during and after the crises. Conversely, the second institution which believed in attribution of blames recorded significant losses in reputation assets, which included withdrawal of key stakeholders and loss of recognition of programs by some professional agencies. The implications for crisis managers in the two institutions include the need



to approach situational crises in a holistic manner. Such holistic approach would involve a refocus, critical analysis, planning and implementation of crisis response strategies based on the relevant situations, events, and the people concerned. The research was designed as a case study with focus group discussions as the data collection method. Altogether, 16 officers including eight top and senior administrative staff who were actively involved in the negotiation and communication programs during the crises in the two institutions participated in the focus group discussions.

**Keywords:** situational crisis, reputation risk, stakeholders' perceptions, stakeholders' value, reputation capital, reputation assets.

## 1. INTRODUCTION

Reputation is a key resource to higher institutions of learning in all parts of the world. It is an important asset because with a good reputation, an educational institution can attract significant endowment, reputable sponsors, and bright scholars, among other incentives, which could boost its educational, economic, and other development programs. Situational Crisis Communication Theory (SCCT) offers a framework for using crisis communication to protect reputations in organizations (COOMBS, 2004), including higher educational institutions. In the past few years, several researchers have proposed alternative approaches to crises management in order to safeguard organizational reputation (PFAHL; BATES, 2008; WALTON; COOLEY; NICHOLSON, 2012; THIESSEN; INGENHOFF, 2011; KRIYANTONO, 2012).

However, the SCCT model has been validated and found to be relevant in several studies on crises and post crises reputation management in many instances. Unfortunately, most of the evidence provided in the extant literature is in business organizations, where maintenance of reputation capital and bolstering of the stakeholders' values were essential (for example: COOMBS; HOLLADAY, 2002; BLANEY; BENOIT; BRAZEAL, 2002; COOMBS, 2007; FUSSELL; COLLINS; ZOCH, 2009; COOLEY; COOLEY, 2011). Moreover, despite its importance, very few organizations seem to understand the processes and implications of adopting and applying the SCCT model for managing crises and maintaining corporate reputation in times of conflict (KRIYANTONO, 2012; GALLAGHER, 2013).



When it comes to higher academic institutions, which are non-profit-oriented educational, training, and research organizations, the situation may not be different in most developing countries. The application of SCCT model has either been overlooked or probably misunderstood as a crisis and reputation management strategy by most institutions. As Gallagher (2013) also reveals, diversity in socio-cultural norms and political orientation could impact on the application of the SCCT model in some organizations. That proposition seems to portray the prevailing situation in many higher academic institutions in some developing countries.

The aim of this paper is to present a report of a study conducted in two higher academic institutions in Nigeria. The research aimed to (a) explore how the approaches adopted by the institutions conformed with or diverged from the SCCT model and its recommendations and (b) to establish the extent to which the recommendations of the model were directly or indirectly utilized in the institutions' particular contexts. The paper is divided into six sections. Sections four, five, and six cover analysis and results, discussion, and implications respectively.

Section two captures the literature review on the SCCT. A conceptual framework and operationalization of the concepts used in the paper are provided. Some past researches involving the SCCT model are also reviewed. The SCCT model is presented and discussed in terms of its applicability and limitations in the context of crises experienced in major international organizations within the past few years.

The major steps in the implementation of the SCCT model are also highlighted, including the dimensions of crisis and the managerial actions prescribed by the model. Section three presents retrospective case studies on how two academic institutions in Nigeria managed their crises and the challenges experienced by the institutions and the stakeholders. The similarities and differences in the strategies adopted as compared with the recommendations of the SCCT model are highlighted. The final section covers the implications, conclusions, and the need for further research.

### **1.1. Research Questions**

The study was conducted to address the following questions:

1. What sort of crisis did the higher institutions face?



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2. What actions did the institutions take to address the challenges and what were the consequences?
3. How did the public perceive the institutions before and after the crises?
4. Did the crisis affect the reputational assets of the institutions in any way?
5. If it affected, how did it impact on the people, tasks and the environments of the institutions?

## **2. LITERATURE REVIEW**

### **2.1. Crisis and Organizational Reputation**

Situational Crisis Communication Theory provides an evidence-based framework for understanding how to protect the reputation of an organization during and after a crisis with the use of effective communication strategy (COOMBS, 2007). Crisis management requires the use of effective communication guidelines which should be supported by empirical research findings rather than personal and unscientific experience (ROUSSEAU, 2006). Crisis has been defined as “a major threat that can have a negative effect on an organization, industry, or shareholders if not properly handled” (BARTON, 2001, p. 2). An academic institution like any other organization may face crisis as a part of its operational or situational challenges

Undeniably, crisis may have both positive and negative impacts depending on the way it is handled. The positive impact could manifest in form of mutual understanding and social transformation which may be constructive in nature. Negatively, situational crisis can be destructive and expensive. Situational crisis management helps to alleviate the risk created by negative bound crises (COOLEY; COOLEY, 2011). Effective crises management can build confidence and trust of stakeholders as well as the reputation of an organization. Positive reputation can also enhance the business profile of an organization during and after crisis, while negative reputation can hurt the interests of an organization and its stakeholders' value. Fombrun and van Riel (2004) have revealed that the reputation of an organization strongly depends on the information the media circulates and the type of interpretation the stakeholders give to such information.

### **2.2. Situational Crisis Communication Theory Model**



The SCCT model is based significantly on Attribution Theory (WEINER, 1985, 1986, 2006). The Attribution Theory posits that people search for the causes of events in most cases when those events present negative and unexpected consequences. The unexpected consequences could lead to anxiety and search for the proximate and remote causes, and the evaluation of the probable effects of negative outcomes. Crisis can vary in nature from simple to complex. Crisis response strategies have three objectives in protecting institutional reputation. These are to: (1) shape the attributions of the crisis, (2) change public and stakeholders' perceptions of the organization, and (3) reduce negative affect generated by the crisis (COOMBS, 1995). A response strategy may be influenced by the nature of crisis, crisis history, and relationship history. Crisis complexity is important in that it can significantly influence the nature and focus of a crisis response strategy. As Thiessen and Ingenhoff (2011) posit, success in crisis communication management must be conceptualized and addressed on different and specific levels of complexity. The final behavioral outcome may depend significantly on the interactions of all other variables. Behavioral outcome may conform or differ from behavioral intentions depending on the effectiveness or otherwise of the crisis response strategy (COOMBS, 2007). Where a crisis was poorly handled, institutional reputation and relationship history may be negatively affected.

Reputation history could be influenced by the crisis history and relationship history. Crisis history refers to the recorded antecedents and consequences of earlier crisis or institutional stability (non-crisis). Relationship history comprises the recorded events and responses which influenced the perception of stakeholders' relationships with an institution during and after a crisis. Institutional reputation can be associated with the crisis response strategies, crisis history, and the relationship history. Conversely, an effective crisis response would motivate internal and external stakeholders, which could engender confidence and trust of stakeholders on the ability of an institution to tackle future crises. A bad reputational history may impact negatively on the organization and damage its reputation capital and public image. A history which reflects positive action and timely intervention by the organization may give confidence to stakeholders and provide hope for resolutions. The reputational threat to an organization increases as stakeholders' attribution of crises responsibility to the organization intensifies (COOMBS; HOLLADAY, 2002, 2004).



From the literature reviewed, it could be inferred that in every crisis there is some kind of emotional attachment which serves as a motivator for positive or negative action. The positive action would involve some search behavior on how the crisis could be solved. Negatively, there could be dissonance by stakeholders that would culminate in attribution of responsibility for the crisis. Stakeholder attributions of crisis responsibility have affective and behavioral consequences for an organization (COOMBS; HOLLADAY, 2004; MACDONALD; HARTEL, 2009).

If the organization is deemed responsible, the stakeholders' perceptions would change and the organization's reputation could be eroded. Stakeholders may cut relationship with organizations in crisis or create negative word-of-mouth attributions. Thus, organizational reputation and the attribution of crisis responsibility have a strong affect on perceptions of organizational reputation. Adopting an effective communication/information management strategy would help organizations to cope with the trauma that reputational damage in times of crisis could cause (STURGERS, 1994).

The situational crisis communication model has eight variables. The variables as discussed earlier are: (1) crisis, (2) crisis history, (3) crisis responsibility, (4) emotions, (5) crisis response strategy, (6) prior relationship reputation, (7) organizational reputation, and (8) behavioral intentions (COOMBS, 2007). However, some of the semantics in the original model were slightly changed to facilitate the interpretations and understanding of participants in the research study. The nomenclatures of two of the variables (prior relationship reputation and behavioral intentions) were slightly modified to relationship history and behavioral outcomes in Figure 1 below.



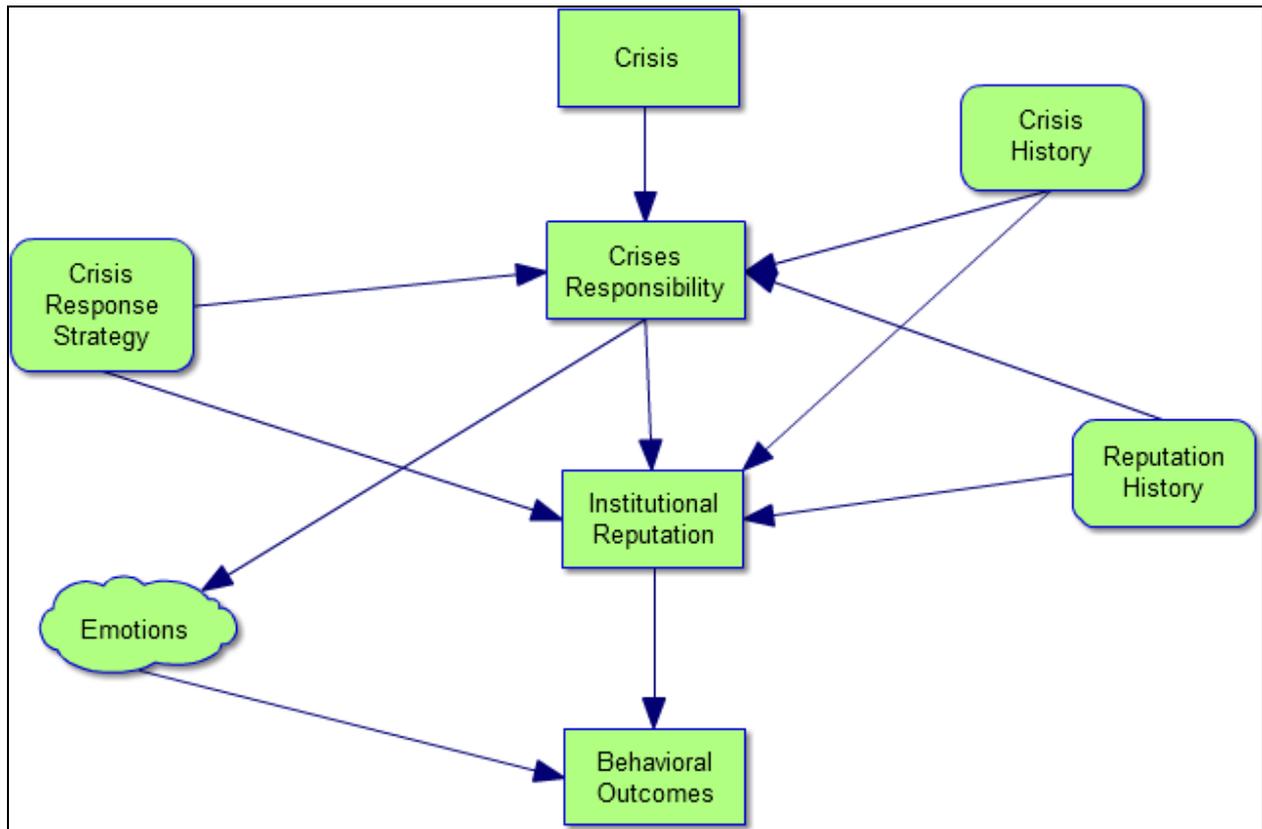


Figure 1: *Crisis Situation Model of SCCT*  
 Source: Adapted from Coombs, (2007).

### 2.3. Practical Application of The SCCT Model

To apply situational crisis communication strategy, an organization involved in crisis needs to maintain a regular dialogue with stakeholders on the prevailing situation. Such communication should include information on the remedial or corrective actions and the projected impact of such actions (GALLAGHER, 2013). According to Sellnow et al., (1998), knowledge of the corrective actions is a form of reassurance to the stakeholders that the situation has been brought under control. Such information may help to reduce stress and reassure stakeholders and other relevant groups that their interests are being protected. In this age of the social media and internet communication, negative information can spread with the speed of light and sound, and the ripple effects could be felt by internet users all over the globe (SORCE, 2002).

The SCCT holds that as the reputational threats and the negative feelings increase (which are functions of situational factors) crisis managers should utilize crisis response strategies with the requisite level of accepting crisis responsibility (COOMBS, 2007). Perhaps (depending on the situation), it would be easy to



conclude that the best strategy would be to commence a rebuilding program immediately a crisis erupts. However, it has been revealed that the more accommodating the response strategy is, the more expensive it may be for the institution or organization (COHEN, 1999; PATEL; REINSCH, 2003).

Similarly, using an apology to calm nerves initially may not give the same level of reputation as an efficient and effective information management strategy. Adoption of a strategy which does not protect reputation is usually more expensive than strategies that increase reputational capital (HOLLOWAY, 2004). The effectiveness of the SCCT crisis response strategies have been tested and validated in many crisis situations within the past decades (COOMBS, 2006; BESOVA, 2008; FUSSELL; COLLINS; ZOCH, 2009; CLAEYS; CAUBERGHE; VYNEKE, 2010; COOLEY; COOLEY, 2011; KRIYANTONO, 2012).

It has been revealed that the General Motors bankruptcy crisis of 2008 was successfully resolved through negotiations with the application of the guidelines of the SCCT model (COOLEY; COOLEY, 2011). Similarly, some of the SCCT strategies were successfully adopted and applied in 2010 during the Gulf Coast oil spill for image restoration discourse to the social media and beyond (MURALIDHARAN; DILLISTONE; SHIN, 2011; HARLOW; BRANTLEY; HARLOW, 2011). Organizations that adopt the SCCT model should be ethical in its communication strategies. It would be socially immoral for such organizations to begin crisis communication by focusing on reputation issues in the first instance without first considering stakeholders' and relevant public interests. Crises managers should primarily emphasize the mental and psychological concerns of the stakeholders in times of crisis (COOMBS, 2007). Reputational assets should be seen as the benefits which accrue from an effective crisis communication strategy.

The proposition which emphasizes a concern for public interests is in line with the contingency theory of accommodation (CAMERON'S, 2008; REBAR; CAMERON, 2003). The contingency theory of accommodation assumes that although Public Relations practitioners are considered to be communicators and advocates or defenders of their organizations, they also have a responsibility to act as accommodators of trust with their public (CAMERON, et al. 1997; REBER; CAMERON, 2003).



Table 1 presents the recommended crises response strategies in the SCCT model. The strategies are classified as primary and secondary. The primary dimensions of strategies found in earlier SCCT studies were: (a) denials, (b) diminish, and (c) rebuild (COOMBS, 2006). In order to maintain reputation after crisis, the model also recommends some secondary response strategies which include: (a) reminder, (b) ingratiation, and (c) victimage (COOMBS, 2007). Brief descriptions of the strategic dimensions are given in the table below.

**Table 1: SCCT Response Strategies**

<b>Types of Strategy*</b>	<b>Strategic Response*</b>	<b>Tactical Actions*</b>	<b>Tactical Actions Description*</b>
Primary crisis response strategies	Deny crisis response	Attack the accuser	Crisis manager confronts the person/group claiming something is wrong.
		Denial	Crisis manager asserts that there is no crisis.
		Excuse	Crisis manager minimizes organizational responsibility by denying intent to do harm and/or claiming inability to control causes of crisis.
	Diminish crisis response	Scapegoat	Crisis manager blames some person or group outside the organization for the crisis.
	Rebuild crisis response	Justification	Manager minimizes perceived damage caused by the crisis
		Compensation	Crisis manager offers money or other gifts to victims.
		Apology	Crisis manager accepts full responsibility and asks stakeholders for forgiveness.
Secondary crisis response strategies	Bolstering crisis response	Reminder	Manager tells stakeholders about the past good works of the organization.
		Ingratiation	Crisis manager praises stakeholders and reminds them of past good works/relationships.
		Victimage	Manager reminds them that the organization is also a victim of the crisis.

Source: Adapted from Coombs, (2007).

## 2.4. Limitations of the SCCT Model

Strategies of SCCT have been found to be affected by constraints in the crisis situation (COOMBS, 2007). In the same vein, Tyler (1997) has revealed that financial constraints can impact negatively on most crisis strategy selection efforts. Organizations with low financial capacity should resort to less expensive strategies in time, effort, and other resource inputs. Carroll (2004) advises crisis managers who opt for SCCT model to choose with caution, communication strategies that are affordable and effective.



Similarly, Thiessen and Ingenhoff (2011) recommend that successful crisis communication strategy should be conceptualized and addressed on distinctive levels of complexity. While the SCCT emphasizes situational crisis relational messages to stakeholders, it tends to overlook the integrative organizational communication and relationship networks which involve interactive efforts with all relevant entities including activities (tasks), people, and constituencies (proximate and remote) in times of crisis. Furthermore, past researches have shown that some managers may prefer “media framing” as a tactic for managing crisis, if the framing could not be managed properly, the reputation of the sponsoring organization would be at stake. Nevertheless, there is the need to adapt SCCT strategies to suit different crisis situation depending on the realities that warrant safety and credibility of information in organizations that face situational crisis (VEIL, et al. 2005).

## **2.5. Crisis and Reputation in the Domain of Academic Institutions**

While crises in higher academic institutions appear to be a universal phenomenon, Nyamnyoh, Nkwi and Konings (2012) have revealed that most African colleges and universities have been victims of crises and violence emanating from peculiar factors associated with post-colonial changes. Most of the crises are embedded in the internal and external initiatives that have triggered activism and militancy among students. In recent years, some of the violence could also be associated with socio-political changes and economic situations that spell negative impact and uncertainties on the living and study conditions of students. Most universities also experience crises resulting from stampedes due to overstretched infrastructures and the struggle to extend opportunities to a larger student population with very limited resources (Nyamnjo & Jua, 2002). The need to examine crises and their impacts on the reputations of African colleges and universities should therefore not be underestimated. In Nigeria, the level of student crises in public universities is high. Most of the crises have antecedents associated with failure of the institutions to meet student demands and high rate of students’ unionism, which are not prevalent in privately managed institutions of learning (ADEYEMI, 2009). Unfortunately, some of the institutions lack the structure, resources, and adequate information systems to deal with the challenges posed by such situational crises.



In an academic institutional context, reputation could be enhanced or eroded by the nature of information disseminated and the perception of the stakeholders, which include members of the faculty, students, concerned parents, government agencies, and others in the relevant task environment, who have relationships and interests in the activities of the institution. Reputation may be developed through good relationships and the nature of information which flows internally and externally to stakeholders and the general public. The contents of such information could reveal the effectiveness of management in handling crisis, and the interactions of other members of the institution with their immediate and remote constituencies. Information in times of crisis could be communicated through verbal, written, or the electronic media, amongst other means.

It could convey positive or negative meanings depending on the contents, the mode of transmission, and how it is interpreted by receivers. Positive interpretation of information about an institution by the stakeholders and the general public could enhance the reputational assets, which include sustained business relations, customer retention, loyalty, and goodwill, while negative interpretation can cause an extensive damage and losses to the image of an institution and erode the reputational capital, which Fombrun and van Riel (2004) have also revealed, “can have a negative impact on organizations’ stakeholders’ value” (p.32).

Reputational capital of an institution could therefore be conceptualized as difference between the sum of the inventory of goodwill plus the accumulated value of relationships (reputational assets), minus the total liability incurred by an institution through losses in reputation, and the negative brand image in times of crisis and beyond.

Crises in higher academic institutions in most developing countries could take several forms, like: (1) vandalism, (2) workers’ strikes, (3) lockouts by employers, (4) non-commitment to contracts, (5) students’ cultism/terrorism, and (7) boycott of classes, amongst others. For the purpose of the research, crisis in institutions of higher learning was defined as, any non-routine event or conflict that can create interruption and uncertainty; thereby affecting the realization of defined priority goals. Uncertainty about the attainment of established priority goals can lead to loss of confidence and trust, which are key elements of goodwill and reputational assets;



whilst business interruption can result in significant losses that could increase an institution's liability and consequently, erode the reputational capital and stakeholders' value.

### **3. METHODOLOGY**

The research was conducted as retrospective case studies with focus group interviews and discussions as the methods of data collection. The two focus groups comprised 16 officers who were in-charge of corporate affairs, administration, and academic activities in the two institutions. Each of the two universities had eight representatives. There were two discussion sessions. The universities were labeled as U<sub>1</sub> and U<sub>2</sub> to maintain due confidentiality as agreed with the participants at the discussion sessions. The discussions were arranged and conducted as conference calls with the researcher as the moderator. Four of the participants were former MBA students who held different administrative positions in the institutions at the time of the study. Six of the participants were faculty members in the institutions. The participants comprised 12 males and four females.

Participants were asked questions that were related to the research questions. Each research question was approached from two (negative and positive) dimensions. Thus, 10 questions were discussed based on a discussion guide developed by the researcher. To assess the construct validity, the discussion guide and the questions were pretested with communication officers, who attended a seminar I conducted earlier in 2011. The wordings of the questions were also compared with questions that were used in earlier studies (COOMBS, 2007; KRIYANTONO, 2012; DEAN, 2004). The use of focus group as a data collection method is well supported in case study research designs and qualitative research literature (YIN, 2009; DE VAUS, 2006; O' LEARY, 2010).

#### **3.1. The Case of U<sub>1</sub>–Crisis and Response Strategies**

The first university was a public institution that was established in the 1970s. The student population was about 10,000. The crisis involved student riot and destruction of the school and personal properties of faculty and staff of the institution in students' hostels and official residential quarters. The primary cause of the crisis was the decision of the university to increase the undergraduate tuition fees and charges from \$500 to \$1,000 per academic year. With the increase in fees, most of



the students expressed apprehension on their ability to pay, and the parents also wrote petitions to the university authorities. The university insisted on the increase, quoting the rate of inflation, and high costs of operation and maintenance as the bases for the increase in tuition fees. Most students were not satisfied and the affected parents were also not in support of the university's action.

The university at first launched a media campaign which aimed at winning the support of the larger communities and the political class who were affluent enough to pay the new tuition and charges for their wards. The belief in management circles was that the advertisement and other communication efforts would produce a bandwagon effect and compliance. The outcome was negative in the first instance and the situation lingered for more than one month with both sides marshaling out their action plans. Two months later, the situation went beyond control. The students took the bull by the horn. Personal properties including cars were destroyed, buildings were vandalized, and the university campus became a battle ground. The total loss incurred by the university and the affected employees, was estimated at over \$500,000 and some lives were lost. The reputation of the university was also at stake.

Two options became imminent (a) to close down the institution because of the crisis or (b) to revert to the earlier tuition rate. Knowing very well that public interest was involved, the university decided to close down in order to avert further destruction, which would have involved more significant losses and wastes of public funds. To maintain its reputation, the institution also reverted to actions similar to what Coombs (2007) calls "rebuild crisis response strategies" (p.170). Management tried to minimize the perceived damage and offered compensations to victims of the crisis. Active communication was also maintained on the university website, the state television, and radio networks. The institution emphasized the benefits that would accrue to the students with the increase in tuition fees. The benefits posted on the institutions websites included amongst others, improved facilities, renovation of classrooms, enhanced allowances for teaching staff, and improved service quality. Furthermore, less emphasis was placed on attribution of crises responsibility and no reference was made to any history of similar crises in the past. Persuasive advertising and public relations programs were launched to emphasize the role of the



university and her efforts in removing cultism, maintaining peace and social values. The university remained closed for four months.

### **3.2. The Case of U2–Crisis and Response Strategies**

This university was a smaller state university which was established in 2002. The issue involved was non commitment to contract on the conditions of service earlier agreed between the owners of the institution (a state government) and the academic staff union. The situation led to a long term strike and withdrawal of services by members of faculty. While the faculty was on strike, the university remained open with the administrative staff and other ancillary workers on duty. The Vice Chancellor's office also remained open. There was no formal action by management or owners of the university to settle the crisis peacefully. Public opinion changed, because of the attitude of management and the owners towards the crisis. The reputation dropped significantly whilst stakeholders complained bitterly about the inability of the university to value their demands. After about two months of inactivity, the state government threatened to sack the strikers, unless they returned to work without delay. Additionally, faculty members were asked to renounce their union membership, since the government did not recognize union activities in the relatively new institution. Many students had to withdraw from the university. While the strike was on, the owners also engaged in negative campaigns and attributions of blame against those involved in the crisis.

The strikers did not bulge until the university authorities appointed some prominent political persons to negotiate with the local union leaders. The discussion continued for additional two months. The outcome of the negotiation was the inauguration of a committee to recommend the way forward for the university and its stakeholders. Among other things, the terms of reference included the need to determine the merits and demerits of the state government accepting the conditions of service demanded by the union and its members. It also requested an evaluation of the costs and benefits of allowing the institution's faculty members to fully belong to the union. It took the committee another two months to produce the report. On completion of its assignment, the report was duly submitted to the state government that spent additional one month to review and adopt the recommendations. The



university was closed for seven months. All lecturers, students, and other stakeholders were adversely affected.

#### **4. Analysis and Results**

The two cases demonstrate situations where approaches akin to SCCT response strategies were applied in a different manner. In the case of U<sub>1</sub>, the crisis was resolved after four months. Although, the institution suffered serious financial losses initially, some of which were covered by insurance policies held by the institution and the affected individuals; the students were recalled and the university recommenced its academic activities as usual. The institution also received some donations and increased subvention to repair the damages that resulted from the crisis. Based on the focus group discussions, not much was lost in terms of reputation, because of the nature of responses that were given to issues by the management of that institution.

With the rebuild strategy combined with effective media communication tactics, the stakeholders and other concerned publics were duly informed about developments and management tactical responses to events. Opinions of the public were positively influenced and the university recorded more gains than losses after the crises. The students whose involvements in the crisis were not criminal were reprimanded and latter pardoned. Those whose involvements were found to be criminal were indicted and punished accordingly. The university gained more recognition. The proposed tuition fee of \$1000 was slashed by \$250. There was no significant loss of reputation, and most stakeholders were happy with the outcome. The institution also gained full accreditation of its academic programs.

The second case illustrates how delay and victimization of the strikers resulted in loss of reputation and negative perception by the public. The second university had to spend over \$200,000 to rebuild its image which had eroded because of the lingering crises. Moreover, some stakeholders of the second institution lost touch with the university. The post crises assessment indicated that the university also lost accreditation with some professional bodies. The university accrediting agency threatened to close down the institution permanently, if the crisis was not resolved amicably. Some sponsors who did not support the action of the university had to withdraw their support and contributions.



Many small scale business establishments that formed one of the main sources of direct income generation for the university had to close down, because of lack of patronage. The closure of the business outfits also had a negative impact on the revenue of the institution during and immediately after the crisis. A conservative estimate of the total loss in internally generated revenue was \$1,000,000 in rents and other financial charges. Additionally, much was lost in the reputation capital because of the withdrawal of accreditation and negative image created by the poor crisis response strategy.

## **5. DISCUSSION**

The arrogant posture which the second institution seemed to display was not unconnected with the support given by some government officials to the attribution by management that the strike was caused by the illegal actions of uncommitted employees. The fact that university number one sailed through the storm successfully had been associated with the persistence and focus of the university administration on dialogue and effective information transmission about actions taken to resolve the crisis. Management of the institution had to emphasize a rebuilding strategy to boost the confidence and trust of stakeholders through effective media communication and interpersonal relations. No reference was openly made to past history of crises in the institution and little or no attributions were made. Had the university faltered, the loss on reputation capital would have been staggering, considering the size and position of the institution in the community. The stakeholders would have changed their opinions, which could have impacted on the institution negatively.

The study has also revealed that the time and nature of communication have a significant influence on outcome of crisis response strategy. A combined strategy which takes cognizance of stakeholders' interest with little attribution, if implemented at the inception of crises and followed through with effective communication may be more successful than an intervention that emphasizes only one approach, such as denial or justification response. The situation may be worsened if any of the parties places emphasis on intimidation and bounded ethicality. Bounded ethicality in crisis resolution comes into play when individuals make decisions that harm others and



when the harm is inconsistent with the decision makers' conscious beliefs and preferences.

As Coombs (2007) also agrees, unethical approach to crisis resolution could have a debilitating effect right from the onset. The study also confirms the relevance of the media in crisis resolution. Media report can influence crisis participants or actors positively or negatively depending on the type of news it carries. The first university did not rely solely on the public media as that could have put things out of control. They had to reinforce their negotiation strategy with positive messages on the value of peace in student development on their website and the appearance of key officials on radio and television programs to counter any negative reputation that the crises might have caused. As Sung and Yang (2008) suggest, an educational institution should try as much as possible to monitor the information that are transmitted to the public in periods of crisis. One way of doing that is by establishing a website or an information outlet to regularly release information to the public, as was done by the first university ( $U_1$ ) in the reported case study.

## 6. IMPLICATIONS

This study has shown the need for higher educational institutions to integrate their communication strategies into the crisis response strategies and processes. Crisis response should not be viewed as an isolated process. Contingency planning is required with regular overhaul of communication systems, structures, and strategies. The need to address crises adequately from inception should not be relegated. Even though the two crises presented in this study were directly or indirectly associated with the actions of the institutions, it was not very reasonable to focus on who caused the crises without recognizing the immediate and remote impact of the crisis on the public. Crises could be perceived as good or bad depending on how they are managed.

Therefore, communication strategies should not focus only on the interests of and advocacy for the organization, but should primarily accommodate the stakeholders' and relevant public interests. Crises in academic institutions could either be fortuitous or premeditated occurrences.

Academic institutions should regard crisis situations not only as a threat but also as an opportunity to rebuild confidence and trust in stakeholders on their brands



of activities. Although crises might constitute a threat to an institutional reputational capital, if not properly managed, it could also present a significant opportunity for the institution to restructure its portfolio of reputational assets. Academic institutions need to incorporate crises management strategies in their short and long term contingency plans. An early recognition of crisis management as a key result area for loss control would forestall the consequences associated with negative opinions of an ill-informed public, which could result in the erosion of reputation capital in the long term.

Effective crisis management cannot be achieved where relationship communication through dialogues are lacking. Database for crisis management requires regular updates of relevant inputs, frequent data mining, and timely tracking of outputs to ensure effectiveness. The processing of information on crisis should generate operational and strategic outputs that could be easily stored, retrieved, and transmitted or shared as necessary with stakeholders in order to maintain confidence and credibility. The SCCT model recommends that the effectiveness of communication depends on the characteristics of the situation, among other factors.

This study also revealed the need for crisis managers in the two institutions to always evaluate and critically select an optimal communication strategy in times of crisis by analyzing the relevant situations, events, and people concerned in a holistic manner. Understanding prevailing situations would place an institution in a position to choose the right messages, channels, and mode of communication with stakeholders when handling crisis. A crisis situation may be loaded with both expected and unpredicted consequences. The unpredicted consequences could among others include occurrences that can throw the organization into immeasurable losses. Planning for contingency allows the crisis manager to systematically analyze, interpret, and possibly estimate failure modes with a view to assigning probabilities for estimating maximum possible and probable maximum losses. Crises management should also be approached from attribution, accommodation, and the consequential dimensions. The relevance of events as a factor in crisis response strategy lies on the fact that institutions as organizations have objectives and goals which should be achieved with resources that are usually limited in nature.

Contingent events if not effectively managed can hamper or forestall the realization of such goals. In the same vein, no institution can exist without the



contributions of people. The stakeholders whose values are to be protected in situations of crisis are people. People are therefore, the critical strategic actors and factors that should be incorporated in all reputational risk management programs. The strategic focus should be on the reduction of losses in times of crisis in order to bolster the reputational assets; and maintain the long term sustainability which will facilitate the growth of the reputational capital and stakeholders' value after the crisis.

The need for crisis managers in the relevant institutions to be proactive in their crisis management programs should not be overlooked. In line with SCCT recommendation, the essence of effective planning and control of information pertaining to crisis cannot be over-emphasized. The planning and control processes should take cognizance of the situation, events and people as factors and actors in crisis and reputation management programs. Relegation of the actors and factors in crisis and reputation management could render the chosen crisis response strategy ineffective. As Ademisokun-Turton (1985) also posits, future crisis management strategy requires effective thinkers and innovative strategies as opposed to inactive and complacent crisis managers, which presently exist in some Nigerian university social milieu.

## **7. NEED FOR FURTHER STUDY**

The study reported here was exploratory in nature. The focused sample was judgmentally drawn from the two institutions and the analysis was mainly qualitative. Although the case studies have supported the internal validity and applicability of the SCCT model in the crisis situations, the nature of the sample and the method of data analysis could threaten the reliability of the findings. A more robust study is therefore needed to further demonstrate the applicability of the SCCT model in the context of higher learning institutions. Such study may need to combine qualitative and quantitative data analyses in a holistic case study with more idiographic explanation or a longitudinal survey design. Future studies may also need to separate the effects and quantitatively measure the inter-relationships of the independent variables in the SCCT model on crisis response strategies and organizational reputation, which are dependent variables. Additionally, the roles of people (actors), events, and situations (factors) in crisis response strategies need to be more rigorously analyzed.

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