

# Internal Crisis Communication Strategies to Protect Trust Relationships: A Study of Italian Companies

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## **Abstract**

Crisis communication has emerged as a hot topic after the global financial crisis that started in the second half of 2008. A survey of 61 Italian companies examined internal crisis communication strategies and the characteristics of that communication in order to understand the role of communication in safeguarding relationships of trust with employees. The main results show that companies have used poorly internal communication as a strategic lever to develop employee commitment and have adopted a broadly defensive approach that may undermine their intangible assets. The study offers implications for practice and suggestions for future research.

## **Keywords**

crisis communication, crisis management, internal crisis communication, employee communication

## **Introduction**

This article deals with the issue of internal communication strategies in the context of a crisis. A corporate crisis can involve profound changes in attitudes, social behaviors, and prevailing standards (Birkland, 1997) and damage, beyond a company's economic performance and functioning, nonmaterial assets like reputation and trust

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(Aggerholm, 2008; Fink, 1986; Fishman, 1999; Kim & Rhee, 2011; Massey, 2001; Vinten & Lane, 2002). Reputation is the enduring perception held of an organization that influences people's actions with regards to it (Balmer, 2001). A favorable corporate reputation is thought to safeguard an organization at times of crises (Fearn-Banks, 2002; Shamma, 2012). Trust, conceived as "willingness of a party to be vulnerable to the actions of another party" (Mayer, Davis, & Schoorman, 1995, p. 712), affects the long-term stability of the organization and the well-being of its members (Cook & Wall, 1980). These two concepts are central in crisis communication, where communication plays a central role in protecting reputation and maintaining trust to enhance employee involvement and commitment (Benoit & Pang, 2008; Cho & Park, 2011; Coombs, 2006; Fearn-Banks, 2002; Thomas, Zolin, & Hartman, 2009).

Companies try to prepare themselves for crisis negative effects through careful planning (Ashcroft, 1997; Fink, 1986; Fishman, 1999; Mitroff, 2005). Nonetheless, the 2008 global financial crisis had an unexpectedly strong impact within most or all business domains, forcing companies to face downsizing, the spread of uncertainty, reduced trust, and consumption deficit. This has placed severe demands on internal crisis communication. This crisis is the context for the study presented in this article.

This study explores the internal crisis communication strategies and the characteristics of internal communication in Italian companies facing the global financial crisis that began in 2008, in order to understand if they have been consistent with the need for reputation and trust relationships protection. If companies are not able to protect these intangible assets, they put themselves seriously at risk of failing to seize the opportunities that are offered by the recovery phase (Seeger, Ulmer, & Sellnow, 2005; Ulmer, Seeger, & Sellnow, 2007) when employees may be the most effective advocates of a company's reputation (Kim & Rhee, 2011; Mazzei, Kim, & Dell'Oro, 2012).

## **Literature Review on Crisis Communication**

Crisis communication is a rapidly developing field of research that examines the communicative responses of organizations in crisis (Coombs, 1998). This article draws on previous research on crisis communication and at the same time tries to respond to the call for more theory and empirical research on internal crisis communication (Frandsen & Johansen, 2011; Johansen, Aggerholm, & Frandsen 2012; Taylor, 2010), as prior studies have chiefly examined the external dimension of crisis communication and its impact on external stakeholders.

Crisis management can be divided into three main phases (Coombs, 2007b), precrisis, crisis response, and postcrisis, with different types of crisis communication linked to each of them, like risk communication for the precrisis stage (Palenchar & Heath, 2002, 2007) and renewal discourse for the postcrisis stage (Seeger et al., 2005; Ulmer, Seeger, & Sellnow, 2007). This article focuses on crisis communication in the acute and chronic phase of the crisis (Fink, 1986), when communication through words and actions is critical (Coombs, 2007b) to mitigate the effects of the crisis and significantly influence stakeholders' perceptions (Hale, Dulek, & Hale, 2005). This literature review analyzes aspects that make up the picture of a crisis communication strategy:

rhetorical approach, situational factors affecting the choice of strategy, and the objectives and content of crisis communication. All these elements have been then used in the development of a model of internal crisis communication strategies, presented in the following section.

The rhetorical, or text-oriented, approach focuses on what and how an organization communicates when facing a crisis (Frandsen & Johansen, 2007). Rhetorical strategies allow for an understanding of communication strategies options. Whether or not the organization has control over the crisis event, still it has to address its impact, in particular on its legitimacy and reputation (Massey, 2001). Communication can help this process through a range of rhetorical strategies that, following Benoit's (1995, 1997) Image Restoration Theory, can vary from denial, evasion of responsibility, reducing the offensiveness of event, and corrective actions to mortification. Some scholars (Coombs, 2010; Coombs & Holladay, 2010; Marcus & Goodman, 1991) have put crisis response strategies along a continuum from most defensive, denying responsibility or evading it, to most accommodative, accepting responsibility and taking corrective actions. In the middle of this spectrum are the minimizing strategies. Accommodative strategies seem to be the best for protecting corporate reputation (Claeys, Cauberghe, & Vyncke, 2010).

The strategic, or context-oriented, tradition focuses on the crisis context or situation and is more concerned of where and when it is strategically beneficial to communicate, in order to safeguard corporate reputation (Frandsen & Johansen, 2007). Coombs and other scholars (Coombs, 1998, 2004, 2006, 2010; Coombs & Holladay, 2010), through the Situational Crisis Communication Theory (SCCT), explain that the attribution of responsibility within a crisis will depend upon situational factors like the degree of control over the crisis that the organization has, its crisis history, and its prior reputation and relational history (Coombs, 2004, 2010; Coombs & Holladay, 2010). Perceptions of responsibility are more significant than reality (Benoit, 1997). Although strong reputation and trust with stakeholders can produce a halo effect (Coombs & Holladay, 2006), accepting a certain level of responsibility and taking accommodative action is expected, in line with the organization's past behavior and values (Coombs, 2007a, 2010; Dardis & Haigh, 2009).

Contingency theory tries to explain the degree to which an organization adopts advocacy or accommodative response to conflicts with stakeholders (Cancel, Cameron, Sallot, & Mitrook, 1997). Applied to crisis communication (Jin & Cameron, 2007), it draws on 87 situational variables, like threat duration and type, to be considered when trying to select an appropriate response to a crisis. This theory shares with SCCT accommodation as a favorable response, but while the contingency theory looks at the threat in terms of the situational demands for resources, the SCCT focuses on the reputational threat posed by a crisis (Coombs & Holladay, 2010).

Another interesting contribution comes from the enactment perspective in crisis situations (Weick, 1988). Research has often been directed at the interpretation of organizational crises, which disrupt sensemaking (Gephart, 1993; Gephart & Pitter, 1993; Weick, 1993). The enactment perspective put people and their actions at the center, especially in the response crisis stage, affecting the trajectory and severity of

the crisis itself (Weick, 1988) and the perception of responsibilities (Gephart, 1993). Cognition, understanding, and cooperation during crises are affected by employee commitment and expectations, which internal communication should enhance and support.

To concentrate more firmly on internal communication, the literature that deals with internal crisis communication has been investigated. Internal communication can mean the success or failure of any major change or crisis situation and needs the same analytical rigor that is given to external crisis communication and to financial or operational measures (Barrett, 2002). The quality and the quantity of communication, in fact, affect the level of trust and involvement of employees (Thomas et al., 2009), which is particularly relevant in times of crisis.

The literature primarily delineates content and objectives on which internal crisis communication strategies can be based. Internal crisis communication content indicates messages chosen by the company, which argues also its own position in the crisis. Objectives are settled by managers to formulate the company's philosophy (Sheea & Abratta, 1989) with respect to internal crisis communication.

Concerning internal crisis communication content, scholars have made a distinction between informative content and identification content (Balle, 2008; Barrett, 2002), or content-focused and value-focused content (Aggerholm, 2008). Informative content (or content-focused) sends reassuring and explanatory messages, for example, describing the current situation and indicative of organizational strategies and policies. Identification content (or value-focused) uses messages that stress openness and trustworthiness, for example, focused on the organizational culture and identity, and tends to encourage identification with them and motivation. The Constitutive Approach (Ashcraft, Kuhn, & Cooren, 2009 ; Putnam & Nicotera, 2009, 2010), based on the principle that communication is constitutive of organizing, takes a step further and introduces the relevance of implicit messages in the management's actions. Hence, beyond explicit messages in the form of informative and identification content, there is action-focused content (Aggerholm, 2008), which consists of actions taken by the management in order to actively change the current situation and behaviors in the face of the crisis. For example, investing on product development.

Some authors then identify the effects a crisis produces on individuals (Barrett, 2002; Myer, Conte, & Peterson, 2007; Vinten & Lane, 2002), which are a helpful starting point for pinpointing internal crisis communication objectives set to address such effects. Myer, Williams, Ottens, and Schmidt (1992) and Myer et al. (2007) group reactions into three headings: cognitive, affective, and behavioral reactions. Cognitive reactions, like reduction of decision-making ability, can be measured by changes in the decision-making protocols, organizational goals, and dynamics. Affective reactions, like anger and fear, relate to the diffusion of rumors and consequences on employees' moral and loyalty, which communication may improve or lessen. Behavioral reactions, like immobility to action, imply visible modifications to the organization's agenda, roles, and everyday functioning. For example, more time and resources are dedicated to manage and communicate the crisis, while normal activities may be overlooked. Communication objectives therefore are set to operate

on a cognitive, affective, or behavioral level according to the type of reactions that an organization would like to promote or reduce among its employees.

To sum up, the review of literature provides insights into possible communicative responses of organizations in a crisis, through rhetorical approaches and situational factors affecting their choice of communication strategy. It also provides some hints on communication, in particular, objectives and contents of internal crisis communication. However, the literature also indicates a need to develop further research on internal crisis communication, empirically based and within an integrative framework (Frandsen & Johansen, 2011). In the following section, this article presents a research model regarding internal crisis communication strategies.

## **A Research Model of Internal Crisis Communication Strategies**

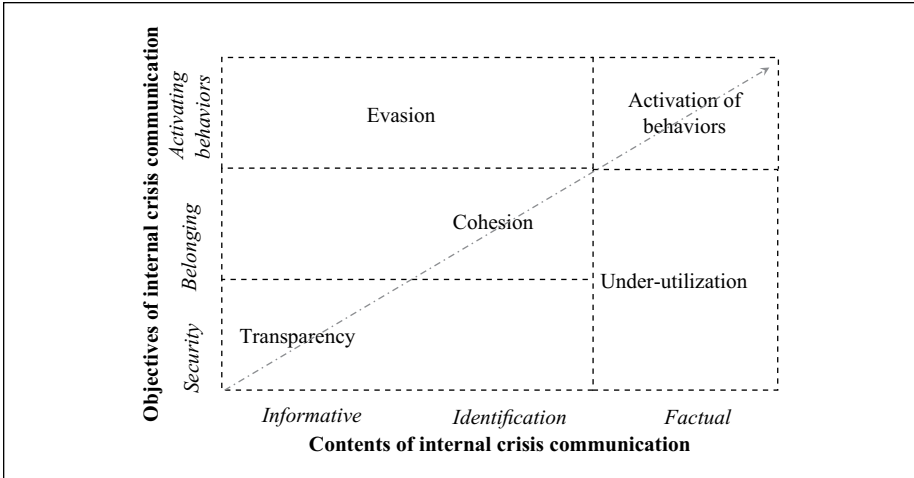
As seen, the critical elements in the definition of internal crisis communication strategies are objectives (Myer et al., 1992; Myer et al., 2007) and contents (Aggerholm, 2008; Balle, 2008; Barrett, 2002). In the model presented here, the combinations of these elements define internal crisis communication strategies. Such a classification draws on previous work found in earlier studies (Benoit, 1995, 1997; Coombs, 2010; Coombs & Holladay, 2010), but specifically refers to the internal communication aspects of an organization hit by a crisis.

In the model, the objectives of internal crisis communication, which can operate on a cognitive, affective, or behavioral level (Myer et al., 1992; Myer et al. 2007), have been categorized into security, belonging, and activating behaviors objectives. Cognitive objectives tend to reduce uncertainty and increase realistic expectations among employees, thus enhancing a sense of security. Affective objectives are directed to increasing identification with and trust of the organization, thus creating a sense of belonging. Behavioral objectives aim to sustain employees' commitment in their roles and collaboration to overcome the crisis, thus activating behaviors.

The contents of internal crisis communication have been categorized as informative, identification, and factual (Aggerholm, 2008; Balle, 2008; Barrett, 2002) along a continuum that implies an increasing assumption of responsibility (Coombs & Holladay, 2010; Lucero, Tan, & Pang, 2008). Informative content focuses on data and the dissemination of information about the situation of the organization and its business. Identification content spreads the distinctive values and culture of the organization and its perspective on the future. Factual content consists of acts and facts to face the crisis, tangible signs that the organization is taking responsibility and going beyond simple rhetoric and communication messages.

By combining objectives and the content of internal crisis communication, a mapping with five possible internal communication strategies emerges: transparency, cohesion, activation of behaviors, evasion, and underutilization (Figure 1).

The transparency strategy of internal crisis communication combines security objectives with informative content, and is adopted by organizations that want to release information to reduce the uncertainty that is linked to the scarcity of



**Figure 1.** Internal crisis communication strategies: a multidimensional model.

information itself. For example, the organization communicates the reduction of the market share and makes explicit expected behaviors. When identification content is included in the communication strategy, it is assumed that the objective of creating a sense of security will be achieved. The cohesion strategy includes identification content, usually combined with transparent information, to increase the sense of belonging to the organization and thus create greater cohesiveness. For example, the organization encourages loyalty through messages based on its solid history and consistent behavior toward employees. The activation of behaviors strategy is the most complex and aims to stimulate proactive behaviors among collaborators through factual communication that is based on corrective actions (Benoit, 1995, 1997) or accommodative responses (Coombs, 2010; Coombs & Holladay, 2010; Marcus & Goodman, 1991) taken by the company and its management to address the crisis, for example, communicating a reward system that engages all employees in gaining new customers. To be effective, the foundations of transparency and cohesion should have been established before. These first three strategies of the model presume consistency between the objectives and content of internal communication: content is designed to reach the declared objectives, as outlined by the dotted line shown in Figure 1.

However, it is also possible that companies pursue internal crisis communication strategies that present elements of inconsistency between objectives and content. These strategies are those that are most threatening to trust and reputation. They are the strategies of evasion and underutilization of internal crisis communication. The evasion strategy aims to activate behaviors but does not include a description of actions or the factual communication that could give credibility to the explicit messages and formal declarations (Aggerholm, 2008; Benoit, 1997). Organizations evade responsibility and do not implement actions that directly commit them to resolving the negative event (Benoit, 1995, 1997; Coombs, 2010; Coombs & Holladay, 2010;

Marcus & Goodman, 1991), while expecting employees to respond actively in the face of the crisis. Finally, the underutilization strategy is pursued by companies that have no real awareness of the role that internal communication can play in times of change (Barrett, 2002). Organizations accept a high level of responsibility and implement corrective actions, but do not try to involve employees actively and explicitly, and the organization limits its communication objectives to enhancing a sense of security and belonging.

According to the SCCT (Coombs, 2010; Coombs & Holladay, 2010), companies with strong reputation and trust are expected to adopt more accommodative strategies because they are more capable of protecting them during a crisis. Other research has shown that organizations that produce consistent crisis responses will enhance their legitimacy, while organizations that produce inconsistent crisis responses will reduce theirs (Massey, 2001). Specifically, in the research model, the most accommodative and consistent strategy is the activation of behaviors strategy, while the least accommodative one is the evasion of responsibility.

This model of internal crisis communication strategies has been used empirically in this study, to apply it to the global financial crisis that began at the end of 2008.

## Research Questions and Methodology

In order to understand the role of internal communication in protecting a company's reputation and trust relationships with its employees, this article presents a study based on two specific research questions:

*Research question 1:* What internal communication strategies did Italian companies adopt in dealing with the global financial crisis that started in 2008?

*Research question 2:* What characteristics have typified the practice of internal crisis communication within that specific context?

Based on the literature review and the research model, this study expects that in order to protect reputation and trust relationships with employees, the most effective strategies are those in the area of activation of behaviors or at least those considered consistent in the combination of objectives and content of internal communication. Then, to explore in more depth results about the most adopted strategies, research question 2 investigates specific characteristics of internal crisis communication (i.e., instruments, tone and language of internal crisis communication, activities carried out by internal communication managers, and difficulties and errors of internal communication during the crisis).

This research study consisted of multiple methods, including interviews, focus groups, and a survey. This article presents results from the survey, with some elements of interpretation from focus groups integrated in the discussion part.

Exploratory email interviews were conducted with 13 internal communication managers and 14 employees in January 2009, to gather comparable data (Daymon & Holloway, 2002; VanderStoep, Johnson, 2009) of their accounts about the instruments,

contents, and listening activities implemented. Managers were also asked about what effects the missing or implemented internal communication produced on employees, while employees were similarly asked about their interpretation of the missing or implemented communication. Then, a focus group of 4 hours involving 12 internal communication managers from a professional internal communication network was held in February 2009 to analyze and discuss in more depth the findings that emerged from the interviews, through group interaction (Daymon & Holloway, 2002). The same focus group, with 10 managers from this network, was convened after the survey in July 2009, acting as a form of triangulation (Patton, 2002).

Exploratory interviews and the first focus group were crucial to the process of piecing together the first reactions of Italian organizations to the crisis and, together with the analysis of the literature, to specify themes to be explored further in the survey. Then the survey involved just internal communication managers to focus on internal crisis communication strategies implemented and investigate efforts made to safeguard relationships of trust with employees. A random sample of 135 managers in charge of internal communication strategies was drawn from a directory including the most important companies operating in Italy, all of them affected by the crisis. The survey took the form of a web survey to ensure faster responses and a higher response rate in the context of a pressing crisis (VanderStoep & Johnston, 2009) and took place between June and July 2009.

The instrument included 29 questions with multiple responses, scales, and an open-ended question. Descriptive details about respondents and companies were also gathered, exploring gender, age, role and department for respondents, and impact of the crisis, sector, nature, dimension, and past relational history for companies.

For the purposes of this article, the following items are considered: objectives (creating realistic expectations and increasing a sense of security, sustaining trust and identification toward the company, or enhancing commitment and active behaviors to face the crisis), contents (information on the present situation and consequences for employees, corporate values and strategies, or actions and decisions to preserve the company), instruments (written official, interpersonal official, informal, externally managed, listening, or implicit), tone (usual, objective, cautious, customized, optimistic, or emotional) and language of internal crisis communication (related to opportunity, efficiency, tenacity, opportunism, disillusion, or cynicism), activities carried out by internal communication managers (developing internal communication strategies, supporting managers in their communication with employees, collecting feedback and presenting it to senior managers, planning and coordinating internal communication, maintaining relationships with other functions, or creating internal communication tools), difficulties (explaining the current situation to employees who have a different level of awareness of the crisis and its impact, communicating in an incomplete and uncertain informational framework, communicating to employees to whom the company gives less but from whom it asks for more effort, communicating unpleasant news, managing information coming from outside and external media, or managing rumors), and errors (inconsistency between the statements made and the actions taken, lack of transparency, manipulation of information, discrepancy with the company



mission and values, inconsistency with work agreement, or contradiction with CSR policies) of internal communication during the crisis.

Data were coded and analyzed using the SPSS-program for Windows software to provide descriptive and correlation statistics. In addition, responses to questions on objectives and content were clustered to relate to the mapping of internal crisis communication strategies depicted in Figure 1.

## Results

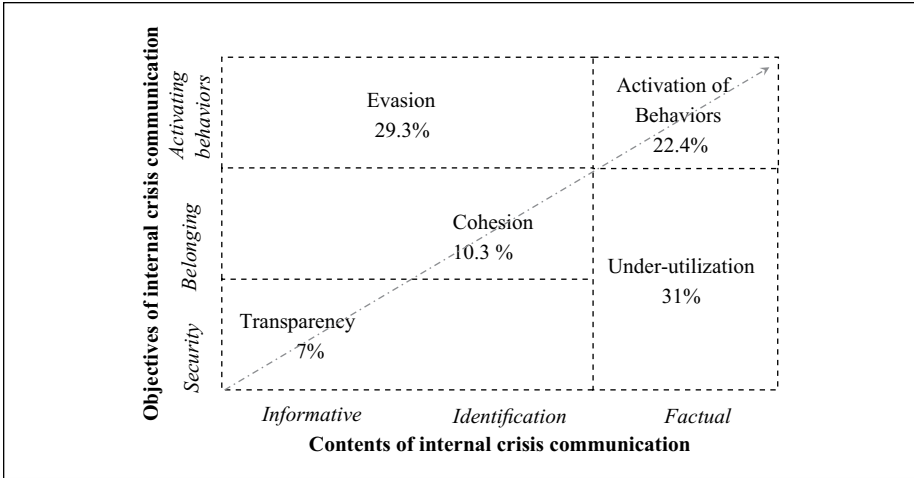
Sixty-one out of 135 questionnaires were completed and returned, giving a 45% valid response rate. In the sample, the majority of respondents are women (57%), aged between 31 and 45 (57%). Their role varies from internal communication leader (36%), to internal and external communication leader (23%), to human resources and internal communication leader (13%), to other managerial positions related to internal communication. They are mainly located in HR (41%) or communication departments (33%).

All companies included in the sample were affected by the crisis: in particular, 80% of them declared that the impact of the crisis was extremely heavy. Companies in the sample belong to all productive sectors, with a prevalence of manufacturing (45%), followed by commerce, transport, telecommunications, credit and assurance, public administration, and other services such as health and education. Companies are mainly private (80%), large (76% with more than 250 employees), and multinational (67%) and are thus likely to be more affected by the global financial crisis. The majority of companies (51%) have a long history, with an age greater than 50 years. Eighty percent of companies also declared that they have a high degree of trust in the history of relationships with their employees. In the following sections, the results concerning the two research questions of this study are described.

### *Research Question 1: Internal Communication Strategies Adopted*

The first research question of this study asks what internal communication strategies companies in Italy adopted in dealing with the global financial crisis that started in 2008. The research model described in the third section, based on objectives and content of internal crisis communication, is used as the reference framework.

Concerning objectives, the majority of companies indicated affective objectives (36%) aimed at sustaining a sense of trust and identification toward the organization, followed by behavioral objectives (35%) aimed at activating employees' behaviors to get over the crisis, and cognitive objectives (27%) aimed at creating realistic expectations in employees and increasing their sense of security. Concerning content, the majority of companies indicated identification content (41%) focused on the corporate values and strategies of the organization. This was followed by factual content (34%) about actions and decisions to preserve the performance of the organization, such as the launch of new products, and internal trust and reputation, such as continuous training for business partners. Finally, there was informative content (23%), including



**Figure 2.** Internal crisis communication strategies adopted in Italy.

information about the present situation of the company and its business and the consequences for employees. Two percent of responses for both questions were not valid.

Companies were clustered and positioned within the five internal communication strategies identified in the research model. Figure 2 shows the extent to which Italian companies used these five strategies in facing the crisis. 31% of companies adopted an underutilization internal communication strategy; 29.3% an evasion strategy; 22.4% an activation of behaviors strategy; 10.3% a cohesion strategy, and 7% a transparency strategy.

Italian companies have therefore largely preferred underutilization of internal communication and evasion strategies. Such defensive and inconsistent strategies, as underlined in the theoretical background (e.g., Benoit, 1995, 1997; Coombs & Holladay, 2010), have the potential to undermine a company's trust relationships and credibility, as they do not actively and explicitly involve employees, or ask them to make an additional effort without showing reciprocal commitment and shared responsibility.

### **Research Question 2: Characteristics of Internal Crisis Communication**

The second research question of this study asks what characteristics have typified the practice of internal communication in this crisis. To find an answer to this question, results on instruments, tone and language of internal crisis communication, activities carried out by communicators, and difficulties and errors of communication are reported in the following.

Concerning the internal communication instruments used, 82% of respondents indicated multimedia and written official instruments (e.g., organizational periodicals, e-mail, and intranet), while 75% declared having turned also to interpersonal official

instruments (e.g., formal meetings and manager–employee meetings). Other instruments were also used, including implicit instruments in terms of actions and decisions (used by 30%), listening instruments (26%; e.g., opinion survey and informal feedback), informal instruments (16%; e.g., social media), and external channels (16%; e.g. press and television). Managers were also asked to compare the instruments that were actually used with the ones that they would have preferred to have used. They declared that informal and listening instruments should have been used more extensively, while written and multimedia official instruments and implicit instruments were overused, in their opinion.

The tone of official internal communication was declared to be the usual one (44%), objective (39%), cautious (38%), customized for the target audience (26%), optimistic (15%), and emotional (11%). Respondents also pointed to some of the semantic areas that were used in formal and informal communication contexts. Six areas had previously been identified through interviews: opportunity (change, innovation, investment, and future); efficiency (rationalization, restructuring, profitability, and productivity); tenacity (trust, optimism, responsibility, and awareness); opportunism (riding the crisis, subterfuge, weakening the weak, and protecting the strong); disillusion (mistrust, disaffection, resignation, and victimism); cynicism (perplexity, skepticism, irritation, and rage). In formal communication contexts, managers indicated a prevalence of the language of opportunity and efficiency (both 34%), followed by tenacity (22%) and opportunism (4%). Nobody claimed to have used words from the areas of disillusion and cynicism. The situation is quite the opposite in informal communication contexts, where the language of disillusion prevails (33%), followed by cynicism (25%), opportunism (20%), tenacity (9%), efficiency (5%), and opportunity (4%). The nonresponse rate showed a significant increase for the negative semantic areas.

Internal communication managers were then asked to describe their activities related to internal crisis communication, and to compare them with the desirable activities. Most of them claimed to have been responsible for supporting managers in their communication activities with employees (48%), collecting feedback and presenting it to senior managers (46%), and developing internal communication strategies (46%), thus assuming a reflective, strategic-consultancy role within their companies. Less commitment was dedicated to creating internal communication tools (43%), planning and coordinating internal communication (21%), and maintaining relationships with other functions (15%). However, they suggested that they should have been more involved in activities like supporting managers in their communication activities with the staff, and collecting feedback from employees and presenting it to senior managers. At the same time, the communicators believed that they were too heavily involved in the implementation of communication tools.

Finally, the survey asked communicators to indicate the main difficulties and errors in internal crisis communication. They identified the main difficulties as explaining the current situation to employees who have a different level of awareness of the crisis and its impact (56%), followed by communicating in an incomplete and uncertain informational framework (38%), communicating to employees to whom the company

gives less but from whom it asks for more effort (38%), communicating unpleasant news (36%), managing information coming from outside and external media (28%), and managing rumors (21%). Among the biggest errors, respondents indicated inconsistency between the statements made and the actions taken (79%), followed by lack of transparency (74%), manipulation of information (31%), discrepancy with the company mission and values (28%), inconsistency with work agreement (23%), and contradiction with CSR policies (20%).

## **Discussion**

If we look at the first research question, investigating internal communication strategies adopted, it turns out that organizations have mainly resorted to underutilization (31%) and evasion strategies (29.3%). On the one hand, a substantial proportion of the sample companies underestimated the value of internal communication during the crisis. While accepting a high level of responsibility in facing the event, companies failed to involve employees effectively by communicating corrective and accommodative actions that would be appropriate strategies to protect reputation and trust relationships (Benoit, 1997; Coombs & Holladay, 2010). This indicates the immaturity of the internal crisis communication culture in Italian companies.

On the other hand, another sizeable group of companies did not accept a high level of responsibility, while they have pressed employees to act to face the crisis without equally supporting them with concrete actions and a related communication strategy. This approach contrasts with previous research indicating that accommodative strategies lead to the most positive reputational effects (Claeys et al. 2010; Coombs, 2007a, 2010; Dardis & Haigh, 2009), especially in the recovery phase when a crisis can become an opportunity for renewal (Seeger et al., 2005; Ulmer, Seeger, & Sellnow, 2007) or a moment of “constructive deconstruction” (Rosenthal, Boin, & Comfort, 2001). In addition, this approach is deeply contradictory as other recent studies highlight that communication managers are more and more focused on the role of employees as strategic communicators toward internal and external stakeholders (Johansen et al., 2012).

On the whole, companies did not carefully consider the effects these inconsistent internal communication strategies can have on maintaining reputation and trust relationships with employees. These findings about strategies are surprising if it is considered that in general companies have tried to follow objectives that relate to belonging (36%) and identification content (41%) where internal communication becomes the glue that holds the organization together (Barrett, 2002). Eighty percent of companies even claimed to have a high degree of trust in the history of relationships with their employees. Evidently, companies failed to exploit this intangible asset in this crisis, putting their credibility at risk; a positive relational history can protect an organization in case of a crisis, but it also creates higher expectations of responsibility acceptance and accommodative actions (Coombs, 2007a, 2010; Dardis & Haigh, 2009; Fedui, Coombs, & Botero, 2010). Other situational factors (Coombs, 2010; Coombs & Holladay, 2010), like the degree of control over the crisis and the organizational crisis

history, cannot be considered relevant in this crisis, given the extraordinary nature and global impact of this event with little in common with other types of previous crises.

Other results, linked to the second research question about characteristics of internal communication implemented, seem to confirm this initial picture. First, looking at the instruments used, managers are conscious that informal and listening instruments (used respectively by 16% and 26% of companies) should have been privileged over more formal, multimedia, and indirect instruments. A focus group participant stressed that companies may have relied mostly on formal and multimedia instruments to reduce the circulation of ambiguous and difficult meanings. However, listening is critical to effective crisis communication (Ulmer, Sellnow, & Seeger, 2007) as a crisis occurs when people perceive the situation as such (Rosenthal et al., 2001). And in fact, also other research has found that during a crisis employees show a greater need for information and rely more on informal communication (Johansen et al., 2012), beyond written, multimedia, and interpersonal official instruments.

These data are confirmed also by responses to the roles undertaken, where managers believed they should have worked more on strategic and relational activities like supporting managers in their communication activities with the staff and collecting feedback and presenting it to senior managers (actually implemented respectively by 48% and 46% of companies), while they thought they had been too heavily involved with implementing communication tools. As the literature highlights, informal and listening instruments, which are more focused on linking people and collecting employee feedback, are fundamental to helping managers know employees' perceptions and concerns (Shaia & Gonzenbach, 2007), recognize potential misunderstandings (Clampitt, DeKoch, & Cashman, 2000) and tacit dimensions of communication (Daymon, 2000), and guide collective informal sense making (Bordia, Jones, Gallois, Callan, & Difonzo, 2006). In addition, focus group participants highlighted how informal instruments are more direct and rapid in collecting perceptions in times of change.

Second, considering tone and language used, it appears that companies have not exploited internal communication as a strategic tool for committing and involving people, as the widespread adoption of the underutilization strategy has already indicated. In official internal communication, they have resorted mainly to familiar tones (44%) and positive language expressing opportunity (34%), efficiency (34%), and tenacity (22%). This rhetoric is treacherously near to what Benoit (1995, 1997) indicated as evasion or minimization strategies. Also focus group participants outlined that this may be aimed at not creating alarmism, but at the same time it feeds a lack of transparency, mistrust, and confusion. In fact, while managers meant to depict the crisis as an opportunity, they were aware that in informal contexts language expressing opportunism, delusion, and cynicism prevailed. This may be linked to the principal difficulty in communication indicated in the survey, which is explaining the current situation to employees who have a different level of awareness and understanding of the situation (56%).

The use of inconsistent underutilization and evasion strategies has probably created communication ambiguity and an interpretation gap between what managers tried to communicate and what employees actually perceived (Mazzei & Ravazzani, 2011; Ulmer, Sellnow, & Seeger, 2007). This highlights a critical point in communication

management during a crisis, where a company should be able to tell a credible story, which is both sincere and plausible (Heath & Palenchar, 2009). When commitments and communication are explicit and responsible, in fact, people are much more likely to feel bound to them (Cialdini, 1998). The prevalent strategies that emerge from this study, together with language and tools of internal communication implemented, are also consistent with the main errors in crisis communication indicated by the same respondents, above all inconsistency between the statements made and the actions taken (79%) and lack of transparency (74%).

For example, findings indicate that companies implemented communication focused on identification and trust issues (41%), without accompanying it with enough factual communication (performed by 34% of companies) but giving space to implicit communication on actions and decisions made (30%). It seems they missed to communicate corrective and accommodative actions (Benoit, 1997; Coombs & Holladay, 2010). This inconsistency may be due to the lack of listening activities, performed by 26% of companies, which instead is critical to avoid potential misunderstandings and unrecognized obstacles (Clampitt et al., 2000).

## **Conclusions**

This research study starts from questioning the role of internal communication in protecting a company's reputation and trust relationships with employees. Communication strategies to deal with a crisis can have a profound effect on the perceptions of individuals and can increase or diminish the effects of the crisis on the company itself, especially in terms of future reputation and trust relationships (Coombs, 2006). Results of this study highlight that on the whole companies have resorted to poor internal communication as a strategic lever for employee commitment and largely adopted evasive and defensive responses that may undermine their trust relationships with employees. The instruments and language used and the roles enacted underline difficulties and inconsistencies of implementing effective communication. All these results indicate a lack of awareness about internal crisis communication culture in Italian companies.

Yet, the role of internal communication is even more fundamental in crisis situations where there is a high level of communication ambiguity (Ulmer, Sellnow, & Seeger, 2007) and a strong need for sense making (Weick, 1988, 2001). Even if companies develop deep trust relationships with their employees before a crisis occurs (Coombs & Holladay, 2006; O'Hair, Friedrich, Wiemann, & Wiemann, 1995), it is always necessary that they implement factual communication and concrete actions to give credibility and consistency to explicit messages (Aggerholm, 2008; Benoit, 1997). Internal communication occupies a pivotal position in this, contributing to generating employee communication behaviors (Grunig, 1997) that are particularly relevant in a crisis situation (Kim & Rhee, 2011; Mazzei, Kim, & Dell'Oro, 2012).

To conclude, this research study has attempted to offer a more comprehensive understanding of the complexity of internal communication during crises, by shedding light on a very specific crisis phenomenon and responding to calls from previous studies for more empirical research (Coombs, 2007a) and more attention to internal crisis communication (Frandsen & Johansen, 2011; Johansen et al., 2012; Taylor, 2010).

A limitation of this study lies in the fact that results are largely based on internal communication managers' accounts and perceptions. However, perceptions in organizations play a central role, as they guide actions and make the organization operate toward a certain direction (Weick, 1988). Other research has investigated how crisis communicators can perceive a crisis and how this in turn affects communication strategies (Wester, 2009). In addition, the empirical results presented refer to the Italian context, although the research model was largely based on international literature, and are limited to the sample of companies included. Nonetheless, they are equally able to offer valuable insights on internal crisis response strategies and to contribute to the lack of studies on this issue (Frandsen & Johansen, 2011).

The model presented in this study has the potential value for being used by internal communication managers to better understand the strategic role internal communication plays during crises and overcome some of the mistakes that might negatively affect trust relationships with employees.

Also, key results from this study allow drawing useful managerial implications for companies around the world. For example, there is a need for consistency between objectives and content of internal crisis communication to implement effective strategies. There is a need to achieve a balance between being realistic and projecting attention to employee expectations and concerns. There is an opportunity to confirm in every possible way, and especially with corrective and accommodative actions, the relationship of mutual trust and commitment between the company and its employees. And finally, it is important for communication managers to place a high value on listening and to assume networking and relational roles throughout the company. Learning and capitalization of previous crisis experiences is particularly meaningful to potentially prevent a new crisis from occurring (Veil, 2011).

This research may continue with a few case studies from companies that have participated in this study, to explore in greater depth the approach implemented and integrate internal communicators' accounts. In addition, there are opportunities for future research to be conducted on employees' perceptions, and to investigate within the same companies actual effects on trust relationships consequent to the inconsistent communication strategies implemented. It would also be interesting to repeat the same research with managers, as the crisis worsens in 2011, and investigate whether there have been any changes in companies' rhetorical approaches and communication management. Finally, future research may be conducted in other countries to understand if some contextual factors, like the specific economic situation or the managerial culture, could differentially affect the choice of internal crisis communication strategy.

### **Authors' Note**

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