

Managing Company's Reputation during Crisis: An Analysis of Croatia Airlines' Crisis Response Strategy to the Labor Unions' Strike Announcement

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Abstract : When it comes to crisis, no company, notwithstanding its financial success, power or reputation is immune to the new environment and circumstances emerging from it. The main challenge company faces with during a crisis is to protect its most valuable intangible asset reputation. Crisis has the serious potential to disrupt company's everyday operations and damage its reputation extremely fast, especially if the company did not anticipate threats that may cause a crisis. Therefore, when a crisis happens, company must directly respond to it, whilst an effective crisis communication can limit consequences arising from the crisis, protect and repair the reputational damage caused to the company. Since every crisis is unique, each one of it requires different crisis response strategy. In July 2018, airline labor unions threatened Croatia Airlines, the state owned flag carrier of Croatia, to hold a strike that would be called into question regular flights and affect more than 7.600 passengers per day. This study explores the differences between crisis response strategies that Croatia Airlines, the state owned flag carrier of Croatia and airline labor unions used during the crisis period within the Situational Crisis Communication Theory (SCCT) by analyzing the content of formal communication tools used by Croatia Airlines and airline labor unions. Moreover, this study shows how Croatia Airlines successfully managed to communicate to the general public the threat that airline labor unions imposed on it and how was it received by the Croatian media. By using the qualitative and quantitative content analysis, the study will reveal the frames that dominated in the media articles during the crisis period. The greatest significance of this study is that it will provide the deeper insight into how transparent and consistent communication, the one that Croatia Airlines used before and during the crisis period, contributed to the decision of the competent court (Zagreb County Court) which prohibited labor unions strike in August 2018.

Keywords : crisis communication, crisis response strategy, Croatia Airlines, labor union, reputation management, situational crisis communication theory, strike

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