Keeping Face in Crises: Towards a Proactive Crisis Response Strategy

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Good crisis management is crucial for the survival of businesses. Yet, many companies fail to respond adequately in periods of crises because they do not know how to create their crisis response strategy. To create an approach for solving this problem, this paper aims to bring together the concepts of crisis response strategies and proactive behaviour. This is done by creating a model with the help of current literature on both topics and a case study. The model will give the idea what factors are important in creating a proactive crisis response strategy. The final model consists of five pillars; the main pillars are the promise of undertaking corrective and / or precautionary actions and long-term vision with the supporting pillars being intrinsic motivation, transparent communication and leadership. The first two are of high importance for businesses in crisis situations while the latter are of lower importance. Ultimately, the intention of this paper is to create a basis for further research in the field of proactive crisis management so that companies can survive periods of crises with as little damage as possible.

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Keywords

Proactive Reputation Management, Proactive Behaviour, Crisis Response Strategies, Reputation Management, Crisis Communication

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1. INTRODUCTION

Having a good reputation among customers and other stakeholders is without question one of the most valuable intangible assets that a company can have. In the unfortunate event that a crisis occurs, caused by the organisation itself or not, companies find themselves in jeopardy of losing business from customers who are turning their backs on the company. Ergo, good reputation management in crisis situations is essential for companies in order to work their way out of the crisis. Reputation management and crisis management therefore have received a lot of attention among scholars (eg. Brown, 2010; Turk, Jin, Stewart, Kim & Hipple, 2012; Sapriel, 2003; Coombs & Holladay, 2009).

Another topic that has received a lot of scholarly attention lately is proactive behaviour, both of individuals and companies. In general, there are two main elements of proactiveness: the anticipatory element, meaning companies or individuals act upon something that they believe is happening in the future, and the element of creating change and shaping one's environment in present times (Crant & Bateman, 2000, Crant & Bateman, 1993, Parker & Collins, 2008). People who act proactively seek out opportunities and act upon them. On the other hand, less proactive people show a rather passive behaviour with low initiative and are more willing to accept certain circumstances rather than attempting to change them. (Crant & Bateman, 2000).

Different authors have discussed different strategies and approaches to proactive behaviour, such as the impact of proactive behaviour on leadership qualities (Crant & Bateman, 2000, Deluga, 1998), entrepreneurial spirit (Crant, 1996; Kickul & Gundry, 2002), job performance and job crafting (Bakker, Tims & Derks, 2012; Frese, Kring, Soose & Zempel, 1996), organisational behaviour (Bateman & Crant, 1993; Crant, 2000) and organisational change (Bindl & Parker, 2010).

While both proactive behaviour and crisis response strategies have gotten a lot of attention, a combination of those topics has yet to be researched. Lately, there has been a shift towards proactive social responsiveness among companies (Crane & Matten, 2010), meaning that more and more companies choose to proactively protect their reputation concerning social issues. This trend opens up a whole new field of reputation management and introduces a new spectrum for scientific research. Therefore, the purpose of this study is to combine the aspects of proactiveness with a company's reputation management during a crisis and to develop a model containing the components of a proactive crisis response strategy by doing so. The model will be developed by the guiding question of this research "What are the components of proactive reputation management strategies in crises?" with the sub-questions being "What does theory say about reputation management strategies and their influencers?" and "What are characteristics of a proactive organisation?"

In order to answer the research questions thoroughly, this paper will be pursuing the following approach. First, the method used to answer the research question will be explained. Thereafter, the aforementioned research questions will be answered in the analysis by the means of a literature review building up to the proposed model of a proactive reputation management strategy. This model will be applied and evaluated according to the study of companies who were involved in the collapse of the garment factory Rana Plaza in Savar, Bangladesh and the fire in the Tazreen Fashion Factory in Dhaka, Bangladesh. After the evaluation, the updated model will be introduced, the main results of the study will be presented and limitations and recommendations for future research will be discussed.

2. LITERATURE REVIEW

2.1 Concept Definitions

In order to fully understand the concepts used in this paper, a definition of the most important ones, *corporate reputation*, *reputation management* and *proactive management* will be given below.

2.1.1 Corporate Reputation

Fombrun and van Riel (1997) defined corporate reputations "a collective representation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiple stakeholders". These authors have grasped the concept of the company's perspective well, playing on the popular statement that a company's purpose is to create value for its shareholders. Spence (1974) in Fombrun and Shanley (1990) takes on a similar approach, stating that corporate reputation is the "outcome of a competitive process in which firms signal their key characteristics to constituents to maximise their social status". The main issue with these approaches is that not only shareholders form an opinion about a company's reputation but their stakeholders, e.g. competitors or suppliers as well.

A more complete capture coming from the same paper Fombrun and Shanley's (1990), says that "publics construct reputation from available information about firm's activities originating from the firms themselves, from the media, or from other monitors. [...] As signals about firms' activities, achievements and prospects diffuse, individual interpretations aggregate into collective judgments" (p.234)

In that respect, corporate reputation shall be defined as the collective public judgment of a firm's actions, achievements and future prospects in this paper.

2.1.2 Reputation Management

Payne (2008) defines the key difficulty of managing reputation being its intangible nature (originally from Young, 1995). Budd (1994) (as cited in Payne, 2008) argues that "because reputations are not a physical commodity, the challenge [of managing reputation] lies in managing all signals sent by a company – a story, an action, a report, a meeting, or an interview - for the best possible reputation". The weakness in Payne's view is that she does not pay sufficient attention to the external factors such as for example customers or shareholders but only focuses on internal signals.

Showing that managing reputation is worth the hassle, Brown (2010) acknowledges the importance of a good reputation as it is "in many ways the most valuable thing you own", arguing that if you have a good reputation, people will be more inclined to spend money at your company; they will give you more attention and respect (Brown, 2010). Consequently, a bad reputation will make people hesitant of buying at your company.

According to him, there are three important aspects of reputation management: Building, maintaining and salvaging reputation all of which are crucial for successful businesses (Brown, 2010).

For the purpose of this paper, reputation management shall be defined as the *process of managing internal and external factors in order to create, maintain and protect a company's reputation.*

2.1.3 Proactive Management

In current literature, there is no sufficient definition of proactive management yet. Most papers concerned with proactive management in various topics fail to provide a definition of proactive management. Only a characterisation by Shen and Hellerstein (2000) could be found, saying that "proactive management holds the promise of taking corrective actions in advance of service disruptions". The promise of proactive management is captured quite well but while it acknowledges the actions undertaken in advance of service disruptions, it does not regard proactive actions that are undertaken during said disruptions.

Proactive management therefore will be conceptualized as the process of managing a business with a long-term vision and by taking corrective and precautionary actions in advance of and during process disruptions.

In this definition, the terms of long-term vision and predictive actions have been added (in addition to the previously mentioned issues) because in proactive management, it is important to be able to say something about the future (Crant, 2000) and to be able to estimate what is going to happen. Furthermore, 'precautionary actions' has been included because being proactive includes trying to foresee changes in the environment and preparing to act upon them (Crant, 2000).

2.2 Crisis Management and Proactive Behaviour of Organisations

2.2.1 Response Strategies and their Influencers
How much responsibility for a crisis customers and
stakeholders associate with a company is relevant for the
company to determine the content of their response strategy.

There are a few ways in which crisis responsibility can be assessed and they are not mutually exclusive, i.e. in a crisis situation, companies can use more than one in order to determine the appropriate response strategy. The first possibility that will be discussed in this paper was developed by Coombs (2007) and works by assigning companies to clusters. These clusters are: 1) victim cluster, 2) accidental cluster and 3) intentional cluster. When an organisation is in the victim cluster, the public sees the company as a victim of the crisis. The ranking of crisis responsibility goes from very low in the victim cluster to high in the intentional cluster. Examples of crises where a company is perceived to be in the victim cluster include natural disasters such as hurricanes or earthquakes. In the accidental cluster, the public associates a company with a slightly higher responsibility for the crises such as malfunctioning products which have to be recalled. The highest responsibility associated with a company occurs when a company intentionally does something that is perceived as unethical or dangerous by the public such as the exploitation of workers or the endangering of the environment in order to

Another way of measuring crisis responsibility is the use of the crisis type matrix (Coombs, 1995). As shown in the table below, crisis responsibility depends on the underlying intentions (comparable to the intentional cluster) and the internal or external cause.

	Unintentional Intentional	
External	Faux Pas	Terrorism
Internal	Accident	Transgressions

Table 1. Crisis type matrix (Coombs, 1995)

In this matrix, company responsibility is perceived the highest when the crisis was internally and intentionally caused (Transgression) while external and unintentional causes are associated with the lowest responsibility (Faux Pas).

The stability of a crisis also plays an important role in crisis perception – a crisis will be perceived as worse by stakeholders if similar incidents have happened before while they tend to be more forgiving if it happens for the first time.

Other factors that also contribute to the perception of crisis responsibility are evidence, damage, victim status and performance history.

Crisis perception and response strategies are very intertwined as proven by Coombs (1995). Other factors influencing the decision-making for the appropriate response strategy are the crisis type, the graveness of the damage, the receptor of the response, victim or non-victim and the performance history (crisis stability). Dependent on these factors, response strategies, the type ranging from 'nonexistence', the outright denial of a crisis or the company's relation to it, to 'mortification', the highest form of an apology.

Frederick (1994) suggests a similar approach to crisis response strategies, albeit only focusing on situations of crises in the company's social environment. Going one step further than 'corporate social responsibility' (CSR), he coined the term 'corporate social responsiveness' (CSR₂). In its essence, corporate social responsiveness is the progression of corporate social responsibility and is defined as "the capacity of a corporation to respond to social pressures" (p. 154). Related to that, Carroll (1979) proposes four different strategies to deal with corporate social responsiveness, ranging from taking on the least amount of responsibility to taking on a very high amount of responsibility. In his concept, CSR₂ is not about making moral judgements of situations; it is purely about how companies should respond to social issues. He defines the strategies as follows: 1) reaction, 2) defence, 3) accommodation and 4) proaction. The 'reaction' strategy denies any responsibility for social issues, 'defence' admits responsibility but fights it. Companies using defence do not do more than is legally required of them. When using the 'accommodation' strategy, a company admits its responsibility and does what is demanded by relevant groups. The strategy that is most relevant for this paper is the last one, 'proaction'. When using this strategy, a company admits its responsibility (like the 'defence' and 'accommodation' strategy) and goes beyond what is expected by those affected."

According to Crane & Matten (2010), many corporations appear to have a shifting strategy of social responsiveness towards the proactive approach. In the following, the preliminary model for such a strategy will be developed.

2.2.2 Characteristics of a proactive organisation

As discussed above, the purpose of this paper is to combine the theoretical knowledge about proactive human behaviour with the efforts of a company in a crisis to maintain a favourable reputation or to avoid a damaging reputation. In order to do this, the current knowledge in the field of proactive behaviour shall be applied to reputation management efforts in crises.

In the following, the main elements of proactive behaviour will be discussed and applied to companies in order to answer the question "What are characteristics of a proactive organisation?"

In the literature, there are four main constructs of proactive behaviour as summarised by Crant (2000): Proactive personality, personal initiative, role breadth self-efficacy and taking charge.

Traits of a proactive personality are, amongst others, the ability to identify opportunities and act upon them, showing initiative and persevering until change occurs. Bateman & Crant (1993) developed a proactive personality scale in order to be able to measure the strength of the proactive character trait. In the literature, a proactive personality has been connected to higher job performance (Crant, 1995), higher career success (Seibert, Crant & Kraimer, 1999), better perceived leadership (Crant & Bateman, 2000; Deluga, 1998), higher organisational innovation (Parker, 1998), better team performance (Kirkman & Rosen, 1999) and entrepreneurial behaviour (Crant, 1996).

Personal initiative as a component of proactive behaviour in an organisation is characterised through its consistency with the organisational mission, its long-term focus, its action and goal orientation, its persistency and its self-starting approach (Crant, 2000).

The term role breadth self-efficacy was coined by Parker (1998), standing for an employees perceived ability to perform jobs and actions outside of his or her job requirements. The main difference to proactive personality traits are that role breadth self-efficacy is affected by the environment and that experiences develop and change.

Taking charge emphasizes the desire to challenge the status quo by introducing change. Employees take charge most often when they feel responsibility for their job and working environment, believe in their own capabilities to change something and feel supported by upper management.

Other context-specific proactive behaviours mentioned by Crant (2000) are socialization, whereby people actively learn from their environment, feedback-seeking, issue selling (drawing the attention to something), innovation, career management and coping with stress. All the things mentioned can be tackled proactively by employees and organisations.

When converting the knowledge of proactive behaviour of individuals to proactive behaviour of companies, one will get the following picture: A company can be considered proactive when it identifies opportunities or problems and acts upon them, when it is innovative, when it starts to think outside the box or when they desire to change the status quo. Proactive behaviours of companies can be represented by frequent stakeholder contact in order to gather feedback and crowdsourcing from active and expert users. On the other hand, less proactive companies tend to adapt to their environment and follow trends rather than to create them.

Theoretical evidence points towards the fact that proactive companies act as market leaders and are more successful.

3. THE COMPONENTS OF A PROACTIVE CRISIS RESPONSE STRATEGY

In this section, a model containing possible components of a proactive crisis response strategy will be developed.

Looking at the aforementioned definition of proactive management ("the process of managing a business with a long-term vision and by taking corrective and precautionary actions in advance of and during process disruptions"), the elements long-term vision and corrective and precautionary actions will be discussed as measurements of proactive response as they

have been shown to play a role in proactive businesses. Furthermore, the components *intrinsic motivation*, *transparent communication* and *leadership* will be investigated.

The model focuses exclusively on company behaviour that is observable from the outside and therefore does not exhaust all possible proactive and reactive crisis response strategies; it is likely that factors like preparation (Crant, 2000) (eg. media training or crisis simulations) also play a role but that will not be investigated in this study as it requires more time and access to insider information.

Corrective and Precautionary Actions

The underlying wish of every company or individual practicing proactive behaviour is to change current circumstances. People who are going out of their way to change something, challenge the status quo instead of passively adapting to current conditions (Crant, 2000).

A company that in their crisis response strategy communicates that they will be pursuing change in the future therefore acts proactively as opposed to a company who is saying that they are not going to undergo any efforts to prevent the situation from happening again.

Components of a Proactive Crisis Response Strategy	Components of a Reactive Crisis Response Strategy
Promise of undertaking corrective and / or precautionary actions	No change in behaviour
Long-term vision	Short-term vision
Intrinsic motivation	Extrinsic Motivation
Transparency of	Opacity
Communication	
Leadership	Followership

Table 2. Proposed Model of Proactive and Reactive Components of a Crisis Response Strategy

Long-term vision

Long-term vision is repeatedly associated with proactive behaviour in scientific literature (Crant, 2000; Frese, Kring, Soose & Zempel, 1996, Parker, Williams & Turner, 2006).

According to Frese et al. (1996), 'long-term focus' is one of the five components of personal initiative, a behavioural characteristic of proactive behaviour. They discussed that long-term goals are essential for a proactive response to problems. Parker et al. (2006) agree with this opinion saying that persons who are future-oriented are more likely to show proactive behaviour.

Intrinsic Motivation

Intrinsic motivation as a factor of proactive behaviour has been explicitly and implicitly mentioned by various authors. Frese et al. (1997) state that the concept of proactive behaviour involves an "active and self-starting approach" (p.38), implying that the motivation to change something comes from within. According to Parker et al. (2006), one of the components of proactive behaviour, or personal initiative, is a self-starting attitude.

Transparency of Communication

In their paper, Ashford & Cummings (1985) state that proactive individuals seek feedback information in situations of

uncertainty. When encountering a crisis, companies certainly find themselves in a situation of uncertainty which is why a proactive approach of crisis response should include seeking feedback from people who were affected by the crisis, which not only includes the victims but also other stakeholders of the company such as customers, suppliers, investors and movements and persons representing the victims.

Companies can follow two ways of gathering feedback information: through inquiring and through monitoring. Inquiring feedback is done by asking for it directly while monitoring implies observing and evaluating how the environment responds to the crisis and to the response strategy of the company.

Leadership

As can be taken from the argumentation of the elements corrective and precautionary actions and intrinsic motivation, proactive behaviour can likely be connected to taking on a leading role in certain circumstances. Leaders show many qualities such as opportunity seeking or the desire to change a situation that can be considered proactive (Bateman & Crant, 2000). Leadership is an indicator of proactive behaviour, as proactive people are most often found to be good leaders (Crant, 2000; Deluga, 1998).

4. METHOD

In order to answer the research questions and to develop the model, a descriptive, qualitative approach will be used in this paper.

In order to generate the preliminary model of proactive reputation management in crises, this paper will make use of the current literature of the topic, both from a behavioural and social point of view as from a management perspective.

The model itself will be tested with the media available on company response and company behaviour during and after the collapse of Rana Plaza and the fire in the Tazreen Fashion factory. For this, information coming from press releases, newspaper articles, blogs and social media platforms will be used.

The cases of the collapse and the fire in Bangladesh have been chosen because in order to make the model as reliable as possible given the restrictions in time and other resources, there was a need to pick a case where the companies responded to the same incident. Furthermore, in order to find a sufficient amount of information on the topic, it was necessary to pick a case that where many internationally known companies were involved in.

The companies to be analysed are Walmart, Primark, Benetton, Bonmarché and Mango. They were chosen because the differences in how they approached the crisis are beneficial for a throughout analysis of the variety of strategies.

The model itself will be tested with publicly available sources about the catastrophes. This will be done by looking at similarities and differences between the companies in order to determine a pattern that is likely to represent a proactive strategy.

Operationalisation of the Concepts

The presented concepts will be evaluated with the information found on publicly available resources such as press releases disclosed by the company, newspaper articles and social media posts. The scale used for the assessment of the strength of proactivity will be indicated by labelling the company response regarding the concepts either "reactive" (R), "neutral" (N) or "proactive" (P). Whether a company's response regarding a certain concept is regarded reactive, neutral or proactive depends on how they perform according to the means of measurement that are presented.

Concept	Measurement		
Promise of undertaking corrective and / or	1) plans for immediate improvement of the situation		
precautionary actions	2) implementation of programmes and plans		
Long-term vision	Serious involvement in the issue for five years or more		
Intrinsic motivation	Previously existing social programmes & policies Short response time (less than two days)		
Transparent communication	Disclosing sufficient information on multiple platforms		
Leadership	Communicating efforts to motivate other companies who are in the same position, to follow a certain approach for solving the crisis		

Table 3. Operationalisation of the concepts

The concepts of the preliminary model of proactive crisis response strategies, promise of undertaking corrective and / or precautionary actions, long-term vision, intrinsic motivation, transparency of communication and leadership will be analysed as follows:

The promise of undertaking corrective and / or precautionary actions is measured according to the intention of change that is indicated in the companies' responses. Indicators for such an intention can be found in company statements on various platforms, both online and offline (e.g. papers, magazines). Company responses with a promise of undertaking corrective or precautionary actions regarding an acute problem typically include information about certain social or environmental programmes that the company intends to implement or the offer for immediate help and support for the victims. In general, the more change, help and support a company promises, the higher is the proactiveness of their response strategy. If a company does not communicate the intention to change something, their strategy will be labelled negative. In the event that a company states that they want to undergo change, but fail to explain how the change will be reached exactly or when the action is implemented, their response will be labelled neutral.

Whether a response strategy has a long-term vision can best be measured by evaluating their response according to the future plans that they make. Further background investigation can be made by evaluating their company visions and whether they have long-term goals that might be related to the crisis situation. According to Richard Foster, professor at the prestigious university Yale in Connecticut, USA, the average lifespan of a company listed in the S&P 500 Index is 15 years (Gittleson, 2012). Considering this, any plan longer than one third (5 years) of the average life span shall be considered as long-term. Therefore, a company's response shall be considered as longterm if they share a statement that substantially supports their involvement in the issue for a time of no less than five years. A company that is involved in the issue for less than five years shall be regarded as reactive; involvement for five years or longer will be labelled as proactive. A response shall be labelled neutral when other factors give reason to believe that the involvement might change over time; examples include cases when companies can easily shorten their activities or state that further investigation whether long-term involvement might be helpful will be done.

A company's *intrinsic motivation* for change as such can be difficult to measure with only publicly available resources but nevertheless, there are ways of estimating it. Amongst others, programmes and policies that already have existed before an incident occurs might indicate a general desire of a company to inflict a change upon their environment.

For example, the motivation of a mining company reacting to an explosion in one of their mines might be considered intrinsic when said company was supporting the local community of mine workers through programmes beforehand. Indicators of social involvement such as social policies or social programmes thereby can serve as an indicator of intrinsic motivation of the company.

Moreover, the time that it took to respond to a company can also be an indicator – a long response time makes it more likely that external pressure forced the company to respond. In today's 'social media age' the time for a first statement should not extend two days.

Therefore, the existence of social programmes or policies and a quick response time indicates an intrinsic interest in the issue—it is proactive. Absence of these programmes and policies as well as slow response times, i.e. more than two days, indicate a reactive strategy. A company's response regarding intrinsic motivation can be considered as neutral when there is sufficient proof for the assumption that the company was pressured into developing such programmes, e.g. from earlier incidents or legal obligations.

Important indicators for *transparent communication* in crisis situations are for example whether companies engaged in two-way communication with victims and stakeholders and whether they disclosed enough information to leave stakeholders without any further questions. Means by which this can be measured are mainly social media websites such as Facebook or Twitter but also forums where stakeholders and victims are active. The general rule in this case is the more platforms are used, the better the message is spread. Thereby, it can be estimated whether people are satisfied with the information that has been given to them or if they demand to know more detailed information.

In this research, transparent communication shall be measured according to the number of platforms their response is published (both on social and traditional media).

The concept *leadership* is measured by looking at a company's intention to set examples for other companies or even encouraging other companies to follow their example. Expressing the intention to set an example for other companies can be regarded as a proactive crisis response and is measurable in their responses in press releases, social media sites and during the event of the crisis. In order to measure whether a company is planning to function as a leader in a crisis can be seen in their efforts to motivate other companies or other involved subjects to follow a certain approach in their behaviour which they believe to be the most appropriate one. If a company shows these efforts, their strategy will be labelled proactive for leadership. An absence of such behaviour will lead to the strategy to be considered reactive.

5. ANALYSIS

In April 2013, several apparel companies got into trouble after the building Rana Plaza in Bangladesh, where their clothes were manufactured, collapsed. More than 1,100 people died in the ruins of the building and about 2,500 were injured. The incident has been recorded as the worst-ever accident in a garment factory in terms of human casualties and has internationally raised the awareness for the working conditions of factory workers working in the clothing industry. The tragedy has put the industry in a very vulnerable position in spring 2013 leading to an outcry about the working conditions in the apparel industry. According to Rana Plaza's architect, the building was built for commercial purposes and was never meant to be able to support the weight and vibration of the machinery (Bergman & Blair, 2013). Furthermore, the building had been illegally expanded by four storeys. At the time of the impact, numerous international companies such as Primark, Mango or Benetton who have been producing in the building and were shoved into the spotlight by their stakeholders, who were demanding clarification about their involvement and the safety of their workers (Sander, 2013).

Another incident in November 2013, just shortly before the collapse of Rana Plaza, was the fire in the Tazreen Fashion factory which is also located in Bangladesh. The fire started on ground floor, making it impossible for the workers to flee the building as all three fire exists went through the ground floor. In this incident, 117 people died and more than 200 were injured. The factory had been producing clothes for many companies under which C&A, Walmart and Hong Kong based company Li & Fung.

Both incidents led to raised awareness of worker safety in Bangladesh and forced companies in the apparel industry to react. In general, the companies all reacted very differently, reaching from outright denial of any connection to the factories to confessions of involvement.

The analysis will be begun by looking at the perceived responsibility of the companies involved.

According to the crisis type matrix (Coombs, 1995), the cause of both the collapse and the fire is clearly external as there was no indication that the companies had anything to do with the incidents. The question of intentions is more ambiguous. Customers increasingly require companies to be socially responsible; in this case that means that they expect the companies to take care of worker safety of the production buildings. Following this reasoning, the incidents in Dhaka and Savar are placed somewhere between the accident and the intentional cluster (Coombs, 2007). As for crisis stability, the situation varies from company to company — Walmart and Primark for example often have been publicly criticised for their poor treatment of workers which is why they were hit with strong criticism after the collapse and the fire.

Since the public tended to see the incidents as preventable and no other entity was to blame, there were strong reaction from single persons on social media websites and worker's rights groups. Therefore, most companies were quick to find ways in which they could appear in a better light and to help the local people.

Following the collapse of Rana Plaza, most European brands companies signed the "Accord on Fire and Building Safety in Bangladesh" while most of the American brands started to develop their own contract, called "Alliance for Bangladesh Worker Safety". Both contracts have a length of five years, but only the Accord of Fire and Building Safety in Bangladesh is legally binding. Another difference lies in the audits of the

factories; companies who signed the Accord on Fire and Building Safety in Bangladesh obliged themselves to independent inspections while companies who signed the Alliance for Bangladesh Worker Safety have the right to oversee the inspection progress and appoint the inspectors themselves. Mainly because of these two facts, the Alliance of Bangladesh Worker Safety received a lot of criticism from worker rights groups as they thought that the it was not radical enough.

In the following, five international apparel companies who were involved in either of the two incidents will be analysed according to the proposed model in order to test the model.

Benetton

Following the structure of the concepts, the *promise of undertaking corrective and / or precautionary actions* shall be discussed first. Benetton was one of the companies to sign the Accord on Fire and Building Safety in Bangladesh (Benetton; May 14, 2013); therefore, it is safe to say that they implement programmes and plans to change the working situation in Bangladesh. Concerning plans for immediate improvement of the situation, they issued another press release saying that they will starting to work together with non-governmental organisation BRAC in order to provide the victims and their families with in financial support, psychological help and training courses for different jobs (Benetton; May 23, 2013). Their response concerning this concept therefore can be classified as proactive as they both said to implement certain actions to avoid such incidents in the future and said to implement actions for immediate help and support.

Regarding the concept *long-term vision*, Benetton legally bound themselves to independent safety audits in their Bangladeshi factories for a time span of at least five years by signing the Accord on Fire and Building Safety in Bangladesh. They further disclosed that they are collaborating with BRAC in order to develop a "long-term programme mainly focused on families who have lost their only source of income" (Benetton; May 23, 2013). Their response therefore will be considered proactive in terms of long-term planning.

As for their *intrinsic motivation*, Benetton has been openly involved with the issue already a few months before the collapse and the fire occurred and has been working together with German quality certifying body 'Technischer Überwachungsverein (TÜV)', thereby suggesting that they indeed are intrinsically motivated. Furthermore, they quickly reacted to the collapse of Rana Plaza on their Twitter account on the same day it happened. Since the indicators of intrinsic motivation are fulfilled, the response is more likely to be perceived as proactive by the audience.

As for the *transparency of their communication*, they did not make an optimal use of their communication channels – they did not mention anything on Facebook and published contradictory statements on Twitter, first saying that they did not source any garments from Rana Plaza but later on admitted that they had placed an order from them once before. With the lack of communication channels and confusing information, their reaction is considered as 'reactive'.

When considering the point of *leadership*, they stated that they want to be at the forefront of efforts to solve the problem. Nonetheless, they have not made any efforts that would prove that statement, which would be necessary to consider their response strategy as proactive. Therefore, the factor leadership will be considered as 'reactive'.

Primark

Within one month of the factory collapse, Irish apparel company Primark undertook precautionary actions such as the signing of the Accord of Fire and Building Safety in Bangladesh guaranteeing long-term financial help, independent safety inspections and remediation (Primark; May 13, 2013). They further stated their intention to assess other factories in order to improve general safety. On top of this, they engaged in actions to immediately improve the situation locally, providing food packages to 750 households on a weekly basis and immediate financial assistance for workers and their families (Primark; May 10, 2013). Therefore, in terms of *corrective and preventive actions* their response can indeed be considered proactive.

Concerning their *long-term vision*, Primark has legally committed themselves to the issue for at least five years by signing the Accord on Fire and Building Safety in Bangladesh. Furthermore, they established several long-term programmes in Bangladesh such as a long-term compensation plan for victims of the collapse. Consequently, their response behaviour concerning the long-term will be classified as proactive.

With regard to their *intrinsic motivation*, Primark's safety programmes in Bangladesh that they operated since 2010, need to be mentioned (Primark, 2014). Furthermore, they immediately reacted to the collapse on both social media and their website without giving a chance to media to put pressure on them, which is a further indicator for intrinsic motivation. Their behaviour in terms of intrinsic motivation can therefore be considered as proactive.

Concerning the *transparency of communication*, Primark addressed the issue on Facebook and Twitter as well as their company website and created a homepage for the public to inform themselves about their actions and plans for Bangladesh. They further state their interest in multi-stakeholder collaboration which suggests high transparency as well. The high amount of transparency in their response therefore speaks for classifying it as proactive.

Indicators for Primark's *leadership* qualities are their efforts to make their competitors who were producing in the Tazreen Fashion Factory or Rana Plaza admit their responsibility (Primark; May 21, 2013). In a statement on their website, Primark states that for the time being that other companies refuse to compensate the victims, they will pay their share (Primark; July 01, 2013). With these results, Primark's leadership behaviour is considered proactive as well, thereby making their response strategy thoroughly proactive.

Walmart

After the incident in Rana Plaza, American retailer Walmart as a founding member started to develop the Alliance for Bangladesh Worker safety as opposed to the Accord on Fire and Building Safety in Bangladesh. Walmart decided to do so because according to them, some of the issues lie within the responsibility of their retailers and not Walmart (Walmart; May 14, 2013a). Content of the Alliance for Bangladesh Worker Safety included safety inspections of all factories that they operate in in Bangladesh. The alliance was target of many critics, mainly from workers' rights organisations because many people believed that it was not radical enough as it was not legally binding and the audits in the factories were not undertaken by independent specialists but by company chosen ones. Immediate actions were introduced as well, such as fire safety trainings for every worker and donations for worker empowerment (Walmart; May 14, 2013b). Consequently, by developing the alliance and engaging in immediate actions to improve the situation, Walmart undertook *corrective and / or precautionary actions* about the situation. Consequently, their response regarding this concept will be labelled as proactive.

Regarding the concept of *long-term vision*, their planned five year long engagement indicates a proactive response at fist glance. However, as has been said earlier, a response shall be labelled neutral when other factors give reason to believe that the involvement might change over time. Since the Alliance for Bangladesh Worker Safety is not a legally binding contract, meaning that Walmart can discharge at any time they want, the response concerning long-term involvement will be labelled as neutral.

When looking at the factor *intrinsic motivation*, Walmart's late response to the accusations and their lack of programmes in Bangladesh before the incident suggest a low rating. They only issued their first official statement 20 days after the incident, making it more likely that their response was extrinsically motivated. The lack of previously existing programmes undermines that, leading to the substantiated assumption that they do not have an intrinsic interest in the issue. Considering these arguments, it is more likely that it was extrinsic motivation that led them to react and therefore, Walmart's response will be considered as reactive.

Regarding the concept *transparency of communication* it can be found that Walmart only reacted on their website in two press releases (Walmart; May 14, 2013a & Walmart; May 14, 2013b). They did not address the issue on their Social Media accounts at all, thereby complicating it for their customers to find information about the issue. Consequently, the transparency of their response was rather low, leading to a 'reactive' ranking in this analysis.

The concept *leadership* of the crisis situation is a strong point of Walmart in this case. Being unsatisfied with the Accord on Fire and Building Safety in Bangladesh, they started their own alliance together with other companies. They showed strong efforts in engaging other companies in their companies in the Alliance for Bangladesh Worker Safety which leads to a 'proactive' ranking in terms of leadership.

Mango

Regarding the factor *corrective and / or precautionary actions*, Mango signed, like most of the other European apparel companies, the Accord on Fire and Building Safety in Bangladesh. Other than that, they did not communicate the intention of joining or establishing another programme on their own or send any immediate help, which could allegedly make their response less proactive. Since they engaged in the contract and thereby are legally obliged to change their audit process and make donations, their response will be labelled proactive nonetheless.

By signing the Accord, Mango has obliged itself to follow the contract for at least five years, and therefore their response will be classified as proactive in terms of *long-term vision*.

Compared to other companies who have joined the Accord on Fire and Building Safety, Mango's *intrinsic motivation* seems to be comparably low, as they only joined less than 24 hours before the deadline, at a point where stakeholders were already displeased with how Mango reacted. Their lack of previously existing social programmes is another indicator for extrinsic motivation. Consequently, it is safe to say that they were at least partly pressured into signing the contract. Their behaviour in

terms of showing intrinsic motivation in solving the situation points towards a reactive response.

Mango showed a lack of *transparency in their communication* by addressing neither the collapse of Rana Plaza nor the fire of the Tazreen Fashion Factory in their social media accounts or publishing any press release on the issue. Their response therefore is labelled reactive in terms of transparency of communication.

Concerning the last concept *leadership*, there could no evidence be found of Mango encouraging other companies to change something about the situation in Bangladesh. Their response will therefore be considered reactive concerning this concept.

Bonmarché

Bonmarché was one of the four original signatories of the Accord on Fire and Building Safety in Bangladesh thereby promising to participate in undertaking *corrective and / or precautionary actions* for the benefit of the victims of Rana Plaza and the Tazreen Fashion factory. Unlike Primark for example, they did not develop or take part in any other social programmes, but their signature under the Accord on Fire and Buildings Safety is considered sufficient for a proactive label in terms of corrective and / or precautionary actions.

Before the collapse and the fire, Bonmarché did not show any interest in the issue as displayed by the lack of previously existing programmes. This indicates a 'reactive' ranking in terms of *intrinsic motivation*. Concerning the second way of measuring intrinsic motivation, it is unfortunate that their press releases are not displayed with a date so there can no statement be made according to this way of measurement. Based solely on the lack of previously existing programmes, their motivation is considered extrinsic and thereby 'reactive' in this model.

As another contractor of the Accord on Fire and Building Safety in Bangladesh, they are legally bound to the issue for at least five years, meaning that their behaviour in terms of their *long-term vision* is considered proactive.

Bonmarché scored relatively low on the *transparency of communication* scale as they only published two press releases on their website (Bonmarché, undated, a & Bonmarché, undated, b) and did not address the issue on their social media websites. Their behaviour will therefore be considered as reactive

Regarding the factor *leadership*, their response is considered reactive. While they were one of the four original signatories of the Accord on Fire and Building Safety, they did not actively encourage other companies to help the victims.

6. RESULTS

Having developed and applied the preliminary model, the following step is to compile the results of the study.

Promise of undertaking corrective and / or precautionary actions is proactively represented among all companies that were researched, meaning that all companies engaged in actions aimed to improve the circumstances of factory safety in Bangladesh.

Long-term vision is proactively represented among four out of five companies, only Walmart is neutral in their response due to them signing the Alliance for Bangladesh Worker Safety. Benetton, Primark, Mango and Bonmarché all state their intentions to be seriously invested in the issue for the long-term.

Only two companies, Primark and Benetton, have shown indicators for their *intrinsic motivation* to help the people in need, the other three have shown reactive behaviour as their actions appeared to be extrinsically motivated.

Transparent communication is only shown by Primark, the others have communicated in in an opaque way, having made it difficult for customers and other stakeholders to inform themselves about the specific company's actions in Bangladesh.

Leadership behaviour was proactive with Primark and Walmart who both have made considerable effort to start actions on both sides of the spectrum (Accord on Fire and Building Safety vs. Alliance for Bangladesh Worker Safety). Out of five companies, two companies two were proactive, two have shown the reactive follower approach, and one was neutral.

	Benetton	Primark	Walmart	Mango	Bonmarché
Promise of undertaking corrective and / or precautionary actions	Pro.	Pro.	Pro.	Pro.	Pro.
Long-term vision	Pro.	Pro.	Neu.	Pro.	Pro.
Intrinsic motivation	Pro.	Pro.	Re.	Re.	Re.
Transparency of Communication	Re.	Pro.	Re.	Re.	Re.
Leadership	Re.	Pro.	Pro.	Re.	Re.

Table 3. A measurement of proactive response strategies of five major companies involved in the incidents in Bangladesh

While theory suggests that the factors promise of undertaking precautionary and / or corrective actions, long-term vision, intrinsic motivation, transparency of communication and leadership are part of a proactive crisis response strategy, those factors do not appear to always be part of a proactive strategy simultaneously. Rather, the companies that have been studied consciously or unconsciously only use a selected few of them and disregard some others. Some companies have shown a majority of proactive behaviours while others, such as Walmart or Mango are leaning more towards a reactive crisis response strategy.

Three main results have been found in the research:

- The concept precautionary and / or corrective actions is consistently represented as a proactive factor in the companies' strategies
- 2. The concept *long-term vision* is represented as a proactive factor in most of the companies' strategies
- 3. The concepts *leadership, intrinsic motivation and transparency of communication* have only been used in less than the half of the companies' strategies

Perhaps unsurprisingly, the results show that *the promise of undertaking corrective and / or precautionary actions* appears most often in the companies' response strategies. After all, a company that finds itself in a crisis situation has to change something about their behaviour if they do not want to risk losing their customers.

Most companies applied a long-term vision in their crisis response strategies which shows its importance when dealing with crisis situations.

The fact that even companies who were leaning towards a rather reactive strategy were promising undertaking corrective and / or precautionary actions or planned in the long-term speaks for the importance that these two concepts have in a proactive crisis response strategy. They appear to be of major importance when dealing with crises.

The other concepts of *intrinsic motivation*, *transparency of communication* and *leadership* have been used by companies less regularly; they appear not to be as crucial to a proactive strategy as the two previously mentioned concepts. *Intrinsic motivation* and *leadership* were only shown in two of the five cases.

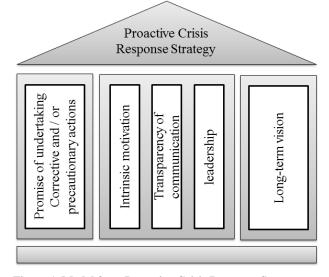


Figure 1. Model for a Proactive Crisis Response Strategy

In a nutshell, the concepts of the preliminary model appear to be of varying importance for companies interested in pursuing a proactive strategy during periods of crises. The *promise of undertaking corrective and / or precautionary actions* and *long-term vision* are, according to the case study, of greater importance than the concepts of *intrinsic motivation, transparency of communication* and *leadership*.

In general, the model highlights the varying importance of the concepts discussed in this research – the main pillars on both sides support the strategy while the other three in the middle offer additional support.

7. CONCLUSION

With the results of both literature review and the case study, this study has succeeded in combining the topics of proactive behaviour and crisis response strategies.

With the increasing importance of proactive thinking in the reputation management of companies (Crane & Matten, 2010),

it was the aim of the study to generate an approach towards a proactive response strategy. The preliminary model has been developed by drawing from current literature on the topics of reputation management and proactive behaviour. Thereafter, it has been applied to the response strategies of five internationally operating apparel companies. Their responses have been used to evaluate the model and in the end led to a graduation of the concepts according to their importance.

As discussed in the results, the concepts promise of undertaking corrective and / or precautionary actions and long-term vision appear to be of greater importance than the other three. In the sample, they appeared to be most important and therefore should receive the most attention in crisis situations. Therefore, they form the main pillars of the proactive crisis response strategy model. The other three pillars, intrinsic motivation, transparency of communication and leadership are of lesser importance than the other two but companies should not neglect them and make an informed choice about whether to include them in their response. The model shows a clear difference between the importance that the concepts have for a proactive crisis response strategy, while still highlighting the importance that all concepts have.

Its practical relevance lies in the opportunity that companies can take from studying the model. They will know what to consider when developing a proactive response strategy to crises. In detail this means that they will know where to put their priorities in a crisis situation where every minute counts.

The model can also be used as a base for academic research since the topic of proactive reputation management has not received any attention from scholars yet. Research in this topic can be expanded into various regions and lead to the build-up of new theories. The topic that may be of the greatest importance for further research may be the re-evaluation of the concepts with insider information from companies as this could provide scholars with extra information on the concepts presented in this paper and could lead to the inclusion of completely new concepts. Other examples worth mentioning include research concerning which concepts to use in different situations or whether the model can be expanded by other concepts.

8. LIMITATIONS AND IMPLICATIONS FOR FUTURE RESEARCH

When applying the results of this research, it is very important to consider its limitations. The main limitations include the small time frame and resources that were available and the nature of the sample.

Concerning the sample, one needs to keep in mind that only a very small sample from a single case study was used which can have major implications on the validity of the model, especially when assessing the relative importance of the single concepts. To increase the validity of the research further, one would need to test a greater number of cases among different industries, countries, cultures and types of crises.

Furthermore, for this study only publicly available resources have been used. Insider information from companies, gained by interviews for example, would have added more valuable insights to the existing factors of the model. It prevented the research of factors such as 'preparation' which might be part of a proactive response strategy. Another issue with the resources was that information on some companies was hard to find, which essentially contributed to the factor low transparency of communication.

Therefore, further research on this topic should contain a larger and more diverse sample size as well as insider information from companies. By this, the model could be given greater validity the concepts could be more extensively researched and other concepts could be added.

Concerning the time frame it needs to be considered that the development of this paper lasted only 12 weeks, making a more extensive and in-depth analysis of the topic difficult.

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