THE INFLUENCES OF PUBLIC RELATIONS AND CRISIS MANAGEMENT IN THE BUSINESS SECTOR: A CASE STUDY IN THE REPUBLIC OF NORTH MACEDONIA

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Abstract
The subject of this research is the preparedness of companies in terms of crisis management under the conditions of various endogenous and exogenous factors, such as economic growth, new technologies, the Internet, media, social media, as well as unfair competition. That being said, the purpose of this research is setting up the tactics of communication which should be developed good communication of the message to the members of the target group. Medium and large companies operating in the Republic of North Macedonia are taken as an example for this research. These are companies in the field of water production, telecommunications, design and printing of material, work with social networks, as well as providing services. In addition, the two largest PR agencies in Macedonia were included in the research as well, which significantly contributes to its validity results. As a candidate country for membership in the European Union, in the Macedonian business sector it is necessary to raise awareness of the existence of a team in companies that will contribute to their readiness for future crisis situations, coordination and work efficiency. It is to be anticipated for the obtained results of this research to significantly promote and advance the country’s serious intention of such ambitious international tendencies.

1. Introduction
Crucial to the work of a company in the business sector is precisely the direction of activities in crisis management. Economic growth, new technologies, the Internet, media, social media, unfair competition, all this contributes to the fact that every company should be obliged to focus on forming a team that will anticipate all potential situations that would adversely affect the current operation. That being said, this paper will attempt to thoroughly research the problems and provide detailed and specific answers to the questions of management during crisis and, more importantly, whether it represents a risk to the company or a challenge faced by Public Relations. The research, i.e. the particular interviews were conducted on 10 respondents working in Macedonian companies or companies with foreign capital, as well as two PR and one marketing manager working in the largest public relations agencies in the Republic of North Macedonia. The research, as expected, includes managers from the marketing sector or managers from the public relations sector, depending on which company has the public relations sector.

Several PR agencies were also interviewed, which further advanced the obtained results and the overall progress of the conducted research.

2. Public Relations as a Reputation and Building the Image of the Company
Public Relations are often defined as the management responsible for an organization's reputation. In the PR industry it is known that they deal with the implementation of a good reputation in the eyes of the public as well as advising on how to maintain it, given that the most powerful tool available to a company is exactly that. Strong and sustainable reputations are built over time working in accordance with social rules, but also with legal regulations and achievements, more than its competition. Reputation is the complete opposite of personality, it is a value that further ensures happiness, success and satisfaction, it can be manipulated, based on truth, in any case that image that is established over time, with a commitment that can be shaken by of various spreads of
misinformation. It comes as a result of the work and behavior of the individual or the overall operation of an organization or according to a particular story related to the founding of an organization, event, dramatic happening. In other words, reputation is a constant dynamic process that evaluates, and should be worked on to survive. That's why it's so important to be careful and evaluate public opinion about a company's reputation. Because individuals generally have a different view of an organization, they often know how to make mistakes or be prejudiced. The reputation of an organization can be endangered even by only one individual, employee or superior in it. There are cases where the image and reputation is impeccable, and from within there are problems with the organization and mistrust among employees.

Trust, credibility, honesty, authenticity, all this contributes to a good reputation. Trust is essential when it comes to communication, and when it is broken, it is a big challenge for PR professionals as well as the management that presides over during a crisis because the trust of the media is significantly low. Then one cannot guess what the effect is and what the relationship between the media and public trust is.

German public relations literature of the 1950s equated trust with transparency, an approach consistent with the rational approach to public relations first developed by Ferguson (1984). Transparency means that work can be maintained through the process, decisions and communication with the organization, which are in a relative state and sometimes variable which is a prerequisite for trust and commitment. Reputation depends on trust and transparency based on image and identity.

3. Communication During a Crisis

According to Maurice Trevor and Goldsworth Simon (2012), a crisis is an event, an attack, or a particular perception of an event that seriously damages a reputation, and if you do not deal with it effectively - it will harm the entire organization, brand, or individual career. They further argue that there are two types of crises. The first is called a real crisis. In this crisis, a person is injured or killed. A certain product has failed and at best is not suitable for consumers, while at worst it is harmful to them. The second type of crisis is a reputation crisis. In this case, something happens, or is supposed to have happened, that reduces trust, respect, and general sympathy for the organization.

According to Fraser Seitel (2010) the crisis is a situation that has reached a critical point, a phase in which dramatic and extraordinary intervention is made to avoid or repair, to prevent even greater damage. According to him, the way an organization will deal with the current crisis situation - that result will follow in the next few years. It is essential that these emergencies are managed intelligently, expertly handling the online media, other media, employees and society as a whole.

However, if a detailed breakdown of the crisis is made, five stages can be recorded:

1. Detection – begins with the detection of warning signs, of course, if they are noticeable. The organization must be careful about them, because their timely detection can prevent the crisis.
2. Prevention / Preparation – activities that take place according to the outbreak of the crisis and try to prevent it, i.e. people, groups and / or the organization prepare for appropriate measures.
3. Overcoming – limiting the duration or spread of the crisis itself.
4. Strengthening – the community or organization is trying to get back to the normal course of work, to leave the crisis behind and to return to a normal course as soon as possible.
5. Learning – one can learn from the crisis by analyzing, determining the damage and evaluating the work of the organization during the crisis to prevent or mitigate possible similar crises.

According to what has been said so far, it is a known fact that the crisis is a period of great danger and difficulty. Certain events in certain cases, and to a great surprise, get out of control. According to Maurice Trevor and Goldsworth Simon (2012) there are 6 stages in crisis planning:

- Scenario preparation
- Written answers for newspapers
- Identifying your audience
- Forming a crisis team
- Staff training
- Printing a crisis manual

The best way to prepare a scenario for a possible crisis is to form a team of people who represent each part of the company and only then, together with them, to predict what kind of crisis could occur in each area.
4. Qualitative Analysis of the Research

When asked for an opinion on the term crisis, and what it represents, the PR professionals involved in this research, stated that it is an unforeseen situation related to negative publicity, or generally negative reactions in a particular group. Respondents believe that it threatens to escalate in intensity, interferes with normal operation, adversely affects the health and well-being of employees, endangers the image of the organization and how it damages the financial results of the company. According to their answers, this is a situation that requires instant focus and attention. They define it in their own words as a period where things go downhill, and are influenced by a number of factors that do not depend on just one decision. Further on the question whether the crisis and the negative publicity pose a risk to the company in the long run, some of them stated that they are absolutely a risk. According to the public relations officer of a branded Macedonian company, the brand "after a long period of negative media exposure with strong intensity affects the perceptions of users, partners and employees so that the crisis and negative publicity pose a risk, but negative publicity is much scarier, especially in the food industry, because it most often alludes to unhygienic conditions in production, pollution, illegal ingredients, etc. The best way to solve it is with a management plan and proper distribution of funds."

A small part of the interviewees think that depending on what kind of company it is, sometimes the negative publicity can be forgotten for a short period of time.

There are also answers from some who think that the crisis is almost always a risk for the company and its poor management can bring bad consequences for the company and derail it. On the other hand, as far as the negative publicity is concerned, depending on the decisions made after it and the readiness of the appropriate reaction of the company, it can bring positive benefits in the long run. They believe that depending on the type of crisis, the way the company is managed can also receive positive publicity. Any negative publicity in times of crisis is a current situation and should not affect the long-term operation of the company. If it is a crisis, it means that it will end, and it will not go into a permanent state.

Regarding the importance of negative publicity and how it affects the business sector in the Republic of North Macedonia, it was unanimously established that as everywhere in the Republic of North Macedonia, negative publicity harms the affected companies. Reputation and image can build for years, and necessary is just a situation, crisis, mistake... Everything to collapse, disappear overnight. The consequences are if not permanent, at least long-term.

The interviewees believe that the negative publicity can be resolved with organized activities and precisely developed communication plans for a longer period, as well as with organized activities depending on the type of publicity and the opportunities that are available. In that critical phase, dramatic and extraordinary intervention is needed to repair the damage, and then to carry out an urgent response procedure in an orderly manner. In addition to the position, there is an explanation, directions on how to face a crisis or how that company would face a crisis. First, a public announcement should be made that the problem is being addressed, or that the problem has been resolved, the products are checked several times by all relevant institutions, and with the positive results of the completed analyzes to prove that the problem no longer exists and that product is good to use. The final step is to rebrand the product and reduce the price. A small number of respondents believe that in the face of unfair competition, communication through the media or the public is an undesirable solution and is applied only in exceptional cases, as a last resort.

On the question of whether negative publicity can be useful in attracting public interest, most unanimously agreed that it can not be useful because it generates a negative reputation, which negatively affects the performance of companies. There are a small number who believe that there is a positive effect in certain situations when it is created, designed or controlled by the person / company, but even with a slight deviation the situation can get out of control.

On the topic of how much the development of technology contributes to the development of the organization itself, ie whether the Internet is an advantage or a risk of maintaining good publicity, many agreed that it is definitely an advantage.
The Internet and the availability of information can be of great help to the PR itself in dealing with crisis situations, as it can accurately direct the information to the one who needs to hear it / see it. Because you can reach your target audience more easily in a faster and more efficient way. In a world where the Internet is the one that dictates the pace of the trend, of course the presence there is of great importance for good publicity. In any case, the same percentage of respondents share the opinion that there is always a risk because the Internet, primarily social media, gives users the power to express their opinion that is publicly available. That is why companies have the role of interlocutor in the new conditions, and not just a speaker in traditional media.

today social media are crucial for the company itself, with the mere presence on any social network instills security in consumers. There are some who think that it is good to follow the opinion of social networks, but this medium should be understood only as an information space. During the crisis, it is announced and not discussed. There is no room for communication without memory or exchange of opinions without ego-emphasis, at least not in the Macedonian virtual world.

When asked which plan or strategy the PR is working on in order to achieve a good relationship with the public, there are opinions that it must first enter and get acquainted with the thinking psychology of the Macedonian consumer. Knowing the audience you are addressing, the right approach and adjusting the way you communicate. There are also answers that the public always comes first, that the PR is the one who places the information that the public wants to hear.

Regarding the detailed strategy to be developed, the interviewees are unanimous that every serious company must have a three-year or five-year public relations strategy that stems from the corporate business strategy. Hence the key messages, is the content of the communication in the long and medium term. Based on the medium-term and long-term strategy, an annual plan is prepared which contains term activities with specific messages and means of communication with defined budgets and other necessary resources. All this is prepared in constant communication and coordination with other functional areas in the company.

When asked what their opinion is about the media and whether they think they are manipulators in the society we live in, some of them said that they can be easily used to create a public opinion. They think that they are largely because they try to impose their opinion and be a role model for the wider masses. Some of them think that regardless of whether due to the Internet and its various channels, the media have lost some of their influence, but still the fact remains that gaining publicity through

them is huge. In the race for positive publicity of companies, by establishing good relations with the media, the objectivity of journalists is neglected, given the prejudices and previously formed ideas, so pure reporting objectivity is impossible to achieve. Complete neutrality and almost complete restraint and impartiality are required. But lately, we are witnessing the "purchase" of positive publicity and the bribery of journalists.

According to the interviewees, the biggest challenge is to obtain accurate, precise and unambiguous information from all relevant parties involved in provoking and resolving the crisis situation. The relevance of the information is key to creating an appropriate PR plan that will answer questions and offer solutions. It is important to note that the PR does not solve the crisis, but only informs the public about the causes, consequences, solutions. The general opinion is that everyone who deals professionally with the PR, has training and guidance for dealing with crisis situations. There must be a communication plan in case of a crisis and it is important to implement it. Macedonian companies strive to be on the same level and to be guided by world practices and to implement activities that are no different from those in the world.

The interviewees from the two PR agencies in the Republic of Macedonia had the opportunity to answer questions as well as the employees in large companies in order to compare how prepared they are for crisis situations and whether their position is generally the same on this issue. Furthermore, it entails a relationship in the face of a crisis, how they should first be prepared, and then strong and experienced enough to overcome it.

The interviewed representatives of the PR agencies define the crisis as an unfavorable situation, facing an unintended consequence of an action, a bad outcome of an activity or a consequence of an external factor.

When asked what is the importance of social media and how they should be used during a crisis faced by a company, one of the co-owners of the PR Agency believes that like all other channels of communication with the public, social media is an ideal way to spin any information. According to him, the power of social media seems greater, because here the direct transmission of the news in the way imagined by the company plays a role, there is no place for changes in information, changing the order of the news or adding conclusions by journalists as mediators between the company and the medium. Most often, companies use unrelated news to the crisis in order to distract the already informed groups that a crisis is occurring in the company itself. However, according to another competing agency, the positive
effects of social media come to the fore only and exclusively if they are managed based on the set strategy and carefully.

Regarding how a company can restore the original state of the organization after dealing with negative publicity and unfair competition, one of the representatives of the PR agencies said that there always has been and there always will be unfair competition. The job of the team in charge of presenting the positive attributes and the image of the company to the public is to deal with the negative publicity and unfair competition. One of the most used tools in these situations are the so-called spins that serve to direct the public’s attention to another problem and thus rejecting negative publicity, to unfair competition.

On the next question whether negative publicity can be useful for attracting public interest, etc., the interviewees believe that if used properly, negative publicity can be more useful than any other public relations campaign. However, it is still a delicate topic, which can only be answered by an educated, cautious and organized team that will be able to predict all the expected and unexpected effects of the use of negative publicity.

When asked if public relations - PR provides better marketing results during a crisis in the organization, officials believe that it depends on the kind of the crisis. The PR can show better results, but only on the short term. If the crisis is of longer intensity, and the marketing of the organization is dysfunctional, the PR team will face exceptional working conditions that can cause a series of negatives in the company itself.

Regarding the issue related to technology, public relations professionals believe that with the development of technology, new opportunities and horizons for work in the field of services have opened. That it can bear a series of risks, the rapid flow of the same, uncontrolled theses that would negatively affect the image of the organization, but they can also be advantages for managing the first. The easier way to communicate with the specific target of the organization, the speed of conveying the desired message, were made possible by the spread of the Internet globally, as well as by increasing the popularity of social media that serve as a great tool for work.

5. Qualitative Analysis: Results Obtained from the Survey

Regardless of the respondents, the most important is: emergency plan development - 60% are behind this attitude, 30% think that the consultation and strategy is in question, and the least – i.e. 10% direct communication with consumers during a crisis.

According to the opinion that the Internet is a media that is more relevant in communication during a crisis, all respondents unanimously agreed that is the Internet.

According to the opinion that the Internet is a media that is more relevant in communication during a crisis in the company, when asked which social media is more relevant than the others, 75% put Facebook on the pedestal, while 25% are for Twitter.
As the most important step in crisis management by the PR sector respondents believe that it is to quickly be in touch with the public - 50%, 25% believe in providing sufficient information to the public, 10% showing care for their customers and 15% maintenance of two-way communication.

Furthermore, the respondents had the opportunity to state the question which answer is most effective during a crisis. The most effective is the apology for what was done, as believed by 40%. Furthermore, 25% believe that justification will solve the situation, and the same percentage believes that reconciliation or pleading with the public will give a positive result.

To the question that attracts the most attention as news, 55% pay attention to the negative news, and 45% - positive.

The awareness and expectations of the public regarding PR professionals can be seen from the following question where 90% think that they are the ones who should speak in public when a certain company is facing a crisis. Only 10% think that this should be done by the director or president of the organization.

During a crisis, 85% believe that public relations is a more relevant sector for overcoming the crisis, while 15% consider marketing.

When asked about the Internet, what is it that you reach for access to information, 35% rely on television, at least or only 5% on press, while 60% rely equally on all traditional media.
90% of respondents believe that social media is key to the success of crisis management.

Most of the respondents, that is, 95% share the opinion that the media have a role of manipulators in society, while only 5% of the respondents do not think that it is the case.

When asked what is the attitude of the respondents towards a company that faces negative publicity, 50% carefully follow the whole situation and come to a conclusion, 45% immediately lose the trust gained and do not go through it. Only 5% do not change their attitude and trust towards the enterprise.

Finally, regarding the media where the crisis in the companies is most often found out, the Internet is again the most active, with 85%, 10% finding out through the print media, and 5% from Television.

5. Conclusions

After conducting the interview and analyzing the answers of the respondents by the companies from the business sector as well as by the largest public relations agencies in the Republic of Northern Macedonia, it was seen how much the Macedonian companies have awareness, knowledge and attitude towards the crisis as a period which can appear in any field in the business sector. It was seen how much the companies analyze the potential crisis situations, ie how much they follow the competition, how much they compare and analyze everything that happens in their environment and whether there is a brand or competition that is unfair or there is a threat to their work. During the research it was concluded that certain companies do not have as a department a sector that deals with crises, but if such a situation occurs they hire PR agencies.

There is a divided opinion as to whether negative publicity is a risk to the company in the long run. There are opinions that negative publicity is a risk for the company in the long run if they have a strong media exposure for a long period of time because it still affects the perceptions of customers, partners, and customers.
Some believe that negative publicity depending on the decisions made after it depending on the readiness of the company can bring positive benefits in the long run. The respondents pointed out that although it is a crisis, it is just a condition that will not pass as permanent.

Although it damages the companies affected in terms of reputation and image, the companies in the Republic of Macedonia are crisis prepared in terms of paying attention to potential risks and making analyzes, so that if such a thing happens they can work hard to avoid repeated negative publicity and PR activities to enhance the overall impression of the company. It was determined that the person responsible for public relations is the one who is competent to resolve this issue in order to be able to restore the original state of the organization, and of course by hiring PR agencies.

Macedonian companies generally have the view that negative publicity cannot be useful in attracting public interest because it generates a negative reputation that negatively affects the work. They agree that the PR provides better marketing results during the crisis and that it gives better results, but still in combination with marketing they can manage all the auxiliary tools together to present the information that the company wants to convey. All this with the advantage of the Internet because it can accurately direct the information to the one who needs to hear / see it. It was seen what specific activities are taken during the crisis in the company, what strategy the PR develops to achieve a good relationship with the public and what is the biggest challenge during the crisis. The comparison of the Macedonian market on this topic in relation to the situation outside borders as a difference is more than evident, but only in terms of the size and experience of companies, and not in the size of the country or knowledge. In general, real PR professionals have guidelines and strategies for dealing with crisis situations that are guided by world practices and literature, so that it does not lag behind other countries in the region and Europe and beyond.

In recent years, practice has proven that public relations actually exist precisely because of the crises of large companies. In the 21st century, it is even inevitable, without a doubt, that people or organizations have a problem and need rescue action.

From all this it can be concluded that today the public is aware of the value of public relations and what that profession means for communication. Marketing cannot be replaced, but it can be strengthened. Of course, PR is appropriate at a time when the company does not have enough budget to promote its brand, as well as in times of crisis when it needs much more than advertising and product promotion as well as service. And because of that, among the highest paid and most respected public relations professionals are those who succeeded to manage well during fatal crisis situations.

Although prevention is the best way to insure an organization, crisis management is still very important. Exactly because of all the communication during the crisis, and to be effective depends on the experience of the PR professional. However, every procedure is a double-edged sword and all risks should be reasonably assumed.

After conducting the interviews of the professionals responsible for public relations of the companies in the Republic of Macedonia, as well as those interviewed by the PR agencies, until the survey that was conducted, it was proved that managing the crisis in public relations does not pose a risk to the company if you know how to use the moment to achieve the desired goal. Research has also shown that no sector can be immune to crisis and poor publicity.

During the interviews, many of the answers proved that communication during negative publicity is essential, especially in the business sector to prevent the collapse of the company under the influence of negative circumstances.

All this has provided another proof that as a profession with its responsibilities Public Relations gives better results during a marketing crisis. This is due to the ability for customers and the general public to have excellent communication, and to improve it during a crisis.

Furthermore, with the development of technology, new opportunities and horizons for work in the field of PR services were opened. Although it can carry a number of risks, such as a place for fast information flow and even uncontrolled misinformation, but still the Internet is taken as an advantage and potential salvation for crisis management. With its global spread, the popularity of social media is increasing, which serves as a great tool for work. Social networks such as Facebook, Twitter, etc., contribute to creating public opinion and an audience that receives and criticizes the work of the organization and thus are key to the success of crisis PR. Given that social networks are the future of the media in general, it is of great importance to control them so that in times of crisis they can be used as an advantage to reach the consciousness of the consumer or client, and not to be a disadvantage.

During the interviews, it is concluded that the media have a role of manipulators in society and for any large organization it is of great importance to maintain formal communication with media representatives and to have a special philosophy in dealing with
them. PR professionals must at all times know how to give feedback on anyone’s question, attack, request for explanation, it is something that is inevitably a challenge to deal with during a crisis.

This means that parallel management during crisis situations is enabled by the PR who must have the capacity to understand, mobilize, coordinate, with direct and strategic planning and thus achieve a good relationship with the public. The basis in public relations is exactly creating and maintaining credibility. Public relations must be established to work for the common good and honesty, that is, ethical and moral work.

However, what is most important regarding the issue of crisis management is the communication readiness for better economic growth. The more the crisis management sector or the public relations officer is aware of this, the more it can benefit and succeed. Furthermore, if a company is threatened or in a crisis period, communication teams must focus on resolving them immediately and then make an evaluation by draw a conclusion.

Domestic companies are aware and can predict crises but are still not ready to defend themselves with a concrete crisis plan and instead leave the work to the already proven PR and Marketing agencies. These professional PR agencies believe that the crisis plan and strategy is a guaranteed success for the company and because of that, they can enable the client not to be overwhelmed by the crisis.

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