Public Relations Journal Vol. 4, No. 1, Winter 2010

Industry in Crisis: The Communication Challenge in the Banking Industry

Marcia W. DiStaso, Ph.D.

As the number of high-profile failures and mergers of many large financial companies continues to grow, so does distrust in the industry. This study explores how communication professionals at financial companies are handling the global financial crisis. Although participants believed that communication must be accurate, timely, and transparent, they are greatly challenged by the quantity of communication needed. Many of the participants in this study had unique ways of handling certain aspects of communication needs. Ultimately, the collective of communication professionals at individual financial instructions can lead to the rebuilding of trust and confidence in financial organizations, and this study provides a glimpse into how they are accomplishing this massive feat.

INTRODUCTION

Recent news concerning bank failures, government bailouts, and global stock market lows has been accompanied by talk of trouble at individual companies across multiple industries. The constant barrage of negative news has left a pall over the entire business community – especially the financial industry.

As the global financial crisis unfolds, the role of public relations is more important than ever. "With the stock market on a rollercoaster ride, financial institutions must take proactive measures to reassure their customers and shareholders and bolster confidence in their performance," said Jeff Resnick, President of Opinion Research Corporation (ORC, 2008, p. 1). According to ORCs October 2008 survey, financial institutions, such as banks, savings and loans, and credit unions, appear to be doing a poor job of keeping their customers informed. This is because almost half of those surveyed (46%) said the company in which they have most of their assets was not communicating with them enough.

The global financial crisis not just a customer issue, but also a concern companies must face with employees. Also in October 2008, Weber Shandwick found that 70% of employed Americans believed the financial crisis will have a negative impact on the company they work for over, with one-fifth (20%) saying that impact will be "very" negative (Lawrence, 2008).

Ultimately, the global financial crisis has led to an increased need for internal and

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Marcia W. DiStaso, Ph.D., is Assistant Professor of Public Relations in the College of Communications at Pennsylvania State University, mwd10@psu.edu.

external communication especially in the financial industry. Indeed, stakeholder's concerns appear to be increasing, as the number of high-profile failures and mergers of many large financial companies continues to grow.

This is a critical time for the financial industry, and how individual financial institutions handle it can determine their very survival. Communicators in financial institutions are facing more pressure than ever before especially with the 24-hour news cycle and Internet. Therefore, the purpose of this article is to examine how communication professionals at financial companies are handling the financial crisis. This includes internal and external along with proactive and reactive communication. It also provides insight about what communication professionals at financial companies feel is important and necessary to work toward restoring trust and confidence.

LITERATURE REVIEW

Banking Industry Problems

Years ago, bank lenders personally scrutinized potential borrowers and made individual judgments of their credit-worthiness. An example of this was J. P. Morgan's testimony before a congressional committee in 1912 when he said "A man I do not trust could not get money from me on all the bonds of Christendom" (Morgan, 1912). In the following years, the trend was for banks to be less concerned with character and interpersonal interaction and a greater value was placed on collateral and mechanized means of assessment (Earle, 2009).

In September 2008, it all came to a forefront with the failure and mergers of many large financial companies including Lehman Brothers, Merrill Lynch, American International Group (AIG), and Halifax Bank of Scotland (HBOS) (Earle, 2009). These, along with economies that were unprepared to deal with the consequences of such failures, led to the current global financial crisis.

To get a sense of how extreme this was, consider the heritage and recent changes of some of the recent financial company casualties: Bear Stearns was founded in 1923 and survived the Wall Street Crash of 1929 without a single layoff but was bought out by JP Morgan in 2008; Lehman Brothers began as a cotton trading operation in 1850 but was dramatically dissolved in 2008; Goldman Sachs was founded in 1869 and became a commercial bank in 2008; Morgan Stanley opened in 1935 merged with Wachovia and became a commercial bank in 2008; and Merrill Lynch that began in 1914 with the credo "I have no fear of failure, provided I use my heart and head, hands and feet – and work like hell" (Merrill Lynch, 2009, p.1) was bought by Bank of America in 2008 (Earle, 2009). In addition, some large companies received governmental "bailout" intervention and support as was the case with AIG, Citigroup, and UBS.

When the bubble burst and banks started failing, trust and confidence were rapidly replaced by distrust and panic. According to national public opinion poll conducted right after the initial bailout was announced, in October 2008, 89 percent of Americans said that "things have pretty seriously gotten off on the wrong track"

(Connelly, 2008). Ultimately, this landed us in a global financial crisis that has led to recession in a number of countries and resulted in a downward spiral in the stock exchanges.

Crisis

Although crisis is defined in a variety of ways throughout the communication literature, Fearn-Banks (2002) provides a comprehensive definition. She identified a crisis as "a major occurrence with a potentially negative outcome affecting the organization, company, or industry, as well as its publics, products, services, or good name" (p. 2). She noted that a crisis can interrupt normal business and in extreme instances jeopardize the existence of an organization. Mitroff and Pearson (1993) defined an organizational crisis is an incident or event that poses a threat to the organization's reputation and viability. They included the personal, societal, and technical factors of crisis, and stated that a crisis could break down the basic assumptions that society holds: values, beliefs, and social structures. Similarly, Coombs (2007) defined a crisis as "a significant threat to operations that can have negative consequences if not handled properly" (p. 1).

The idea of being truthful is magnified in times of crisis. Often the damage from a crisis occurs not because of the incident itself, but rather because of the way the company handles it (Galford & Drapeau, 2003). In some ways, the current global financial crisis can be seen as more of an environmental or technological disaster in which trust and confidence are lost and then must somehow be regained.

Faulkner (2001) considered the extent to which the situation is attributable to the organization itself, or can be described as originating from outside the organization as the principal distinction between a crisis and a disaster. A crisis describes a situation "where the root cause of an event is, to some extent, self-inflicted through such problems as inept management structures and practices or a failure to adapt to change," while a disaster can be defined as "where an enterprise…is confronted with sudden unpredictable catastrophic changes over which it has little control" (p. 136).

Although many factors led to the financial crisis, it appears that the banking industry is faced with a crisis. This is because of the direct role that banks played. The entire banking industry has been hit hard by this crisis. Although industries have been hit by crises in the past, very little research exists on the topic beyond the tourism industry (see Fall, 2004).

A crisis is unpredictable but should not be unexpected. Wise organizations know that crises will happen; they just do not know when. According to the Institute for Crisis Management, white collar crime, workplace violence, labor disputes, mismanagement, and facility damage are the most prevalent crises faced by organizations (Institute for Crisis Management, 2008).

Ultimately, it is the perceptions of stakeholders that help define an event as a crisis. A stakeholder is a person or group who is affected by or can affect an organization (Freeman, 1984). Examples of stakeholders for an organization include employees, customers, competitors, community members, creditors, government regulatory agencies, the media, suppliers, and investors. According to Coombs (2007), if stakeholders believe an organization is in crisis, then it is.

Crises can also result from a violation of stakeholder expectations. For example, people believe that products should not harm them, management should not lie, and banks that borrow from other banks must repay them. When there is a violation of expectations, the relationship between the organization and its stakeholders becomes jeopardized resulting in a crisis. Because reputations are dependent on how stakeholders perceive an organization, a crisis can harm their reputation (Coombs, 2007).

An organization's reputation is "a collective assessment of a company's ability to provide valued outcomes to a representative group or stakeholders," (Fombrun, Gardberg, & Sever, 2000, p. 243). This valuable resource can be threatened by a crisis, and reputation maintenance is the responsibility of communication professionals during a crisis.

Global Crisis of Trust and Confidence

A large component of the current global financial crisis has to do with trust and confidence (Aleman, 2009). Thanks in a large part to high-profile financial scandals such as those at Enron, WorldCom and AIG, stakeholders have lost so much money that they do not have confidence in corporations to behave appropriately or trust corporations (especially financial companies) with their money, and until we are able to fix what is wrong it will be very difficult to bring either back.

According to Early (2009), economists and policymakers also believe that trust and confidence played key roles in the crisis and will be essential for economic recovery. For example, Ben Bernanke, Chairman of the Fed, said "As in all past crises, at the root of the problem is a loss of confidence by investors and the public in the strength of key financial institutions and markets" (Bernanke, 2008).

Although many participants in the crisis, as well as the media, seem to use the words trust and confidence interchangeably, they are very different. They are both created and destroyed differently (Early, 2009). There are many definitions of trust, but it is typically considered to be a willingness to be appropriately vulnerable (Watson, 2005). Confidence on the other hand is a "belief, based on experience or evidence (e.g., past performance), that certain future events will occur as expected" (Early, 2009, p. 786). Thus, trust is based on shared values and more intuitive and emotional than confidence which relies more on past performance.

Hon and Grunig (1999) identified that trust is comprised of the belief that an organization is fair and just and that it can and will do what it says it will. Confidence on the other hand would require looking at past performance of a company to see what they have done in the past to determine a belief for its future actions.

There is no doubt that trust and confidence are commodities that all organizations need in order to function more effectively and efficiently. Without them, organizations are bogged down by suspicion, cynicism, and disappointment.

Given the high need along with the rules and regulations regarding financial transparency, investor relations and public relations professionals must work together closely to strive for restoring trust and confidence. This can be accomplished by communicating timely, accurate, and responsible messages to stakeholders (Gower, 2006).

Opportunity

As with many crises, the global financial crisis is has provided communicators with an opportunity. As Ulmer, Sellnow and Seeger (2007) argued, crisis communication is focused on a discourse of renewal, thereby a crisis is an opportunity for an organization to rejuvenate itself through strategic communication programs.

According to Fearn-Banks (2001), crisis communication is “verbal, visual, and/or written interaction between the organization and its publics . . . prior to, during, and after the negative occurrence” (p. 480). Crisis communication represents the actual responses an organization uses to address a crisis. Communication with stakeholders is critical during a crisis, and it includes both words and actions. The goal of crisis communication is to minimize reputation damage (Coombs, 2007) and reestablish legitimacy (DiStaso & Scandura, 2009). Since communication influences both how people perceive a crisis and the image of the organization in crisis, how an organization responds is critical (Coombs, 2007).

Coombs (2007) recommends that crisis communication be “quick, consistent, and open” (p. 128). Quick refers to the speed of response. Stakeholders need information; if they are not getting it from the organization they seek it elsewhere. A quick response helps to ensure that stakeholders receive accurate information and that the organization is able to share its side of the story. Obviously, with the increased speed comes an increased risk of making mistakes including the possibility of providing inaccurate information; therefore, communicators must find a balance between speed and accuracy.

When an organization has a unified response in its delivery of messages they are promoting consistency (Coombs, 2007). In the past, this meant that only one person was be responsible for crisis communication, serving as the official spokesperson while others were discouraged from being unofficial spokespeople (Fearn-Banks, 2002). Today, it is often best to identify a media spokesperson to serve as the point of contact for the media, but in reality, the idea of having a spokesperson is much more complicated. One of the most noticeable effects that social media has had on the world of public relations is the idea that anyone from passionate customers to employees can speak for a company. This new crop of unofficial spokespeople has risen out of the opportunity provided through social media and need.

The 2009 Edelman Trust Barometer found that about two-thirds of informed publics (62%) trust companies less than they did a year ago. Plus, trust in business was even lower than it was right after Enron and the dot-com bust, and “a person like you” remained one of the most credible spokespeople in 2009.

Of course, it is impossible for consistency among all the possible spokespeople in this environment, however, organizations should strive for consistency among organizational spokespeople (including all employees). This requires consistent internal communication. Employees should be kept informed and this will help them to better articulate the situation.

Finally, according to Coombs (2007) openness means “(a) availability to the media, (b) willingness to disclose information, and (c) honesty” (p. 132). Being open is a component of transparency. Transparency is the degree to which an organization shares information its stakeholders need to make informed decisions (Holtz, 2009). Companies must consider their responsibility to stakeholders, and transparent companies should make public all legally releasable information.

Transparency itself is not a simple solution. This is because it is an unending process with a constant need to provide new information (Gower, 2006). Just giving information does not constitute transparency. Transparency can only meet the needs of stakeholders if the organization knows what they want and need to know (Rawlins, 2009). Transparency can even be used to obscure and obfuscate reality and simply providing information does not necessarily lead to trust.

There appears to be growing evidence that openness and transparency contributes to an increased sense of trust (Rawlins, 2007). Effective transparency holds an organization accountable and is rewarded when companies provide enough information for employees to make informed decisions (Rawlins, 2009).

Ultimately, without transparent/open, quick, and consistent information rumors can run rampant. Defusing rumors requires stakeholders to believe that the organization is providing accurate information. Essentially, the organization must be more credible than the rumor (Coombs, 2007). Internal rumors require a certain degree of preparedness (Kimmel, 2004). Communicators should have an understanding of how the rumor grapevine works, who is influential in the communication network, the types of situations that are likely to stimulate grapevine activity, and how to manage its positive and negative potential for the good of the organization. Along with obvious challenges, the grapevine can provide a fast means of distributing information internally. Through this informal communication channel, employees have conversations in the lunchroom, in carpools, through e-mail and the like. Information is spread rapidly and since rumors are typically undocumented, they are susceptible to various interpretations.

Rumors that circulate outside a company are likely to reach and affect far greater numbers of people than grapevine rumors. External rumors have the possibility of severely damaging a company's reputation by undermining credibility, stimulating customer boycotts, affecting employee satisfaction, and they can even impact the financial markets (Kimmel, 2004).

Research Questions

The goal of this research was to explore what communicators in financial organizations are doing to rebuild trust and confidence. To do so, the following research questions were explored:

RQ1: Are communicators in financial organizations working in crisis mode?

RQ2: What are communicators in financial organizations doing to be proactive versus reactive?

RQ3: How have message strategies changed for communicators in financial organizations?

RQ4: What are communicators in financial organizations doing about rumors?

RQ5: How are communicators in financial organizations working with investor relations practitioners?

RQ6: What are some of the changes in the industry that communicators in financial organizations are expecting?

METHOD

This study explored how communicators in financial organizations are handling the global financial crisis. A qualitative focus group was used for this study because of its strength in answering the research questions by providing narrative richness (Lindlof & Taylor, 2002). The focus group, conducted on November 6, 2008, allowed the systematic interviewing of several individuals simultaneously.

Thirteen communicators from a variety of financial companies including banks, insurance companies, and credit card companies participated in the focus group. Six participants were males and there were seven females.

Recruitment was done through an e-mail sent to all PRSA financial communication division members. Participants were required to enroll in advance and although 16 originally enrolled, only 13 participated. No incentives were used, and the invitation asked members to participate in "a discussion on how to most effectively communicate during these volatile market conditions." Institutional Review Board approval was received and all participants provided informed consent.

A discussion guide was created in advance and contained key and probing questions about external communications (seven key questions) internal communications (five key questions) and investor relations (five key questions). The guide was loosely followed allowing the conversation to progress somewhat naturally, therefore not all of the questions were asked.

The moderator was a practicing communicator for a financial organization, thus providing credibility with the participants. The focus group was conducted through a conference call with each participant calling in from their own location. Conducting the research through a conference call allowed access to a group of professionals who are extremely busy during this financial crisis, an otherwise near impossible task. A note taker recorded key points and the session was audio recorded and later transcribed and analyzed for common themes as well as unique comments that emerged from the discussions.

RESULTS

RQ1: Are communicators in financial organizations working in crisis mode?

At the time of the focus group, some of the participants worked for institutions that had decided to take TARP money while others were still trying to decide. Either way, they were all feeling pressure to "fix the world" while "everyone" was breathing down their necks. They also found it challenging to "balance transparency along with not increasing a sense of urgency or emergency."

When asked if they are working in crisis mode most participants answered yes. One participant said that she is running her crisis plan concurrently with her formal communications plan. Allowing her to continue to maintain a "business as normal perception" along with beefing up and activating more crisis communications pieces as the situation elevates.

Other participants said that their existing communication plans were "not strong enough." This is because as one participant said, "Not a day goes by when we don't get an e-mail from an executive saying we need to do more, we need to see the CEO more, or we need to have another communication." At this point, she said they have almost tripled the frequency of communications to employees from the CEO. She went on to say that "in a sense it helps to have so many people breathing down your neck because it helps you see the need to embellish the existing plan."

Another challenge for the participants was the rapid pace that things were changing across the industry hurt the believability of all CEOs. An example one participant provided was the when the Wachovia CEO said he thought they were okay, that they had a strategy, and could go it alone, but the next day they announced they were selling. As another participant said, things like this that blew up in the financial media have hurt skepticism with internal and external stakeholders.

Overall, participants were seeing a shift in the use of traditional communication tools. As one participant commented, “previous tools are being put on steroids” or a use at a “higher level right now.” For example, they talked about how they use Web sites more talk to customers directly. One participant said her bank sent a letter from the CEO out to customers directly and then posted it online. They then used some of the messages from this letter in other communications, making the communications “very targeted and consistent.” Plus, participants said advertorials (advertisements designed to stimulate editorial content) are now being used more frequently.

Some of the participants found that coordinating their communication needs with CEOs and CFOs has been challenging. For example, one participant found that with all that her CEO has going on he has been less responsive to smaller needs such as those of specific reporters. Another talked about how his CEO is upbeat and optimistic but is “cautious with the media because he questions it as a good platform” to tell their story.

Overall, participants felt that business must go on as was normal. They felt that it is important to continue to do things as they did before. For example, one participant discussed how her bank has always make their CEO available to reporters after their earnings calls and although they have had quarters that have not been “their best,” they still followed protocol so as not to send a message to reporters that they have something to worry about or that they were trying to hide something.

On a side note, a few participants commented on how they have been so busy that they have been “working around the clock” and that as a result they have missed much of what has been going on in their personal lives as they have been submerged in work.

Finally, as one participant said, “the larger issue facing financial services is the distrust that is generated among consumers and kinda carries throughout the industry….and as an industry, it is really important for all financial services to come together and help regain consumer trust”

RQ2: What are communicators in financial organizations doing to be proactive versus reactive?

Although being reactive is a current fact of life, most of the participants were finding ways to still be proactive. As one said, “With our bank in the news almost daily, we have been much more reactive than we would like to be.”

Dealing with financial reporters has been challenging for some of the participants because many of them have “one track minds” with their focus on the meltdown. A few participants felt that this was a time to push out topics that were independent to their bank, industry or stock price (i.e., products, services, events, community work, white papers, customer testimonials). One participant commented on how she angles pitches about topics that are non-financial by tying into the economic meltdown to gain more reporter interest, whereas before the angle of similar stories had nothing to do with the economy. Ultimately, she saw good results from this with her company getting some positive news coverage. Another participant said that she was focusing more on building relationships with other local beat reporters who are not so focused on the industry or banks in particular. In her words, she is “making new friends when her old friends aren’t so friendly anymore.”

Internally the participants were spending more time talking face-to-face with employees. This included more officer and employee meetings where executives such as senior economists, market presidents, CEOs, CFOs, and business heads talking about the stability of their bank, what they were seeing in the economy, and what it means to 401 Ks. They found that these face-to-face meetings were especially necessary to answer why questions such as: why they are reducing their dividend, why they are participating in the Treasury’s Capital Purchase Program (TARP), and why they are participating in the FDIC Temporary Liquidity Guarantee Program. They also distributed more periodic communication including regular communications from the CEO.

Although face-to-face communication had picked up, cascading communication was still being used by all the participants. Along with this, the participants each talked about how they provide employees avenues for questions both from themselves and their customers. One participant described how her bank put together a cross communications team with representatives from each business unit and shared services so they can share “best practices” on what they are doing to reach their distribution channels, customers, and associates. This team now provides daily updates at 11 a.m. and 4 p.m. during the crisis. Many of the participants had an electronic idea exchange for associates to post ideas and a few used this channel as a two-way communication tool.

RQ3: How have message strategies changed for communicators in financial organizations?

As one participant said, companies can no longer say things like “We are a very old bank, as solid as can be,” since some big, old companies have recently gone down. Now, saying you are old is not good enough. Companies now have to say more. For example, participants said that they are now more frequently using things as third-party endorsers, quality studies, and ratings from ratings agencies to back up their longevity and financial strength. These, along with reiterating FDIC limits, are ultimately used to “provide comfort” and answer questions like “Is our money safe.” Another participant said that they have been doing this “very aggressively now.” A third participant talked about how her bank has been very upfront in talking to employees and customers about how their company is “financially stable” that the “financial services industry is in transition” and what they think about the “long view.”

RQ4: What are communicators in financial organizations doing about rumors?

The general consensus among the participants was that following communication plans to send out good, consistent communications and having informed leadership teams were ways to try to stay out front of rumors. Beyond this, the participants talked about different ways that they are specifically handling rumors. For example, one participant said his bank is handling it through leadership by having all executives meet and make sure they understand and are all on the same page and then they cascade the messages back.

Another participant talked about how her bank is not “sugar coating things” with employees. They are not giving “down and dirty” information either, but by telling them the good and the bad news, she feels this frankness helps them feel “like they are getting the straight story.” As a third participant said this is just as important with investors: “if you don’t get bad news out now, you will pay for it coming down the pipe...with your credibility”

A fourth participant talked about how his financial institution has found a unique way to keep a finger on the pulse of their employees by offering free breakfast, lunch and dinner in their cafeteria. With everyone mixing and mingling in one place (including the CEO) they are able to pick up on some of the hot topics. This helps them “maintain a culture of interactivity and two-way communication.”

Taking this a step further, a fifth participant said that there is a “blurring of the lines” and anyone can be a spokesperson for the company, so her bank distributes key talking points to “everybody” from executives to tellers and even janitors.

Finally, a sixth participant said, “It doesn’t have to be your CEO or your officers of the company to reassure employees, but if you are upfront and you’re transparent, that frontline employee from the mailroom to the cafeteria can carry that message for you – which has more credibility.”

RQ5: How are communicators in financial organizations working with investor relations practitioners?

As one participant said, investor relations is “a hard department to work with right now because they are feeling stress in a different way than we’re feeling but at pretty much the same intensity, so it’s almost like we’re peas in a pod – they know what we’re going through and we know what they’re going through.”

Although most participants agreed that this symbiotic relationship is important, not all the participants were able to accomplish it yet. One participant that was successful said it took a new IR director to change the things at her bank. She said that both the head of PR and the head of IR “must understand one another and not work independent in their own worlds” but by working together, internal and external messages can be consistent.

One participant improved his relationship with IR through frequent contacts with each other to learn what they each are hearing and make sure they are delivering similar messages. This also led to the creation of an employee one-pager for after earnings to reiterate the key messages, provide tidbits from analyst and media reports, and offer peer comparisons.

RQ6: What are some of the changes in the industry that communicators in financial organizations are expecting?

As one participant said, "this is the first time that companies have had to discuss how the overall macroeconomic environments are affecting their company" and they need to make sure they are staying proactive in doing so.

In an effort to meet the saying "the best defense is a good offence," one participant talked about how companies should pay a greater attention to and meeting with their existing shareholders. Existing shareholders should understand what is going on so "they don't bail on you because there are very few new investors."

At the time of the focus group, the participants were having shareholder meetings where very few people came. As one participant said, they were made up of "people with too much time on their hands." But, there was the general consensus that they should expect to see things change with "executive compensation on the front burner" and they felt the need to be prepared for questions about how compensation packages were developed.

They also expect changes in the annual reports. One participant said his company is working to make the annual report a reflection of who they "are in this point in time" and according to him, "what we are not is a company that is flamboyant and spends money freely' so he does not expect to have "a real top end glossy annual report" this year. He also said that they are not going to include some of the "fluff" that they normally include to "hone in on the chairman's letter and even expanding it because shareholders want to hear from the top and because there is a lot to talk about his year with both the industry and our company." Another participant also said that they are going to spend less money on the bells and whistles and pay more attention to the chairman letter. She said her bank is making the changes because "knowing that perception is reality we want to make sure that we give the perception that in this frugal economy we're being frugal."

DISCUSSION AND CONCLUSIONS

This qualitative study revealed several insights into how communication professionals at financial companies are handling the global financial crisis. At no time is communication more important than during a crisis (Coombs, 2007), and although not all financial institutions are in crisis, the industry is, so companies must act accordingly.

With new news breaking frequently and changing day-to-day or even hour-to-hour, the communication professionals in this study found it difficult to be proactive. Part of the problem has simply been an issue of timing. This is because they must supplement the time they spend "hunkered down" handling the crisis with still getting other news out. Also, it is especially important that communicators find a balance between being responsive and allowing the time necessary to properly construct appropriate fact-based messages. Being truthful is magnified in times of crisis. With reputations on the line, financial organizations can face negative consequences if they do not handle the crisis properly. This includes companies that continue with a business as normal approach in such a volatile industry in the midst of a crisis.

The public already has very low trust and confidence in corporate institutions and in the absence of information, people will fear the worst, so it is in the best interest of companies to use this opportunity to steady their reputations and calm stakeholders.

It appears that the communication professionals in this study were striving to follow the recommendation for crisis communications to be quick, consistent and open. With the 24-hour news cycle and online frenzies, organizations face more pressure to manage crisis effectively than ever before. Although the participants admitted that this has kept them extremely busy, they have increased the quantity of their communication substantially. None of participants commented on the changes in the quality of their communications, but they did mention that they were working hard at delivering clear and transparent communications. They have even enlisted the help of additional organizational leaders to aid in the clarity and accuracy of the messages.

Consistency also appears to remain a challenge, but the communication professionals in this study were working on targeting their messages, training their staff, providing talking points, and using communications in various formats (such as sending a letter to customers and posting it online or using the same talking points in all communications). This allows them to have many spokespeople by utilizing everyone in the company from the cafeteria to employees and executives. This is especially useful to embrace given the increasing prominence of social media in society.

The communication professionals in this study were focusing on communication with the media (as a means to communicate with current and potential customers and other stakeholders) and their employees. This pertains to dealing with rumors too. The participants focused on internal rumors by trying to keep employees informed and giving them outlets to ask questions. They talked about providing good and bad information o both employees and investors. The challenge they face is balancing transparency with sparking a sense of emergency. This increases the need to monitor concern closely while avoiding being overly focused on the rumor of the day.

Two-way interactive communication at all levels can help to reassure stakeholders. As the participants noted, this does not have to be the CEO or the officers of the company, but if you are up front and transparent, any employee from the mailroom to frontline staff can carry the message for you, resulting in higher credibility.

Plus, by working closely with investor relations, communication professionals can draft appropriate internal and external messages.

Ultimately, participants agreed that communication must be accurate, timely, transparent, and should explain what happened, what is being done to fix it, and why such actions will help. By making following this, communication professionals can work toward rebuilding trust.

LIMITATIONS AND FUTURE RESEARCH

This study used a limited number of participants. Although it was appropriate and necessary for this exploratory study, it does limit the findings. Future research should consider utilizing more quantitative methodology to identify generalizable trends or minimally expand the number of participants for additional qualitative studies.

Research on communication related to financial organizations is limited and direly needed especially since communication plays such an essential role in repairing trust in organizations (something financial organizations especially need). One area future research can make a difference is in determining if there is a difference between the communication of financial information from financial institutions versus non-financial institutions. Do date, this has gone unexplored, but it is possible that stakeholder expectations are different.

Ultimately, no matter where what type of organization, the global financial crisis will have an impact on communication strategies. This includes restoring trust and confidence along with reassuring and educating stakeholders about what the economic turmoil means for them personally.

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