

## THE IMAGE CRISIS OF THE ORGANIZATION

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**Abstract:** The image of an organization is the totality of perceptions that the public has about it and may differ from reality when it is unknown, understood or communicated incorrectly. The image crisis occurs when goods or services are no longer searched the same on market and the goals honesty, fairness and legality of the organization actions become topics of public or legal debate. We will analyze the image crisis for the DACIA Company because products and services of this company have always been an intense topic of discussion and because it is the main producer of automobiles in our country.

**Keywords:** image, organization, crisis, communication, media

### 1. Introduction

The image concept is a key concept in public relations and the sociology of mass communication. The image of an organization is based on creating elements that characterize identity that gives the uniqueness factor. These are the goals, objectives, structure, the staff and organizational culture and their translation into the external environment. The external environment is the general public, clients/customers, suppliers, partners, and not least by the media<sup>i</sup>. The image is the representation: "which was formed as a sum of beliefs, attitudes, opinions, prejudices, experiences and expectations to groups of people or within the public opinion on a natural or legal person, institution or organization".<sup>ii</sup> According to Roger Mucchielli picture is "a representation or an idea which is formed by individuals of an environment or of a segment of the public – due to reception of information about a social object. In the image case, it is about an opinion or an attitude whose roots are mostly irrational"<sup>iii</sup>.

To see the image role in public communication we should mention the types of image. There are three types of image<sup>iv</sup>: the image of the politician / individual image, the image of an organization and the brand image.

Important here is the image of an organization that is the public perception that it has on the organization. Therefore, we can say that the image of an organization is the totality of perceptions that the public has about her, but it may be different from reality, if unknown, understood or communicated incorrectly. In an organization, we encounter three types of image: the real picture (objective), the earned picture (subjective), that is how the institution is perceived and the desired image that is how the institution should be assessed.

A weak image raises questions about the reliability and viability of operations and activities of the organization. If they are supported and validated, the images about their organization become reference for the organization's staff. Organizational components, products and services they provide must respond to the target audience, who must cooperate and relate.

## 2. Image crisis

Image crisis occurs when products or services are no longer search the same on market and goals honesty, fairness and legality of the organization become topics of public or legal debate. The crisis of image is "that state of deterioration degree of notoriety, reputation and public confidence that endangers the operation or the existence of an organization"<sup>v</sup>.

The crisis of image can be positive or negative, close to reality, proximal and distal, subliminal, virtual, etc. The positive image in the eyes of the relevant public brings benefits to the organization, so the organization acquires prestige and credibility and attracts public sympathy and support. The image crises of the organization are also important for the performance of its members. When there are negative attitudes within the organization, its image is altered and image crisis appear immediately.

The image crisis has the following features<sup>vi</sup>:

- In most cases, the image crisis does not appear sudden - unlike other crises, it has a slower and more complex evolution;
- It overlaps and is determined by a specific crisis of organizational culture identity - can lead to an identity crisis of the organization;
- It is more difficult to identify than other types of crisis - its effects can be confused with the effects of an organizational crisis, therefore requires a complex analysis;
- Its effects are manifested on long term - they shall cease upon the resolution of the image crisis.

Although the causes of the image crisis are different depending on the organization, the literature says that the main causes that determine image crisis occurs are:

The inability of the organization to create and manage a strong and relevant identity, both internally and within extra organizational frame. The identity of the organization should be visible in the organizational landscape of public space both internally and externally. Internal audience - employees, members of the organization - must be able to practically identify themselves with the ideal of the organization, while external audiences - customers, partners, etc. Must identify themselves with the organization that leads their interests so they can develop confidence in the products and services of the organization.

Lack of management concern for promoting and managing consistent image - organizations that have unique products or services on the market tend not to give great importance to their social image and attitudes of their customers. The promotion strategy of image and identity, of values and organization culture must be part of the long-term business plan of any organization because the organization must ensure consistency between words and deeds.

The impossibility for the organization to have complete control over the messages that create the visibility in the public space - the organization can control the intensity and duration of public visibility by managing carefully the area of direct vision. Media relates about adverse events of an organization regardless of the organization desire

to make them visible or not, which is why the organization should take care to follow in a permanent manner messages that appear in the media and manage them properly.

The inability of the organization to ensure a coherent, credible and stable image by matching messages - this may be due to: lack of a specialized structure in image management, lack of management strategies and policies to manage organizational communication, reduced preparation of structures for managing the image, existence of a disruptive communication environment, reduced coordination between communication structures, unadjusted identity creation programs of the organization to the changes in the extra organizational frame.

When there is a crisis of image, the underlying causes and source must be identified. After this step the impact of the image crisis should be conducted in a most objective manner, because, finally, to be set the fastest and most effective way of handling the issue. In addition, the organization must take responsibility across from the problem/problems faced. To keep things simple, representatives of the organization must be open about the event/events that led to their image and credibility diminishing and to argue what happened.

Perhaps the most effective way of managing an image crisis existing within an organization is to apply the techniques of communication with the media, using as means: the organization's website, the telephone number of the organization, the press conference, the press releases and the press dossier. Usually larger organizations are facing more serious image crisis, with visible impact. Especially if their public relations specialist plays an essential role in crisis management of image, therefore, the organizations within which there is no such a specialized person can turn to an agency in charge of public relations.

If not properly managed, the crisis of image could trigger an organizational crisis. It can affect the development and credibility of the organization, but also the entire industry. The psychological side of the employees and customers can also be affected, as well as the entire organizational climate.

When a company / organization is facing an image crisis, the media often prefers to advertise the information at a maximum level and to give it a touch of sensational in order for the news to catch better shape and to make the subject be more visible to the public eye. Journalists prefer to publish only part of the real situation faced by a particular company, destroying, in a lesser or greater manner the image of that organization. The titles they give to the breaking news are downright dramatic. All this is happening, most likely due to competition and the desire of every journalist / mass communication means to provide exclusive news.

Each image crisis is unique because of the causes that led to the outbreak of them, the number of people affected by the crisis or those involved in its management. However, if public relations specialists meet certain standard stages in crisis moments of the organizations they are working for, media and crises will become points of support in shaping the image of public organizations. Public relations specialists and representatives of the companies facing crisis situations must understand that through communication they can rebuild or revitalize relational space and debates about the various crises that happen in the organizations / companies.

The real purpose of communication with the media during the crisis image is "to enhance an organization's reputation and to inform and influence the target

audience<sup>vii</sup>. The most developed societies of today are not only conquered by communication, but are increasingly monopolized by the mediated communication, favoring the activity of individuals.

Therefore, effective communication with the media is important for a company, especially when it is facing a crisis situation because: media relations aims at increasing the company's reputation, the press is an important communication channel, her audience is very diverse, media can lend legitimacy to the activities and goals of image and reputation of public organizations, the media uses in particular new information technologies, leading to the creation of a positive public image for the company, the media can influence beliefs, opinions and behavior of the press consumer. Thus, the favorable attitude of the media can positively influence the attitude of the members of an organization and its external environment, and the most effective relationship with the media always begins with precise definition of objectives and efficient communication.

Next, we will analyze the company DACIA image crisis, because products and services of this company have always been an intense topic also because it is the main producer of automobiles in the country. Opinions are divided across from the cars produced by the company, regardless of models age and of the innovation proved by the builders etc. Dacia has appeared on the Romanian market at the same with the creation of the Mioveni Motorcar Plant, which was built in 1966. In 1968, a license agreement was signed between Renault and the Romanian state and the first car Dacia 1100 under license R8 was produced, followed in 1969 by Dacia 1300 under license R12<sup>viii</sup>.

On July 2, 1999, Dacia officially became a brand of the RENAULT Group, by signing the privatization of the organization. In 2000 sees the launch of the Dacia Supernova first embodiment of the Franco-Romanian collaboration, a car equipped with engine and gearbox Renault. In April 2003 sees the launch of the Dacia Solenza. In 2004 sees the launch of the Dacia Logan in two engine versions. Also in 2004, ceased the production of saloon and estate models. The year 2005 is the inauguration of CKD Export Centre and the ISO 14001 environmental certificate is obtained. In addition, there is car number 2,500,000 manufactured<sup>ix</sup>.

Another reason that made us decide to make this choice is that, lately, Dacia has launched various types of cars, where the reviews received were more or less positive. Not infrequently, the media has given different information/articles in which products and services of the Dacia Company were criticized, information that affected the Dacia image and influenced the decisions of citizens in choosing a car.

We will analyze the current and past situation of the Dacia image. The overall objective of the analysis is to ascertain to what extent the articles and reviews on existing sites of the products they promote affected the company.

Dacia aims to produce a range of robust, reliable and affordable vehicles, both for the Romanian customers, and for those from other countries, at Renault quality standards. Company Dacia is known internationally, throughout time it has been accomplished a series of customer satisfaction surveys across from the use of one of the cars manufactured by this logo. Dacia fame is largely due to the fact that this company is the second brand of the Renault Group. This means that our country's

image in the world is positive and / or negative also due to Dacia image and its products and services.

The fact that 90% of the production plant of vehicles at Mioveni is exported to 37 countries on four continents makes, when there is a problem in the company, regardless of its severity, the image of Dacia is affected not only in the State where the incident occurred, but in all other countries where the brand delivered products.

One image crisis with greater negative impact of Dacia is the one that took place in 2005 when the German club Auto (ADAC) achieved in July 25, a report about Logan report that was made public via the Internet. In this report, German experts said that Logan overturned at a speed of 65 km/hour, given that were made several sharp turns at speeds ever higher. At the time, Dacia Renault spokesman in Germany sent a press release in which it announced the citizens and the German Auto Club members that in their own tests conducted by the company, such situations have not occurred. He promised that the car which overturned would be examined carefully by the company's specialists to uncover the incident causes<sup>x</sup>.

Representatives Dacia Renault Romania had no reaction, showing a lack of coordination between communication structures of the company in Germany and Romania. After three days reactions occurred in Romania, the strategy applied is that of the attack, Dacia Renault Romania company representative said the company is subject to a campaign of denigration.

The report submitted by Germany has been intensely disputed by specialized forums in Romania and France. Reactions have not ceased to appear from owners of Dacia Logan. Many have questioned the information provided by the Germans in that report, questioning the technical data and images attached report. It has been speculated that the Germans had released such a report to persuade Germans to buy German cars, even if they are second hand instead of buying Dacia cars, that they seemed to trust and which were accessible from the point of cost.

In the case of the situation at Dacia Renault, Romanian media has granted since July 27, an increasingly important safety issues of the buyer. Articles in the Romanian press were negative. The intense media coverage of the problems of Logan car has reduced confidence of potential clients in the organization and its product. On the overthrow Logan article appearance elk test, the board profile appeared hundreds of comments that had thousands of hits. The image deficit created was maintained and exploit by groups of pressure that had a direct interest in spreading information. In this case, there is the possibility that information was propagated in order to remove the success of Logan in some markets (such as the German), which would have led to decreased sales of domestic cars.

Community boards in France, Italy and Spain are questioning the accuracy of tests conducted by ADAC since July 27.

The crisis created included certain items irrational, emotional: even if the test result was quickly pulled from the site on July 28, and could not be accessed even in the archive, the idea of the insecurity of the car remained in the minds of current and potential customers.

On August 3, journalists from magazines "Pro Motor" and "Top Gear" Romania have recovered the tests and proved that Logan goes smoothly test moose speed of 70 km/h and not tip over even at 100 km/h.

Effects of the crisis have been quite serious. It deeply affected the image of the company and its management. This was also due to how the company managed the crisis.

Dacia-Renault Romania did not properly manage the situation. The organization has not taken into account almost any accusation and no official statements were made. Image crisis that resulted was mainly due to failure to provide stability criterion in time. Fluctuations of credibility led to the crisis. The image formed in the public consciousness depends on incoming messages from within the organization.

There are many negative aspects of image crisis management at Dacia-Renault. The company did not communicate with target audiences and the media, and when it did, it has not been effected in time. In addition, the organization did not perform internal communication before the foreign debt.

The company Dacia Renault has used several strategies including reducing the hazardous character and the type of attack. These strategies, used inconsistently and unorganized, had a low efficiency. Among the few positive aspects of crisis management include the organization efforts to improve its image by participating in profile exhibitions in the country and abroad, the realization of events such as Open Day and the realization of an advertising campaign in specialized magazines.

A significant contribution to the recovery image Dacia has had visitors from the forums, who did not believe the information in the report and Germans who managed to cancel the test and restore image effects Dacia.

Another aspect that influenced the image of Dacia was the Mioveni Plant employees strike in March-April 2008. The activity of the company was interrupted for three weeks because of the strike of employees dissatisfied with wages received.

Communication is intensifying both in the internal and external frame. A Committee consisting of the Director General of crisis, Human Resources Director, Communications Director and others, who daily meet and decide the content of the messages transmitted indoors and outdoors, is created. In relation to media, the spokesperson is the Communications Director.

The subject is the most publicized in the history of Dacia: 1404 articles in 19 days - 340 articles in the national press, 485 articles in local newspapers, 295 TV reports, 40 radio reports, 244 articles on the Internet. Articles were addressed both emotionally and rationally point of view<sup>xi</sup>.

The Dacia image was injured in small measure because the economic situation was affected by the economic crisis and contributed to the strike.

Another image crisis at the company Dacia was in April 2011, the manufacturer faced problems sourcing parts from Japan, which prompted management to close for a week the activity at the Plant, and sending employees in technical unemployment with 85% of salary.

Dacia representatives have avoided to provide details on the outage, restricted to announce that an analysis of the existing situation with suppliers in Japan, to see to what extent the earthquake and tsunami that struck Japan on March 11<sup>th</sup> 2011 affected the production of parts for the global automotive market. The crisis has not greatly affected the company Dacia.

In March 2012, Dacia recalled to service approximately 3800 Duster SUV to check bearing support flexibility of rear brake and brake ducts. Recall cars at service was

done after detection of problems arising due to the accumulation of snow on the base of the flexibility of rear brake, there is thus a risk (relatively low) of it to break through the fatigue of one of rigid brake ducts from the mounting cylinder zone. For persons called into service not to get scared and the media not to speculate on these issues and transform them into news that adversely affect the image of Dacia, company representatives said the brake circuit is composed of two internal circuits separated in X and that, if one of them fails, the other will work, without affecting control of the car<sup>xii</sup>.

### 3. Conclusion

The small image crisis of the Dacia company were solved in a very short time, a major contribution had the Dacia fans, customers who have trusted the quality of cars of this brand and that, when the Germans tried to compromise the company's image, they have come up with counter.

Image Crisis management should be a strategic one, should be based on a concrete plan. When an organization has created value for consumers and achieved during its development, trust and respect of consumers, the impact of a crisis of image can be easily diminished. If there is no credibility from consumers, the efforts of the organization to manage an image crisis may be futile.

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<sup>iii</sup> *Idem*.

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