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# Stakeholder Management and Crisis Resilience

## A case study in a public transportation company.

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### ABSTRACT

Stakeholder perspectives on crisis management provide a useful descriptive framework for analyzing crises and making crisis narratives. However, their “actionability” for crisis management, i.e. possibility to use stakeholder management models into operational crisis management processes, remains an under-investigated question. The purpose of this article is to discuss the operational value of stakeholder frameworks for crisis management. Drawing on a qualitative case study of a successful crisis management process in a public transportation company, we investigate the activities set up by the crisis cell to manage internal and external stakeholders during the crisis. In our case, successful stakeholder management relied on: 1) good diagnosis capabilities for the design of an appropriate corporate positioning; 2) an ability to manage coherently a set of emerging and heterogeneous issues involving stakeholders; 3) the capacity to set up a tightly coupled form of organization, involving both crisis cell members and various “anchorage points”, i.e. specific actors involved in the project before the crisis, who were already in contact with key stakeholders as part of their day-to-day activities. We then discuss the practical and theoretical implications of this analysis and the potential value stakeholder perspectives for crisis management.

### Keywords

crisis management, stakeholder management, collective action, anchorage points.

### INTRODUCTION

A mounting practical and theoretical issue in the field of crisis management relates to the complexification of contemporary crises (Kouzmin and Haynes, 1999, 't Hart et al., 2001). Owing to the multiplication of public controversies around technical uncertainties (Callon et al., 2001), the increase in the number and diversity of stakeholders involved, snowball effects, the inter connectedness of communication and social systems, crises tend to become endemic, harder to control and to manage (Boin and Lagadec, 2000). Those transformations call for a reorientation of crisis management, traditionally focused on plans and procedures, towards learning and the development of adaptive capabilities to recover from unpredicted crises (Robert and Lajtha, 2001). Since crises increasingly create unanticipated problems, the issue becomes to “organize for resilience, i.e. to facilitate a rapid, flexible, innovative, and effective response when a crisis presents itself” (Boin and Lagadec, 2000: p.4).

In those increasingly complex situations, managing stakeholders becomes both problematic and strategic for crisis management. Although it is a central issue, the way organizations manage dynamic stakeholders in crisis situations has not been systematically investigated so far, neither by the stakeholder management literature, nor by the crisis management literature.

The purpose of this article is to discuss the operational value of stakeholder frameworks for crisis management. To do so, we draw on a qualitative case study of a crisis experienced by a public transportation company. This crisis was

triggered by the collapse the building site of a new metro-line of the company, under a school, in an urban environment. Hopefully none of the school's pupils or the building site's workers were present at the moment of the accident, but the important psychological, emotional and material impacts of the event led the company to treat immediately the event as an organizational crisis and to set up a crisis cell. The collapse of a building site had not been identified as a possible crisis to be dealt with within the transportation company, which was only in a position of building-owner in this project. The situation was also quite ambiguous and complex due to the blurred jurisdictional responsibilities and the heterogeneous set of stakeholders involved. In spite of this complexity, the crisis cell designed innovative and appropriate solutions to recover from a potentially damaging crisis. In this case, successful stakeholder management relied on a mix of both individual skills and an appropriate organization to face an unpredicted and complex situation. Stakeholder management was successful because it relied on:

- 1) good diagnosis capabilities for the design of an appropriate corporate positioning
- 2) an ability to manage coherently a set of emerging and heterogeneous issues. In this regard, the idea is not so much to manage stakeholders individually than to deal with various stakeholders, which is, from an operational point of view, far more complex. The company treated this complexity by managing issues coherently rather than stakeholders unilaterally.
- 3) the capacity to set up a tightly coupled form of organization, involving both crisis cell members and various "anchorage points", i.e. specific actors involved in the project before the crisis, who were already in contact with key stakeholders as part of their day-to-day activities.

The article is organized as follows: first we identify several shortcomings of present stakeholder approaches of organizational crises that limit their actionability for operational crisis management. Next we present the crisis management process that we have investigated. Last we discuss the practical and theoretical implications of this analysis, and the potential value stakeholder perspectives for crisis management.

## **CURRENT LIMITATIONS OF STAKEHOLDER PERSPECTIVES TO CRISIS MANAGEMENT**

Intuitively, stakeholder management appears as a relevant framework to analyze crisis management processes. The usual definition of a stakeholder as "any group that can affect or be affected by the achievement of organizational objectives" (Freeman, 1984) has first been developed to understand the relationships between the company and its environment in turbulent situations (Sturdivant, 1979, Management Review, 1980, Freeman and Reed, 1983). Thus, organizational crises situations should provide natural cases of application of stakeholder perspectives.

Several works dealing with crisis management explicitly refer to this theoretical framework. In this part, we identify three limitations of those works and propose to develop a more actionable framework for understanding stakeholder management in crisis situations.

### **An over-representation of normative, static and low-actionability perspectives**

In their famous typology, Donaldson and Preston (1995) have distinguished three distinct branches of the literature on stakeholder management: a descriptive branch which discusses the concrete patterns of stakeholder management within firms, an instrumental branch which investigates the link between stakeholder management and organizational performance, and a normative branch (which, for the authors, constitutes the core of stakeholder theory). In its application to crisis management, the 'normative' strand of the stakeholder theory has been predominant. This branch of stakeholder thinking states that "the interests of all stakeholders are of intrinsic value. That is, each group of stakeholders merits consideration for its own sake and not merely because of its ability to further the interests of some other groups, such as the shareowners" (Donaldson and Preston, 1995). The work of Alpaslan, Mitroff and Green (2004) is good example of this normative import of stakeholder thinking within the field of crisis management. They propose that organizational behaviour towards stakeholders range from a "neo-classical approach" -where a group is only considered by the company if it directly contributes to shareholder value- to a "multi-fiduciary approach" -where all legitimate stakeholders are considered on an equal basis-. They then add an instrumental consideration, proposing that those companies that adopt a multi-fiduciary orientation towards stakeholders (or theory-in-use (Argyris and Schön, 1978)) will be less likely to experience crises and more likely to recover quickly from crises (Alpaslan et al., 2004). But such a perspective does not explain how, beyond a generic

organizational positioning (ranging from denial to responsibility, cf Alspslan et al.), companies concretely manages its stakeholders.

We believe that in their present form, stakeholder approaches to crisis management suffer from various difficulties which limit their operational value:

First, they do not take into account the specificities of each organizational crisis. When researchers investigate organizational learning, they evaluate the evolution of the organization in terms of its attitude (its responsiveness) towards its stakeholders (Shrivastava, 1974). However, for an organization to recover from a crisis, a critical competency may first reside in its diagnosis capabilities and in its ability to react according to the nature of the crisis. Thus, adopting the same positioning and acting the same way for each crisis may be a mistake. This difficulty to consider various types of crises may come from the tendency of the crisis management literature to focus on major organizational crises, defined as “low probability / high consequence events that threaten the most fundamental goals of an organization” (Pearson and Clair, 1998, Pearson and Mitroff, 1993, Weick, 1988). In particular, this definition leaves aside many situations that are blurred when they occur, in which there are no lethal injuries, where no clear actor is bearing jurisdictional or public responsibility for the disaster, and where the identification of primary stakeholders and their interests becomes problematic. Such approaches tend to bypass the analytical and strategic work (Preble, 1997) underpinning the positioning of the company, and restrain crisis resilience to a problem of organizational routines and culture: is the company a responsible citizen? Does it respond responsibly towards all its legitimate stakeholders?

Second, such approaches tend to naturalize both stakeholder behaviors and corporate answers. Stakeholders’ identities and interests are taken as an exogenous variable of the analysis. Their identification is unproblematic, and the stakeholders’ salience, resources, and power are not considered as dynamic variables. For the organization, the main issue of stakeholder management is to identify its stakeholders, their claims, how their interests are linked with those of the company, and to evaluate their potential influence over corporate activities. After assessing their respective salience (the perceived importance of a stakeholder for a company) in terms of power, legitimacy, and urgency (Mitchell et al., 1997), the company can respond to each stakeholder in an appropriate way. Despite several authors have underlined the importance to take into account the network of relationships between stakeholders (Frooman, 1999, Rowley, 1997), the dominant imagery continues to rely on the idea that each relationship between the stakeholder and the firm can be isolated from the others, and that a clear separation can be drawn between the company and its stakeholders. Stakeholders exist independently from the company, their interests are not influenced by corporate actions. Moreover, the perspective largely remains a-historical and very few works have systematically investigated the link between long term stakeholder management and crisis management (Ulmer, 2001).

Third, stakeholder approaches to crisis management rely on an implicit behavioral theory of the firm (Cyert and March, 1963) that tends to reduce corporate actions to a stimulus – response process. We argue that this perspective may be over-simplistic because it denies the reflexive capabilities of the firm in the course of action: it masks the concrete debates and design work necessary to establish the institutional positioning of the organization. The problem is that the stakeholder representation of business and society interactions describes the firm as a single, coherent stakeholder. In this perspective, organizational behavior is under the dominant influence of top managers decisions, orientations and values (Freeman, 1984, Freeman, 1994). This vision is largely inconsistent with research findings on the organizational complexity of crisis management, which suggest that crises generate internal conflict, threatens corporate unity and the exercise of internal authority and coordination (Quarantelli, 1988, Lagadec, 1990). As a result, the dislocation and disintegration of the corporation into several divergent stakeholders constitutes a key risk in a crisis situation. Instead of being considered as given, a stakeholder perspective on crisis management should take organizational coherence and coordination as a primary research question, and try to understand how the company is made to behave as *one* stakeholder.

### **Stakeholder management in crisis situations: from a descriptive to an actionable framework**

Finally, current stakeholder perspectives may be descriptively accurate, but they do not provide a solid and actionable analytical framework for managers. Actionability refers to the ability of a theory to frame action, to both document and influence it (Hatchuel, 2005, Argyris and Schön, 1978). As we have seen, mainstream stakeholder perspectives suffer from limitations related to their overly mechanical, passive and adaptive vision of organizational action. That is to say stakeholder perspectives on crisis management develop too broad prescriptions for management, and say too little about the way managers concretely manage their stakeholders in crisis situations.

From now on, we will try to move from a “descriptive” (Donaldson and Preston, 1995) to an “actionable” (Hatchuel, 2005) perspective of stakeholder management. In order to become actionable, we argue that it is necessary to:

- go beyond static uses of stakeholder theorizing (Pasquero, 1996) and account for stakeholder dynamics (Beaulieu and Pasquero, 2002).
- consider action as the basic research question and restore the complexity of the crisis management activities.

In this perspective, two research questions can be raised about the operational validity of stakeholder perspectives:

1. how does an organization elaborate internal coherence and cohesion to appear as a single stakeholder?
2. how does an organization concretely manage its stakeholders during a crisis?

To investigate those questions, we provide an analysis of a crisis management process in a public transportation company, after the collapse of the building site of a new metro line under a school in a dense urban environment. Beyond the general procedures of actors’ mobilization when the event occurred, the treatment of such a situation had not been anticipated by formal crises procedures. In the end, the crisis management was considered as a success: in an unpredicted situation, the company had managed to handle a large number of issues and stakeholders. However, several strategic decisions that had been taken to manage the crisis were still the object of internal controversies after the resolution of this disruptive episode. In this context, an in-depth research was requested by the company, to provide an historical analysis of the event and organize a feed-back process to provide a global understanding of the event. We conducted a 6 month longitudinal and qualitative study of the event. We led 20 semi-directive interviews with the various internal and external stakeholders involved in the crisis, and complemented them with an analysis of the media treatment of the crisis and the technical and administrative documents about the collapse of the tunnel. The following elements are derived from a report that has been submitted to and validated by the various interviewees.

### **CASE STUDY: HOW TO MANAGE STAKES-HOLDERS IN A CRISIS SITUATION?**

To investigate these questions, we will present the crisis management process, from the collapse of the building site to the concrete actions taken to recover. As explained previously, the coherence of a company is endangered when it is confronted with a serious crisis. In this regard, the first key issue in stakeholder management was to build a coherent and legitimate positioning, on which internal and external actors could rely. This positioning resulted from an accurate diagnosis of major stakeholders and associated risks. But as soon as the actors had to act and coordinate, the stakeholder perspective proved to be of limited actionability. Given the high crisis complexity, right levers of action appeared to be issues related to the crisis rather than stakeholders. To this aim, the organization tightly articulated a crisis cell and “anchorage points”. We define them as specific actors involved in the project before the crisis. They were already in contact with key stakeholders as part of their day-to-day activities.

#### **Designing an institutional positioning? Stakeholder diagnosis and organizational adhesion**

Given the ambiguity of the initial situation, the institutional positioning was nothing but obvious. Being in a position of building owner, the jurisdictional responsibility of the company was not engaged. As specified in the contract, the performer builder had to endorse the entire responsibility for any technical incident on the building site. Moreover, since there was no dead or wounded and the site was quickly secured, the crisis management could have been only considered from a technical point of view: it was possible to start the again, provided that a technical solution was found.

But the crisis communication expert understood the risks associated with this tempting positioning. Indeed the accident had radically altered the environment of the project. New stakeholders appeared: pupils’ parents, school’s teachers, the town administration in charge of the schools, media, and the police suddenly became central stakeholders around the project. Besides, the relationships between the company and previous stakeholders were transformed: actors moved from confident and cooperative relationships to distrustful and conflictual connections. This was the case, for example, of residents and local elected-representatives.

This accurate representation of stakeholders helped to qualify the risks associated with a strictly jurisdictional and technical positioning, which would have been interpreted as a denial position. The psychological shock and the fact that hundreds of children could have been killed made the jurisdictional speech unbearable for external stakeholders.

Neglecting them would have jeopardized the project as long as the responsibilities were not clearly assigned. Beyond the project, such a position could have challenged the engineering competencies of the company and its ability to conduct such projects. This would have been disastrous for this transportation company: taking part in the design and the building of the infrastructure constitutes a key strategic asset. And last, risks on the corporate image were very important for a public company which operates in an urban environment, engaging in day-to-day relationships with customers. On this basis, the crisis communication expert argued that beyond its technical dimension, the crisis had to be managed as a complex and multi-faceted crisis.

All these reasons convinced the crisis expert that it was essential to manage stakeholders to recover from the crisis. Consequently she advocated a **pragmatic responsible positioning**. Given the identified risks, the situation necessitated to respond and implement actions towards stakeholders who had been hit by the accident. This diagnosis was accepted within the crisis cell, but it was nevertheless questioned inside the company. In particular, the technical department employees found this position unfair, risky and humiliating. But the responsible positioning gained wider internal adhesion for two reasons. First, the crisis cell convinced that their diagnosis was relevant to secure the continuation of the project. Second, this institutional positioning did not prevent the company from suing the performer-builder. It must be added that this positioning was also made possible by the previous stakeholders relationships and the responsible image of the company (Alpaslan et al., 2004).

Overall, the role of the crisis expert was crucial in this first stage of the crisis management. The central skills required in this first stage were fine diagnosis skills, the capacity to “target” the aim of crisis management, and the ability to convince that this position was the most appropriate for the company. At the end of this first stage, it was clear that the crisis expert was going to play a leadership role (she was clearly identified as the actor in charge of actions and global coordination) in the crisis management.

This institutional responsible positioning paved the way in two directions. Internally, once accepted, such a positioning gave a global and coherent frame of action to direct behaviours of all implicated employees towards external stakeholders. Externally, it also enabled to align the company and the other stakeholders representations, and move towards a common representation of the crisis. This aspect constituted a key step in the management and resolution of a crisis (Shrivastava, 1987).

From the moment where the responsible positioning was adopted, two new dimensions had to be added to the management of the crisis. Next to the technical crisis, a media crisis and a local crisis had to be additionally managed to start the project again.

### **Operational crisis management: from stakeholders to stakeholder management**

Once having agreed upon a common representation of the crisis and the appropriate organizational positioning, the company entered the operational stage of the crisis management. We will first depict the three interrelated crises which had to be simultaneously solved. Then we will show that rather than stakeholders, the company had to manage stakeholders.

#### *Managing simultaneously three interdependent crises*

The term “crisis” is generic and implicitly describes the crisis as a global situation with its own (but disrupted) logic. But in our case, the crisis was composed of three different crises. Each crisis referred to a certain category of issues, involved different sets of stakeholders, required specific actions, and took place in a specific scene (media, local, expert). Here is a brief description of the different crises that had to be managed:

- **Media crisis:** the responsible positioning led to communicate about the accident, to make a statement on the situation and to assume the responsibility for the event. The communication was directed towards stakeholders such as journalists, residents, teachers and pupil’s parents and was handled through mass media communication and public meetings. In fact, the perceived transparency of the firm, combined with the absence of new information in the first days after the collapse led to a very good containment and quick resolution of the media crisis.
- **Local crisis:** in parallel with communication issues, reparation actions had to be taken quickly. This involved direct actions towards the victims. The company paid for material damages and provided material help to affected stakeholders, namely residents, town-hall administration staff, teachers and pupils’ parents. For example, the firm

offered transportation means and took part, next to the town-hall administration, to the relocation of the classes. The company provided this material help until the end of the re-building of the school.

- **Technical crisis:** after the collapse, the urgent task was to set the premises in safety. This was done in association with legal authorities and the performer builder. Then the project team focused on finding a technical solution to continue the project, which was identified two weeks later. This crisis involved stakeholders which had already worked together and could not be substituted after the collapse: the performer builder, police headquarters, quarries inspection and the town administration in charge of buildings and architecture.

However, these three crises were interrelated since the resolution of the technical crisis relied on the successful management of the two other crises. On the one hand, the successful treatment of the media and local crises provided the firm with legitimacy. This was a key resource to avoid controversies about the technical aspects of the crisis. On the other hand, the media and local crisis could not have been treated independently from the technical crisis. The media crisis mobilized technical speeches through company's engineers to "rationalise" what happened, paradoxically because very few explanations were available.

Eventually, this crisis management involved the management of three crises, according to the nature of problems to be solved: a media crisis, a local crisis and a technical crisis. But managing coherently external stakeholders in this complex situation was not an obvious task.

### *How to manage stakeholders coherently ? Issues as actionable levers.*

Each of the three crises was related to a specific nature of issues and related operational sub-issues. At the same time, each stakeholder could be concerned with various stakes (issues) and be involved in various crises (media, local and technical). As figure 1 shows it, residents were simultaneously concerned with the safety of the building site (technical crisis), the re-housing process, insurance issues, the management of material damage (local crises), and followed the media treatment of the event. For this reason, rather than stakeholders, it seems more appropriate to characterize such actors as **stakeholders**. We talk of stakeholders to reconstitute the complexity of their management: managing a stakeholder involves to manage globally and coherently the set of stakes for which the actor is concerned. If these various stakes were not dealt with coherently, there would be high risks of dissonance in the management of the stakeholder.

This difficulty is further amplified by the fact that most frequently, a same stake/issue involves many stakeholders. For example, residents and pupils' parents were both deeply concerned by the information issue about the causes of the accident. At the same time, their preoccupations diverged. Whereas residents were directly concerned with reparation actions and the safety of the area, parents were focused on the relocation of their children.

Therefore, each stakeholder appeared to be simultaneously concerned with various stakes, and each stake involved many stakeholders. Because of this intricacy between the "stakes" and the "holders", the organization had a limited ability to manage its stakeholders unilaterally and independently from the others (as traditional stakeholder perspective suggest). The special treatment of one stakeholder would have bounced off on the management of the other stakeholders. A direct, one-to-one relationship between the company and its stakeholders would have endangered the coherence of crisis management and might have opened a dangerous escalation and bargaining process between the company and its stakeholders.

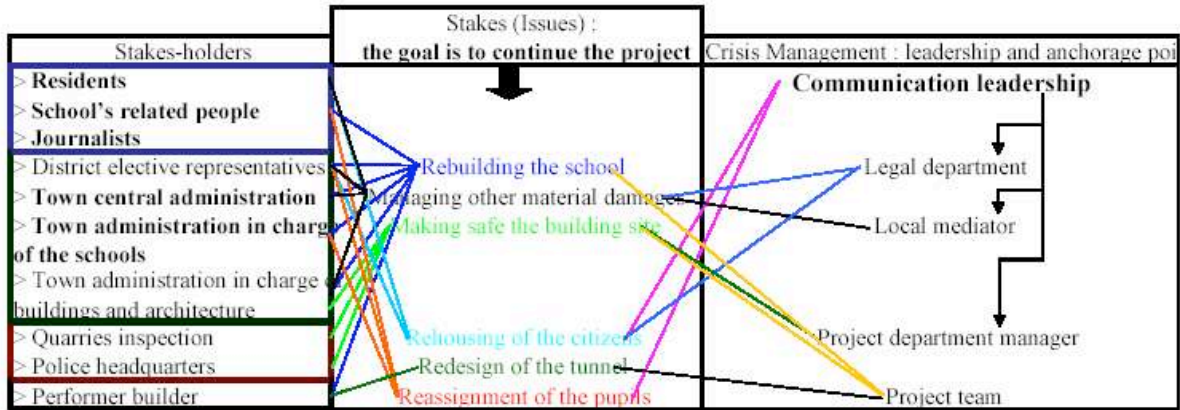


Figure 1: a representation of the crisis management towards stakeholders

By and large, the institutional positioning of the company is a response to this risk: it enabled to define and to communicate a global position that the company would adopt to treat the “stakes” and the “holders”. Coherence in stakeholder management was also achieved by focusing on issues rather than stakeholders. Stakeholders were not taken care directly and bilaterally during the operational stage of crisis management. Issues constituted a more relevant lever of action for the crisis management process, and enabled to guide operations coherently. This focus on issues opened the way to a coherent treatment of stakeholders who were involved in a same issue, and it contributed to treat each stakeholder coherently for all its related issues, according to the institutional positioning adopted.

### Organizing for coherent action and quick-learning: matching crisis expert leadership with “anchorage points” mobilization.

So far, we have presented how actors designed a common positioning, and how the company managed its stakeholders as it entered into the operational stage of crisis management. But we have not extensively discussed the organizational aspects of operational crisis management. The form of organization that was set up to manage the crisis combined a clear and top-down leadership of the crisis, and the mobilization of various internal actors, chosen because of their expertise or because of their earlier participation to the project and their contacts with stakeholders. This tightly coupled organization enabled the company to act coherently and to develop fast learning and adaptation capabilities.

As we showed, the leadership of the crisis management process was quickly established inside the company. Every actor was aware that the crisis cell and the crisis expert were in charge of the internal coordination activity and the various actions and decisions. This was of primary importance to ensure a global coherence of various actions in the responsibility positioning. Nevertheless, the crisis communication expert was unable to deal with all the issues. She could not be physically everywhere. Moreover, she did not always have the required legitimacy or expertise to intervene alone. Therefore she had to mobilize additional resources and actors. In this respect, a critical factor for operational crisis management relied on her ability to spot and to mobilize people who were previously involved in the project. We call them “anchorage points”. These actors were involved in the project before the crisis. In their day-to-day activities, they developed useful knowledge in this project context. It could be related to an expertise (as the legal department manager) or stakeholders relationships (as the project local mediator). They revealed of great value to recover from the crisis.

The tightly coupled form of organization between the crisis expert leader and the “anchorage points” reveals the issues of close coordination and learning in crisis management. The “anchorage points” had specific knowledge about certain issues and/or had developed relationships with several stakeholders. However, they could not continue to act as they did before the crisis. The local mediator is a good example of this problem. Before the crisis, he had developed trustful relationships with local actors and thorough knowledge about their behaviours. After the crisis, he continued to play his role and sent his monthly letter to the residents without coordinating with the crisis communication expert. This loose coupling could have proved very dangerous for the coherence of the messages sent by the firm, and because it was necessary to be very careful with the jurisdictional value of corporate messages after

the accident. Once this coupling problem was identified, the crisis management expert did not exclude the local mediator from the crisis management process. On the contrary, he was intensively mobilized to solve the local crisis because of his previous relationships with residents, parents and teachers. As a result, following Hatchuel and Weil (Hatchuel and Weil, 1995), we can say that the transformation of the situation (from normal operations to crisis) required a “metamorphosis of actors”: the knowledge that they previously detained had to be “updated” to the crisis environment, by the crisis management expert.

Reciprocally, the crisis expert leader could catch important information thanks to the various “anchorage points”. He needed to be close to actions to quickly react if needed be. Moreover very close interactions with each “anchorage point” were requested to have a comprehensive crisis representation and ensure its coherence. This helped him to undertake right actions in good timing and to make them evolve. The double stream of information – top/down and bottom/up – allowed quick crossed learning. They revealed decisive for the crisis management achievement.

## **DISCUSSION: THEORETICAL AND PRACTICAL IMPLICATIONS**

The qualitative analysis provided in the second part of the paper has enabled us to develop a more practice-based view of stakeholder management in a crisis situation. In this last section, we would like to synthesize our research findings, and then to develop practical and research implications that can be drawn from this case study.

### **Research findings**

Our two research questions related to the way an organization concretely deals with its stakeholders during a crisis. By stakeholders, we meant both internal and external stakeholders of the company. Inside the organization, it is important to understand how unity is achieved among various actors in such a disruptive episode where the organization is subject to centrifugal forces, threatened by internal dissension and chaos (Lagadec, 1993). Outside the organization, the issue is to develop fast learning capabilities, be able to grasp stakeholder dynamics and to take appropriate actions fast.

To overcome those difficulties, the organization relied both on individual skills and on an ad-hoc organization, with a tight coupling between crisis experts and the various anchorage points.

#### *Individual skills*

As we have mentioned, the members of the crisis cell have played a key role in the crisis management process. In particular, it is important to stress the leadership role played by the internal crisis management expert, who had to handle internal dissensions within the company concerning the qualification of the crisis and the position that should be adopted. By identifying and advocating a “responsible” position, the crisis manager created a frame of reference suitable both within the firm and for the external stakeholders. This was a critical issue for assuring internal coherence within the organization and providing a stable frame of reference towards external stakeholders. This actor’s competencies are twofold:

- diagnosis capabilities: a critical issue, when the tunnel collapsed, was to be able to develop a common understanding of the situation and to agree on an organizational positioning very quickly. As we have said, this issue was not the easiest to manage: within the organization, there were internal dissensions regarding the organizational positioning to adopt. Many members, within the company; did not understand why the company should appear as publicly responsible for an event in which its jurisdictional responsibility was not directly involved. This responsible positioning was accepted because the crisis manager showed that it was a pragmatic way to achieve a goal for the organization: to continue the project. The ability to integrate the multiple constraints of the situation (no dead people but huge emotional impact, an institutional image of responsible organization that could be threatened by the crisis, good relationships with the local authorities, risks associated with a jurisdictional discourse) and then to identify pragmatic and achievable goals (the continuation of the project), were the central elements of these diagnosis skills. The responsible positioning was not only accepted because of its ethical value, but, rather, because it was seen as a meaningful solution to attain those objectives.

- leadership capabilities: a second range of skills relates to the leadership capabilities of the crisis manager. We here refer to the ability to provide and communicate shared understandings and goals in a disrupted situation. In our case,

those competencies were critical to communicate and legitimate the organization's responsible position and the related decisions. Moreover, this clear leadership of the crisis management set the way for a very centralized form of coordination (orchestrated by the crisis manager) between the various organizational members involved, to insure coherence between the various undertaken actions.

### *... and an ad-hoc organizational structure*

However, those individual skills were not sufficient to resolve the crisis. Another critical factor relied on the ability to rely on an ad-hoc organization, which is essential for organizational resilience (Weick, 1993). This emergent organizational structure coupled various actors and competencies within the organization: the crisis cell regrouped different field of expertise and several key hierarchical members who also took part to the operational management of the crisis. Its scope of expertise was wide enough to integrate a wide variety of competencies and to develop a multi-faceted representation of the event. Moreover, the hierarchical position of the key actors enabled the crisis cell to develop a strategic vision and to take innovative decisions on behalf the organization. If the importance of those elements has already been identified by several researchers (Boin and Lagadec, 2000), they rarely constitute the norm when operational crisis management practices are considered. The absence of such patterns (representation of the various expertise required and hierarchical representation) raise risks of contradictions or mismanagement of the crisis.

Second, our case shows that traditional actors within the organization may have a strong contribution for operational crisis management. In our case, the mobilization of "anchorage points", i.e. actors involved in the project before the crisis, who were already in contact with key stakeholders as part of their day-to-day activities, constituted a key resource to manage the crisis. As we have seen, the identification of anchorage points enabled to reduce risks of dissonance in the treatment of the media, local and technical crises, to treat those crises in a global and coherent fashion, and to align the various messages sent from the organization towards its external stakeholders. Moreover, the various anchorage points had developed local knowledge about various issues around the project (neighborhood disturbances, local mediator, technical and jurisdictional issues) and the related stakeholders. This knowledge was very valuable for the crisis cell which could learn and adapt its actions to the local context. Thus, the very tight coupling between the crisis cell and the various anchorage points can be explained by two elements: the need to maintain coherence in the treatment of the crisis (the crisis cell engaged in top-down relationships concerning its positioning and related actions, prescribing very strongly the organization's anchorage points); and the need to integrate the anchorage points' various pieces of local knowledge to develop fast learning and adaptative capabilities (bottom-up relationship).

## **Practical and theoretical implications**

### *Bridging crisis episodes and the normal life of an organization*

Crisis management studies tend to separate a crisis episode from the study of 'normal operations' (Bourrier, 2002) and from the rest of the organizational life. As Bourrier (2002) has shown it, the study of normal operations should help understand and refine the researchers' understanding of the crisis, and bring organizational design into crisis management research. Reciprocally, our case suggests that the normal life of an organization offer resources for the management of a crisis, which should not be overlooked by researchers and managers. In our case, the normal life of the organization has played a role at least in two ways. First, the long term institutional positioning of the company provided a resource to manage the crisis. Its responsible and public service image, the strong insertion of the company into the urban environment made its responsible positioning more coherent and acceptable by the various stakeholders. Second, the mobilization of anchorage points shows that it may be crucial to link crisis management with day-to-day organizational life. From a practical point of view, it means that the identification and management of anchorage points can be an important issue for crisis management. Because of the size of the organization, the need to take quick actions and the small number of members within the crisis management team, there may be important risks to miss several anchorage points during a crisis. To prevent risks of dissonance between talk and actions, and develop an appropriate representation of local issues and ways to handle them, it may be important for organizations to quickly spot their most relevant anchorage points during a crisis.

### *What is the value of a stakeholder perspective for crisis management?*

We would like to conclude with a brief discussion of the potential value of a stakeholder perspective for crisis management. As we have seen, stakeholder models can provide an interesting framework for diagnosing a situation and designing an appropriate and legitimate organizational position. More specifically, a stakeholder representation of the situation helps to underline the limits of a strictly jurisdictional position of the company that may appear as unbearable and illegitimate to the various stakeholders involved in the situation. In our case study, we have seen how the company decided to move beyond the jurisdictional debate and respond to the emotional impact generated by the crisis. Defining its position on the base of its jurisdictional responsibility might have turned highly damaging for the company image. Here, a stakeholder representation is helpful to decouple the communicational and jurisdictional arenas and to evaluate the potential damage that may be generated by stakeholders' opposition. Moreover, a stakeholder representation of the crisis points to the necessity to take into account the acceptability and the way the stakeholders perceive the organizational position as legitimate (Suchman, 1995).

In spite of those elements, the detailed analysis of a crisis management process contradicts several hypotheses made by stakeholder theories about organizational behavior in times of crisis (see first part) :

- organizational behavior is more a pragmatic and goal-oriented response than a cultural response to a clear stimuli from outside stakeholders, which would mechanically derive from corporate inclination towards stakeholders (Alpaslan et al., 2004, Sethi, 1979, Shrivastava and Siomkos, 1989).
- most approaches about stakeholder management do not question the existence or identity of the stakeholders that the company decides to manage. This point may be particularly important in ambiguous and complex situations, where responsibilities are blurred, which was the case at the beginning of the crisis we have presented. To some extent, the institutional positioning of the company "enacted" its environment, the issues and the stakeholders it had to manage (Weick, 1995). Had the company opted for a denial position, rejecting the responsibility on the builder of the site or the local authorities, it would probably not have had to manage such stakeholders as the pupils and the residents, and would probably have concentrated its efforts on jurisdictional issues for establishing that its responsibility was not involved. As a result, it can be said that the company created its stakeholders, at least to some extent. This proposition is as valid as the idea that the stakeholders had clear demands towards the organization.
- A stakeholder perspective on crisis management tends to bypass several key operational difficulties of operational crisis management, like for example the difficulty to align the internal stakeholders of the company, or to bring into the analysis various organizational variables that are central for understanding crisis management.
- The traditional imagery of stakeholder management provides an inaccurate/misleading vision of the complexity of operational crisis management. Rather than stakeholders, the company has to manage stakeSholders, which is a far more complicated task. We propose the term stakeSholders to show that each stakeholder can be in touch with various stakes/issues among the three levels identified above: communication / technical / local. And several stakeSholders can be simultaneously involved on the same stake/issue. For the coherence of the crisis management and the organizational positioning, it would be very risky, for a corporation, to manage its stakeholders unilaterally. Rather, the company has to manage a set of inter-related issues in a coherent fashion. To deal with stakeSholders coherently, the company managed them through issues.

As a result, stakeholder perspectives provide a useful model for diagnosing a situation at the beginning of the crisis, but seem more limited for the analysis of real crisis management practices. Those limitations indicate ways to improve towards a practice-based approach of stakeholder and crisis management. In particular, a stakeholder perspective on crisis management should move from the mapping of stakeholders to the origins and transformational dynamics of "stakes" and "holders". This would imply to link the dynamics of stakes (issues) to the emergence and transformation of holders (actors), to investigate the learning dynamics involved in those processes (Acquier and Aggeri, 2005), and to account for the way the actors manage the many operational constraints of a crisis.

## CONCLUSION

This paper has discussed the utility and limits of stakeholders approaches for crisis management. Based on an in-depth and diachronic analysis of a case study, it has explained how stakeholder representations helped to build and legitimate an institutional positioning, both internally and externally, in the initial diagnosis phase. However, limitations of actionability have been pointed out for the following implementation phase. The existence of intertwined levels of crisis and stakeholders has led us to depict them more accurately as stakeholders. In order to deal with this complexity, crisis issues reveal to be a more accurate lever of action for the company we studied. Managing coherently the whole facets of a crisis necessitates a tightly coupled management of the crisis issues. This is achieved through an ad-hoc organization. It gathers a clear expert leadership who is able to spot and manage “anchorage points” as valuable resources for crisis management. The dynamics of learning between these two kinds of actors favors the recovery from crisis.

Additionally this analysis contributes to understand the links which exist between the normal life of an organization and crises. Beyond crisis management per se, this pleads for following researches linking risk management and crisis management in a learning and dynamic perspective.

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