

**Nobina Tromsø and reputation management.**

**A study of its defense strategies.**

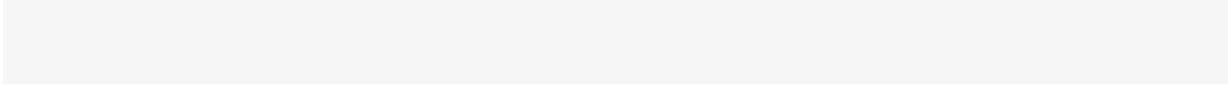


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## \*\*\*\*\*CHAPTER ONE\*\*\*\*\*

### INTRODUCTION

This thesis is about how Nobina manages and defends its reputation in light of prevailing criticisms from stakeholders. Nobina is a private company with years of experience in managing public transport in the Scandinavia. The company won the tender to manage public transport in the country of Tromsø and surrounding districts and municipalities. Introduction of the hybrid buses was part of the Troms county criteria in the tender bidding process.

*Midt i anbudsperioden besluttet Troms the county of Troms at 30 hybridbusser skulle være et krav i anbudet. Det lå ikke et politisk vedtak bak, og ingen husker hvordan det skjedde (Nordlys 25.01.2013).*

The tender bidding process comprised of five companies, namely, Nobina, Nettbuss Trondheim, COMINOR, Veolia Transport Nord and Norgesbuss. Nobina tendered the lowest bid of the five companies involved in the bidding process. Nobina's bid was 196 million cheaper than that of COMINOR (Tromsø: 04.05.2011).

Nobina	1 618 000 000 kr
Nettbuss Trondheim	1 669 000 000 kr
COMINOR	1 814 000 000 kr
Veolia Transport Nord	1 827 000 000 kr
Norgesbuss	1 938 000 000 kr

Tabell 1; PublicTender bidding

Nobina became operational in Tromsø on the 1st February 2012 (Nordlys: 01.02.2012). Nobina's entry to the local scene was greeted with a lot of enthusiasm and optimism, a fact based on the imminent introduction of the hybrid buses. However, these enthusiasm and optimism were soon

met with media criticisms. One is tempted to ask: Where these criticisms affecting Nobina's reputation ? The Organization was criticized for its , ineffectiveness namely lateness, accidents, etc.

The leadership of Nobina saw them as genuine criticisms and responded with the implementation of various reputation defence strategies as seen in the theories. How has Nobina actually defended itself against criticisms in the media? Some of the defence strategies used by the leaders as exemplified in the theories were denial, corrective action, evasion of responsibility, communication etc.

Charles Fombrun defines organization reputation as “the overall estimation in which a company is held by its constituent” (Fombrun 1996:37 in Røvik 2009:196 ). Reputations are formed as a result of the social interaction in the society or by engagement activities of an organization. This project focuses on management and defense of Nobina's reputation against stakeholder’s criticisms.

Røvik (2009) defines reputational management as:

*”tiltak rettet inn mot bevisst, planmessig prestasjon av en organisasjon overfor relevante aktører i omgivelsene med sikte på å styrke disse oppfatninger av og tillit til organisasjonen (2009:196)”*

This implies that Nobina’s reputation can be managed, defended, restored and protected when its management becomes quick, responsive, and takes control of any given crisis affecting it. In addition, Benoit (1995) indicates that

*“when executives fail to take swift and appropriate action, there is little persuasive discourse that can be done to change those impressions”.*

That is to say, when an organization fails to address her criticisms from stakeholders, her reputation is likely to suffer. Nobina has been criticized countless times in the media for various issues relating to the hybrid technology in the buses, punctuality, cancellation of routes, lack of enough drivers, mishaps and accidents, (Nordlys: 22.02 .2012). Those criticisms have been demoralizing both the employees as well as the managers of the company. As a result, the management of the company set up strategies in place to defend its reputation. According to

Nobina, priority to human life as oppose to financial gains are some of the values put forward as a strategy of defense against criticisms from stakeholders such as the media, the county of Troms, local politicians, the commune of Tromsø, and above all, the general population.

I will focus my attention on the strategies used by Nobina to overcome its ineffectiveness as a public transport company in Tromsø.

Reputation management exhibits the way the company functions in the environment. The term reputation can be related to many different dimensions such as in branding, communication strategies, and organizations in the design of symbols (Røvik 2009). These aspects are all sources of ideas that can be used to present an organization.

Moreover, Al Ries (2002) proposes differently, an idea in building a brand, in which he says, *“if you want to build a brand , you must focus your branding efforts on establishing a word in the prospect’s mind- a word that nobody else owns”*. If Nobina would defend its reputation by delivering quality services to the consumers, and further meeting its employees’ needs, then the company’s reputation will become outstanding. On the contrary, dissatisfied employees will certainly perform dismally, which might negatively affect the company’s reputation.

One is tempted to ask, how did stakeholders criticisms affect Nobina's reputation and what were her strategies of defense?

This research is structured in six chapters. I will begin with a brief introduction of Nobina as a company followed by a definition of the term reputation. The chapter also explains the question problem. The second chapter will be devoted to the review of literature and examines the defense theories suitable in the analysis Nobina's reputation management and restoration. In this wise the defense theories of Benoit, Coombs and Dowling will be put in to good effect in the analysis of this study. Next, the third chapter explains the approach and methodology which deals with the field work and data gathering exercises relating to the study; while the fourth chapter provides and analysis the results of the research and data.

Chapter five , then, deals with stakeholders’, criticisms, and illuminates the eventual defenses or restoration strategies of the organization’s reputation. Lastly, Chapter six provides a conclusion and further recommendations.

## 1.1. BRIEF OVERVIEW OF NOBINA TROMSØ

COMINOR has for many years been the main provider of public transport in the county of Tromsø. But due to a change in the manner of awarding contracts, COMINOR was replaced by Nobina through a tender bidding process. Companies were asked to provide tenders for the various available routes. Contracts were awarded by the county of Troms based on certain criteria's proscribed beforehand. Nobina won the contract for the delivery of transportation services in Tromsø and some of its surrounding municipalities and districts. A six year contract to the tune of 1.6 billion Norwegian Kroner was signed between the county of Troms and Nobina (iTromsø 04.05.2011). Nobina is a branch of Nobina Norway AS. The contract had an option to be extended annually for a period of three years. Nobina Norway is a subsidiary of Nobina North, which is the largest public transportation company in Scandinavia with a working force measuring 7000 and an estimated 4000 buses.

Nobina won the contract because she had the lowest bid amongst the other four contenders and also because she accepted to provide hybrid buses which are environmentally friendly, a criterion put forth by the county of Troms.

*“In a time when our environment requires that we do everything to reduce the total energy consumption, hybrid buses are one of the solutions,” says Svenn-Åge Lökken.*  
*“By recycling the brake energy, we will be able to reduce fuel consumption by up to 35%, which will contribute to reducing the environmental impact and lowering the lifecycle cost.” (Volvo Bus Corporation®, Göteborg Sweden. 7/7/201, by Per- Martin Johansson)*

The goal of the county of Troms is to reduce the emissions of carbon-dioxide (CO<sub>2</sub>) in her county by the year 2020. The organization provided 130 buses of which 21 buses, had a length of 14 ½ meters. Furthermore, there were 32 hybrid buses of 12 meters each in length.

*I tillegg til de 32 hybridbussene, settes det inn 21 busser på 14,5 meter av typen Volvo 8900, og i tillegg 45 busser av typen Volvo 8700(Nordlys: 01.02.2012).*

The management of the organization was optimistic about the introduction of the new hybrid buses. The organization became known for its hybrid buses, and the city of Tromsø got place in history as the city that operates the most hybrid buses on public transport in Scandinavia (nrk.no/01.02.2012).

### **1.1.1. NOBINAS GOALS**

As it can be read on Nobina's following website

([http://investors.nobina.com/files/press/nobina/Nobina\\_AR12\\_en.pdf](http://investors.nobina.com/files/press/nobina/Nobina_AR12_en.pdf)), the company has taken into account certain values pivotal for her reputation. Being available in rendering her services to her customers is a fact very dear and important for the company. The company has the following goals: to meet her customer politely and with respect, to make public transport easily accessible and encouraging for other potential commuters of public transport, to deliver a better result through the use of her huge resources, and to promote a safe and creative working environment that stimulates initiatives. Nobina also promised to live up to her promises by managing her transportation services in an effective manner acceptable to her customer.

The company also promises to work on continuous improvement of her services.. Nobina emphasized the role of respect for customers as a top priority on the company's agenda of values. The company has a policy of equality to all and treats everyone equally. The company states that she disapproves of workers who show lack of respect to customers, colleagues or the company.

according to information on her website

([http://investors.nobina.com/files/press/nobina/Nobina\\_AR12\\_en.pdf](http://investors.nobina.com/files/press/nobina/Nobina_AR12_en.pdf)), Nobina is pre-occupied with a good management strategy for workers. Furthermore the company states, the welfare and interest of her customers are her top priority. Finally, Nobina emphasizes her vision to offer her services at an affordable cost that will enhance the ease of travelling within her jurisdiction.

### **1.1.2. Hybrid technology**

A Hybrid System aims to give the user the best of both worlds. The system combines the power and range of a conventional engine with the environment benefits of an electric motor. At take-

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off and at low speeds, the vehicle is propelled on an electrical power only which means zero fuel consumption and zero exhaust emissions. Upon acceleration, the hydrocarbon (petrol, diesel, gas) engine is engaged and assumes propulsion of the wheels. This also sends power to a generator which in turn re-charges the battery pack. In return, the electric motor provides more energy and torque to the consumer (driver), while reducing hydrocarbon fuel consumption. Further, upon deceleration and braking, the Hybrid system arrests the kinetic energy from the turning wheels and then converts this kinetic energy into electrical energy, and channels it back to the battery pack where it is stored for future utilization. .” (*Volvo Bus Corporation®*, Göteborg Sweden.)

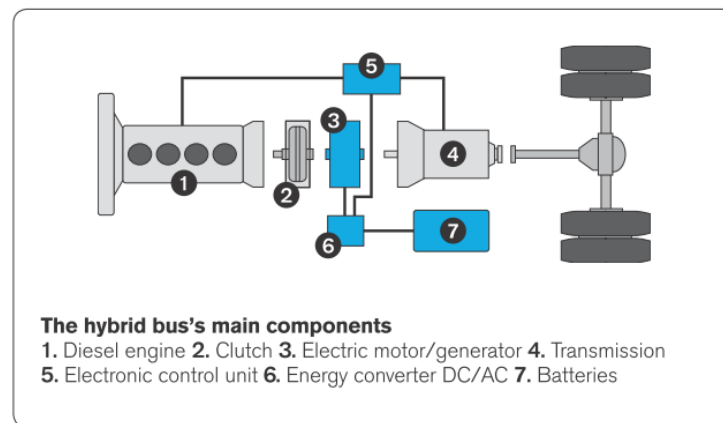


Figure 1. Schematic of the Volvo hybrid bus's main component.  
 Image Source; *Volvo Bus Corporation®*, Göteborg, Sweden.

## 1.2 RESEARCH QUESTION

Which defense strategies did Nobina use when it took over the management of public transport in Tromsø, the 1. February 2012? And how did these strategies contribute to the defense of the company's reputation?

The question calls for a brief introduction of the various theories of defense used by Nobina against stakeholders criticisms on her hybrid buses, punctuality, cancellation of routes, lack of enough drivers, mishaps and accidents. To this respect, Nobina relied mainly on the defense theories developed by Benoit, Dowling and Coombs. The different strategies of defense found in Benoit and Dowling theories are as follows, denial, evasive action, reduced responsibility,

correction action, mortification and no comment or complete silence. The theory of Coombs is also outstanding because it contains elements that are involved in both Benoit and Dowling. As such it is a unique theory that combines the defense strategies of both Benoit and Dowling.

### **1.3 SIGNIFICANCE OF THE STUDY**

The aim of the research is to explore the possible methods through which an organization can defend its reputation against criticisms from stakeholders. The case of Nobina is a prime example of a company defending its reputation against stakeholders criticisms. The research creates a vivid picture of the huddles faced by Nobina as a public transport company in Tromsø. The city has an estimated population of approximately 70000 and is located in the North of Norway.

### **1.4 ORGANIZATION OF THE STUDY**

This research is structured in five chapters. Chapter one gives the introduction of the thesis and explains the question problem. Chapter two is a review of the literature and examines the theories used to explain reputation management, defense or restoration in NobinaTromsø. The third chapter explains the approach and methodology used in the research. Chapter four provides analyses and deals with stakeholders, criticisms, and illuminates the eventual defenses or restoration strategies of the organization's reputation. Chapter five deals with the conclusion and provides further recommendations.

## \*\*\*\*\*CHAPTER TWO\*\*\*\*\*

### LITERATURE REVIEW

#### INTRODUCTION

This chapter explains the theories under which this research will be based. A brief definition of the term reputation management and identity will necessitate a better understanding of the questions and queries at hand. The study presents how organizations communicate, build, defend and restore their reputation against criticisms from stakeholders’.

Furthermore, an explanation on the theories based on William Benoit, 1995; Timothy Coombs and Grahame Dowling, 2005, will be provided. The three learned gentlemen have various ways of explaining the defense and restoration theories.

#### 2.1 DEFINITION OF REPUTATION

There are various ways through which a reputation can be defined. Below are a number of definitions for reputation;

A reputation is a set of meanings by which a company is known and through which people describe, remember and relate to (Dowling 1986). It is the net result of the interaction of a person’s beliefs, ideas, feelings and impressions about the company. A company will not have a reputation; people hold reputations of the company (Dowling 1986) as quoted by (Cees, van Riel and Fombrun 2007).

*“Reputation refers to a holistic and vivid impression held by a particular group towards a corporation, partly as a result of information processing (sense-making) carried out by the group’s members and partly by the aggregated communication of the corporation in question concerning its nature, thus, the fabricated and projected picture of itself”*  
(Alvesson1990, van Riel and Fombrun 2007, Cees B.M Van Riel and Charles J Fombrun,2007: 44).

*“Corporate reputation refers to the expectations, attitudes and feelings that consumers have about the nature and underlying reality of the company as represented by its*



*corporate identity” (Topalian1984, Cees B.M Van Riel and Charles J Fombrun,2007: 44).*

*“A reputation is the set of meanings by which a company is known and through which people describe, remember and relate to it. It is the net result of the interaction of a person’s beliefs, ideas, feelings and impressions about the company. A company will not have an reputation-people hold reputation of the company”( Dowling,1986, Cees B.M Van Riel and Charles J Fombrun,2007: 44).*

*“Corporate reputation is the overall estimation in which a company is held by its constituents. A corporate reputation represents the ‘net’ affective or emotional reaction-good-bad, weak or strong- of customers, investors employees, and general public to the company’s name”(Fombrun 1996, Cees B.M Van Riel and Charles J Fombrun,2007: 44).*

From these four definitions we can draw a common idea of a company reputation as a subjective judgment made by some or all of her stakeholders concerning the way it is running its activity. Subjective in the sense that the judgment may come either from an "impression", "feelings", or "emotional reaction"; instead of a judgment based on an analysis of the company data. The particularity of the first definition is that, reputation is formed as a result of collaborated information between stakeholders and the corporation . The second definition only deals with the attitude of consumers toward the company. The third definition of reputation relates to " people" opinion towards a company. And the last and fourth definition of reputation considers the opinion of a larger public including even the "employees" of the company. The judgment made in this case, though it would seem objective due to the use of the words "estimation of [...] its constituents", remains subjective when reading the second sentence of the definition. Reputation and identity are intertwined. Without identity, you scarcely find reputation this is because stakeholders will often praise or criticize the identity of a company depending on the quality of services it provides to customers. If the reputation of Nobina is criticized it therefore

means it is its identity that is criticized. The next paragraph will focus on the relationship between identity and reputation.

*James Russell Lowell (Cees, Van and Fombrun 2007:55) states, “reputation is only a candle, of wavering and uncertain flame, and easily blown out, but it is the light by which the world looks for and finds merit”*

## **2.3 DEFINING AN ORGANIZATION**

This research centers on Nobina as an organization. However it will be unfair to dive straight into defining an organization, without relating it to my research subject.

My research focuses on the management, defense and restoration of Nobina's reputation against stakeholders' criticisms. Nobina is an organization that deals with public transport.

An organization is often referred to as a social system properly constructed to attain specific goals.” *En organisasjon er et sosialt system som er bevisst konstruert for å realisere bestemte mål*” (Jacobsen og Thorsvik 2007: 13). The social system in this sense refers to the daily interaction between humans at work. The system also can be referred to as a network of related events, whereas goals can be referred to fixing objectives to be met and solved.

W. Richard Scott (July9,2002) defines organizations from three different perspectives; the rational, the national and the open perspectives. According to Scott (2002) the rational system perspective categorizes organizations as instruments designed to attain specific goals. Scott (2002) further explains how blunt or fine an instrument is, depends on many other factors that can be summarized by the concept of rationality of structure. The term rationality in this context is used in a narrow sense. Technical or functional rationality refers to the extent to which a series of actions are organized, in such a way that leads to predetermined goals with maximum efficiency (W. Richard Scott 2002).

Based on the above stated definitions on organization, Nobina exists as an organization that provides public transport services to its main stakeholder, the Troms County. The organization has been criticized for the quality of services provided to her customer. However the organization aims to defend its reputation from stakeholders criticisms through the use of the theories of

Benoit, Dowling and Coombs. These theories of defense and restoration can be used as a catalyst to revamp the reputation of Nobina against stakeholders criticisms..

#### **2.4. THEORIES EMPLOYED.**

This chapter is a presentation of the theoretical framework for the research. Here I will first define the concepts of identity and reputation. It is when these concepts are explained that the research subject of Nobina's strategies of reputation defense against stakeholders criticisms can thus be analyzed. The theories of William Benoit, supplemented by those of Coombs and Dowling will be used in the research.

#### **2.2 IDENTITY AND REPUTATION**

There are many ways of defining an identity, such as the image manifestation of character representing an organization. Alessandri (2009:5) describes identity as the persona of the organization designed to match and facilitate the achievement of business goals. *“A positive identity is established in order to gain a favorable reputation over time”* Alessandri (2009:5).

*"The identity is often visibly manifested as branding, logo or trademarks. In order to understand, develop, and manage its identity, the leaders of an organization must first understand those elements that combine to make up an identity. Next, they must set up a structure that will allow for the development of the identity they want to project. Finally, they must use that structure to monitor and manage that identity. This enables leaders of an organization to harness its identity and use it as a resource. In short every organization has an identity. Either the organization can control its identity, or the identity will the organization"(Olins and Selame 1993, Alessandri 2009:3)*

Organization identity comes into existence, when there is an organization philosophy, mirrored in different organizational cultures (Alessandri 2009:5). The word identity answers to who is man and a person's name, appearance, clothing style, and behavior make up his or her identity (Alessandri 2009:5). The word Identity comes from Latin meaning Idem or the same. *Identidem* in latin means always the same (The Latin dictionary 2010). This means man is himself and none other. Man has a true character which to a lesser extent varies over time.

According to Simoe's and Dibb (2002: 14), the concept of human identity has been transposed to organizations by many authors. Organizational identity is about identification, image and the reputation ( Simoe's and Dibb 2002:14). Identification can somehow be instrumental in internalization of organizational norms and values relative to its goals. Companies then turn to have personalities and character, individuality, and distinctiveness. The management plays an important role in influencing the identity of the organization through favorable images in the minds of the employees (Simoe's and Dibb). However, corporate identity can be set to relate to a set of dimensions relating to reputation and communication.

*”Organisasjoners identitet ligger til grunn for omdommearbeidet, med kommunikasjon som et viktig bindeledd mellom identitet og omdomme” (Waraas m.fl. 2011:18, i Bronn og Ihlen 2009).*

These two terminologies are co-existing because reputation cannot exist without an identity. The identity of the person or organization shapes the reputation. Identity and reputation are all products of reputation management and can only be constructed through the use of communication. However a poor organizational reputation will obviously lead to a trait in the organizations identity.

According Fombrun and Van Reil (2004;3) a good reputation can be seen as a magnet. Organizations with good reputations will likely attract potential investors. According to (Kvale og Waraas 2006) reputation will likely be seen and characterized as gold even though it cannot be felt or touch. Reputation therefore has the potential to change the destiny of an organization. Røvik (2009) says another term associated to reputation is image which in other words can be referred to as a picture. The image and identity can be a relevant source of information regarding the goals of the organization. Managers and employees both identify with their organization and whatever is done in uniform at work or on street, both positive or negative will reflect on the reputation of the organization. As a result, the leadership is responsible for reputation management in the company. However, Røvik (2009:196) says organizational legitimacy can be seen in the same light as the organizations reputation because it deals with certain aspect relevant to stakeholders'. Organizational reputation is a product of social factors, and though it might be negatively affected, it can be better when appropriate steps are taken over time (Røvik 2009; 196).

Susan (2009:3) says *“in order to understand, develop and manage its identity, the leaders of an organization must first understand those elements that combine to make up an identity”*. The identity of an organization can be made up of elements such as the name, logo or trade mark, uniforms at work, employees, product brands etc.

Taking actions to defend its reputation after criticisms relating to the hybrid technology in the buses, punctuality, cancellation of routes, lack of enough drivers, mishaps and accidents from its stakeholders is necessary, insofar as those criticisms would alter Nobina's identity. Moreover, getting rid of those criticisms will enable Nobina to monitor the kind of image (and therefore identity) it projects to its stakeholders.

#### **2.4.1. Image repair theory (ITR)**

The image repair theory centers on communication as an important tool in the management defense and repair of an organizations reputation. However communication is not the only instrument which can be used to manage, defend, and/or repair an organizations reputation. According Benoit (1995) the IRT can be applicable in addressing two types of crisis situations. A disaster which will require incident response teams to handle and a crime, which might require the major events support teams. Benoit says there are five general strategies of image restoration that can be applicable in managing the above type of crisis situations, these are: denial, evading responsibility, reducing offensiveness, corrective action, and lastly mortification. Three of the five theories are sub divided into tactics. These are: denial, evasive responsibility, and reducing offensiveness.

Benoit (1995) explains the IRT theory as an attack that threatens a reputation. According to Benoit an attack can be seen as an offensive act or an accusation of responsibility for the act. Benoit (1995:70) argues that if the reputation is perceived as attack, the actor will be compelled to offer explanations, defend, justify, rationalize or regret for the action that led to the attack. The attack must also be real. This is to say, that a reprehensible act must have taken place, and that damage to reputation requires that an operator is held responsible for the incident of the relevant environment (Benoit 1995:72).

The offensive act can be seen as a threat to the organizations reputation. The threat becomes real when someone is blamed for being responsible for the offense (Benoit: 1995). On the contrary if there is no offensive act or the accuser for the act, there will be no reputation damage. The IRT was developed as a mean to understand the various levels of communication out there for organizations and leaders facing risk of reputation damage. (Benoit 2005: 407).

The IRT theory was basically not developed for communication purposes but it is highly effective in managing reputational threats. The IRT repairs reputation through the use of communication. As such the primary communicative goal of the IRT is to propagate defense through emphasize on apology and accepting responsibility for the crisis (Benoit and Pang: 2008). The main goal of the IRT is to defend an organization image by placing emphasis on the positive aspects of communication related to her reputation. According to the IRT corporate communication can be goal directed with emphasis on helping the organization out of crisis . The IRT can be applicable in analyzing Nobina's strategies of reputation defense against stakeholders criticisms. Through communication Nobina is able to utilize the IRT principles as a medium of defense against stakeholders criticisms. The IRT is used by Nobina as a communicative tool of defense against attacks and accusations from stakeholders. Below are Benoit's strategies of defense against such attacks on reputation.

#### **2.4.1.1 Denial**

Denial is used as a reputation defence strategy in case of false accusation or when the blame for a crisis is shifted to someone else.

This proposal deals with simple denial action. The statement "*I didn't do it!*" (Benoit 1995, pg 12). The strategy simply encourages those accused of wrong doing to disassociate themselves from issues that bring discomfort to the audience. As a result, this strategy will perhaps help in the restoration of the organizations image. An example of Nixon's Checkers speech is used to highlight this strategy in which Nixon denied charges to have benefited from a "*slush fund*" (Benoit 1995,pg 12) or much later, during the Clintons' denial in the Lewinski scandal "*I did not have sex with that woman*". However denial can be the result of false accusation or that the accused basically did not have a bad intent for causing the crisis. In Benoit (1995,pg 75) he explains the various denying view points of a lot of authors. In Benoit(1995)Ware and Linkugel

(1973) said the accused may deny performing the wrongful act. According to Benoit 1995, Goffman (1971) also said the accused may deny the act occurred or that he committed it. Schonbach (1980) even said the accused may claim the event did not occur.

Denial can also be seen when the blame for a crisis is shifted to someone else, as a strategy for defense. This idea was put forward by Semin and Manstead (1983). Further if the outcome of the investigation of the crisis proves the accused guilty, the organization can however decide to deny in order saving her image and reputation (Benoit 1995:75). Denying an act did not happen is simply the best method of dealing with an accusation. This theory has been used specifically to defend Nobina's reputation against accusation for acquiring poor quality hybrid busses in Tromsø. This particular defense theory will be further explained in the criticism about Nobina hybrid busses below.

Denial is a tool that can be reinforced by anyone willing to stand on his point. Benoit (1995,pg 75) elaborates on this point using the example of the PLO leader Yasser Arafat denying he made derogatory remarks about Jews. However Arafat claimed the tape was fabricated (Arafat's 1992 speech ).

Benoit (1995) also mentions of a popular defense strategy in criminal trails called alibi. An alibi provides a form of defense used in criminal procedure wherein the accused attempts to prove that the accused was in some other place at the time the alleged offense was committed. As such the accused cannot be the perpetrator of the crime. However the function of the alibi is to provide acceptable evidence, with intent to exonerate the accused in that it denies that the accused is the cause of the crime.

Burke (1970 , in Benoit 1995,pg 75) also explained his view points about denial when others wonder about the perpetrator of the act. "*well if you didn't do it, who did?*" The statement samples analysis, the shifting of blame to another person as a source of denial. On the other hand Schonbach (1980) suggest another method of denial, is to place the blame on someone else.

*Evading Responsibility*; is about those who have been unable to deny performing an act in question, and might further evade or reduce their apparent responsibility for it. The strategy can be identified in four ways. Scott and Lyman (1968, Benoit, 1995, pg76) suggesting an idea of scapegoating on bases that the act in question was done in response to another wrongful act which provoked the act. In which case the provocateur might in held to account.

Defeasibility is the second strategy used by (Scott and Lyman 1968, In Benoit 1995:76) in evading responsibility through pleading in adequate information over a situation. According to Scott and Lyman lack of control is similar to biological drives, which is a part of defeasibility. Thirdly Scott and Lyman said (1968, Benoit 1995:76) an actor might be excused because of an accident. Often times others are held in to account only for incidents they are expected to control. However, as a result of an unforeseen circumstance like being held in a traffic-jam while on the way to a meeting. Instead of denying the offensive act occurred, the accused is expected to provide evidence that might reduce his responsibility in the offence. Lastly Ware and Linkugel (1973, Benoit 1995:76) talks of the ability of the actor to suggest and justify his action because of motives. In this case though the act might be wrong it is not denied and the audience not to hold the actor responsible because the act was done in good fate not evil. Nobina is criticized for purchasing poor quality hybrid buses to be used in Tromsø. The management applies the IRT to deny the criticism by saying the buses purchased are the best of the hybrid quality found in the world.

#### ***2.4.1.2 Reducing Offensiveness***

Benoit (1995:77) explains the term using the example of a man accused of misbehaving and attempting to reduce the level of ill feeling experienced by the audience. However this method of image repair has six variations such as bolstering, minimization, differentiation, transcendence, attacking one's accuser and compensation.

#### ***2.4.1.3 Bolstering***

This is a reminder of the actor's positive qualities that exist such as facts, relationships or objects. The most common method of explaining bolstering is when the speaker tries to identify or associate himself with something that is positively view by the audience. (Benoit 1995:12). However, bolstering is not geared at the cause of the leader's image problems. "This strategy neither disassociates the accused from the undesirable action nor attempts to reduce that event's perceived unpleasantness"(Benoit 1995:12). Furthermore Benoit explains bolstering as an attempt to counterbalance or offset the audience's displeasure by associating the speaker with a different object or action, that the audience has positive affect. The sense in bolstering is that the positive perception of the leader should outweigh the negative effect of a crisis. Finally Benoit



illustrates this strategy using an example of the Kennedy's Chappaquiddick speech in which "Ware and Linkugel explained he repeatedly attempted to develop a positive relationship with the people of Massachusetts"

Minimize offensiveness of the act: Claim little damage from the crisis if the audience can be convinced the negative act is not as bad as it seems and therefore the amount of ill feeling associated with it is reduced.

Differentiation according to Benoit is an attempt to separate facts, sentiment, object or relationship from a larger context with attributes viewed by the audience. Differentiation takes the threats in the leader's image from the negative context hoping it is the negative context not the object which provokes the audience to hostility. (Benoit 1995:12) Ware and Linkugel also used Kennedy's Chappaquiddick speech to illustrate the strategy of differentiation by suggesting that the senator tried to distinguish his normal self from the person who narrowly escaped drowning.

#### **2.4.2 Transcendence**

This is the final act in the theory of apology in which Benoit describes as "joins some fact, sentiment, object, or relationship with some larger context within which the audience does not presently view that attribute"( Benoit 1995:12). This is contrary to differentiation that separates object from an undesirable context. Transcendence on the contrary places that object in to a broader and favorable context.

#### **2.4.3 Attack accuser**

Rosenfield (1968, Benoit 1995:78) explains another strategy of defense called attack the accuser. He talks of the accused of wrong doing attacking the accusers. This strategy also states that a reduction of the credibility of accusation can also lead to the diminishing in damages in the image of the accused. On the contrary if the accuser is the victim of the offensive act then might get what he deserves.

#### **2.4.4 Compensation**

Schonbach, (1980, Benoit 1995:78) explains compensation as a strategy of reducing the offensiveness caused by an action. The offering of money or goods to a victim in order to help offset the negative feeling arising within him or her as a result of the crisis.

#### **2.4.5 Corrective Action**

Benoit (1995:79) say corrective action restores situation to pre- act status or promise change and prevent a repeat of the act. This is a strategy for image restoration that the accused vows to correct the problem. Benoit (1995) mentions corrective action as a component of apology. This might be done in two ways, namely restoring the act to its pre-state of affairs before the interruption or promising amendments to behavior. The difference between this strategy and compensation is that, corrective actions are taking hold of the reason for the problem (offers to clean up the damage and prevent recurrence), while compensation consists of a gift to weigh up for, rather than rectifying the damage.

#### **2.4.6 Mortification**

Burke (1970, 1973, Benoit 1995:79) thinks that if the accused apologizes for the wrongful act committed he may be pardoned, thereby engaging in reducing offensiveness. If the apology seems sincere, one can choose to forgive the action. One might also want to combine this with corrective actions, although strategies may act independently (Benoit 1995:79).

However any one desiring to restore an image through discourse should take in to consideration the five options, denial, evasion of responsibility, reducing offensiveness, correction and mortification..

### **2.5 Situational crisis communication theory (SCCT) by Coombs**

Coombs first presented this theory in 1995 through an article “Choosing the Right Words: The theory was aimed as the guidelines for the selection of “appropriate” crisis response strategies”. The theory was called “the symbolic approach the communication”(Coombs 1995:447). It was later on changed to the Situational Crisis Communication Theory (SCCT) by Coombs and Holladay in 2002.

The theory was developed in 1995 and it seeks to explain how stakeholders' perceive negative events leading to crisis affecting organizations, and how those attributions usually affect stakeholders' interaction with organization during crisis. I will however use the SCCT strategies to analyze Nobina's strategies of reputation defense against stakeholders criticisms.

Coombs' (1998) SCCT seeks to illuminate the public perception of a crisis. How crisis is perceived by people, their reactions to crisis handling strategies and the public reaction to organization during crisis. The idea behind this theory is to illuminate and shape the public perception of an organization handling a crisis. How people make attributions and the effect of their attributions on their behaviors during crisis.

The SCCT is about crisis responsibility. The attributions made concerning crisis responsibility has a significant effect on people perception and behavior towards the organization's image and reputation responsible for the crisis (Coombs 1998). Crisis can lead to a negative consequence to public behavior towards an organizations reputation depending on how the crisis is being handled. The SCCT was aimed to sought and identify factors responsible for crisis and the dangers posed by these (Coombs 1998). The SCCT suggest a two step plan for assessing a crisis threat. The first step is to determine the frame used by stakeholders' in categorizing the process. The SCCT is explained using three crisis types; Victim (low crisis responsibility/threat), accidents (minimal crisis responsibility/threat), and intentional (strong crisis responsibility/threat). The three categories represent increasing levels of attribution to crisis responsibility and the threats it poses. The second step is to determine the existence of Alter attribution of crisis responsibility and intensify the threat from the crisis (Coombs 2004b). There exist two intensifying factors one has to critically look at; The crisis history, and the prior reputation. The crisis history relates to whether the organization has a history of crisis situations. Such a history will establish a pattern of bad behavior by an organization. As such stakeholders' will attribute greater crisis responsibility when a crisis repeats in the organization. Prior reputation, relates to how well or poorly an organization has in the past treated her stakeholders'. It relates to the nature of relationship the organization has with its stakeholders'. Organizations are usually perceived and treated differently with regards to prior reputation. Those with negative prior reputation are attributed greater crisis responsibility for similar crisis than organizations that are unknown or those with positive prior reputation.

The SCCT can be viewed from a variety of ways. SCCT is not limited to reputation as a crisis communication outcome but also to affect and behavioral outcomes relating to crisis. Coombs (2009) looks at three factors identified by an organization in assessing a circumstance. The crisis types, crisis history and prior reputation. These factors will lead to a better understanding of reputation management and the various steps necessary to defend or restore it from stakeholders' criticism.

Stakeholders' intervention can always be attributed to the contribution made by the crisis history and prior reputation of the organization. However it is evident that anger increases when there is clear attribution to crisis responsibility. The behavioral intentions extended through words of mouth spread through the various sources of communication. Coombs and Holladay (2007) said the effects of negative words of mouth might outlast memories of the crisis. Negativity messages spread online might be there for many years, while those of men will fade after a couple of years though the reputation of the organization will suffer from the effect. According to Coombs (2012) organizations with previous history of crisis and those with poor reputation prior to the crisis usually experience a less supportive and a more critical response from stakeholders'.

According to Coombs (2012) the crisis response strategy can be implemented only after establishing the crisis types and prior reputation. Coombs proposes 13 of the various SCCT strategies for dealing with reputational threats. (Coombs 2012:159).

Provide instructing information to all victims or potential victims in the form of warnings and directions for protecting themselves from harm.

Provide adjusting information to victims by expressing concern for them and providing corrective action when possible (Note: Providing instructing and adjusting information enough of a response to a victim crisis in an organization with no crisis history or unfavorable prior reputation. (Coombs 2012:159)

The table below is a list of the various 13 SCCT strategies Coombs proposes for dealing with reputational threats. (Coombs 201159).

Provide instructing information to all victims or potential victims in the form of warnings and directions for protecting themselves from harm.
Provide adjusting information to victims by expressing concern for them and providing

corrective action when possible (Note: Providing instructing and adjusting information enough of a response to a victim crisis in an organization with no crisis history or unfavorable prior reputation.
Use diminishment strategies for accidental crisis when there is no crisis history or unfavorable prior reputation.
Use diminishment strategies for victims crisis when there is a crisis history or unfavorable prior reputation
Use rebuilding strategies for accident crisis when there is a crisis history or unfavorable prior reputation.
Use rebuilding strategies for any preventable crisis
Use denial strategies in rumor crisis
Use denial strategies in challenges when the challenge is unwarranted.
Use corrective action (adjusting information) in challenges when other stakeholders' are likely to support the challenge.
Use reinforcing strategies as supplement to other response strategies.
The victim age response (when the organization is clearly the victim in the crisis) strategy should only be used with the victim cluster.
To be consistent, do not mix denial strategies with either diminishment or rebuilding strategies.
Diminishment and rebuilding strategies can be used in combination with one another.

Crisis response strategies:

This strategy is composed of defense strategies meant to repair and protect an organizations reputation. The table below presents the various communication strategies used in defense of an organizational image.

Strategy	Sub type/tactic	
<b>Nonexistence Strategies</b>	Denial Clarification Attack Intimidation	
<b>Distance Strategies</b>	Excuse	Denial of intention Denial of volition
	Justification	Minimizing injury

		Victim deserving Misrepresentation of the crisis event
<b>Ingratiation Strategies</b>	Bolstering Transcendence Praising others	
<b>Mortification Strategies</b>	Remediation Repentance Rectification	
<b>Suffering Strategy</b>		

None-existence strategies basically denies the existence of a crisis. The strategy seeks to deny no relationship exist between the fictitious crisis and the organization. The strategy of denial states nothing happened. Clarification simply seeks to explain why nothing happened. Attack is simply about confronting the accuser of the act in question, while intimidation is simply about using threats of authority and power through the court of law against actors (Coombs 1995:450-451).

Distance strategies is accepts the crisis by seeking public awareness of the crisis as a means of weakening the relationship between the crisis and the organization. Excuse is often seen as a means of minimizing damage to the organization caused by crisis. Excuse is often accompanied by denying intent. The term justification seeks to minimize the negative consequences associated with the crisis. Organizations try to make excuses that will justify the cause of their actions in crisis. The seriousness of such crisis are often time down played by organizations. The justification tactics is about denying the seriousness of an injury, claiming that the victim deserved what happened, and claiming a misrepresentation of the crisis (Coombs 1995: 451)

The ingratiation strategy is aimed at galvanizing organizational approval of issues positively viewed by public. The tactics of Bolstering is aimed at creating public awareness of organizational issues. Transcendence is about understanding the crisis in a better way. The last tactics in this strategy is praising others. The tactics is aimed at giving support as a means of approval to the target of praise (Coombs 1995: 452).

The strategy of mortification serves as an apology aimed at winning forgiveness from the public in the event of a crisis. Mortification is aimed at galvanizing for approval from the public in the event of a crisis. The tactics of remediation Willingly, serves as a method of compensation or

help to those in need. There is also repentance which serves as a mechanism for apology against the wrongs committed in the crisis. Rectification is preventing recurrences of a crisis by taking certain necessary measures.(Coombs 1995:452-453).

Coombs last strategy is that of suffering, which is aimed at winning public sympathy by portraying the organization as a victim of a malicious attack.(1995:453).

The theory of attribution serves as a platform for the explanation of both the crisis response strategy and crisis communication. However crisis situations often vary depending on public perception of the three dimensions associated with attribution. (Coombs 1995:448). Crisis perception are often shaped by four main factors, such as the crisis type, veracity of evidence, crisis damages and performance history (Coombs 1995:461). The fact is, the public can make a variety of attributions, but organizations must consider the various methods through which, the public might view evidence, damages and performance history (Coombs 1995:457).

Finally Coombs and Holladay (2002) mentioned the fact that the SCCT can be implemented in a shallow sense when the objective of the organization is to manipulate stakeholders’ perception as means of avoiding responsibility and punishment for wrong doings. Coombs and Holladay concluded their point of views on the SCCT, with the assumption that “reputation is secondary and people are the first priority” (Coombs 2012:159).

## **2.6. DOWLING’S COMMUNICATION STRATEGIES TO PROTECT DESIRED IMAGES AND REPUTATION DURING CRISIS.**

Dowling (2002:264) explains his point on the theory of defense strategy. He explains the strategy using a simple three stage crisis reaction plan in which he stresses the importance of defending an organizations reputation and Identity during crisis. According to Dowling, organizations should gain time to formulate a comprehensive communication response, to select a strategy that helps them to express their concerns about the crisis, and demonstrate suitable remorse for any role played in the crisis.

These three steps are required in responding to any crisis.

### **2.6.1. The immediate communication response (ICR)**

According to Dowling (2002:264) every organization or company should always be alert by putting in place a crisis response team capable of dealing with the tricky questions from the journalist that can make up headline news. Dowling suggest two issues that might arise, if an organization is unable to present a crisis response team during a crisis,

a) The management might be perceived as being confused, incompetent or as withholding information. In this case Dowling suggest a quick response to crisis management in other? to be seen as being in control of the events happening. Firm control of the crisis will eliminate all aspects of doubts regarding the management of the crisis. According to Dowling it is also a good strategy of defense to a company's reputation.

b) The media will take up the choice of interviewing an eye witness or an independent expert. According to Dowling (2002:264) an organization in crisis should never allow things to get out of control to this stage, where the media fails to interview members of the organization and resorts to eye witness or expert accounts as the last resort. This might give the media the lead or control of events through a stream of bias reporting during the crisis. In this case the management's response will be reactive rather than proactive because the communication personnel will be responding to issues raised during the first media coverage. This might give room to make up stories and bias reporting that might destroy the organizations reputation. A better option will be for the management to have a communication response team in control, in other to avoid such defamatory stories that might damage the reputation of the company (Dowling 2002: 264). According to Dowling such a strategy provides the organization or company with the tactical advantage of putting the crisis in the relevant context , before making agenda and timetable for future plans (Dowling 2002:264).

Dowling (2002: 265) also suggest a solid defense strategy of an organization's reputation will be to have one of the leaders as spokesperson for the organization during a crisis. The spokesperson should receive media presentation training that will enable him deal with media coverage throughout the period of crisis. The same person should be responsible for passing on information to employees in other to avoid any misinformation during a crisis.

Furthermore Dowling suggest a coordinated response strategy from the management of the organization will serve as a good defense mechanism of her reputation. The strategy should be aimed at establishing the context and plan for the information to be presented and to ensure a fair



and appropriate presentation of the crisis, in other not to damage the organization's reputation. Dowling (2002:265) says if the circumstances surrounding the crisis are not that explicit, the spokesperson should consider making statements such as;

- 1) Everything possible is being done at moment to contain the damage, reduce the effect of the crisis.
- 2) All the relevant facts of the crisis are not known at this time. As such any statement made now may be misleading.
- 3) Preliminary investigations are currently going on.
- 4) The spokesperson will present the facts to the media at a certain place and time.
- 5) The company is very concerned about the crisis.

However based from the above mention points, Dowling equally suggest a spokesperson to seek help from lawyers regarding the escalation of certain crisis. This will help to avoid further implications regarding the crisis and reputation of the organization that might be brought by journalists.

## **2.7. DOWLING THREE BASIC MEDIA QUESTIONS**

What happened? Why did it happen? What are you going to do about it?

Dowling (2002) says these three questions are the most important for any leader interested in the defense of his organizational reputation. Spokesperson should be conversant with questions such as what happen and why? Reason being that mixing up statements in the process of answering “*what happened*”, and the “*why questions*”, will create an atmosphere of doubt which might be detrimental to the organization's reputation. Dowling (2002:266) says "facts" should, however, be of the "unshakeable variety". There should be no room for modification of statements later on as a result of the crisis. Answers to the first two questions should be a reflection of the third.

Often times it is better for the spokesperson to present a carefully worded statement on paper to be distributed to employees and other sources of media covering the crisis. This strategy will enable the spokesperson to exempt answering questions from the media on issues already explained in the distributed statement. It is also a good strategy of defense because it enables the spokesperson to talk less thereby avoiding questions that might lead to contradictory statements that might destroy the company's reputation. Dowling (2002:267) says ”trails by media" can be

potentially damaging and embarrassing to spokesperson to the extent that he might halt interviews.

### **2.7.1 Demonstrating remorse**

Dowling's point is that organizations should always be ready to defend their image and reputation through a spokesman of the organization during crisis. This will put away speculations relating to the crisis going out of control. According to Dowling (2002: 263) organizations should be very careful on how to respond to the media during crisis. Dowling (2002:263)states that crisis communication should be focused on the cognitive, that is being direct to the facts and analysis of the situation and the emotional needs. Careless response might cause the organization or company to lose a lot of members or customers or reputation.

However if the organization has not got a ready response at the time of a crisis, it might be viewed as an organization with weaknesses in the management structure. This view point might be exaggerated by the media causing the reputation to suffer. Dowling (2002: 265) says the management of the organization or company is supposed to have a well trained spokesperson. Dowling also went ahead to explain some of the possible ways through which different methods of communication within organizations can be used to defend its reputation in the media, using some of the possible strategies. Dowling (2002:265) terms the approach, communication strategies for demonstrating remorse or salvaging the corporate reputation. It is really about what to do in order to make amends for the crisis. He also throws light as to the type of questions leaders or spokes persons in organizations should expect from the media. (2002:266).Dowling says leaders should expect three major question from the media during a crisis that are: what happened? Why and what are you going to do about it? Furthermore, Dowling (2002: 267) cautions leaders about a good discipline in presenting a carefully worded written statement both to the media and employees regarding the crisis.

### **2.7.2 The aristocratic response.**

Dowling explains how leaders or spoke persons in organizations should respond to media and the public questioning of events during a crisis. The communication strategy is a reflection of the organization's culture. He explains it in two ways, don't explain and don't apologize (Dowling

2002:267). However this strategy of denial will always reflect the personality of the leader or spokes person in the organization.

### **2.7.3 Keep your head down response.**

This strategy calls for releasing as little information as possible and waiting while hoping for the media's interest to divert to another subject of interest. Dowling (2002:268) further explains this strategy of communication during a crisis maybe saying the apportionment of blame can only be determined by an independent body like a public inquiry or a law court. The strategy is based on the assumption that lower visibility will during a crisis minimize damage to the organizations image and reputation. But Dowling also cautions about the vulnerability of using the strategy in a crisis that involves the loss of life that attracts the media's reporting of events, because in most cases it might attract negative media publicity when victims seek for answers or compensation. However, if the independent body investigating the cause of the crisis findings are unjust, the media might criticize the company for its role in the crisis and demanding a public statement on how to compensate victims.

The above mention points by Dowling can be seen as an illustration of an organizational respond to crisis. Dowling further explains, the failure of an organization to communicate the cause of a crisis to the media can be seen as a form of response. An organization that fails to communicate with the media during crisis creates a negative image and reputation.

### **2.7.4 Conclusion of the theories.**

The above mentioned theories have been explained by three different theorists, William Benoit, Coombs and Dowling. They did explain defence and restoration strategies in organizational identity and reputation.

Benoit mentions five strategies he uses in his image repair theory (IRT) to defend and restore organizations reputation. Benoit talks of denial, evasion of responsibility, reducing offensiveness, compensation, corrective action and mortification. According to Benoit, the image repair theory was developed for communication purposes but was also highly effective in managing reputational threats. Benoit mentions the importance of repairing reputation through communication. According to Benoit and Pang (2008) the goal of communication is to emphasize on apology and accepting responsibility for the crisis. This is contrary to Dowling's

(2002:264) strategy of Don't explain and Don't apologize in his communication strategy for remorse.

Dowling (2002:264) emphasizes immediate communication response as a means of defending and restoring an organizations reputation during crisis. According to Dowling an organization is safe to have a crisis response team capable of dealing with tricky questions from journalist. The spokesperson should be one well trained in communication in other to be able to handle a crisis. Dowling proposes two strategies of defence.

a) if the organization fails to present a solid response during a crisis, it might be seen as an organization with management problem.

Dowling (2002:264) suggests it might be detrimental to the organization's reputation. Dowling suggests organizations should always defend its reputation with a solid spokesperson responsible for communication.

b) The media will take up the choice of interviewing an eye witness or an independent expert.

Dowling suggest organizations should quickly take control of crisis situations as a means of defence to her reputation. Failure to do so might give the media an upper hand in dictating events in the crisis, which might give room to bias reporting of the crisis.

However Dowling's strategy of no response and keep your head down can be seen as a contribution or a source of denial.

Coombs (1995) introduces the situational crisis communication theory (SCCT) as a strategy of defending and restoring an organizations reputation. The SCCT uses communication as a means to protect reputation. I will analyse the research question in line with the theories of Benoit, Dowling and Coombs. Explaining how they can be used in the analysis and defence of Nobina's reputation against stakeholders' criticisms. Benoit's (1995) IRT, Dowling's communication strategies and Coombs SCCT are used as communication defence strategies in the analysis of the various stages through which crisis can be solved.

The three theorist used in this research have partly overlapping contributions, but with some significant differences.

Benoit's theory lacks largely a recommendation for which situations the different strategies should used in. It is here Coombs contribution provides an elaboration. Another deficiency by Benoit defense strategies is it does not recommend any statement at the onset of a crisis.

Dowling contribution shows that it does not speak a form of defense strategy.

By analyzing the statements from the leadership of Nobina in the media, one can easily visualize the various defense strategies of Benoit used in defense of Nobina's reputation against criticisms from stakeholders.

The strategies used will thus be able to shed light on how Nobina defend itself against attacks from the media, and help to identify whether there is a unified strategy for how the organization will deal with such attacks. I have chosen to draw in Coombs because Benoit did not allow for the use of 19 strategies in different situations equally. Coombs specifies the situations in which the various strategies are most appropriate, and that by following these recommendations could save the organization's reputation. Therefore, I will examine the extent to which Nobina follows Coombs recommendation as a strategy of defense to her reputation .

Dowlings contribution shades light to Nobina's defense and response strategies which are different from those of Benoit. I choose to interpret and analyze Dowlings contribution as part of ' denial '. This is to nuance Benoit's strategy and because I believe that Dowling has an important contribution through this deepening in defending reputation during crisis. As refers to Nobina, Dowlings shade of negation provide a picture of how organization will be perceived if they do not come with some kind of response at the onset and how this will affect the organization's reputation. Dowling also helps to illuminate the importance of having a strategy on how organizations should deal with the media if they experience such attacks. This point basically reflects some of Benoit's strategies of defense. Coombs has some nuances that Benoit not have. Coombs is more concerned with linking strategies to situation and Dowling nuance Benoit by incorporating aspects of the theory which I believe is necessary for a good analysis of Nobina's strategies of reputation defense against stakeholders criticisms.

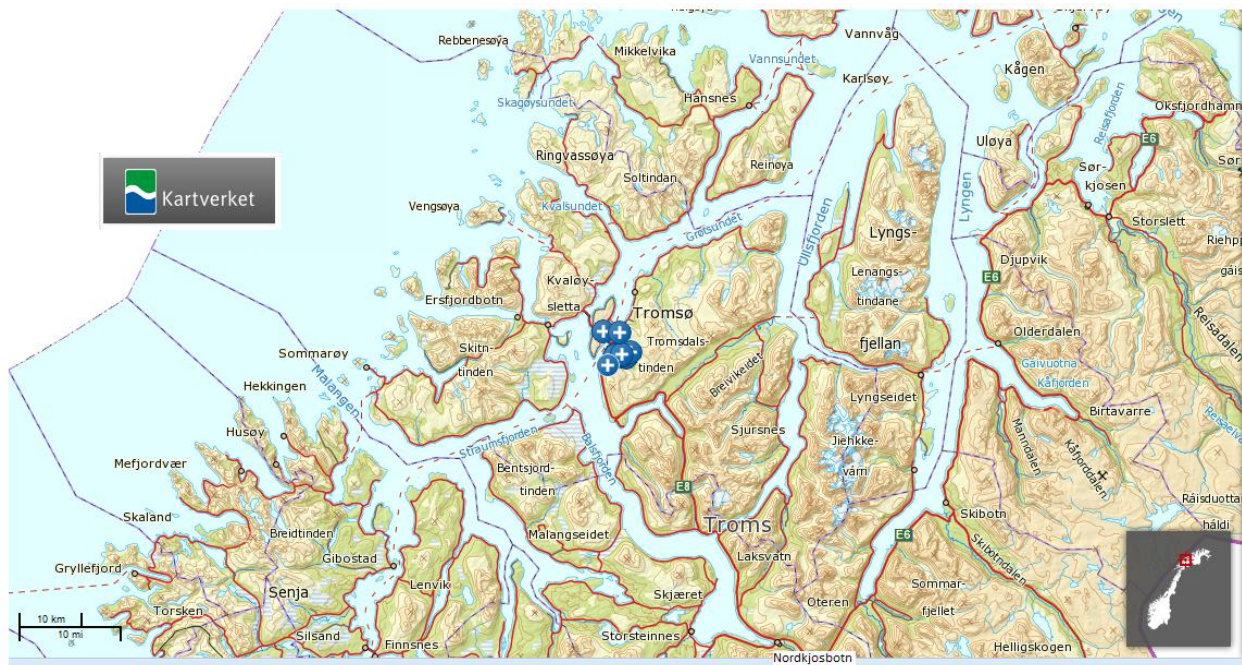
## \*\*\*\*\*CHAPTER THREE\*\*\*\*\*

### METHODOLOGY

The methodology of the thesis is based on qualitative research that is designed to answer the research question(s) on Nobina's strategies of reputation defense against stakeholders criticisms. The qualitative research was partly done on newspaper articles and an interview with one of Nobina's leaders.

#### 3.1 Research study area

Tromsø is the third largest city in Norway by area surface of 2557 km square with a population of about 67000 in 2011, 69116 by 2012 and about 70000 in 2013, according to GeoNames geographical database and city population. The city borders the sea and Lenvik in the south west, Balsfjord in the south, Storfjord in the south east, Lyngen in the east and Karlsøy in the north east.



#### 3.2 Research from newspaper:

The first thing that came to my mind when I thought of analyzing Nobina's response to the county of Troms criticisms, was to go through those newspaper articles where the criticisms

were released. Those articles also contained some of Nobina's strategies of reputation defense. I read articles from Nordlys, NRK, iTromsø, Utopia, Volvobuses.com, Transportforum.no, from January 2011 to December 2013. I focused on articles that dealt with Nobina's strategies of reputation defence against stakeholders' criticisms. Therefore all the articles that were not relevant for my topic were not taken into consideration. Through these articles I got to know the various defence strategies used by Nobina. I chose to focus my research on local newspaper articles because the subject of my research is locally based.

### **3.3 Interview with one of Nobina's leaders.**

Next I had thought it worthwhile to meet Nobina's staff, in order to discuss the criticisms read on newspapers and eventually question them about their strategies of defence. A visit at Nobina's offices enabled me to get an appointment with one of Nobina's leaders, namely Carl Mortens, who was quite welcoming and willing to give answers to my questions. I interviewed him about Nobina's strategies of reputation defense. As interview guide, I had the following questions:

How does Nobina defend itself against the criticisms from its drivers?

How does Nobina defend itself against the criticisms concerning her hybrid buses?

How does Nobina respond to criticisms of late coming and routes cancellation?

As a leader of the Norsk Trafikk forbun, Carl Mortens, was able to explain the various steps taken by the company in the defense of its reputation.

His answers to my questions are great part of my analysis in chapter 4 and 5. The interview was successful though it had a weakness due to the fact that I just managed to interview only one person.

### **3.4 Results of the methodology**

The weaknesses of the methodology were first and foremost due to the fact that it was mostly focused on newspapers articles. Next, it was a bit difficult to get appointments with more of Nobina's leaders because of their tight schedules.

All the same, the methodology has the strength of providing me with the relevant materials needed to analyze Nobina's strategies of defense against criticisms from Troms county.

## \*\*\*\*\*CHAPTER FOUR\*\*\*\*\*

### **NOBINA'S REPUTATION: A RESULT OF ITS DEFENSE STRATEGY.**

This chapter entails both the criticisms and employment of defense strategy.

#### **4.1. INTRODUCTION.**

In this section of the thesis, I will first of all elaborate on the criticisms levied against Nobina by her stakeholders, followed by the strategies of defense used to repair her reputation. This brings to light the subject of my research, which focuses on the management, defense and restoration of Nobina's reputation against stakeholders' criticisms.

The stakeholders considered in this paper are the Troms county and Nobina's employees. Accordingly, the criticisms facing Nobina can be grouped into two categories: internal and external criticisms. The internal criticisms come from the employees of the company while the external comes from the Troms county.

In this part of the question my focus will be on showing how the management of Nobina has used the five defense strategies by Benoit, (Denial, Evading Responsibility, Reducing offensiveness, Corrective Action and Mortification), as well those by Coombs, and Dowling to defend and restore her reputation against her stakeholders' criticisms.

I will, to this regards, address the question problem using extracts from articles in the news papers to buttress my points.

#### **4.2. NOBINA'S REPUTATION DEFENSE STRATEGIES AGAINST INTERNAL CRITICISMS FROM HER DRIVERS.**

##### **4.2.1. THE CRISIS IN NOBINA AND HER DRIVERS CRITICISMS**

These are some criticisms coming from the crisis meeting between the management of Nobina and her drivers. The drivers criticized Nobina for a variety of issues ranging from no lunch breaks, lack of courses to learn how to fit chains on tires, and lastly poor internal management routines. Susanne Noreng published an article in Nordlys (15.02.2012) concerning the plight of Nobina drivers, namely: "*Får ikke matpause, har ikke kjettingkurs, dårlige interne rutiner*". These were, actually, some of the criticisms of the former COMINOR drivers absorbed by Nobina. According to them, Nobina had not been well prepared for the management of public



transport in Tromsø. Still in Susanne Noreng's article, Lars Gundersen, the tillitsvalgt I fagforbundet said to NRK, the drivers were also complaining of many evenings shifts with poorly structured bus routes. As a result of all these criticisms the bus drivers decided after a meeting to give a fail grade to their employer Nobina:

*"I følge iTromsø, gir bussjåførene strykkarakter til egetselskap"; (Nordlys: 15.02.2012).*

The frustration of the drivers was met with a response from the management of the company. Magnar Nilsen did express his understanding of the problem and promised to make some changes on some of the complaints made by the drivers.

*"Driftssjef i Nobina Magnar Nilsen understreker overfor iTromsø at de tar tilbakemeldingen fra de ansatte alvorlig. En del av disse tingene som påpekes vil det bli gjort endringer på, sier Nilsen*

*I løpet av de to ukene etter at selskapet Nobina tok over rutekjøringen iTromsø har nærmere 145 avganger blitt innstilt." (Nordlys: 15.02.2012).*

The corresponding defence strategies for those criticisms are corrective action and mortification. According to Benoit (1995:79) corrective action is to restore a situation to pre-act status or a promise of change and to prevent a repeat of an act. Nobina uses corrective action as a strategy to restore her image against drivers' criticisms. Nobina carries out the strategy of corrective action in two ways: firstly, through restoring acts to pre-state of affairs before the interruption by according her drivers their due rights and secondly through promising amendments to behaviour that seemed unwelcoming to her drivers. Both ways aim at promising improvement of services towards her employees.

This statement can be better explained using Benoit's (1995) theories of corrective action and mortification as a means of reducing offensiveness. The leader of Nobina apologies and promises to correct the problems affecting the company's employees, as a means of defending its reputation.

The drivers at Nobina also criticized the organization for using poor quality tires on the buses. These are warned out tires that are taken to Volvo in Sweden and recoated with more rubber. They are a bit harder than normal tires and respond poorly during braking.

*Bussjåfør Emil Mikkelsen er ikke fornøyd med dekkene som Nobina-bussene utstyres med. Regummierte dekk blir hardere i gummien, og det gir dårligere gripefeste, sier han, mens han viser Nordlys et eksemplar av de regummierte dekkene på parkeringsplassen på Gimle i Tromsø;( Nordlys.no. Publisert 03.02.2013).*

Emil Mikkelsen's criticism about Nobina's use of recoated tires was answered, below, by the leader of Nobina, Glenn Rudi Baann in an article by Jostein Larsen Østring and Inger Præsteng Thuen :

*– Vi måler vinterdekkene fast hver måned. Når de er gått ned til åtte millimeters spordybde så røntgenfotograferes de for å se om stammen holder den kvaliteten som tilsier at det kan bli et godt regummiert vinterdekk. Er kvaliteten for dårlig blir dekket kondemnert. Det er like mange meninger om dekk som det er sjåførere. Sånn er det i transportnæringa. Ifølge vår leverandør skal de holde samme kvalitet som nye vinterdekk; (Nordlys.no. Publisert 03.02.2013).*

Baann defended Nobina's reputation against such criticism by using the strategy of denial. Baann denies the criticism by explaining the various procedures taken leading to the production of recoated tires. He says, the process is done under strict supervision. The used tire is first of all measured and x-rayed if it is below eight millimeter, to see if it will be good enough for use or not. He further reiterated that, worn out tires are thrown and cannot be used. According to Baann, recoated tires are used by Nobina buses throughout Scandinavia, where it operates, and are often times placed as the back tire. Baann also stresses the front tires are often new and of good quality. About 3500 Nobina buses use recoated tires, and they are often times good enough, according to Collet, the supplier. Glenn reiterates that, drivers would have divergent views concerning the quality and use of recoated tires. The strategy of denial in this case is meant to reduce the level of offensiveness aimed at Nobina's reputation, by showing that, recoated tires should not be seen as poor quality tires.

As a result of the hardship that affected the company partly because of winter and technical problems, 20% of her drivers felt sick and many routes faced delays and cancellations.

*Mange sykmeldinger blant sjåførene har ført til 15 kanselleringer av bussruter i Tromsø i dag;(NRK: 14.02.2012).*

Furthermore, the problems caused many employees to resign from Nobina. This can be found in an article of the newspaper iTromsø by Eskilwie and Jørn NormannPedersen:

*Gode kollegaer går fra oss og slutter eller sykemelder seg. De ikke klarer å sitte gjennom de lange arbeidsdagene, sier sjåfør Arne Gunnar Jensen til iTromsø;  
(Publisert:15.02.2012).*

The resignations ushered in difficulties as there were not enough drivers to immediately take over the jobs. This became a new set of issue the company had to deal with in other to manage its seemingly battered reputation for late coming. The problem led to lots of delays and cancellations of certain routes, that led to a fine of 1.1 million kroner for late coming, as was released in an article of Nordlys paper, by Tord Olander Pedersen:

*Troms fylkeskommune sender en regning på 1,1 millioner kroner til busselskapet Nobina på grunn av forsinkelser og innstilte busser; (Publisert 02.03.2012).*

This last point will be treated in the part devoted to external criticisms coming from the Troms County.

The employees of every organization serve as touch bearers of the organizations image, identity and reputation, (Dowling, 2001). The identity of every organization is also a reflection of her employees. Satisfied employees will obviously portray a positive organizational image, identity and reputation (Fombrun, Cees, van Riel, 2004). On the contrary dissatisfied employees will help to spread a negative image about the organization. Hence, it is without doubt that if unchecked, such perceptions amongst the drivers will be detrimental to the reputation of the company. Thus Nobina had to take those criticisms seriously and set up reputation defense strategies. The quotation below illustrates some of the measures promised by the leader of Nobina, to improve her services in the County of Troms.

*På møtet i dag lovet Nobina bot og bedring. Allerede fra mandag er ti nye sjåførere på plass, og selskapet skal i ukene som kommer ansette flere, også vikarer som kan trå til når de faste ikke er på jobb; (Nordlys.no. Publisert 02.03.2012).*

### **4.3. NOBINA'S REPUTATION DEFENSE STRATEGIES AGAINST EXTERNAL CRITICISMS FROM THE TROMS COUNTY.**

The county of Troms approved the privatization of public transport as prescribed by the law and awarded a contract to Nobina through a bidden process but failed to lay down certain rules necessary for the smooth and effective running of the system in the city. The county of Troms criticized Nobina for the poor functioning of her hybrid buses, accidents, as well as punctuality and route cancellations.

#### **4.3.1. THE TROMS COUNTY CRITICISMS ON PUNCTUALITY AND ROUTE CANCELLATIONS, AND NOBINA'S REPUTATION DEFENSE STRATEGIES.**

The County of Troms manages public transport in Troms and as such she is conscious of her overall reputation. Nobina was awarded the contract to deliver transport services in Tromsø and the surrounding districts. Therefore the Troms County's reputation in the transport sector depends on the effectiveness and management of services provided by Nobina.

##### ***4.3.1.1. Nobina's strategies of reputation defense against the criticism on punctuality:***

The local media reported the buses usually come late.

*"New popular hobby: Waiting for the bus"; (Daniel Weber/Utropia/16. February 2012).*

Nobina's problem with punctuality seemed to have been disturbing to the management of the County of Troms. As a result she was levied a fine of 1.1 million kroner by the Troms county. Below is an extract from Nordlys by Tord Olander Pedersen:

*Direktør for Troms fylkestrafikk, Kjetil Skjeie, bekrefter at man har sendt en bot pålydende 1,1 millioner til Nobina.*

*- Dette er et klart signal til Nobina. Vi tydeliggjør med denne boten at vi mener alvor i forhold til viktigheten av at de må få orden på problemene som har vært. Dette er altså en bot som kommer som en følge av at de ikke har utført den jobben vi har engasjert de til å gjøre; (Nordlys.no, Publisert 02.03.2012).*

The fine levied by the County of Troms is aimed at defending her own reputation as the main provider of public Transport in the County. Coombs SCCT theory can be used to analyze the crisis of punctuality facing Nobina. According to Coombs it is important for manager to analyze the crisis type, crisis history, prior relationship because it will help them to predict the level of reputational threats facing the organization. The County of Troms makes use of Coombs SCCT strategy of diminish crisis response, as a strategy of defense to her reputation by awarding a fine of 1.1 million kroner to Nobina based on her history of lateness and route cancellation. The County also puts Benoit's IRT to effect as a defense strategy by accusing Nobina for being responsible for lateness. This defense strategy of the Troms County is considered offensive towards Nobina. The Troms County also uses corrective action as a strategy of defense towards Nobina, the supplier of public transport services in the County. The fine can be understood as a form of corrective action against Nobina's lateness and cancellation of routes within the Troms County:

*"Vi er opptatt at det blir enda bedre..og vi er derfor veldig opptatt av tiltak settes i verk for at ikke omdømmet skql reduseres, sier fylkesråd for samferdsel, Terje Olsen til Nrk."*

Against the criticism on punctuality made through the fine by the County of Troms, Nobina used firstly the strategy of denial to defend her reputation. The strategy simply encourages those accused of wrong doing to disassociate themselves from issues that bring discomfort to the audience. This strategy of denial helps in the restoration of an organization, criticized for wrong doing. The proposal deals with simple denial to have been responsible for a crisis affecting an organization reputation. The statement "I didn't do it" by Benoit (1995:12) is an example of denial response.

Nobina is criticized by the county of Troms for being late, a criticism she accepts but denies total responsibility for. Nobina defends her reputation by criticizing the Troms Fylketrafikk that is responsible for the planning of routes around the County of Troms, for creating a very tight route

schedule for drivers. Below is a response from Nobina's drivers concerning the criticisms from the County of Troms.

*Får ikke gå på toalettet.*

*Berg sier til Nordlys at nå er bussjåførene i fagforbundet lei av å sitte å se på at advarslene de kommer med ikke blir hørt.*

*- Publikum har krav på å få vite hvilke forhold våre sjåførere lever under nå. Det er ikke uten grunn at vi har et av de høyeste sykefraværene i Norge, og heller ikke uten grunn at vi har mistet en 80-90 sjåførere som har sagt opp og skiftet arbeid i løpet av de ni månedene siden Nobina tok over. Arbeidspresset er enormt, og det er ikke lagt opp til noen form for hvilepauser eller slingringsrom for å ta inn igjen forsinkelser. Hvis våre sjåførere må bruke strøkasser eller skifte til kjettinger, eksisterer det ikke rom innenfor rutetidene til å gjøre dette. Da er det klart at det blir forsinkelser, sier Berg, og forteller videre at det ikke en gang er lagt inn tidsrom til at sjåførene kan få gå på toalettet iløpet av arbeidsdagen;*

*(Tord Olander Pedersen and Jørn Normann Pedersen, Nordlys.no. Publisert 25.10.2012).*

The Troms Fylketrafikk planning left the drivers with little or no time to rest, or to visit the toilet. This problem brought stress to Nobina drivers who constantly struggled to meet up with time.

Nobina's point of denial can also be examined, in this context, through Schonbach (1980) who explains that denial is to place the blame on someone else. This is exactly what has been done by the county of Troms to Nobina. The County of Troms blames Nobina buses for late coming and not being on time as prescribed in the route tables. Nobina equally denies responsibilities by saying the routes were outdated and recent routes were extended without time consideration. This made it difficult for buses to be on time. As a result Nobina proposes a joint venture with the Troms traffic headquarters on the creation and possible re-planning of existing routes that will suit her long hybrid buses. This strategy of denial is aimed at reducing offensiveness from stakeholders on Nobina.

Nobina, next, used the strategy of evading responsibility to defend her reputation against the criticism on punctuality. Benoit (1995:76) says evading responsibility is when one, unable to deny responsibility in the act in question, may be able to reduce his involvement in it. Evading responsibility is a strategy that can be seen from four variations.

The strategy consists in making excuses based on accident or issues that can reasonably be put under control (Scott and Lyman 1968). In this case rather than denying the offensive act occurred, the accused decides to provide information that might lead to a reduce responsibility in the offensive act. Many at times Nobina was criticized for being late. An accusation she accepts but denies full responsibility for. According to Nobina the bus plans were designed between 2006 and 2009, and were perfect for COMINOR. The plans were perfect for COMINOR because they had normal buses that ran on diesel and the routes were tailored after their capacities.

Nobina complains the same routes have been modified and extended without taking in to consideration the time factor. The routes became longer while the time remained unchanged. This aspect became evident with buses arriving late. According to Nobina, these modifications were done by the Troms Fylketrafikk without taking into account her expertise in managing public transport.

A third strategy used by Nobina to defend her reputation against the criticism on punctuality is the strategy of Reducing Offensiveness.

Reducing Offensiveness is another strategy used by Benoit (1995:77) in defending the reputation of a company or organization against stakeholders' criticisms. Benoit explains the term with an analogy of a man accused of misbehaving and attempting to reduce the level of ill feeling experienced by the audience. Reducing offensiveness is an image repair strategy that can be seen in the various steps taken by Nobina in dealing with criticisms from stakeholders. The strategy comprises six points namely, bolstering, minimization, differentiation, transcendence, attacking accuser and compensation.

Schonbach (1980) explains Compensation as the final strategy for reducing offensiveness of an action. The perpetrator of the act offers to help the victim as a means to help offset the negative feeling accruing for his wrongful act. Below is an extract that explains the process of compensation done by Nobina to a passenger. The passenger explains the problem of late coming he faces as a result of his use of the Nobina bus to work. As a result he takes the taxi

instead of the bus. A normal bus time to work usually takes half an hour one way but with Nobina, it takes two and a half hours. The passenger demands compensation for the problem. Compensation however is done as means for reducing offensiveness against stakeholders' criticism of the company.

*"Hei. I de siste 2 uker brukte jeg gjennom forsinkelser/innstilte ruter 2,5 timer mer en rutetabell sier. En tur til jobben tar 0,5 timer for meg. Hvem betaler for tida som jeg mistet på jobben (senere på jobb og jeg må gå tidligere for å rekke å hente barna fra barnehagen)? Hvordan for jeg godskrevet/betalt minimum 5 turer (2,5 timer) tapt arbeidstid? Hvor skal jeg sender klage? Mvh Andreas Skrevet av: Andreas". (Nordlys.no, Publisert 16.02.2012).*

Below is a response strategy of reputation defense used by the leader of Nobina, Magna Nilsen, concerning the above mentioned complaint. The leader of Nobina makes a firm promise of compensation to the above victim if he can present a receipt of his transport expenditure to work. This defense strategy of compensation is aimed at reducing the level of criticism against Nobina's reputation.

*" Vi vil dekke utgifter til taxi der buss ikke har kommet, og der det er sels";  
(Nordlys.no/ Torkil Emberland /Publisert 16.02.2012).*

The above response from the leader of Nobina can be analyzed as the strategy of compensation. Compensation is aimed at reducing the level of offensiveness between the company and the inhabitants in the County.

#### **4.3.1.2. Route cancellations.**

Another form of criticism against Nobina, during her first two weeks in operation in Tromsø, was route cancellation. The company began operations with not enough drivers, which affected her capacity to be an effective public transport company in Troms.

*Viktigst var likevel at vi hadde for få sjåførere, forklarer driftssjef Magnar Nilssen hos Nobina i Tromsø. (Transportforum.no 03.2012).*



Most of her drivers over worked themselves, what resulted in 20% sick leave of her work force.

*Hver 5 sjåfør i Nobina er syk. 20 prosent av Nobina sine bussjåførere i Tromsø er syke, og det skaper vanskeligheter; (Robert Greiner. Nr.no/Publisert 24.02.2012).*

This led to route cancellations and delays.

According to my informer, the world is so advanced that the media gets reports on events happening in and around the buses from passengers eager to report and document with photos.

*150 avganger innstilt på to uker.*

*Sjekk hvilke fem bussavganger som er innstilt i dag.( Susanne Noreng.*

*Nordlys.no/Publisert 15.02.2012).*

The problem of Nobina's route cancellations affected the inhabitants in the County of Troms negatively, provoking criticisms on the Nobina.

The same problem further affected the reputation of the company and attracted more criticisms from stakeholders. Route cancellation affected people of all works of life in the society. Pupils were also affected as they got to school 45 minutes late. This usually took place during the morning hours. The Troms County responds to route cancellation:

*Vi tenker at to felt nå bør prioriteres: Å få på plass nok sjåførere, og å jobbe med skift og ruteplan for å se på om det er andre årsaker til at enkeltavganger blir forsinket, sa direktør i Troms fylkestrafikk; (Kjetil Skjeie til iTromsø. Publisert: 14.02 2012 06:10).*

The creation of a two shift plans for drivers was hailed as a solution to the problem. While making sure some drivers were to standby on duty if need be. Nobina defended her reputation with an apology to the above criticism on route cancellation, by promising the recruitment of more drivers in the company. The leadership believes recruiting more drivers to her work force, will help solve the problem of route cancellation. The management of Nobina had constantly apologized to stakeholders and had often used the strategy of mortification as a platform to explain why things went wrong. This seemed

to be her strategy for reducing offensiveness, as reflected in responses given during crisis by its leaders. About this, Benoit (1995) says anyone desiring to restore an image through discuss should take into consideration the five options: denial, evading responsibility, reducing offensiveness, corrective action and mortification The management of Nobina has used the strategy of mortification to defend the company's reputation against stakeholders' criticism by apologizing and promising improvements in the hybrid technology in the buses.

Nobina, next, defended its reputation against the criticism on route cancellations (and delays) through the strategy of denial and attacking the accuser. Scott and Lyman (1968) explains the point of attacking accuser by saying sometimes those accused of wrong-doing attack their accusers. Benoit (1995:78) further explained the same point by stating if the credibility of the source of accusation is reduced, the damage to the image of the accused might diminish. Thus Nobina resorted to the strategy of attacking the accuser by, either blaming the ineffectiveness of those in charge of removing snow during winter, or directly by blaming snow and icy road.

*– Mens jeg var på vei inn etter den første ulykken kom det en buss til. Den forsøkte å komme seg forbi bussen som allerede sto i hagen min, men da den var kommet oppover i bakken, skled også den bakover, og kolliderte med bussen som allerede sto fast. Dermed hadde jeg brått to busser som blokkerte hele huset, forteller Georgsen til Nordlys.( Rune S. Alexandersen and Tord Olander Pedersen. Nordlys.no/ Publisert 12.11.2012).*

#### **4.3.2. THE TROMS COUNTY CRITICISMS ON ACCIDENTS AND NOBINA'S REPUTATION DEFENSE STRATEGIES.**

##### ***4.3.2.1. The criticisms about Accidents and near accidents from the county of Troms***

There have been frequent accidents and instances of near accidents associated with the buses that is events relating to safety in which passengers encountered scary experiences, with buses sliding down the hill. Most often during winter, the buses find it difficult to drive up a hill and starts sliding backwards. This has often times led to scary and uncomfortable situations for passengers.

*På såpeglatt føre skal den ene bussen ha begynt å skli bakover i en bakke. Med bakenden traff den bussen som kom etter. En tredje! buss kjørte av veien for å unngå å treffe de to første. En kvinnelig passasjer fikk seg en trøkk i skuldra, men ellers ble ingen andre mennesker skadd. Bussene er det imidlertid verre med. (Nrk.no. 11.03.2012).*

##### ***4.3.2.2. Nobina's reputation defense strategies against the criticisms on Accidents and near accidents.***

The above mentioned criticism is levied on Nobina as the cause of the accidents. To the criticisms on accidents and near accidents, Nobina Tromsø responded by using Benoit (1995) strategy of denial, in which the accused refuses responsibility for an act committed. Though Nobina can be associated with the accidents, the company denies full responsibility for it. In fact, in response to the above mentioned criticism, the police and the leader of Nobina blamed it on drivers responsible for the accidents and not the company. This attribution of accident responsibility to drivers can be analyzed as Nobina's strategy of reputation defense. This was because the drivers are responsible for evaluating the weather condition before driving. They had the obligation of fitting chains on tires before driving due to the icy condition of the road.

*– De fem sjåførene må regne med bøter, sier operasjonsleder Trond Høydahl ved Troms politidistrikt til NRK.*

*Ifølge driftssjef Magnar Nilssen i Nobina er det sjåførene selv som må avgjøre om kjetting er nødvendig eller ikke. (Nrk.no. 11.03.2012).*

The strategy of denial in this case is aimed at warding off criticisms that might seem destructive to her reputation in the County.

Reducing Offensiveness is another strategy used by Benoit (1995:77) in defending the reputation of a company or organization against stakeholders' criticisms. Benoit explains the term with an analogy of a man accused of misbehaving and attempting to reduce the level of ill feeling experienced by the audience. The strategy is an image repair strategy that comprises of six points namely, bolstering, minimization, differentiation, transcendence, attacking accuser and compensation.

Scott and Lyman (1968) explain minimization as an attempt to persuade the audience that, the crisis in question is not as serious as it appears to be. This is similar to Benoit's (1995:77) point of view. Benoit (1995:77) says minimizing offensiveness of the act is to claim little damage from the crisis if the audience can be convinced the negative act is not as bad as it seems and therefore the amount of ill feeling related with is reduced. Nobina's reputation has been affected the media displaying of her accident records, relating it to her buses stopping half way up a hill and rolling backwards. Nobina defends her reputation by denying and shifting the blame to the hybrid technology and not her drivers. Nobina explains then, driving up a hill requires much energy which is beyond the capacity of the hybrid buses. As such the hybrid buses are designed to switch to diesel when climbing a hill. But for the switch to occur the engine has to stop for about a minute, which is usually the cause of the buses rolling backward. The statement is a minimization of the crisis facing Nobina Tromsø AS and her hybrid buses. The management of Nobina tries to minimize the crisis facing her ill work-force by recruiting more drivers and bettering her services.

#### **4.3.3. THE TROMS COUNTY CRITICISMS ON HYBRID BUSES AND NOBINA'S REPUTATION DEFENSE STRATEGIES.**

##### ***4.3.3.1. The criticisms about hybrid buses:***

According to the county of Troms, the Volvo hybrid buses used by Nobina are not suitable for the Troms terrain. The fact is, the bidden contract between Nobina and the county of Troms, demanded Nobina to provide hybrid buses suitable for transportation in the north of Norway. Unfortunately the hybrid buses provided by Nobina were not good enough for use in the County.

*Kritikk for at det er krunglete å legge på kjetting, dårlige dekk og girkasser avvises av ledelsen i Nobina. Heller ikke kritikk for at de er dårlige på vinterføret vinner fram.(iTromsø.no/ Publisert: 02.03 2012).*

As such the company received criticisms for various aspects associated with her hybrid buses.

#### **4.3.3.2. The criticisms about hybrid buses:**

The leader of Nobina defended the company's reputation using the strategy of reduce offensiveness and mortification. The strategy of reduce offensiveness was aimed at giving genuine reasons that might help to eliminate skepticism concerning her hybrid buses. The marketing leader of Nobina gave optimistic information to the public about modifications that will make the buses better. This form of cognitive communication strategy is recommended by Dowling to leaders facing crisis. Dowling cautions leaders about good discipline in presenting a carefully worded statement to media and employees during crisis. The leader equally used the strategy of mortification to defend the reputation of the company by stressing the hybrid buses were recommended in the contract. As such the company did not do anything wrong. The company instead did good in modernizing certain aspects in the hybrid system that were not good enough. This defense strategy is aim at restoring the reputation of Nobina against stakeholders criticisms.

*- De nye bussene er utstyrt med sandstrøere og har utstyr som skal gjøre dem bedre på vinterføre, sier driftssjef Magnar Nilssen.*

*Selv har han pekt på at anbudet har krevd alkoholås, noe som har skapt en del problemer i oppstarten. Likevel avviser han at anbudet har ført til busser som ikke klarer oppgaven.(iTromsø.no/ Publisert: 02.03 2012).*

The strategy of accusing the accuser is used by Nobina to defend her reputation against criticisms of her hybrid buses. The leader of Nobina uses the strategy to criticize the County of Troms for stipulating in the bidden contract, the need for longer hybrid buses, without adequate findings concerning the relevance of such buses in Troms. It is evident this buses could function properly elsewhere with a different terrain than Troms.

- *Det er helt klart at man burde ha stilt spørsmål ved behovet for såpass mange lange busser, om disse ville være effektive i Tromsø. Undersøkelsene gjort i forkant burde vært mye bedre. Det holder ikke å ta studieturer til Arendal for å se på hvordan disse bussene fungerer - det er helt andre forhold i Tromsø, sier Nilssen, og fortsetter:( Tord Olander Pedersen. Nordlys.no/ Publisert 23.03.2013)*

The company uses the strategy of reducing offensiveness to defend her reputation against criticisms from the public on her hybrid buses by reminding the public, the buses met the criteria given by the County of Troms in the bidden process.

*- Nobina har kjøpt inn disse bussene basert på spesifikasjonene i anbudet. I anbudet var det krav om både lange busser på de nevnte rutene, samt krav om å ha hybridbusser. Det er sikkert slik at hybridbusser vil bli bra en gang i fremtiden, men slik det er nå, er de ikke gode nok for bruk i Tromsø. Vi var rett og slett for tidlig ute, og det må man ta lærdom av.( Tord Olander Pedersen. Nordlys.no/ Publisert 23.03.2013)*

Nobina is criticized for her hybrid buses. The company barely provided the type of buses needed by the County as stated in the contract. However the company defends its reputation from such criticism by pointing out the error in the bidden process. According to the marketing leader of Nobina, it was wrong for the Troms Fylkestrafikk to decide which type of buses to be used in Tromsø. It could have been better to trust the company charged with the delivery of public transport in the city to do so. In other words Nobina could have provided buses which could have been suitable for the terrain in Troms.

*- Strengt tatt burde ikke Troms Fylkestrafikk ha hatt noe å si på hvilken busstype man skulle velge. Her burde man ha stolt på at selskapet som skulle drifte rutene hadde nok kunnskap til å velge det som var riktig for byen.(Tord Olander Pedersen. Nordlys.no/ Publisert 23.03.2013).*

The Tromsø city adviser paid a courtesy visit to Nobina and spoke to some of the leaders concerning the problems affecting the buses and their experiences. Below is an extract relating to the criticisms from Nobina Tromsø employees.

*Jeg besøkte tillitsvalgte hos Nobina og de mener at Troms fylkeskommune/fylkestrafikk/Nobina har anskaffet feil type materiell der girkasse, dekk, karosseri mm ikke duger under nordnorske forhold.*

*(JørundWessel Carlsen .avisa iTromsø.no.Publisert: 14.11 2012 18:52).*

The leader of Nobina, Magna Nilsen, accepted the criticism to an extent through his use of mortification as a strategy of defense. Mortification is aimed at apologizing for acts committed that might negatively affect the reputation through criticisms from the public. As such, accepting responsibility for an act can be a way to reduce offensiveness through the strategy of minimization.

*- Driftssjefen i Nobina, Magnar Nilssen, var ute i går og sa at ruteopplegget ikke tåler nordnorsk vær. (JørundWessel Carlsen. Avisa iTromsø.no. Publisert: 14.11 2012 18:52).*

Magnar Nilson defends Nobina's reputation concerning her hybrid buses, using the strategy of communication as requested in the theories of Coombs and Dowling. The leader uses the strategy of communication to apologize to the public concerning the problems facing the hybrid buses. The strategy of mortification was used to crave in sympathy from the public concerning the new hybrid technology. The hybrid technology has not been properly tested on buses as such Nobina's experiences with the buses are also new and require time to be amended. This strategy of minimization is aimed at softening public perception of Nobina and her hybrid buses.

*" Hele konseptet med hybridløsningen var ikke testet godt nok ut. De bestilte en helt ny bussstype som var lite utprøvd, som skulle utgjøre nesten halvparten av bussflåten i Tromsø. Nå som vi har fått disse bussene til Tromsø og ser at de ikke fungerer godt nok står vi nærmest lammet, sier Nobinas markedsdirektør Magnar Nilssen til Nordlys".  
( Nordlys: 25.01.2013).*

The argument led Nobina to criticize the Fylkeskumme for being part of the problem.

*Nobina mener at troms fylkeskommune selv må ta deler av ansvaret for at Tromsø har fått farlige busser.(Nordlys:25.01.2013).*

This can be understood based on the findings done by members of the County of Troms in Trondheim before the bidden process. Politicians in the County admired the functioning of the hybrid system in Trondheim and became interested. The politicians from the County of Troms failed to find out the weaknesses associated with the hybrid buses in Trondheim. They equally failed to use their drivers to test drive the buses before making recommendation in the bidden process. They were more interested in the hybrid technology than its effectiveness during winter in Troms. To this respect, the county of Troms must take part of the blame for the poor functioning of public transport in the city. The marketing director of Nobina said the company bought the hybrid buses that were available in the market.

*- Mener du Troms fylkeskommune selv burde undersøkt hvorvidt hybridteknologien kunne medført problemer i Tromsø?*

*- Ja, definitivt. Her skal man ut og ta i bruk en helt ny busstype i Tromsø. Da burde fylkeskommunen kvalitetssikret bedre at dette var en type buss som fungerte i Tromsø på vinterstid. Vi vet at de var rundt omkring og besøkte bussfabrikker før anbudsperioden, da burde de faktisk ha klart å sjekke ut dette også.(Jostein Larsen Østring. Nordlys.no/Publisert 26.01.2013).*

The marketing director of Nobina defends the reputation of the company using the strategy of simply denial by saying the County of Troms is to blame for the crisis affecting the hybrid buses not her. According to Nobina, the politicians in County failed to supervise the technical apparatus surrounding the functioning of the hybrid buses before the final approval of the contract. All these factors seem to contribute negatively to the reputation of the County of Troms.

The strategy of denial simply encourages those accused of wrong doing to disassociate themselves from issues that bring discomfort to the audience. This strategy of denial helps in the restoration of an organization's reputation criticized for wrong doing.



Nobina's denial is meant to reduce her negative perception from the public.

In Benoit (1995) the strategy of denial can be the result of false accusation or that the accused basically did not have a bad intent for causing the crisis. Nobina is criticized for intentionally buying and using poor quality hybrid buses in Tromsø. Nobina denies intentionally buying the wrong quality buses for the Tromsø terrain. She claims her buses are the best in quality of the hybrid brand in the world. Her strategy of denial is aimed at reducing responsibility of her involvement in the crisis.

*”Tromsø mener fortsatt at hybridteknologien er trygg, og at det er bussene Nobina har bestilt hos Volvo det er noe feil med.*

*Dersom en profesjonell tilbyder underveis i prosessen hadde kommet frem til at ingen av hybridbussene som på det tidspunkt var på markedet kunne tilpasses nordnorske forhold godt nok, hadde vi forventet å få tilbakemelding på det, sier Bones”.(Jostein Larsen Østring. Nordlys.no/Publisert 26.01.2013).*

Nobina uses the criteria on the contract with the county of Troms as an alibi against criticisms for her hybrid buses. According to Benoit (1997) an alibi is to provide acceptable evidence that denies the accused as the cause of the crime. Nobina is not the cause of the hybrid buses not being able to function properly in Tromsø. She uses this alibi as a strategy of reputation defense by saying she did nothing wrong by referring critics to the contract as an alibi of truth. The contract clearly stated the need of hybrid buses, that were a bit longer in length and capable of being driven in northern Norway without problems. Nobina's explanation of her buses being the required standard prescribed in the contract was aimed at reducing offensiveness against criticisms from stakeholders.

In Benoit 1995 pg 76, Burke (1970) statement “well if you didn’t do it, who did it”, can be used to analyze the defense strategy of Nobina against criticism from the County of Troms on her hybrid buses. Nobina denied full responsibility for the problem facing public transport in the city. Nobina further states, it does not produce buses but buys them to provide services to the public. The company denied full responsibility in the crisis and blames the county of Troms for prescribing hybrid buses in the contract without adequate findings concerning their functioning in Tromsø. Below is a statement from the marketing director of Nobina Tromsø, Magnar Nilse,

in which he defends the company's reputation by criticizing the County of Troms, for being partly responsible for the crisis that affected Nobina.

*Her skal man ut og ta i bruk en helt ny busstype i Tromsø. Da burde fylkeskommunen kvalitetssikret bedre at dette var en type buss som fungerte i Tromsø på vinterstid. Vi vet at de var rundt omkring og besøkte bussfabrikker før anbudsperioden, da burde de faktisk ha klart å sjekke ut dette også. (Jostein Larsen Østring. Nordlys.no/ Publisert 26.01.2013)*

The county of Troms equally denied responsibility for the crisis by criticizing Nobina not to have found out, if the buses could be used in Tromsø or not. However, Nobina denied the accusation from the county of Troms, that the problem is not with the hybrid technology but with the buses. To this Nobina responded by saying, the Volvo hybrid buses used in Tromsø are the best, one can find anywhere in the world.

*Markedsdirektøren sier at Nobina har benyttet seg av de hybridbussene som finnes i markedet. (Jostein Larsen Østring. Nordlys.no/Publisert 26.01.2013).*

Nobina denied the criticism by saying the buses are good and capable of functioning properly in the northern Norway with the use of chains on tires during winter.

Benoit (1995:76) says evading responsibility is when one is unable to deny responsibility in the act in question and may perhaps be able to reduce their involvement in it. Evading responsibility is a strategy that can be seen from four variations.

- i) Scott and Lyman (1968) suggest an idea of scape-goating, on bases the act in question was done, in response to another wrongful act which provoked the act. In this case the provocateur might be held to account (Benoit 1995). This strategy can well be analyzed using Nobina as a scapegoat for criticisms of the crisis facing public transport in the County of Troms. Nobina simply denies being responsible for the crisis by alluding to the criteria stated by the county of Troms during the bidden process. The county of Troms needed the hybrid buses that Nobina provided. If the hybrid buses faced some

technical problems during operation in Tromsø, it should not be the responsibility of Nobina but that of the county of Troms, who failed to do appropriate findings during their enquiry of the functioning of the hybrid buses. Members from the County were involved in visibility studies around companies that operate hybrid buses. It was their responsibility to access if the hybrid buses could function smoothly Troms before signing the contract .

- ii) Defeasibility is the second strategy of evading responsibility. According to Scott and Lyman (1968) defeasibility is pleading lack of information and control over important issues in a situation. Nobina's strategy of defeasibility can be analyzed as a defense mechanism against criticism from stakeholders. Nobina is criticized for buying poor quality hybrid buses and also pleads inadequate information concerning the capacity of the hybrid buses to function in Tromsø. Nobina uses denial to reduce offensiveness from stakeholders. This criticism is vehemently denied by Nobina on grounds that, there is no better hybrid bus found elsewhere in the world than those she provided in Tromsø. The strategy of defeasibility also highlights the county of Troms lack of information concerning the inability of hybrid bus to function properly in Tromsø. The county of Troms failed to carry out field studies before recommending hybrid buses in Tromsø. Nobina claims her function is to deliver services to her customer based on what her customer needs. As such Nobina defends her reputation against media criticisms by saying, she provided hybrid buses as demanded by the county of Troms in contract.
- iii) Furthermore, Nobina tries to evade responsibility from stakeholder criticisms by making valid excuses relating to difficulties she encounters in delivery of services in Tromsø. Nobina uses hybrid buses that are longer than those of COMINOR as prescribed in the contract with the county of Troms. The hybrid system is energy efficient and runs on electricity and diesel but the system has a deficiency when ascending a hill. The smaller nature of roads in Tromsø makes it difficult at times to maneuver these buses during winter. The engine stops and switches to diesel after a few minutes when driving up a hill. The technology is good and approved by the county of Troms. Often times the buses slide down a hill on icy roads during winter. This has resulted to accidents and near accidents. The situation has been scary to both the drivers as well as passengers, to which the media criticizes Nobina for causing a crisis.

The county of Troms also denied knowing the one who brought up the idea of using hybrid buses in Tromsø. In Benoit (1995) this aspect of denial can be used to save the image and reputation of a politician, party or organization. Is it really true the county of Troms does not know who brought up the idea of using hybrid buses to serve as a source of public Transport in the city? This aspect of denial creates doubts in the minds of stakeholders' interested in the smooth functioning of public transport in Tromsø. The strategy will help to eliminate witch hunt amongst politician and the public towards the politician involved.

- iv) In Benoit 1995 (Ware and Linkugel 1973), talk of evading responsibility through good intention. Ware and Linkugel(1973) explains good intention as the act of doing well. The act was done in good faith not bad, though the outcome or effect was bad. Ware and Linkugel (1973) explained the act was done in good faith not evil. The strategy can be applicable to The county of Troms's desire to have hybrid buses as criteria in the bidden process. The outcome of Nobina's use of hybrid buses during winter has not been favourable as such it has attracted much criticism from the media as well as stakeholders' to Nobina. Nobina employs the strategy of evasion of responsibility to deny making the decision to use hybrid buses in Tromsø. A point Nobina quickly evades by referring to the criteria stated by the county of Troms during the bidden process.

Reducing Offensiveness is another strategy used by Benoit (1995:77) in defending the reputation of a company or organization against media or stakeholders' criticisms. Benoit explains the term with an analogy of a man accused of misbehaving and attempting to reduce the level of ill feeling experienced by the audience. Reducing offensiveness is an image repair strategy that be seen in the various steps taken by Nobina in dealing with criticisms from stakeholders'. The strategy comprises of six points namely, bolstering, minimization, differentiation, transcendence, attacking accuser and compensation.

In Benoit 1995 pg 76, Ware and Linkugel (1973) explains bolstering to be a reminder of the actors positive traits. According to Benoit (1995) bolstering is an attempt to offset the audience's displeasure. Though Nobina has been the subject of media criticisms as regards to late coming, cancellation of routes, accidents etc, the company's hybrid buses are environmentally friendly. Through bolstering Nobina denies negative criticisms from stakeholders' regarding her reputation, pointing to the importance of having an environmentally friendly source of public

transport. Nobina Tromsø operates the most hybrid buses in Scandinavia. Her environmentally friendly buses are a source of comfort to many, who use it on daily bases. Bolstering then explains why hybrid buses are used as a source of reducing the negative effects of Nobina actions in Tromsø.

According to Benoit 1995 pg 76, Ware and Linkugel (1973) explains differentiation as a possible method of minimizing an offensive action. The actor attempts to differentiate the act from that which is similar but has a less desire outcome. Benoit (1995:78) says the act is different from other more offensive acts, in that, it mitigates the audiences' negative feelings by comparison. Differentiation is used by Nobina to deny criticisms concerning her inefficiency when compared with COMINOR. Nobina defends her reputation by saying both companies operated differently. Cominor operated with diesel buses while Nobina did with mostly hybrid buses as stated in her contract with the County of Troms. The marketing director of Nobina Magnar Nilsen, defended the reputation of the company against stakeholders criticism by quoting the terms in the contract with the County of Troms. Nobina won the contract because the County of Troms needed hybrid buses instead of the diesel buses used by Cominor. Both companies operated on two different technologies.

*- Nobina har kjøpt inn disse bussene basert på spesifikasjonene i anbudet. I anbudet var det krav om både lange busser på de nevnte rutene, samt krav om å ha hybridbusser.  
(Tord Olander Pedersen. Nordlys.no/Publisert 23.03.2013).*

COMINOR used normal diesel buses while Nobina used mostly hybrid buses. The hybrid buses are fuel efficient and could only switch to diesel when driving up a hill. The switching process from hybrid to diesel usually causes discomfort as the engine stops for about a minute. Nobina uses differentiation to deny the problem is not caused by her drivers but by the hybrid technology which the county of Troms demanded the buses should have during the bidding process. This act of denial through differentiation creates a better awareness of the situation facing public transport in Tromsø and also helps in the defense of Nobina's reputation against stakeholders' criticism.

Transcendence is the act of directing ones attention to something else. According to Benoit (1995) Transcendence is the final act in the theory of apology in which he describes it as joins

some facts, sentiments, object or relationship with some larger context within which the audience does not presently view that attribute. Benoit (1995) further explains, Transcendence is contrary to differentiation that separates objects from a desirable context. Nobina, employs transcendence to deny accusations relating to her poor quality buses. Transcendence helps the audience to visualize the long term effect instead of the immediate outcome of the act, Benoit (1995).

However, the outcome of using hybrid buses in society is of greater good compared to her late comings. As such,, it can be managed only if the media stops her bias reporting and focus on the importance of the hybrid technology. Reasons being, late comings, problems with the gearbox can be fixed and adjusted in the cause of time.

According to the leadership of Nobina, it was necessary to provide the prescribed hybrid buses in the contract. The leadership further reiterated, Nobina does not make buses but buys them for use.

*- Nobina har kjøpt inn disse bussene basert på spesifikasjonene i anbudet. I anbudet var det krav om både lange busser på de nevnte rutene, samt krav om å ha hybridbusser. (Nordlys.no, Publisert 23.03.2013 kl 12:14 Oppdatert 23.03.2013).*

Nobina further denied the county of Troms failed to state how powerful the engine of the buses were suppose to be, neither did the County state the length of each bus.. This strategy of denial by Nobina was aimed at reducing the damage on her reputation caused by criticisms from stakeholders.

#### **4.4. IMPACT OF STAKEHOLDERS' CRITICISM ON REPUTATION MANAGEMENT IN NOBINA TROMSØ.**

There has been an enormous impact of stakeholders' criticisms on Nobina Tromsø. The company began operations poorly with lots of late coming, delays and route cancellations. These brought criticisms to her reputation from stakeholder, including her own drivers. However, the management of the company had to consider these criticisms seriously and took the necessary steps in building and defending the reputation of the company. The crisis had both a positive and a negative out-come on Nobina's reputation management against stakeholders' criticism.

According to informant at Nobina, the company began with a 20% reduction capacity of drivers. The criticisms for delays and route cancellations led to the recruitment of 40 more drivers, which solved the problem of shortages, because 20% of them were on sick leaf. Nobina had to grapple to terms with the bias reports from the media concerning her reputation by applying the Benoit (1995), Coombs (1998) and Dowlings strategies of defense. The company embarked the strategy of mortification by apologizing for the problems and promising the recruitment of more drivers as a strategy of defence against criticism of delays, route cancellation and drivers on sick leaf. The leadership of Nobina equally used Dowling and Coombs strategies of communication to demonstrate remorse by promising the recruitment of more drivers to help solve the problems of delays and route cancellations.

*Nå fikk fylkesrådet forsikringer om at Nobina skulle legges frem en ny organisering for bussjåførene, slik at det ikke blir så mange sykemeldte sjåførere. I tillegg skal Nobina få 10 nye sjåførere til Tromsø mandag, og 30 nye sjåførere i løpet av de to neste ukene. ( Troms Fylkeskommune. Publisert 02.03.2012).*

Nobina recruitment of forty more drivers can be understood in line with her strategy of reduce offensiveness, which was aimed at appeasing inhabitants of the County of Troms against her route delays and collations. The crisis made the management to work harder in other to defend her reputation that seemed threatened by frequent bus accidents, late comings and cancellation of routes caused by shortages of drivers.

Stakeholders' criticisms also had a positive effect on the company because it alerted the management on the issues at stake. It made them to basically know where to focus their attention, in other to better manage the reputation of the company. For example, when the county of Troms complained of late coming and fined the company 1.1 million kroner.

*"Fredag kom beskjeden om at Troms Fylkeskommune nå bøtelegger det svenske busselskapet med 1,1 millioner kroner grunnet de mange innstilte avgangene og forsinkelsene som har vært."(Nordlys, Publisert 02.03.2012 ).*

The situation alerted the management to work closely with the drivers, in other to avoid such fines in future. The management had to organize motivational and learning courses for drivers, such as the fitting of chains on tires during winter.

However, some of the stakeholders' criticism of the company seemed to have a negative effect on the reputation of the company. Her late comings and her frequent accidents were also to blame for her reputation. The criticisms were also partly because the buses were not particularly design to run on terrains like Tromsø. Some of the buses were a bit longer than normal and were also a bit difficult to manoeuvre at bends, not particularly good for winter in Tromsø.

#### **4.5. THE COMBINE STRATEGIES OF BENOIT, COOMBS AND DOWLING.**

##### **4.5.1. The theory**

Situational crisis communication theory (SCCT) of Coombs has been used as a strategy of defense or repair by Nobina. This strategy of Coombs is important in understanding the research subject which focuses on reputation management and defense against Nobina stakeholder's criticism. The research deals with how reputations can be restored, defended, and protected against criticisms from stakeholders'.

*"The primary goal of the S.C.C.T. s to protect or repair the reputation of an organization". Secondly "the S.C.C.T influences the appropriateness of the communication strategies used by crises managers" (Coombs, Sherry, Holladay 1988:224).*

According to Coombs (2007), the SCCT develops recommendations for applying crisis response messages in different crisis situations. Nobina applied the SCCT strategies in response to the numerous criticisms she faced during her early days of operation in Tromsø. The aim of the strategy was to enable stakeholders' have a deeper understanding of the crisis as a means to defend or repair her reputation.

*"SCCT help others understand the effects of crisis communication responses on stakeholders' attitudes and behavior towards the organization"*



*(Coombs, Sherry, Holladay 1988:224).*

The SCCT advises organizations to protect their reputation during crisis and the way of "protecting the reputation is by developing a crisis response messages that are based on the situation" (Coombs 1995). The SCCT strategy is used by Nobina when faced criticism from stakeholders' on her lateness and route cancellation. The spokesperson of the company has often times demonstrated a mastery of the SCCT defense and repair strategies during crisis. He prepares different answer to different crisis situations as a means of defense or repair of the company's reputation. This is because the SCCT suggest a two step plan for assessing a crisis threat. According to Coombs (2012), organizations with previous history of crisis and those with poor reputation prior to crisis usually experience a less supportive and a more critical response from stakeholders'. As a result of this fact the spokesperson of Nobina does his best in applying the defense and repair of Benoit (1995) in line with Coombs (2012) in order to prevent the organization from having a crisis history. The first step in defending or repairing an organization's reputation is to determine the frame used by stakeholders' in categorizing the crisis. This will enable the management to set up a concrete defense or repair strategy for the organizations reputation against criticisms from stakeholders'.

However, Nobina defends and repairs her reputation using the example of Coombs (2012) three crisis types. Which are the victim or low crisis responsibility, accidents or minimal crisis responsibility and the intentional or strong crisis responsibility. The three crisis types are threats Nobina has faced with regards to stakeholders' criticism of her reputation. The organization and her buses, have been criticized for victimizing the public through lateness and route cancellation. The company responded with a good number of reasons that seemed convincing to the public. Nobina complained the current routes are out dated and needed restructuring. Below are some recommendations on the modification of routes sent by Nobina to the County of Troms

According to this article in Nordlys by

*Dette er ønskene Nobina sendte til fylkesråd for samferdsel, Terje Olsen og direktør i Troms fylkestrafikk, Kurt Bones:*

*Rute 20, 21 og 24 fra sentrum til Stakkevollan og Giæverbukta må kjøre via Skolegata i retning fra sentrum. Det vil redusere antallet busser forbi et kritisk punkt ved*

*undergangen Gyllenborg. Vi hadde omkjøring for bussene i tre måneder grunnet anleggsarbeid hvor bussene kjørte denne traseen. Det har fungert helt fint (vi har ikke mottatt noen negative tilbakemeldinger fra publikum). Nye holdeplasser må etableres i Skolegata og Dramsvegen.*

*Fredrik Langnes gate mellom Grønnegata og Vestregata stenges for annen trafikk enn buss og taxi. En fjerning av annen trafikk gir bedre fremkommelighet, og ikke minst også et mer oversiktlig trafikkbilde. Personbilene som skal opp og ned må eventuelt ledes til å kjøre til Strandskillet. Bør være helt uproblematisk.*

*Busser fra fastlandet som kjører via Gåsværvegen bør kjøre via rundkjøring/E8 ved Nova på tur mot sentrum. Da unngår bussene problembakken i Tromsdalen.*

*Holdeplassen Tunvegen bør stenges vinterstid. Det er gangavstand til de to nærmeste holdeplassene, henholdsvis Skattøra og Varden. (Nordlys: Publisert 08.10.2013).*

These routes were designed to suit COMINOR buses, as such, they needed restructuring to suit her hybrid buses. The Fylketrafik is responsible for the managing and planning of routes within Troms. Nobina used the crisis communication strategy as a means to defend or repair her reputation against stakeholders' criticism by saying, though the current routes have been extended by the Troms Fylkestrafikk, they failed to increase the time of arrival from one bus stop to the other.

*Konkret var det her snakk om reguleringstider som tilsynelatende framsto som romslige, men som når det kom til stykket likevel viste seg å ikke inneholde nok slakk.  
(transportforum.no/ 03.2012)*

This has been one of the reasons for lateness of her buses. The company also proposed a corporation with the Troms county traffic department on the planning of new routes as a means of easing the crisis.

Moreover, Nobina used the crisis communication strategy to alert stakeholders concerning the reason for the crisis. She claimed 20% of the drivers were sick, making it impossible for those at work to cover every available route. Nobina, went further to stress her need for recruiting more drivers in other to avoid such an unfortunate crisis.

Coombs (2012) second crisis type is accident or minimal crisis responsibility has also been applied as criticism against Nobina's reputation management. Stakeholders' have criticized Nobina for too many instances of accidents and near accidents within the city. This has forced the spokesperson of the organization to step up with convincing answers to defend or repair the organizations reputation. In defense of her numerous accidents and near accidents the spokesperson of Nobina blames it on the hybrid technology. The engines in hybrid buses\_ are not that powerful like those on diesel as such it becomes very difficult for the buses to drive up a hill on icy road during winter. This has been the main source of accident for the buses. According to Benoit (1996) this strategy of defense is geared at reducing offensiveness against stakeholders' criticism of her reputation.

The third crisis type Coombs (2012) introduces is Intentional or strong crisis responsibility. The act is concerned with those acts intentionally caused by persons or organizations. Nobina is criticized for intentionally purchasing poor quality hybrid buses for Tromsø. This criticism against her reputation is denied and defended. Nobina supports her defense strategy by saying the buses provided in Tromsø are the best in quality of the hybrid buses.

Nobina reputation is put to question when criticized, for intentionally using poor quality tires, which might have been the cause of her numerous road accidents during winter. The spokesperson of Nobina applies Benoit's (1996), Coombs( 2012) and Dowling's( 2002) strategies of protection, to communicate a response strategy that will defend or repair the organization's reputation against criticism from stakeholders'. Nobina responded by stating that, the used tires are taken to Volvo Sweden and amended or coated with more rubber to be used again. The newly coated tires are as good as new tires because they have been tested and proven good enough to be used.

Dowling (2002:204) introduces the immediate communication response as a strategy of defense or repair against stakeholders' criticism on organization's reputation. The strategy stresses the importance of having a trained crisis response team in place capable of handling tricky questions from journalist. This strategy enables an understanding and evaluation of reputation management and defense or repair in Nobina's, as well as her criticism from stakeholders'. The management of Nobina has been very good in responding to crisis affecting the organization reputation. This attribute, has been due to Coombs (2012) advice on managers avoiding being perceived as

confused, incompetent or withholding information. However the consequence of a manager not being in a crisis location will be the media taking over with bias reporting that might be detrimental to the organization's reputation.

However, Coombs (2012) says coordinated response strategy will enable the management to defend or repair the reputation of the organization against stakeholders' criticism. The events happening to Nobina have a coordinated response from the management on how to defend or repair

"No comment" has been used as a strategy of defence against stakeholders' criticism of Nobina's reputation management. Nobina refuses to tell the number of accidents her buses have incurred in the County of Troms as requested by the Tromsø Commune, according to an article in Nordlys by Geir Tårnesvik:

*Busselskapet fører nøyaktig skadestatistikk, men holder tallene for seg selv.*

*- Dette er interne tall som det vil være unormalt for oss å gå ut med, sier markedssjef  
Magnar Nilssen i Nobina.*

*- Men ligger det noen dramatik i å opplyser om hvor mange hendelser bussene har vært involvert i?*

*- Vi kommer uansett ikke til å gå ut med noen tall, sier Nilssen.*

*(Geir Tårnesvik I Nordlys.no. Publisert 14.11.2012).*

Nobina has used no comment on her accident record as a strategy of defense and repair of her reputation. Stakeholders criticized Nobina for having too many accidents, lateness etc. The spokesperson of Nobina declined telling the press how many accidents are registered against her, for fear of damaging Nobina's reputation. The advice is for companies to give a no comment answer to the press until a suitable response is prepared for the crisis. The tendency is to avoid errors that can be costly to the organizations reputation in future. This strategy can therefore be analyzed in response to Nobina's reputation management in light of her criticisms from stakeholders'.

#### **4.5.2. Summary of the strategies: Reputation defense or restoration?**

Reputation can be protected when the leadership is quick, responsive and in control of any crisis that emerges. Giving priority to human life as oppose to financial gains are some of the values in a leader that will always gain the respect and attention of members in the public. However, on the contrary, if the media becomes engaged in negatives reporting of events against the company, it will be evident to visualize the direction the company's reputation will be heading to. The best way to avoid any accusation of deceit or foul play in the event of a crisis, is to acknowledge early responsibility for any mistakes done in the act. The reputation of the company is most often associated to the leadership and management style of the one in charge of the company. Finally the company's reputation owes much to its brands and employees. If the company keeps on delivering quality services to consumers as well as satisfying employees needs, then the company's reputation will remain outstanding. Dissatisfied employees will certainly do poor jobs that might affect the company's reputation.

#### **4. 5. 3. Is Nobina's strategies successful?**

The management of the Nobina was able to defend her reputation against stakeholders' criticism by implementing strategies relevant to the various criticisms. These defense strategies can be understood in the light of the strategies put forward by Coombs, Benoit and Dowling.

Benoit's (1995) strategy of denial can be analyzed in light of Nobina's strategy of reputation defense, by simply denying being the cause of the crisis. Nobina often times shift the blame to others as a means of defending or restoring her reputation from media criticisms. Stakeholders' criticize Nobina buses for blocking the traffic around kongsbakken viderengående skole during winter. Nobina denies blocking the traffic intentionally and blame the Tromsø municipality for failing to through sand on the icy road. This aspect of denial plays in to the minds of the inhabitants of Tromsø, who feel sympathetic to Nobina as reflected in her annual amount of passengers.

Nobina's strategy of denial can also be analyzed in light of (Benoit's1995) strategy of evasive responsibility. Nobina uses the strategy to defend her reputation against stakeholders' criticism of her hybrid buses. Nobina referred critic to the contract with the Troms The county of Troms. The contract stated the need for hybrid buses fit to be driven in north of Norway. However, Nobina provided hybrid buses that were difficult to drive during winter in Tromsø. In defense of

her reputation from stakeholders' criticism Nobina ,said there buses are the best quality in the hybrid ,one can find anywhere else in the world. Nobina's explanation seems to be successful as seen the amount of passengers she was able to transport in 2012.

Nobina turns to defend her reputation from stakeholders' criticism by referring to her hybrid buses. Her intention of providing an environmentally friendly bus with low co2 emission is accepted and defended by environmentalist who sees it as good intention, but not to her critics. Though one will argue Nobina's success is directly linked to her hybrid buses as seen from the amount of passengers she transports annually.

The strategy of reducing offensiveness is been used by Nobina as a form of defense by stressing the need for bolstering or good behavior among her employees. The management of Nobina demonstrates bolstering when he offers to reimburse the taxi fares of those who are affected by Nobina's lateness or route cancellation.

Furthermore, Nobina's success can be attributed to corrective action. The company defends her reputation from stakeholders' criticism through solving problems

The strategy of mortification has worked to Nobina's advantage when applied by her manager. Nobina apologizes to passenger for lateness or route cancellation. The company offers to reimburse the taxi fair of anyone able to provide a receipt. This strategy of defense also helps to restore Nobina's reputation against stakeholders' criticism. This can also be the driving force behind her success.

According to my informant Mr. Carl Morten, Nobina also had to improve her reputation through the modernization of her buses. The hybrid buses where fitted with better gear boxes and other electronic devices that could help improve her efficiency. As a result, the company registered a 20% increase in the number passengers it transported by august 2012. The company also registered 99.7 % regularity on every route. According to my informant Mr. Carl Morten, the company also developed a smart means of measuring her reputation through the number of complains got on phone and from the media. This led to efficient flow of information from the management to employees, which helped to protect and defend her reputation.

The monopolistic nature of public transport system in the city can also be the reason behind the criticisms on her reputation. The county of Troms pays Nobina to deliver public transport service in her County. As such any error in the delivery process triggers criticisms from the County which must be defended by the company.

Environmental factor can also be a contributing reason for the defense of Nobina's reputation in the County of Troms. People are being conscious of the effect of CO<sub>2</sub> in the atmosphere, as such, the buses became a good marketing strategy of Nobina, which also attracted more passengers. The attractive appellation, hybrid bus in Tromsø, that are environmental friendly, seemed to be appealing to the inhabitants of the County of Troms.

*Mange av nybussene er såkalte hybrider, som betyr at de veksler mellom strøm- og dieseldrift. Det betyr at Tromsø er fra i dag av den byen i verden med flest hybridbusser i trafik. (Sveinung Asali og Erik Lieungh. NRK.no/Publisert 01.02.2012).*

The success of the company might as well been caused by increase in population in the city, especially amongst the students. The population in the city increases annually from around 67000 in 2011, close to 69000 in 2012, and about 70000 in 2013. Demand for Public Transport became higher due to limited parking spaces in the city. People preferred using the bus instead of their cars because of the high cost of parking and often times it difficult to find an available parking space for the car.

Consumer behavior seemed to have turned around despite media criticisms of the company. Perhaps, because of the defense strategies used by the leadership of Nobina to improve and restore the image, identity and reputation of the company from stakeholders criticisms..

#### **4.5.4. Nobina's Communication Defense.**

According to Dowling (2002:266), communication is an important tool of defense for managers facing crisis. Managers or spokespersons of companies should acquaint themselves with questions like what happen and why? This will help to eliminate the inconveniences that may arise as a result of contradictions to statement made. Such contradictions will often lead to doubts relating to the credibility of the manager handling the crisis. Dowling (2002:266) stresses the importance of unshakable facts and warns leaders and spokesperson against the modification of statements.

According to Dowling (2002:263) answers to the first two questions should be a reflection of the third. However, the spokes person should prepare a carefully worded statement on paper to employees and sources of media present. This will be for two reasons.

Firstly, the strategy will exempt the spokesperson from answering questions on issue in the paper.

Secondly, it is also a good strategy of defense because it makes the spokesperson to talk less thereby avoiding contradictions. (Dowling 2002).

Dowling (2002:267) equally warns managers against the ability of the media to either build or destroy a reputation. The media can be potentially dangerous, damaging and embarrassing to information useful in the crisis.

Dowling (2002) also mentions demonstrating remorse during a crisis. Organizations should defend their image and reputation through spokesperson during crisis. This will silence speculations of the crisis being out of control. Dowling also warns organizations to be careful when responding to the media questing during a crisis. During (2002:265) crisis communication should be focused on cognitive or being direct to facts, analysis and emotional needs. Careless response might have disastrous consequences

Dowling (2002:267) also talk of the aristocratic response as a strategy of denial that reflects the personality of the manager

Keep your head down is another strategy Dowling (2002:267) uses to defend the reputation of an organization during crisis. Dowling advises spokespersons to release as little information as possible while hoping for the media's interest to divert the attention, so the blame can be determined by an independent body or the court of justice.



\*\*\*\*\* THIS CHAPTER FIVE\*\*\*\*\*

## **PROVIDES THE RECOMMENDATIONS FOR THE THESIS AS WELL AS THE CONCLUSION.**

### **5.1. RECOMMENDATIONS.**

In this research recommendations will be done on areas affected by stakeholders' criticisms. Namely the hybrid buses, accidents, punctuality and route cancellations

I will recommend organizations interested in hybrid buses to carry out a detail analysis regarding the effective functioning of such buses in its area of jurisdiction. This involves allowing the drivers to test drive the buses at varying intervals, climatic conditions and topography. The hybrid technology is good but the product should be tested and analyzed in relation to where it will be put to use. The testing of the product is to guarantee and ensure the right quality of the product. –

*Operatøren har det fulle juridiske ansvaret for å kjøpe inn riktig produkt. Men leverandøren har et moralsk ansvar for å levere et godt produkt. Volvo har levert mange hundre busser hit, og visste godt hva som krevdes, sier Aksnes. (Torkil Emberland. Nordlys.no/ Publisert 28.01.2013 kl 16:54 Oppdatert 28.01.2013 kl 20:18).*

Nobina's hybrid buses got problems functioning effectively in Troms during winter because of a number of reasons, such as the hybrid technology, buses being very low etc. This was because those who recommended the hybrid buses in the County of Troms failed to do a proper research on the effectiveness of the buses in Troms.

The media reports concerning the crisis affecting Nobina has led to doubts concerning her reputation. It is, therefore, recommended for Nobina to set up a formidable system of measuring her reputation against stakeholders' criticism. The measuring system will act as an additional defense strategy of her reputation against stakeholders' criticism. This will, actually, enable Nobina to release her own statistical record of her activities in the Troms County against stakeholders' criticisms. Her reputation can be measured through the media, opinion polls,

customer service, public forums and the number of passengers she transports quarterly or annually.

Another form of measuring Nobina's reputation will be her involvement in societal activities. Social expectation seems to be a method of measuring an organizations reputation against stakeholders' criticism. As such, failure to include all stakeholders in the assessment will lead to an incorrect result because stakeholders have varying opinions of what constitute a good reputation. However the organization measuring her reputation must be the deciding force in choosing which stakeholders opinion matters.

Furthermore, organizations might receive negative feed backs from external stakeholders but this does not necessarily reflect a threat to her reputation. Organization members can attempt to repair the image that is perceived as negative by applying the defense strategies of Benoit (1996), Coombs and Dowling. Sometimes organizations spend lots of money and resources unnecessarily trying to repair their reputation through media advertisement, improved services etc.

Nobina should adopt a positive attitude towards passengers and other road users. A positive attitude will lead to a positive feedback on her reputation. An attitude is another way of measuring reputation that can be evaluative, cognitive judgments and mindsets. Though Nobina has been very much criticized by stakeholders, her reputation can as well be measured through her response attitude. The act of measuring reputation can be the same as measuring attitudes. Nobina should ensure reliability and honesty in her services as a tool for measuring her reputation. Reliability and honesty are related to the organization's perception of sincerity on her promises. Nobina's reputation will certainly improve if she becomes reliable and honest thereby silencing her critics.

**The result of the qualitative research recommends an aggressive media and advertisement campaign for Nobina.**

The advertisement will help revamp her reputation as formidable transport company that is punctual. The media advertisement should be done in line with of the goals of the organization. This is because; the inhabitants of Tromsø have been used to hearing and reading only negative reports about the company's delays and route cancellations. However, stakeholders will definitely be interested in a Nobina that projects it's self differently from the one in existence.

Nobina needs to recreate its image and identity by being punctual, if it is to be the number one in the minds and hearts of the inhabitants of Tromsø.

## **5.2. CONCLUSION:**

The research focuses on analyzing Nobina's reputation defense strategies, in line with stakeholder's criticisms and offering of possible recommendations as to how her overall reputation can be managed, defended, or eventually restored.

Nobina became operational in Tromsø on the 1 february 2012, after winning the bid offered by the Troms County. She had the lowest amount among five contenders. Nobina won the bid because she agreed to provide thirty hybrid buses which was a criteria on the bidden process and a six years contract was signed. The contract cost 1.6 billion kr. and was 196 million kr. cheaper than that of Cominor. Nobina is a private company originally from Sweden with many years of experience in managing public transport. The company operates branches all over Scandinavia.

The research on reputation management and defense of Nobina against stakeholders' criticisms, enlightens our understanding by creating a vivid scenario of what managers face during crisis. The research is a powerful motivational tool for prospective managers of organization, to learn about crisis management and defense strategies. The theories of Benoit (1996), Coombs (2012) and Dowling (2002) are not only important for managers but can be applicable to circumstances we face daily.

The research definitely calls for the application of the defense strategies put in place by both Benoit and Dowling against criticisms from stakeholders. They call for companies to apply the following strategies in the event of a crisis, denial, and evading responsibility, reducing offensiveness, corrective action and mortification. The advice is for companies to give a no comment answer to the press until a suitable response is prepared for the crisis. The tendency is to avoid errors that can be costly to the organizations reputation in future. The strategies can therefore be analyzed in response to Nobina's reputation management in light of her criticisms from stakeholders. Moreover, the second part of the question can be analyzed using Coombs

defense strategies. Coombs explains certain strategies of defense that can be used by Nobina in her defense of stakeholder's criticism

The research has been very interesting but certain phases remain unclear and warrant an investigation.

The crisis provokes the question to what extent is Nobina's reputation a product of stakeholders' criticism. Nobina attracted criticism from her own employees, and the county of Troms. These criticisms were all aimed at her reputation management.

The crisis led to a meeting between the county of Troms and Nobina on possible solutions to the problem. The following terms were agreed upon during the crisis meeting.

- Route cancellation, Nobina will pay 10000 kr.
- Absent from the route can lead to the payment of 10000 kr.
- Lateness over 3 minutes, can lead to the payment of 3000 kr.
- Lateness over ten minutes, can lead to the payment of 5000 kr.
- Early route cancellation can lead to the payment of 3000 kr.

According to the memorandum of understanding between Nobina and the county of Troms, Nobina will be eligible for bonuses if it is 95% or more punctual on route. The bonuses vary from 120,000 to 320, 000 kr. every four months depending on the percentage score on punctuality (iTromso.no/ Publisert: 09.02/2012 08:04).

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## **APPENDIX**

### **Background Information**

The first communal transport company in Troms County started in 1946. The company began with buses but was able to deliver other goods and services to other areas. Fourteen years later in 1960, a new company was created to replace the other. The new company became known as Tromsbuss AS and was responsible for the transportation of passengers, goods and services. Tromsbuss As was also transformed to COMINOR in 2002. The new company invested in more buses for passengers and also for the transportation of goods and services. Both transport companies were awarded contracts to deliver transport services to the Troms County. But in 2011, the rule for awarding contracts was changed. Interested companies were asked to tender in their bids for routes of interest. The Troms County awarded contracts to those who met the required criteria.. A contract of 1.6 billion kroner was awarded to Nobina Tromsø. Nobina became operational on the 1. February 2012.

The company was able to win the contract because of a number of reasons. Nobina was able to meet the expectations of the Troms County by agreeing to provide 32 hybrid buses. This is because the Troms County was interested in reducing the amount of carbon dioxide (Co2) emission in atmosphere by 2020. Nobina had a total of 130 new hybrid buses.

The taking over and management of public transport in Tromsø by Nobina attracted lots of criticisms from various stakeholders, which seemingly affected her reputation. Stakeholders' became disgruntled with her services, which were then exploited negatively through media reports. It goes without saying that the negative reports affected the perception of stakeholders' especially in their method of communication with Nobina. The research is centered on the reputation defense strategies of Nobina against stakeholders criticisms.



