

Corporate Narrative Strategy During Covid-19 Pandemic

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Abstract— The complex impact of Covid-19 has put many companies in a crisis situation. Companies are forced to issue policies that are detrimental to their employees, customers and the general public. Several previous studies have shown that a narrative strategy through a Chief of Executive Officer (CEO) letters can mitigate negative responses from constituents in crisis situations. This study aims to reveal how the company's narrative strategy in anticipating crises. This study uses persuasive communication concept and impression management theory. The object of this research is CEO's letters of Gojek and AirAsia Indonesia Indonesia Indonesia during the Covid-19 pandemic. The research findings show that AirAsia Indonesia Indonesia Indonesia uses defense strategies with exemplification, accounts, apologies, and restitution tactics. Meanwhile Gojek uses defense strategy using accounts, apologies, and restitution tactics.

Keywords— *narrative strategy, persuasive communication, impression management, crisis*

I. INTRODUCTION

The Covid-19 pandemic has affected financial performance of many corporates in all countries included Indonesia. Many companies decided difficult policies in handling this hard situation. Based on data from Badan Pusat Statistik (BPS) in 2020, at least 21 companies have reduced their workforce due to financial performance decline [1]. PT Aplikasi Karya Anak Bangsa (Gojek) lay off 430 employees and closed GoLife and GoFood Festival services during pandemic [2]. Some companies also made service adjustment for their consumer in order to maintain efficiency and stability. Air Asia must cancel 96 percent flights to comply with the government policy about travel restriction and coping with income decline [3].

In the midst of crisis situation, every policy or decision issued by company could attract public attention and potentially trigger the negative reactions. Especially the public who directly affected by the decisions that disadvantage them. The Covid-19 pandemic situation brings challenges to public relations or strategic communication practitioners to anticipate negative responses as well as maintain corporate's reputation. Narrative strategy prominently used to manage a crisis. Bruhl and Kury [4] showed that in the aftermath of the financial market crisis, U.S and European banks tend to use bank presidents' letters to influence the stakeholders' judgments about the bank's

responsibility. CEO's letter become a linguistic tool that able to form public impression about company [5].

The study held by Jinyoung Im and his colleagues [6] about 57 CEO's letters issued by the hospitality companies in United States during the Covid-19 Pandemic showed that narrative strategy effectively needed to mitigate the negative response from the public by using impression management tactics included defensive, assertive, and supplication tactics. Hence the researcher interested to study how the narrative strategy that was used by the Indonesian corporate through CEO's letters during the Covid-19 pandemic.

II. METHOD

The research method used was qualitative method with manual textual analysis as the data analysis technique. Textual analysis is part of qualitative content analysis that analytical and systematic but not as rigid as quantitative content analysis. Textual analysis still uses categorization as a guide but during the research process it can include other concepts or categorizations [7]. Data collection technique used was documentary studies. The object of this research was CEO's letters of PT Aplikasi Karya Bangsa (Gojek) and AirAsia Indonesia Indonesia Indonesia during the Covid-19 pandemic. This study limited to written narrative.

III. FINDING AND DISCUSSION

This research used persuasive communication concept and impression management theory as the theoretical basis. Smith (2002) described persuasion as "consciously attempts to influence people, using ethical means that enhance a democratic society" [8], and CEO's letter is one of corporate strategy to persuade public to have a good impression to the company. Persuasive communication was firstly studied by Aristotle who identified three central elements of rhetoric.

A. The Aristotelian concept of persuasive rhetoric

The study of persuasive communication is rooted in Aristotle's thoughts on the three elements of rhetoric, namely *ethos*, *pathos*, *logos*. *Ethos* is the character of the speaker (communicator) that determines the effectiveness of communication. CEO and PR officers as speakers must have the expertise, ability, and knowledge of the area or issue to be verbally or letterally presented so that they can be trusted. *Logos* means logical appeals that are shown through logical, reasonable, systematic, and argumentative explanations.

Pathos is an emotional appeal that inserts an emotive and persuasive style in the presentation of the prepared narrative [8]. In *pathos* element, communicator can choose the right emotional appeals – whether positive appeals such as love, virtue, and humor or negative appeals included guilty and fear appeal.

B. Impression management

Impression Management Theory was presented by Erving Goffman in 1950s. This theory originally applied in interpersonal communication study, but currently has been used in the macro-organizational context especially in organizational crises research. Mohamed and his colleague [9] found that many organizations practice impression management tactics in two types, that is assertive and defensive tactics. Assertive tactics are used to create a positive image by sharing the information that relate with qualification, achievement and organization’s performance. The strategies or tactics that are categorized into assertive tactics include ingratiation, intimidation, organizational promotion, and exemplification.

- Ingratiation is an organizational strategy to influence constituents and make them favor the organization by giving all things that pleasure them.
- Intimidation is a strategy used to determine a strong and prominent character with the aim to increase the power of the organization.
- Organizational promotion is a tactic or strategy that focuses on building an image as a competent organization, not just as an organization that follow the audience’s interest.
- Exemplification is a strategy used to build a corporate image that is responsible, prioritizes morals and ethics by emphasizing their involvement with community or social issues.

While the assertive tactics tend to be used in the normal situation, the defensive tactics are used to protect the company’s image or mitigate negative reactions when a crisis is occurring [9]. The Defensive tactics consist of accounts, disclaimers, apology, restitution, and prosocial behavior.

- Accounts is a narrative strategy by describing the difficult conditions that the organization facing in order to minimize the emergence of suffering caused by difficult conditions.
- Disclaimers is done by explaining potential problems before they occur to ward off negative reactions.
- Apology tactic is an acknowledgment that the organization is liable for a negative event, it includes expressions of regret and apology.
- Restitution tactic is offering organizational compensation to injured constituents.
- Prosocial behavior is a strategy carried out by involving organizations in prosocial actions to convince audiences that the organization has a positive identity.

C. Impression management tactics in corporate narrative of AirAsia Indonesia

On April 2020, Tony Fernandes who is the CEO and co-founder of AirAsia Indonesia wrote and published a letter dedicated to consumers who felt losses by the flight cancelation. A huge number of consumers who disappointed with company’s compensation will attract public attention that in turn attract the media attention. Moreover, the growth of social media more potentially could bring company into paracrisis or even crisis if the company ignore it. Handling crisis situations requires initiatives from top management to manage interpretations and perceptions of internal and external public about the current problem [10]. This is because the constituents’ impressions about the CEO determine the impressions to the company.

To what extent the AirAsia Indonesia CEO’s commitment absolutely have been considered by the general public not only the stakeholder directly affected by the issue. Through its CEO’s letter, AirAsia Indonesia tried to emphasized their good will. Following the Aristotelian concept of persuasive rhetoric, AirAsia Indonesia highlighted credibility, charisma, and control which are the elements of *ethos*. AirAsia Indonesia also implemented *pathos* by using positive emotional appeals. Air Asia tried to attract consumer sympathy by genuinely explaining the hard situation they faced. Logical appeals shown through a logical, reasonable, systematic, and argumentative explanation to gain understanding from the customers who dissatisfied with the compensation scheme.

TABLE I. CORPORATE NARRATIVE OF AIRASIA INDONESIA DURING COVID-19 PANDEMIC

Elements/Tactics	Categorization	Example Quotes
Ethos		We ensure that we comply with all regulations and requirements set by individual countries and consumer associations
Pathos	emotional appeals	We’ve never had this before. We also recognize that we are not always perfect, but we will do our best, whenever, for the sake of society and our customers
Logos		due to travel restrictions imposed by the governments in effort to contain the spread of COVID-19. ...There is no revenue coming in for a while, 96% of our fleet is not flying, and we still have financial commitments to fulfill, such as to fuel suppliers and aircraft leasing agents
Assertive Tactics	Exemplification	Kamarudin and I will not collect wages during this period and Allstars from all lines of business have accepted a policy of reducing temporary work time by a portion of between 15% -75% depending on seniority level, to jointly share the impact of this situation on our business. I am grateful for the sacrifice of those who have always been so insightful while navigating this situation together. We work tirelessly, know no time, to help all of you.
Defensive Tactics	Accounts	When Kamarudin and I started AirAsia Indonesia Indonesia 20 years

Elements/ Tactics	Categorization	Example Quotes
		ago, we dreamed of making everyone fly. Unfortunately, we must temporarily spare this opportunity. We are in a time of uncertainty. I never imagined it, nobody could have expected it, but everyone is now affected by it. I will be open and transparent to all of you at this challenging time.
	Apology	I sincerely apologize if many travel plans have been affected. Like all airlines, AirAsia Indonesia Indonesia also has no other choice but to cancel most of its flights
	Restitution	I understand that many of you have expressed disappointment at not being compensated for a refund, but I would like to invite you to consider offering a credit account balance as a better alternative. More than 80 percent of you have accepted the offer of a credit account and we really appreciate this

The pathos element was used to mitigate negative responses from customers, namely by using positive emotional appeal. As described above in table I. AirAsia Indonesia Indonesia stressed positive emotional appeals through optimism, gratitude and appreciation to encourage customers loyalty “I also want to express my deepest gratitude and appreciation to all of you for your loyalty to AirAsia Indonesia Indonesia”.

AirAsia Indonesia Indonesia strived to emphasize morale and reputation as a responsible company through exemplification tactics by emphasizing the voluntary attitude and sincerity of Allstars (the terms for AirAsia Indonesia employees) and Co-CEO who does not take salaries. Defensive tactics through account tactics are used to explain the difficulties that the company is facing i.e the decline in financial performance and government policies related to Covid-19, which has an impact on flight restrictions and cancellations. Air Asia also stated apology to its customers followed with the explanation of compensation.

D. Impression management tactics in corporate narrative of Gojek

In broad outline, CEO's letter of Gojek expressed corporate apologies to the public, especially employees who have been affected by the company's downsizing decision. Gojek combined assertive and defensive tactics composed of intimidation, accounts, apology, and restitution. On assertive tactics, Gojek used intimidation to convince the public that Gojek can handle the hard situation by telling its past experience when Gojek successfully gone through crisis. Gojek emphasized its power and confidence to gain public.

Corporate apologies which also called public apologies implicitly aims to restore trust and image in the minds of the public. To achieve this goal, the ethical dimension must be fulfilled, meaning that a CEO letter does not merely present a promise of compensation or an acknowledgment of violations or problems that occur within the company [11]. The most critical thing from corporate apologies is how to prevent the apologies narrative from being perceived as rhetorical and insincere, just to generate public sympathy.

Public apologies need to have the emotional depth that is associated with private apologies. From the explanation of table II below, seemed that CEO of Gojek explicitly stated his personal apologies.

An apology statement must be followed with restitution tactics so that public convinced with corporate accountability. Through its CEO's letter, Gojek showed its concrete commitment by clearly stated the forms of compensation that Gojek gave to its employees.

TABLE II. CORPORATE NARRATIVE OF GOJEK DURING COVID-19 PANDEMIC

Elements/ Tactics	Categorization	Example Quotes
Ethos		We must respond to what is happening out there and increase our focus on building a strong, more efficient business that can last over time and remain relevant to the conditions at hand.
Pathos	emotional appeals	We know that whatever we do may not be enough to reduce your disappointment, but we do our best to support you. We hope that you can continue to reminisce about your time at Gojek. We are a part of your journey in life, as you are an important part of our journey. This is something we will cherish together.
Logos		For those of you who leave Gojek, you will meet with representatives from the People team and your Manager in the next few days. We want to provide the maximum possible support, and define the following packages:
Assertive Tactics	Intimidation	Five years ago, we experienced a moment where Gojek almost ran out of funds; salaries have to be paid within a few days... Thankfully, in the end we were able to get funding, and were able to develop Gojek so that it continues to grow big like it is today.
Defensive Tactics	Accounts	We have taken various steps to optimize the company so that it can continue to grow and have an impact. But we are very naive in thinking that growth will continue. We do not adequately anticipate an inevitable decline like the current pandemic, and now we are paying for it.
	Apology	Personally, I want to apologize for the decision we had to make. To those of you who have to leave Gojek, please know that this is the fault of both of us, me and Andre, not you. We apologize for disappointing you this time.
	Restitution	For those of you who leave Gojek, you will meet with representatives from the People team and your Manager in the next few days.

IV. CONCLUSION

In crisis situation it appeared that Gojek and Air Asia Indonesia preferred using defensive tactics as the impression management tactic. Air Asia Indonesia adopted a defensive strategy by emphasizing exemplification, accounts, apologies, and restitution tactics. Gojek combined

intimidation as assertive strategy with defensive strategy that emphasized account tactics, apologies, and restitution. Both Gojek and AirAsia Indonesia Indonesia through their public apologies narrative clearly explained a concrete and detailed statement of commitment to handling the situation or impact.

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