



ISSN 2278 – 0211 (Online)

Crisis Management in Government Parastatals: The Case Study of National Railways of Zimbabwe, Harare Station (Year 2012-2016)

Happymore Mufuya

Marketing Consultant, Zimbabwe

Ranga Gilbert Chirimubwe

Lecturer, Department of Marketing, Bindura University of Science Education, Zimbabwe

Abstract:

The crux of this study is to investigate crisis management in government parastatals; focusing on crisis management effectiveness, efficiency, crisis response strategies and factors affecting crisis management at National Railways of Zimbabwe (NRZ). The 2008 economic turmoil has ignited different crises among state business entities in Zimbabwe. Financial, technological, and confrontation crises at NRZ became prominent following the 2008 economic decline, with seeming less attention and control being devoted. This quantitative research therefore, adopted a descriptive research design to investigate crisis management effectiveness, efficiency, crisis response strategies and factors affecting crisis management at NRZ. A sample of 100 respondents was selected from 135 employees targeted at NRZ- Harare station, using a proportionate systematic sampling technique. Structured questionnaires were used to gather data. Data was analysed using the Statistical Package for Social Science (SPSS) 16.0 into percentages, means and standard deviations, then presented in form of tables. The study established that, crisis management at NRZ is ineffective, with several factors affecting crisis management, in which leadership mandate and support is the major limiting factor. However, crisis management efficiency at NRZ was also found to be moderate, with crisis response strategies such as recapitalisation, restructuring and public-private ownership being used. As a result, the researcher recommended NRZ management to adhere to company procedures and be freed from politics and corruption. Further, the researcher recommended for NRZ to seek inter-parastatal loans, international loans and investors, embark on Crisis Management training, massive infrastructure improvement and stakeholder relationship building. Further researches are recommended to investigate crisis management effectiveness and efficiency on crisis preparedness, crisis prevention, crisis event management and post-crisis management. Future studies should also assess the strength of the impact of crisis management factors on crisis management success.

1. Introduction

The classical definition of crisis by Ulmer (2012), as ‘moments of threats’ has subjected many business individuals and corporations, across the globe, to the ravages of business trauma such as financial failures, accidents, product recalls, and plant closures. The Zimbabwean business has been, and is still struggling in various devastating crises, and among the business structures ailing, government parastatals, including NRZ, appear to be more vulnerable victims. NRZ is a wholly government owned corporation that was established late in 1897, as Beira and Mashonaland and Rhodesian Railways, to offer efficient, cost effective, convenient and reliable transport service. The brand ‘NRZ’ was then assumed in 1980, when Zimbabwe got independent, and thus became registered under the government of Zimbabwe as a parastatal. A government parastatal is a state corporation, established by a statute, in pursuance of government policy (Mathenge, 2011). NRZ has its stations nationwide, and operates about 3,400 km of railway lines across the country.

Having operated successfully since its incorporation, NRZ is assumed to have fallen on hard times in 2000, exposing some of its depots to the risk of closure, for example, Manyukwe (2012) reported that, NRZ had no adequate number of locomotives to keep workers at its stations busy. More chaotic was the continuous decline in the number of serviceable locomotives and wagons, which was assumed to emanate from the ageing condition of the equipment. Of the 8682 wagons and 168 locomotives that were serviceable in 2009, only 3427 wagons and 71 locomotives were reported to be operational by August 2012. NRZ has also reported decline in tonnage of freight conveyed, from 19 million in 1997 to 1.7million in 2009, with high levels of retrenchment and redundancies shocking at 6000 between 1980 and 1992, 3500 from 1992 to 2012, with a further 3500 that is expected to stabilize the labour force at a projected figure of 5000 by 2015 (NRZ Mailroader, 2012). Complementary to this situation was the reported monthly deficit of \$3 million and annual loss of \$34.6 million in 2009 (NRZ Mailroader, 2012). Aggravated by the ageing infrastructure, incapacity to resuscitate, and high levels of political interferences in the parastatals business affairs, the company ultimately failed to manage its

financial commitments, meet employees' due salaries, handle stakeholder's grievances, provide the transport services to the market, and to secure its relationships with various stakeholders.

From previous literature, Umezurike (2012) in his investigation of globalization, economic reform and recovery in Nigerian parastatals, has defined the situation of such type as clear signs of financial and confrontation crisis. To this regard, NRZ is assumed to have been hit by financial and technological crisis complemented by confrontation crisis since 2000, though surfaced its peak in 2009. However, analysts, quoted in Nyandoro (2013), have assumed poor management aligned to corruption, incompetence, lack of transparency combined with conflict of interests in execution of duties by management, to have derailed the company. Since independence, the hand of ruling party has become a major setback on the effectiveness of Zimbabwean parastatals (Zhou, 2000). The management of Zimbabwean parastatals lacks appropriate commercial skills and experience, as most of them got positions on political appointments and they are left to operate without clear guidelines (Zhou, 2000). The adherence to office guidelines and procedures is a messy in the Zimbabwean parastatals, with lack of transparency and accountability being the usual features of Zimbabwean parastatals' corporate governance (Zhou, 2000). To this regard, management "Gurus" have since suggested some response mechanisms, such as commercialization, privatization, concessions, recapitalization and separation of infrastructure and maintenance management from operations management.

Positively reacting to the situation would mean successful Crisis Management, which is then defined by McDonald (2012), as the systematic attempt by the organisation to avert crisis, or effectively manage those that take place. In short, Crisis Management (CM) refers to the strategic planning to prevent, mitigate, respond and recover routine operations during a negative occurrence (Ferguson, Wallace and Chandler, 2012). The situation, as narrated, has therefore raised an alarm for debate to business researchers, analysts and advisors, hence a necessity for this study to investigate crisis management at NRZ.

NRZ has experienced financial crisis complemented with confrontation crisis since the year 2000 and technological crisis backdating to 1997, inform of shortage of foreign currency, failure to meet employees' due salaries, failure to settle inter-parastatals debts, handle stakeholders' grievances, ageing equipment, locomotives, coaches and wagons, maintenance backlog, technological and professional brain-drain, failure to procure adequate fuel. As a result, this is assumed to have crippled reliable passenger and freight transport service provision to the market, through, downsizing on labour force, late and unreliable running of passenger trains, and closure of some rail stations. This study therefore seeks to investigate Crisis Management at NRZ, a government parastatal.

2. Research Objectives

- To determine the effectiveness of crisis management at NRZ
- To determine the efficiency of crisis management at NRZ
- To determine Crisis Management response strategies at NRZ
- To identify the factors that affect crisis management effectiveness at NRZ.

3. Literature Review

3.1. Crisis Management (CM)

Crisis management is broader in nature and definition, but this study has derived its definition from McDonald (2009) who asserted that, crisis management refers to the systematic attempt by the organisation to avert crisis, or effectively manage those that take place. The definition was preferred as it actually outlines the variables to be studied, which are effectiveness of management; efficiency of management, response strategies and factors affecting CM. McDonald (2012) viewed CM as the systematic attempt by the organisation to avert crises, or effectively manage those that take place or are likely to occur. According to Wang (2009), crisis management refers to the ability of a company to sustain business in a special negative situation/event. The above definitions seemed to be vague on what actually constitutes CM, thus, it is further elucidated as a process that involves planning mainly centered on business continuity and automatic incident responses (disaster recovery systems) (Demaki, 2012). The main thrust of CM is on reducing impact of business adversities and restoring order to the system thus, Coombs and Holladay (1996) and Benoit (1995) elaborated CM as matching crisis responses to the level of crisis responsibility and stakeholders' attributions in attempt to gain legitimacy. This definition explains crisis management in main aspects which are; crisis situation, crisis response and a system for matching crisis response to crisis situation.

3.1.1. Crisis Situation

This refers to the environment in which a crisis occurs. This comprises of crisis type, possible reputational threat, crisis history, relational history, performance history, and crisis responsibility (Kyhnn, 2008).

3.1.2. Crisis Response'

This implies what the organisation does and say after a crisis has hit; denying diminishing, rebuilding, or bolstering (Coombs, 2007). According to LAI (2010) crisis response refers to the firms' strategies of responding to media and publics during the crisis. Though the two authorities seem to diverge on the time of action, the critical point to note is that, crisis response refers to the firm's reactions to a crisis event.

3.1.3. A System for Matching the Response to the Situation

The system of matching the responses to the situation accordingly therefore, sums up what Coombs and Holladay (1996) and Benoit (1995) termed crisis management. The authors agreed that, crisis management is the art of matching appropriate crisis management strategies to the crisis situation; the success of which depends on the crisis situation which includes crisis type, crisis history, prior stakeholder relations, and possible reputational threat that the crisis holds onto the organisation. Managers should first understand the crisis situation, and then match the situation with appropriate response strategies.

From the definitions given earlier, crisis management is therefore, the art of understanding the crisis situation, selecting best responses and coordinate resources accordingly, to resolve an adversity and restore normalcy into the company's operations.

3.2. Crisis Management Effectiveness in Parastatals

In today's world, it is no longer a question of if a major crisis will strike, but only when? Hence, there is no option, but to prepare for the unthinkable and unseen, (Kyhn, 2008). However, according to Ulmer (2012), too few organisations and communities especially parastatals, consider worrying about preparing for crisis, that is, leaders in parastatals regularly see crises as abnormal, rare events that are too exceptional to consider preparing for. In most parastatals, the effectiveness of crisis management, such as crisis management planning and crisis management recovery are disregarded, as the largeness of size, top posts being filled up by politicians who are incompetent, poor funding, politics-aligned leadership and operations, bear a constraining role (Babaita, 2012). Though can vary across business structures, Vagliasindi (2008) and Bawa (2011) concurred that, crisis management effectiveness in government parastatals revolves around transparency, crisis preparedness, response and recovery.

3.2.1. Transparency of Management in Government Parastatals

According to Vagliasindi (2008), board rules and procedures in state owned enterprises, particularly related to the Board member selection and evaluation process are the house of all politics and lack of transparency. Parastatals' Boards are populated with people chosen for their political allegiance rather than business acumen (Vagliasindi, 2008). More particularly in Africa, the Boards of many State-Owned Enterprises are still filled with senior government or military officials who do not possess relevant skills and experience, for example, the Chief Executive Officers of many parastatal are the Retired Generals (Vagliasindi, 2008.; Mwase, 2009). Consequently, many politicians and public officials in parastatals use their positions to acquire properties such as transport, housing, Board membership, and even providing jobs for themselves, relatives and supporters, and in some cases to the extent of enjoying procurement kick-backs (Vagliasindi, 2008).

Board procedures have a significant role to guide management on effective delivery of duties. According to Vagliasindi (2008) and Bawa (2011), management of parastatals in developing countries is never issued with such procedures and rules, and where available, these are never observed. To this regard, Vagliasindi (2008) concluded that, state owned enterprises are infected with lack of adherence to formal rules and procedures, catalysed by the rule of politics.

3.2.2. Crisis Preparedness and Prevention

Crisis management is about being prepared to handle adversity and minimize impact most effectively, and facilitating the management process during chaos (Sapriel, 2003). This involves taking preventive activities that seek to reduce known risks. Crisis management should begin with appreciating that, crisis is inevitable and, will occur, hence there must always be unique plans setting out all the resources and procedures to be followed when the crisis hits (Madhekeni, 2012).

Effective crisis management involves crafting CM plans, testing the appropriateness of plans, maintaining and amending, while supervising implementation of the plan. CM planning also includes the appointment of a crisis custodian who assesses, plan, and implements comprehensive and professional crisis systems, bringing together key business functions such as operations, human resources, sales and marketing, legal, IT and security (Sapriel, 2003). Effective crisis management should be directed through properly thought crisis management plans (Jacques, 2007). By considering planning and preparing for crises, organisations are better able to consider not only the urgent day to day operations, but also those that are outside of the norm, thus, failure to plan for crisis, is planning to fail (Mathenge, 2011.; Ulmer, 2012). Crisis management should not just be seen as a tactical reactive response when a crisis hits, but as a pro-active discipline embracing interrelated processes ranging from crisis prevention and preparedness, through crisis response, and onto crisis recovery (Boin, 2008.; Jacques, 2007). Effective crisis management involves performance management, which is defined as the systematic integration of all individual employee contribution to the overall performance of the organisation (Mashavira, Nyanga, Chifamba and Zirima, 2013). By having the right plan and capabilities in place before a crisis occurs, crisis damage can be minimized, and the time to recover from it can be shortened immensely (Kyhn, 2008)

3.2.3. Crisis Response

This is what crisis managers actually do in reaction to the crisis event. Effective crisis management should have speed reaction to adversity in both information dissemination and physical action so as to yield harmony timely (Ferguson et.al, 2012.; Anne, 2010.; Ulmer, 2012). Crisis response should include an appropriate mix of communication form and communication content. According to Ferguson et.al (2012), crisis management should maximize the use of language, persuasive messages and symbolic actions as instruments for company's image maintenance and repair. Ferguson et.al (2012) and Anne (2010) concurred that; the rate of reaction is anchored on the selection and execution of the best crisis communication responses for the crisis. Anne (2010) therefore defined crisis communication response strategies as accommodative or defensive crisis strategies. Accommodative crisis communication strategies accept the responsibility and impact of a crisis, hence seeks to restore order by means of corrective actions, apologizing,

reimbursement and reinstatement. However defensive containment strategies focus on shifting the blame onto the third party, through excusing, justifying and denying.

According to Wright (2009), the problem of ineffective crisis management in state enterprises is a result of failure to design and utilize appropriate crisis communication forms and content. Effective crisis management builds up from the managers' ability to design and transmit sufficient information that reduces anger and sadness among audiences (Adrot and Moriceau, 2012). Anger and sadness tends to intensify with delay or sign of reluctance by the speaker to tell the audiences about the crisis life cycle. According to Ferguson et.al (2012) and Derina (2010), crisis communication should use excuses, justifications, denials, corrective actions and reducing offensiveness and crisis managers should match the crisis communication strategies to appropriate situation.

The methods of choosing crisis response are situational analysis and matching process, clustering then relating to history and crisis management plan. Situational analysis and matching process occurs whenever averting any crisis, management should start with an assessment of the reputational threat that the crisis can inflict onto the company's image and reputation, and then name them as, weak threat, moderate threat, or severe threats (Sinha, 2011.; Ferguson et.al, 2012). Appropriate responses will then be matched in accordance with the situation. Clustering, then relating to history is when crises are clustered into three main clusters which are victim cluster, accidental cluster and preventable cluster (Sinha, 2011., Ulmer, 2012). The selection of the appropriate strategy then depends on the history available, that is, which strategy was used when this situation occurred previously, either within the company or within the industry (Ulmer, 2012). Crisis management plan refers to the use of a comprehensive guideline prepared prior to the crisis eruption. A crisis management plan is a blue print of how the company should react in the face of a crisis (LAI, 2010).

3.2.4. Crisis Recovery

Effective crisis management in state owned should involve reform leadership and creative destruction by management, since public interest and services need to be kept in motion (Boin, 2008). Management should be able to restore confidence to the entire system, while de-institutionalize old structures and polices to new less cost, adaptive programs, for instance, failing leaders should be replaced with new competent ones (Boin, 2008). Post the peak of the crisis, management should be involved in long term planning, supporting the restoration of the situation to normalcy (Sapriel, 2003). This implies utilizing the lessons learnt from the crisis in preparation for future adversities (Madhekeni, 2012).

To appreciate the crisis management effectiveness of crisis management in parastatals, Gilpin and Murphy (1996) postulated the chaos theory, while Jacques adopted the relational model of crisis management.

3.2.5. Chaos Theory

The theory asserts that, crises are characterized by multi-dimensional causality, and lack of predictability, that is, though all systems have an underlying order, a small change within the system can cause very complex behaviours or outcomes (Gilpin and Murphy, 1996). The theory reiterates on elimination of systematic failure during CM, thus encouraging crisis management planning where management should desist from viewing crises as simple events which follow an ideally defined order, and that can be easily managed through a well-defined set of phases (Gilpin and Murphy, 1996). However, the theory is blamed for being short sighted (Jacques, 2007), as it focusses only on quickly attaining the short-term goals of CM, ignoring that, the CM is process to involve several stages and longer time frames. To counter this, the relational model explains effective CM in parastatals through four management phases which are crisis preparation, crisis prevention, event management and post-crisis management.

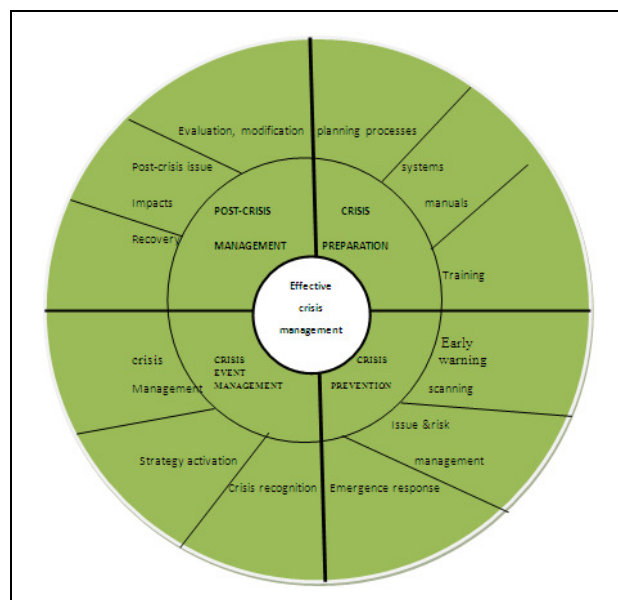


Figure 1: Relational Crisis Management model

Source: Jacques (2007: 6).

The relational model of crisis management emphasizes crisis prevention, crisis preparedness, and post crisis activities as interconnected components of a strategic crisis management system (Jacques, 2007). It might be a question of which comes first, the egg or the chicken, as the holistic CM approach claim that, crisis prevention and crisis preparedness can also rely on post crisis evaluations, that is, the end of crisis signals the beginning of another, hence, post crisis analysis should pave way for possible future crises. To solve this question, the model outlines four distinct components of effective crisis management in their sequential order as; crisis preparedness, crisis prevention, crisis event management, and post crisis management.

3.2.6. Crisis preparedness (see Figure 1)

This includes planning processes, systems, manuals, training and simulations. The model claims that, effective crisis management includes having proper crisis management plan with clear outline and assignment of roles and responsibilities. According to Jacques (2007), being prepared for crisis shortens the crisis life cycle, hence, the time span the company will spend in a crisis. Effective crisis management must include systems and manuals which outline crisis management infrastructure and equipment, training of crisis management staff, familiarization programs and plan testing, and live simulations.

3.2.7. Crisis prevention (see Figure 1)

This entails early warning scanning, issue and risk management, and emergency response. Crisis management must involve environmental scanning; media analysis, public opinion surveys, conference attendances, legislative trend analysis aimed at detecting early signals of crisis. Crisis managers needs to do issue and risk management that is, identification of possible crises/threats, prioritization of activities, strategy development and implementation. Effective crisis prevention should also consider emergency response since most crises in crisis management literature are triggered by emergencies (Jacques, 2007).

3.2.8. Crisis Incident Recognition (see Figure 1)

This phase involves crisis recognition, crisis management, and post crisis issue impacts. This includes recognizing the onset of a crisis/potential threat, or any transition from emergence, since these are the clearest signs of a crisis. Once a crisis is recognized, response systems must then be instituted; proper strategy formulation and implementation, stakeholder management, media response and damage mitigation (Jacques, 2007).

3.2.9. Post crisis management (see Figure 1)

This constitutes the conclusion of an effective crisis management programme. The end of a crisis signifies the start of a new one hence the 'after events' of a crisis need to be analysed and utilized in preparation of future crises (Jacques, 2007., Coombs, 2007., Wright, 2009). Post crisis management involves recovery and business resumption; operational recovery, market retention and business momentum. This includes media scrutiny, process review, root cause analysis, management analysis, and change implementation so that mistakes of the past will not be repeated.

Furthermore, the theory also denotes the major causes of crises as, poor planning, human error, poor maintenance, unethical or dishonest behaviours, unresponsive culture, leadership failure or poor judgment (Jacques, 2007., Ulmer, 2012). As a result, part of crisis responders' task is to minimize the causes of crises through transparency, proper planning and programming, that is, effective crisis management planning reduces the intensity of threat that a crisis can inflict onto the organisation.

3.3. Crisis Management Efficiency in Parastatals

Documentary searches and field researches have revealed that, most national economic crises, such as the Asian Economic crisis in the late 1990s are an outcome of lack of efficiency in public sector management (Babaita, 2012). This implies poor cooperation and coordination between departments, excessive centralization of policy analysis and evaluation, and insufficient professional and skilled personnel (Madhekeni, 2012). Though generally defined as, doing things right, for this study, Madhekeni (2012), explains efficiency as entailing value for money from usage of limited resources, result oriented performance, outcome and impact evaluation. According to Boin (2008), efficient crisis management involves crisis managers' capabilities through minimization and elimination of systemic failure.

Demaki (2012) therefore postulated that, crisis management efficiency in government parastatals can be measured on operational efficiency and reduction of systematic failure. This entail properly determined combinations of certain company' variables, which Demaki (2012) defined as, business portfolios, markets, products, prices, expenditure, labour, capital and partnerships. According to Demaki (2012), crisis management during recessions can only be efficient if corrective modifications on these variables are implemented, as provided on table 2.1 overleaf.

Business variable	Recommended action as planning/ in the face of a crisis
Business portfolio	-Downsizing unprofitable business and growing or acquiring new business portfolio- sticking/focusing to what matters in your business
Markets	-Selective responses to customers or market by exiting unprofitable customers and invest to drive leadership position to select markets
Products	-Discontinue and liquidate marginal product to stop bleeding firm and focus on new product development after evaluating which product create or destroy value.
infrastructure	-institute adequate operational equipment supported with up to date Information and Technology (IT) systems
Expenditure	-Scrutinize and cut expenditure, focus on enhancing operational performance and reduce unnecessary complexity
Labour	-Right-size the workforce and protect the high performer -human capital with desired competence should be targeted and appropriate incentives designed to motivate and retain them
Capital	-Capital restructuring to maintain liquidity and optimize capital, and re-examining the companies' treasury, financing, funding.
Partnership	-Renegotiate with partners and strengthen relationship, and explore new business partners

Table 1: strategies for CM efficiency in the face of a crisis

Source: Demaki (2012)

3.3.1. Relational Theory of Crisis Management

The theory assumes the major causes of crises in government parastatal as, poor planning, human error, poor maintenance, unethical or dishonest behaviours, unresponsive culture, leadership failure or poor judgment (Jacques, 2007). Further, the theory asserts that, management has the role to combine all other variables efficiently, for the continuity of the company. Management's failure to exercise professional, independent decision making, and implement appropriate changes in the system when necessary, increases the vulnerability of a company to the threatening effects of a crisis. The theory assumes management to be the steward of all other organizational variables, and have the capacity to determine the best combinations of these variables (Jacques, 2007). By pointing some major causes, the theory encourages management to take note of issues such as turf wars, which happens to be major obstacles to efficient crisis management. Variables such as labour, capital and management are the most underpinning factors on the efficiency of crisis management, thus crisis managers should always review the sustainability of inter-working relationships between all organizational variables. The theory emphasizes coordination, and cooperation among all organizational variable. Management should view crisis management holistically, in which all organizational components are integrated in more economic combinations.

3.4. Crisis Response Strategies in Government Parastatals.

Crisis management has never been easy and the modern crises seem to be increasingly complex such that, even effective and efficient managers can still be victims of crises (Boin, 2008). Several modernisation processes, globalisation, deregulation, information and communication and technology advances are all nurturing a modern complex crisis that is extremely outpacing the reaction of government parastatals. The turbulence therefore requests managers to consider crisis management, part of their responsibilities (Boin, 2008). According to Boin (2008), modernisation processes promote a closely-knit world that is nonetheless susceptible to be hit by any crisis, and this ultimately require well articulated preparedness and prevention frameworks to be set by management.

The need to restore confidence in the wake of crises requires crisis managers to come up with plans and strategies that markedly differ from the ordinary activities. Particularly in government parastatals, this entails seeking inter-parastatal loans for recapitalization, strategic partnerships and concessions, restructuring, and asset purchase programs (Derina, 2010., Demaki, 2012). According to Kunt and Serven (2009), most government parastatals were privatized, restructured, and recapitalized in response to the 2008 world economic turmoil. To shed more light on this topic, the study incorporates the contingency theory.

3.4.1. Contingency theory

This theory is centered on the strategic intent and complexity (complicatedness) of crises (Cancel, Cameron, Sallot and Mitrook, 1997). It claims that, crises are, by their nature, unplanned (Cancel et.al 1997). Further, the theory is grounded on strategic management of crises. The theory expresses strategies to handle crises as accommodative and defensive responses. The theory reiterates that, if the cause for the crisis is external, such as national economic downturns, management should adopt more of defensive response strategies which are; privatization, recapitalization, public-private ownerships, commercialization and concessions, while internal driven crises such as confrontation strikes calls for accommodative strategies which are restructuring, leadership change, asset purchase programmes and imposition of costs on responsible persons (Cancel et.al, 1997). With the strategic management, the theory guides management on safeguarding the corporate reputation, from both internal and external threats, proactively and reactively.

3.5. Factors Affecting Crisis Management Efforts in Government Parastatals

Whilst crises are increasingly becoming inevitable in the modern dynamic environment, the success of crisis management function in parastatals is stifled by several accounts, and the numerous studies in crisis management literature emphasized the process of crisis management, whilst leaving those determinants of success or failure of the CM unhandled (Adrot and Moriceau; 2012). The few

studies that took note of the factors affecting crisis management had focused on information transmission only. According to Adrot and Moriceau (2012), several researches have outlined the importance of optimizing access to information, and supporting sense-making in public sector enterprises. Supported by the Neo-institutional theory, this research therefore, goes further of information technologies to identify other factors challenging the success of crisis management in government parastatals. These include ability and creativity of crisis responders to devise appropriate containment strategies, organizational values, leadership mandate and support, available budget, stakeholders' relationships, stakeholder perceptions and media.

3.5.1. Neo-institutional Theory

This theory proposed by Grunig and Hunt (1984), posits that, the company's actions and strategies are constrained by its institutional environment comprising of stakeholders' expectations, resource budgets, social values and norms, rules and laws (Grunig and Hunt, 1984). It emphasizes on the legitimacy of public enterprises, which is a product of the organisation's interactions with the environment, for example, meeting stakeholders' expectations, acting consistently to social values and norms awards the entity with positive legitimacy. Therefore, state enterprises should also consider legitimacy management, which is defined by Kyhn (2008) as, a cultural process by which organisations attempts to build, maintain, and in some cases, regain stakeholder support. This means that, only managers who can effectively adapt to their contextual environments, and deliver reliable services to meet or exceed stakeholders' expectations can survive in the wake of adversities such as economic downturns.

3.5.2. Leadership Mandate and Support

Whilst the first-generation African leaders received considerable public acclamation, the lack of responsible leadership led most newly independent nations in Africa to a developmental stalemate (Atuahene, 2011). The absence of good governance and administrative justice, corruption among politicians and military dictatorships has become the hallmark of most Sub-Saharan African countries and their respective parastatals, and this has given high levels of crisis management failures (Atuahene, 2011). According to Ulmer (2007), leadership often sets tone for the organisation, that is, they serve as role models to influence the commitment and contribution by other organizational stakeholders towards averting a crisis. Therefore, the level of mandate and support by the leadership, determines the support, the company will also receive from organizational stakeholders.

3.5.3. Ability, Creativity and Crisis Responders' Emotional State

Developing a common understanding of the situation, and sharing information effectively and efficiently is critical to meeting an unstable, organizational threat or organizational dysfunction (Adrot and Moriceau, 2013). Though setting a commonly shared picture of the crisis situation can be difficult, crisis managers' emotional state, distractions and conflicts are critical to achieve such (Adrot and Moriceau, 2013). According to Adrot and Moriceau (2013), organizational stakeholders are both actors and spectators of management's performance; hence crisis managers are at the helm of the success or failure of crisis management efforts. Managers serve as a repository for people's fears; they act as a mirror reflecting a groups anger, grief, resolve or joy on a larger stage than is available to most (Sapriel, 2003). According to Yang et.al (2010), managers' actions are critical, since crises are better framed on what happened, what response is being made, and where the effort is heading to.

As a result, crisis managers in public enterprises should have emotional intelligence such as, short-circuiting, persuasion, developing instant communication strategies, and institute immediate actions that yield shared sense-making with all stakeholders of the company. In an investigation of the Mann Gulch disaster, Weick (2011) disclosed that, shared sense-making enhances communication and coordination. According to Ferguson et.al (2012), crisis containment depends on the managers' ability to device persuasive, but salient, honest and timely messages to the stakeholders, as fear, anger and sadness among the publics increase with the delay/reluctance of the organisation to display a creative and informed, hope driven role.

3.5.4. Stakeholder Attributions of Responsibility

Organisational stakeholders generally attribute the causation for a crisis to the company, though the level of accusations varies with the nature of the crisis, impact of the crisis and efforts made by the management to avert such an adverse (Lai, 2010., Ulmer,2012., McDonald, 2012). According to Ki and Brown (2013), parastatals' publics blame more on the company when a crisis is internal, intentional, stable and controllable, than when it is external, unintentional, unstable and uncontrollable. Further, Yang et.al (2010), asserted that, motivations and purposes of a message audience are critical in influencing audience' engagement in a message. When a message is aligned to the recipients' needs and purposes, favourable perceptions develop among the recipients, and this yields less accusations, leading to the ease of Crisis Management and success. To enhance positive perceptions and less accusations, there should be salient crisis narratives, open to dialogic conversations crisis communication, with the communication being credible in terms of the communicator, message, and medium (Yang et.al, 2010).

3.5.5. Financial Budget

According to Gumbo and Geyer (2011), the amount of financial resources available to crisis managers determines the success or failure of the process. Further, Gumbo and Geyer (2011), posited that, financial constraints in government parastatals due to the non-profit nature of their limits the success of crisis management efforts, that is, most crisis management attempts by government parastatals fail on course, due to financial shortages. The larger and flexible the amount of finance, human resources, equipment and other necessary materials available to crisis responders, the greater is the margin of having a successful process, than when the required resources are restricted.

3.5.6. Organizational Values

Crisis communication raises greater need to consider the organizational values seriously when responding to a crisis. According to Adrot and Moriceau (2012), crisis communication should be open, honest, and timely, yet in ordinary business, most companies are guided by deception, secrecy and values of upholding an organisation. To this regard, conflicting values need to be noted in tandem, as this becomes the prominent hurdle in realizing effective crisis management. It is of significance to value the situational analysis as proposed by the SCCT that, crisis containment strategies should be designed in accordance with the existing situation, so that organizational values are not ruined, while averting the crisis.

3.5.7. Stakeholder Prior Relations

According to Ulmer (2011), crisis management is a process that, involve relation building with the several stakeholders such as customers, employees, community, government, media and financial publics. Working mutual relations need to be established prior to any crisis, as part of crisis management planning (Seeger and Ulmer, 2003), for example there should be much done on the Corporate Social Responsibility (CSR) issues, in building up favourable relations with stakeholders. The stronger the pre-crisis relations between a company and its stakeholders, the greater the chances of having successful crisis management, that is, publics will stand as advocates for the company during a crisis, and offer political support and crisis mitigating resources.

3.5.8. Crisis History

This implies whether or not the parastatal has been involved in a similar crisis in the past. This, in tandem with prior reputations and crisis stability, influence the stakeholders' attributions of crisis responsibility. According to Ki and Brown (2013), an unfavourable crisis history intensifies attributions of crisis responsibility, hence; marginalize the effectiveness of any crisis management strategy instituted.

3.5.9. Media

The role of social media has brought an increasingly open and transparent platform for exchange of thoughts and opinions, such that, many audiences now becoming attendants of social media, hence, there is increasing importance of monitoring social media, for example, keeping updated on what the clients share on internet sites such as face-book, twitter and blogs (Jin, Liu and Austin, 2014). This exhumes as findings from Jin et.al (2014) on the impact of social media on crisis containment revealed that, most active social media users assign high levels of credibility on social media coverage during a crisis, and 74% of audiences expect response agencies to answer social media calls for help. The survey by the American Red Cross recommended that, 69% of crisis responders should be monitoring social media sites. More-so, there is need to build stronger relationships with traditional media agents such as news reporters (Jin et.al, 2014). The stronger the relationship between a company and media, the higher the chances of effectively containing crises, as favourable news will be communicated to the public, with regular and instant information updates being assured to the audience through media.

4. Methodology

4.1. Research Design

A descriptive research design was adopted to describe crisis management effectiveness, efficiency, response strategies and factors of crisis management at NRZ. The research used a quantitative research approach. The target population for this study was 135 employees at NRZ Harare station, who comprised of 29 managers and 106 shop-floor employees. Harare station was selected, because, it is the sub-head office of the NRZ which has the entire corporate data, such that the researcher could get sufficient data for the study. Information sought for the study was specific to the period 2009 to 2012.

A sample size of one hundred (100) participants was used for the study. This was calculated using the formula for multivariate descriptive studies given by Krejcie and Morgan (1970) as shown below;

$$s = \frac{X^2 NP (1 - P) \div d^2 (N - 1) + X^2 P (1 - P)}{1}$$

s = required sample size, X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level, N = the population size, P = the population proportion, d = the degree of accuracy expressed as a proportion. In this study, the population size was 135, confidence level was assumed at 95%, which corresponded to chi-square value of 3.841 at 1 degree of freedom, estimated proportion of success was taken as 0.5 as this would give the maximum sample size and acceptable amount of sampling error was 0.05 so as to give a much larger sample size to minimize the margin of error. Proportionate stratified sampling was used to select respondents from each of the strata of top management (4), middle management (7), lower management (10), and employees (79). The tool for data collection was a questionnaire adopted from Coombs (1998) adapted by Coombs (2002) and Mathenge (2011). The researcher therefore adapted most of the questions of that instrument. The research instrument adapted had five items; pre-planning, crisis responsibility, organisational reputation, personal control and challenges in crisis management; rated against a seven point Likert scale ranging from (1) strongly disagree to (9) strongly agree. This was then adapted to a four-item scale and rated on a five point Likert scale ranging from 1 (no extent at all) to 5 (very large extent), as was done in the study by Mathenge (2011). Preplanning and organisational reputation were adapted to crisis management effectiveness, crisis responsibility rephrased to crisis management effectiveness, personal control adapted to crisis response strategies, and challenges faced in crisis management adapted to factors affecting crisis management in government parastatals. The questionnaire had five sections which are demographics, crisis management effectiveness at NRZ, crisis management efficiency at NRZ, crisis response strategies at NRZ, and factors affecting CM

at NRZ. The actual 100 questionnaires were then hand delivered to the actual respondents who were the top, middle, lower managers across all organisational functions and shop-floor workers. The respondents were left with the questionnaires so that they could answer at the most of their convenience. The researchers had personal visits and phone calls to the top management to confirm and remind the respondents to complete the questionnaires. The researcher then went back to NRZ to collect the questionnaires on the 15th of May 2014, after the respondents have confirmed to have completed the questionnaires.

4.2. Data Reliability and Validity

According to Bryman and Bell (2005), reliability refers to the ability of the research to achieve the constant results, if the same research is to be conducted again, under the same circumstances as of the original researchers'. The research instrument for this study was adapted from Coombs (1998), and reliability for the instrument was tested by Coombs (1998) and Coombs (2002) using the Cronbach alpha. The Cronbach alpha scores from the tests were 0.8 and 0.87 respectively. For this research, a Cronbach alpha was calculated using SPSS 16.0 and a score of 0.786 was achieved (see Table 3), which is slightly lower than the previous tests. In Coombs (1998) and Coombs (2002) the instrument had five items rated on a 9 point Likert scale, whilst in this case, only 4 items were used on a 5point Likert scale, therefore, the lower reliability score might be due to the changes on the items and scale as the instrument had to be adapted to fit this study.

4.2.1. Construct Validity

Since the researcher adapted research instrument from previous researchers, content and face validity of such instrument were assumed to have been measured and approved, hence, the researcher considered only construct validity, that is, the degree to which the instrument measured the trait/theoretical construct that it was intended to measure in this study. In Coombs (1998), Coombs (2002) and Mathenge (2011), pilot tests were carried out to ensure validity of the research instrument. Therefore, in this study, 15 sample questionnaires were distributed to a pilot sample of managers and employees at NRZ Harare station, and to my supervisor, to check for the appropriateness of wording and structure of questions to satisfy the research objectives. After the distributed pilot questionnaires were collected, errors were corrected, some questions restructured and rephrased, before the comprehensive distribution of the actual questionnaire to the actual respondents at NRZ Harare station, thus the questionnaires were now assumed to be clear and able to measure the constructs of this study.

4.3. Ethical Considerations

Firstly, the researcher sought authority to carry out the study, from the top management at NRZ. During the study, the researcher maintained privacy and confidentiality principles by neither asking for, nor revealing respondents' identity. Only information relevant to the objectives of the study was sought, and all information collected were purely used for academic purposes only, as promised to the respondents.

Descriptive statistics were used for data analysis. Data was analysed into percentages, means, and standard deviations (SD) using the Statistical Package for Social Sciences (SPSS 16.0), and presented using tables. Standard deviations were interpreted in accordance with the 68/95/99.7 rule adapted from Biddix (2009).

5. Results

All 100 respondents received, completed and returned the questionnaires, giving a 100% response rate. This response level was made real after the researcher hand-delivered the questionnaires to respondents, made personal visits to remind the respondents to complete and return the questionnaires.

5.1. Demographics Analysis

Table 2 shows the demographic findings of the study (n=100).

Characteristic	Frequency	Percentage
Gender		
Male	72	72%
Female	28	28%
Age group		
Below 25years	11	11%
26-50years	57	57%
Over 50years	32	32%
Level of education		
Secondary	28	28%
College	64	64%
University	8	8%
Characteristic		
Designation of respondents		
Lower level	4	4%
Middle level	10	10%
Top management	7	7%
Employees	79	79%
Length of service		
Less than 5 years	10	10%
5-10 years	20	20%
More than 10 years	70	70%

Table 2: Demographic Analysis

Source: Primary data

The researcher established that, 72% of the respondents were males, while 28% were females. NRZ employs men in most of its operations such as station mastering; therefore, the gender imbalance shows the actual employee composition at NRZ. The findings also revealed that, only 11% of the respondents were aged below 25 years, while 57% were aged between 26 and 50 years, with only 32% of the sample respondents being over 50 years. This means that, the majority of the respondents are the economically active populations between the age of 26 and 50 years. In addition, the study found that, 64% of the respondents have attained a college level education, 8% had university degree, while 28% of the participants possess secondary level qualifications. This means NRZ has few highly-qualified personnel hence, this can account for any shoddy CM performance or incompetence. The study also found that, 7% of the participants were lower level managers, 10% were middle level management, and 4% were of top level management positions, while employees constituted 79%. This means that, management contributed 21% of the research participants, while 79% comprised of shop-floor workers. From the results, 70 % of the participants confirmed that, they have served the company for more than ten (10) years, while 20% of the participants confirmed to have worked for the company for at least five (5) years, and only 10% have worked for less than five (5) years. This means that, all employees have served the company for the four years under study; hence, they could give informed and adequate responses to the study.

5.2. Reliability of Research Instrument

Table 3 shows the reliability statistics of the research instrument.

N of Items	Cronbach Alpha
31	0.786

Table 3: Reliability

Source: Primary data

The Cronbach Alpha test score for reliability was 0.786. Though the overall reliability of the research instrument score was less than the previous scores of Coombs (1998) and Coombs (2002) which were 0.8 and 0.87 respectively, it was sufficient to declare the instrument as reliable, since the score satisfied Cohen, Manion and Morrison (2008) who postulated that, a Cronbach alpha coefficient of 0.65 or above implies that, the research instrument is reliable.

5.3. Effectiveness of Crisis Management at NRZ

5.3.1. Media Types Used for Crisis Communication at NRZ

Table 4 shows the extent to which media types were used for crisis communication (n=100).

		Radio	Newspapers	Meetings
N	Valid	100	100	100
Mean		2.24	2.48	3.64
Std. Deviation		1.182	1.275	1.235

Table 4: Media types used for crisis communication at NRZ

Source: Primary data.

The study found that, crisis communication at NRZ utilized meetings to a large extent, as indicated by a mean of 3.64, followed by radio with a mean of 2.48. Newspapers were however, the least used, as shown by the mean; 2.24. The lower standard deviation scores of 1.18, 1.28 and 1.24 shows that, most respondents converged in their responses on each of the variables above, though; it was only around 68% level of consensus. The use of meetings echoed Adrot and Moriceau (2013) in their proposal of performativity as an alternative CM framework that can aid in information transmission. Their analysis of data from public hearings, interviews, internal and external archives revealed that, meetings instills confidence into the audiences hence are widely preferred to newspapers and other communication forms. Meetings reduce sadness and anger caused among stakeholders when the company is perceived to be reluctant to directly entertain and speak to its publics. The standard deviations on all variables shows closeness of responses, and this also reiterates the reality of results, and freedom from any external bias, as this falls within the 68% range given by the 68/95/99.7 rule.

5.4. Crisis Response Strategies

Table 5 shows the extent to which certain criteria for development of response strategy were used (n=100).

		Crisis Management Plan	Situational Analysis	Clustering
N	Valid	100	100	100
Mean		2.60	3.01	2.44
Std. Deviation		1.303	1.321	.946

Table 5: Development of crisis response strategies at NRZ

Source: Primary data

The study also revealed that, situational analysis method was used to a large extent to craft crisis response strategies, evidenced by an overall high mean value of 3.01, and standard deviation of 1.32, followed by crisis management plans with a mean score of 2.60 and standard deviation of 1.30. Crisis history was the least used shown by a lower mean score of 2.44 and a standard deviation of .95. The standard deviations of 1.32 and 1.30 shows that, 68% of responses converged that, situational analysis and crisis management plans respectively were used to a large extent and moderately, while about 95% agreed that, crisis history was also used at a moderate extent. The findings corroborate Wright (2009) that, unmatched crisis response strategies had high failure rates than matched responses in crisis management literature; hence NRZ had preferred to match its responses by using the situational analysis method to draft response strategies. Wright (2009) carried a descriptive study to 90 students; investigating the applicability of the situational analysis proposed by the SCCT of Coombs and Holladay (1996), and the descriptive results (mean, standard deviation and range) revealed that unmatched crisis responses had limited success; with a mean of 2.56 and standard deviation of 1.32, compared to matched responses that yielded mean of 3.31 and a standard deviation of 1.43. The standard deviations for all criteria in this study are also lower and within the 68% range given by Biddix (2009), thus there were insignificant variations among the responses gathered.

5.5. Crisis Communication Strategies at NRZ

Table 6 below shows the findings on crisis communication strategies (n=100).

	No extent at all	Small extent	Moderate Extent	Large Extent	Very Large Extent	MEAN	SD
Denial	5	18	26	33	18	3.41	0.3
Excuse	27	15	23	17	14	2.76	0.3
Justifications	7	21	21	30	22	3.42	0.5
Reducing offensiveness	2	29	44	10	15	3.07	0.2
Corrective action	3	11	44	22	19	3.4	0.4

Table 6: Crisis communication strategies

Source: Primary Data)

Table 6 shows that, justifications were used at a large extent, shown by a mean score of 3.42, and SD of 0.5, closely followed by denial strategy and corrective strategies with mean scores of 3.41 and 3.40, with SD of 0.3 and 0.4 respectively. Reducing offensiveness strategy was also used at a larger extent, while excuses were moderately used, as shown by mean values of 3.07 and 2.76, and SD of 0.2 and 0.3 respectively. All SD values are lower than 0.5, meaning that, almost 99.7% of the responses were distributed on these given extents of usage. According to Anne (2010), justifications are widely adopted defensive crisis

communication strategies, because they have the ability to restore the company's image and reputation, in that, the audiences will infer the speakers' (organisation) innocence, therefore the current results supports this assertion. The denial strategy might have been chosen basing on Derina (2010) and Ferguson (2012) who reiterated that, denial involves claiming that the company had no control over the crisis agents, thus could not merely avoid the crisis, henceforth, shift the blame to other probable responsible parties. The results therefore support Ferguson (2012) that, defensive crisis management techniques are best for companies intending to defend image and reputation by shifting the blame, especially where the company has no control over crisis agents.

5.5.1. CM plan Development and Implementation at NRZ

Table 7 shows the extent of CM plan development and implementation, and policy adherence at NRZ (n=100).

		CM plan development	CM plan implementation	Adherence to remuneration procedure	Adherence to procurement procedures	Adherence to recruitment procedures
N	Valid	100	100	100	100	100
	Mean	1.69	1.86	1.64	2.14	1.40
	Std. Deviation	1.032	1.083	.823	1.164	.853

Table 7: CM plan development and implementation and policy adherence at NRZ

Source: Primary data

Procurement policies were confirmed to be moderately followed, as indicated by a mean of 2.14 and a standard deviation of 1.164. However, findings revealed poor adherence to recruitment policies at NRZ, shown by a mean of 1.40 and a standard deviation of .853, and remuneration policies are observed at smaller extent as shown by mean value of 1.64 and a standard deviation of .823. Crisis management plans are also prepared and implemented at a smaller extent, shown by mean of 1.69 and 1.86 and standard deviations of 1.032 and 1.083 respectively. The standard deviation scores are also lower than 1.5, meaning that, there were also fewer variations among the responses.

The findings above corroborate Vagliasindi (2008) on her investigation of the effectiveness of BOD in SOEs in developing countries that, parastatals are highly characterized by lack of respect to formal rules and high political influences. In addition, the study findings on CM planning are again in tandem with Mathenge (2011) in his investigation of implementation of BCPs and DRs in Kenyan Class 'A' parastatals that, almost all class 'A' parastatals in Kenya and Africa at large, are beginning to embrace some form of business continuity planning and disaster recovery mechanisms, but are still yet to commercially implement it.

5.5.2. Transparency of Crisis Management at NRZ

Table 8 shows the extent of transparency of crisis management at NRZ (n=100).

		corruption	political interferences	Incompetence	Relaxed supervision from ministries	Nepotism
N	Valid	100	100	100	100	100
	Mean	4.04	4.72	3.28	3.64	3.80
	Std. Deviation	1.255	.333	1.379	1.580	1.239

Table 8: Transparency of crisis management at NRZ

Source: Primary data.

Majority of respondents confirmed that, political interference and corruption stifles crisis management success at NRZ to a very large extent, shown by mean values of 4.72 and 4.04, and lower standard deviations of 1.333 and 1.255 respectively, followed by nepotism with a mean of 3.80 and a standard deviation of 1.239. Relaxed supervision and incompetence impedes effectiveness at a large extent, as shown by mean of 3.64 and 3.28 respectively, with standard deviations of 1.580 and 1.379. The standard deviation scores for all responses are less than 1.5, and according to the 68/95/99.7 rule, this confirms less variation among the respondents' answers.

The findings are in tandem with Kunt and Serven (2009) that, the failure of most current parastatal management results from high degrees of political pressures they feel from the political environment. The study findings also support the conclusion of Ulmer (2001) in the study on Effective Crisis Management through Established Stakeholder Relationships in Malden Mills, that parastatals are filled by incompetent politicians, who are appointed on political backgrounds, just to fulfill their political agreements.

5.5.3. Overall Crisis Management Effectiveness at NRZ

Table 9 shows the overall crisis management effectiveness at NRZ (n=100).

	No extent at all	Small extent	Moderate Extent	Large Extent	Very Large Extent	MEAN	SD
Media usage	25	20	16	28	11	2.79	0.3
Response criterion and development	23	22	23	20	12	2.1	0.6
CM plan development and implementation	54	26	11	6	3	1.76	0.06
Crisis communication	29	26	20	11	14	2.35	0.3
Procedures adherence	26	35	16	15	8	1.72	0.4
Transparency	52	18	13	10	7	1.10	0.4
Overall	25	24	18	17	16	1.97	0.4

Table 9: Overall crisis management effectiveness at NRZ

Source: Primary data

The overall analysis on Table 10 shows that, crisis management at NRZ is ineffective as shown, by a mean score of 1.97 and a lower standard deviation of 0.4. In this case, the mean score reflects that, Crisis Management effectiveness at NRZ is at a small extent, and the low standard deviation score of 0.4 implies insignificant variation from the mean, that is, most responses (around 99% of responses) confirm that, effectiveness at NRZ is at a small extent.

The findings are in line with Vagliasindi (2008), who investigated the Effectiveness of BODs in State Owned Enterprises of developing economies and concluded that; crisis management in government parastatals is ineffective due to high alignment of management to petty politics, and lack of respect to rules and procedures. This is also supported by Bawa (2011) in his study of water provision in Johannesburg, that, crisis management in parastatals is ineffective, as the stewards of such entities are found guilty of corruption and petty politics.

5.6. Crisis Management Efficiency at NRZ

		Business portfolio changes	Infrastructure change	market change	product changes	expenditure changes	labour change	capital change	partnership changes	Overall
N	Valid	100	100	100	100	100	100	100	100	100
Mean		3.04	2.28	2.80	3.00	3.52	3.00	3.00	2.52	2.895
Std. Deviation		.875	1.155	.985	1.101	1.105	1.271	.943	1.306	1.093

Table 10 shows crisis management efficiency at NRZ (n=100).

Table 10 Crisis management efficiency at NRZ

Source: Primary data

The table above shows that, expenditure, business portfolio, labour, products and capital were changed to a large extent, as shown by mean values of 3.52, 3.04, 3.00, 3.00, 3.00 and 3.00 respectively. The variations among the responses is thus indicated by lower standard deviations of 1.105, 0.875, 1.271, 1.101 and 0.94 respectively, which mean that, there were little deviations among the responses given. Markets and partnership were also moderately changed, as indicated by a mean score of 2.80 and 2.52 respectively. Infrastructure was confirmed the least moderately changed, shown by a mean score of 2.28. The overall mean score of 2.895 was achieved, indicating that, CM at NRZ is moderately efficient, supported by a standard deviation of 1.093, which implies that, most responses (about 68%) concurred that, CM efficiency at NRZ is moderate. The overall result argues with Mwase (2009) who investigated the business trends in transport parastatals of Sub-Saharan Africa and concluded that crisis management in government parastatals is absolutely inefficient. However, that overall finding on changes on organisational mix also supports Demaki (2012) and Babaita (2012) that, management pursue to achieve efficient crisis management by revising products, markets, labour, expenditure, partnerships and business portfolios. In this line, Mathenge (2011) further explained, in his investigation of adoption and implementation of BC and DR systems in Class 'A' parastatals in Kenya that, public sector changes on organisational mix in response to recessions are still at introductory changes. To this regard, efficiency can thus be confirmed to be gaining ground shown by the transition from conclusions of Mwase (2009) to Demaki (2012) and Babaita (2012), and the current results, and this can be attributed to the increasing awareness of crisis management among management of parastatals.

5.7. Crisis Management Response Strategies at NRZ.

Table 11 shows the extent to which the NRZ instituted the following response programmes (n=100).

	No extent at all	Small extent	Moderate extent	Large extent	Very large extent	MEAN	SD
Recapitalisation	2	14	4	23	57	4.19	0.4
Restructuring	2	4	15	72	7	3.78	0.2
Asset purchase programs	74	14	2	10	0	1.48	0.1
Leadership change	1	2	23	67	7	3.77	0.3
Public-private ownership	6	4	18	70	12	4.08	0.5
Concessions	9	28	55	4	4	2.66	0.4
Privatisation	4	65	22	5	4	2.4	0.3
Commercialisation	15	35	45	5	0	2.4	0.3
Imposition of costs on responsible persons	64	26	10	0	0	1.46	0.2
Overall	20	21	22	27	10	2.91	0.3

Table 11: Crisis management response strategies at NRZ

Source: Primary data

Majority of respondents confirmed the use of recapitalization strategy to a very large extent, indicated by a mean of 4.19, followed by public-private ownership, also used to very large extent as shown by a mean of 4.08. Restructuring and leadership changes were also considered as alternative strategies, to a large extent as supported by a mean of 3.78 and 3.77 respectively. Concessions were considered to a moderate extent, as shown by a mean of 2.66, while privatization and commercialization were also used at a moderate extent, as shown by a mean of 2.4. The least considered programs were asset purchase programs and imposition of costs on responsible staff, as shown by mean, 1.48 and 1.46 respectively. The overall mean of 2.91 shows that, crisis responsiveness at NRZ is moderate and the overall standard deviation score of 0.3 means that, almost 99% of the responses concurred on the crisis response strategies used at NRZ and agreed that, NRZ crisis responsiveness is moderate.

These findings therefore ascribe to the results of Kunt and Serven (2009) in a study of USA and UK's responses to the 2007-2008 world financial turmoil, Cumming (2009) on the response by East Asian and Latin American governments to the 2008 economic meltdown, and Mwase (2009) on the response by Zambian Airways to the 1990s persistent losses, that, programmes implemented in each included recapitalization, commercialization, concessions, leadership changes, deregulation, restructuring and privatization of the parastatals. To this regard, NRZ is moderately responsive to crises, using strategies such as recapitalization, restructuring, leaderships changes that were also used in other parastatals mentioned in the literature reviewed.

5.8. Factors affecting Crisis Management at NRZ.

Table 12 shows the findings on crisis management factors considered by NRZ.

Factor	No extent at all	Small extent	Moderate extent	Large extent	Very large extent	MEAN	SD
Financial constraints	0	8	8	61	23	4.03	0.6
Ability, creativity and managers emotional state	35	42	18	5	0	1.93	0.8
Stakeholders' attribution of responsibility	5	11	23	42	19	3.59	0.1
Leadership mandate and support	2	5	15	43	35	4.04	0.2
Organizational values	8	8	8	42	34	3.91	0.6
Stakeholders' prior relations	3	9	29	44	15	3.59	0.4
Crisis history	8	42	35	8	7	2.69	0.2
Media	8	8	45	35	4	3.19	0.2

Table 12: Factors affecting Crisis Management at NRZ

Source: Primary data

The findings above claim that, leadership mandate and support affect crisis management to a very large extent as indicated by a mean of 4.04 and a standard deviation of 0.2, closely followed by financial resources with a mean of 4.03, and a standard deviation of 0.6. The respondents also confirmed that, organizational values also affect CM to a large extent, as shown by a mean of 3.91 and a standard deviation of 0.6. Stakeholders' perceptions and attributions of crisis responsibility have the same large impact on CM, as

stakeholders' prior relations; indicated by mean of 3.59 on each, and standard deviations of 0.1 and 0.4 respectively. Media also affect CM at a large extent, as shown by a mean of 3.19 and a standard deviation of 0.2, followed by crisis history with a mean of 2.69 and a standard deviation of 0.2. Compared to other factors, ability, creativity and crisis responders' emotional state affects CM at a small extent, indicated by a mean value of 1.93 and standard deviation 0.8. The standard deviations for all factors are lower than 1.0, meaning that, there were insignificant variations among responses given, that is, at least 95% of the responses concurred on these factors affecting CM at NRZ.

These findings corroborate the findings of Atuahene (2011) on his investigation of Sub-Saharan Universities' pursuit of higher education research that, most of the Sub-Sahara African developments are plagued with lack of leadership support and mandate. The findings are also in line with Gumbo and Geyer (2011) in an investigation of the 2005 'Operation Murambatsvina' in Zimbabwe who also found that, financial shortage was one of the critical factors that affected the program's success. Therefore, all factors assumed to affect crisis management in parastatals were positively confirmed at NRZ.

6. Conclusions and Recommendations

The researchers concluded that, Crisis Management effectiveness at NRZ is at a smaller extent indicated by a mean score of 1.97. The managers are confirmed to be highly involved in petty politics and corruption, while undertaking crisis management planning at small extent, with adherence to procedures such as procurement and remuneration being very poor. Crisis management efficiency at NRZ is moderate, as indicated by several changes being implemented on organisational variables such as business portfolios, products, markets, partnerships, expenditure, labour and capital, with only infrastructure not have seriously adapted so far. NRZ has multiple response strategies which are recapitalization, public-private ownership, restructuring, leadership changes and concessions. Finally, the major factors which militate against crisis management at NRZ are leadership support and mandate, financial resources and stakeholders' perceptions, prior relations, media, crisis history, organisational values and ability, creativity and manger's emotional state.

It is highly recommended that, the management of parastatals should be freed from politics, for example, the appointment of top management such as the Chief Executive Officers (CEO) must be based on merit, not political grounds. This can help counter the high levels of political interferences within the operations of the parastatal. The appointment of qualified competent leadership can achieve effective crisis management planning, crisis communication and adherence to policies, which will yield effective crisis management.

In addition, the researcher recommends that NRZ should embark on crisis management training. This study found that, crisis management planning and implementation is still taken at a smaller extent, and this could be due to the lack of knowledge and training on how to plan for crises and implementation of such plans. Poor leadership support and mandate was also confirmed to be undermining the success of CM. Therefore, training programs can help alleviate such mal-performances among management.

There should also be stakeholder relationship building programs to prepare for stakeholder support in future crises. The company should invest in corporate social responsibility programs towards its stakeholders such as employees and the wider community. This can serve to build a pool of advocates who will stand for the company in times of adversities such as the crisis under study. Having strong working relationships with stakeholders assures the company, of the stakeholder's support and commitment even in times of environmental traumas such as financial turn-moils.

Furthermore, to increase efficiency, NRZ management should focus more on equipment change as this is the most devastating element towards the company's recovery into normal operations. The findings revealed that, equipment was moderately changed, yet the nature of wagons and locomotives owned by NRZ are obsolete, to the extent of losing competitiveness even in the local business. Therefore, resuscitations such as acquiring electrified wagons and locomotives can make the service more attractive and palatable to customers and business partners.

NRZ should also introduce massive infrastructure development programs such as, Built Own Operate Transfer (BOOT) programmes to enhance independent investors to recapitalize and develop the rail equipment. This will attract investors into introducing their funds into the business. NRZ should also seek inter-parastatal loans, international loans and investors to rescue the company from the financial break down.

This study described the overall effectiveness and efficiency of crisis management in parastatals; hence there is still need for further studies to investigate crisis management effectiveness and efficiency on the components of crisis management process which are crisis preparedness, crisis prevention, crisis event management and post-crisis management. This study was descriptive, and has just described the factors critical for crisis management, without actually ascertaining the nature and strength of relationship between each factor and CM, therefore, further causal studies are recommended to establish the nature and strength relationships between the identified factors and CM.

7. Limitations

The most challenge encountered was the complexity of the crises under consideration. The crises had multiple precipitating factors, for example, confrontation crisis can be attributed to economic downturn, poor financial management leading to cost-cutting pressures, complemented by poor stakeholder communication, diminishing staff morale and safety, therefore, it was difficult to universally study the issue of concern without paying proper attention to each of the contributing factors, which then seemed to be deviating from the focus of the study. Additionally, the government bears a protective role in parastatals, thus limiting the applicability of independent initiatives and strategies to the corporation; hence responses on crisis response strategies were restricted. The high levels of bureaucracy in parastatals also became a challenge in the processing of the needs such as access and information for the researcher

8. References

- i. Adrot, A., and Moriceau, J. L., 2013. Introducing Performativity to Crisis Management Theory: An Illustration from the 2003 French Heat Wave Crisis Response: *Journal of Contingencies and Crisis Management*, Volume 21(1): 26-44.
- ii. Anne, M. B. M., 2009. *Corporate Apologia and the Attribution of Guilt*, Sage Publications
- iii. Atuahene, F., 2011. Rethinking the missing mission of Higher Education: An anatomy of the Research Challenges of African Universities: *Journal of Asian and African Studies*, Volume 46(4):321-341.
- iv. Ayodele, J. O., 2012. Validity and Reliability Issues in Educational Research: *Journal of Educational and Social Research*, Volume 2(2): 391-400.
- v. Babaita, I., 2012. Advances in Management: Management problems in Government Parastatals, The Kwara State Experience *Journal of Department of Business Administration*, Volume 2(1): 32-41.
- vi. Bambale, J. A., 2014. Research Methodological Techniques as a Model for Quantitative Studies in Social Sciences: *British Journal of Economics, Management & Trade*, Volume 4(6): 862-879.
- vii. Bawa, Z., 2011. Where is the state, how is the state?: Assessing water and the state in Mumbai and Johannesburg, *Journal of Asian and African Studies*, Volume 46 (5): 491-504.
- viii. Benoit, W. L., 1995. *Accounts, Excuses, and Apologies*. Albany: State University of New York Press.
- ix. Benoit, W. L., 2005. Image restoration theory In R. L. Heath (Ed.): *Encyclopedia of Public Relations: Volume 1 (407-410)*. Thousand Oaks, CA: Sage Publications.
- x. Biddix, J. P., 2009. *Research Rundowns*, Wordpress.
- xi. Boin., 2008. *Crisis Management: Oxford Journals*, Volume 63(5): 544–553.
- xii. Bryman, A., and Bell, E., 2005. *Foretagsekonomiska forskningsmetoder*, Malmo: Liber, AB.
- xiii. Cancel, A. E., Cameron, G. T., Sallot, I.M., and Mitrook, M. A., 1997. It depends: A contingency theory of accommodation in public relations. *Journal of Public Relations Research*, Volume 9(1), 31-63
- xiv. Cohen, L.; Manion, L., and Morrison, K., 2008. *Research methods in education*, 6th edition, London and New York, Routledge Taylor & Francis Group.
- xv. Coombs, W. T., 2007. Protecting Organization Reputations During a Crisis: The Development and Application of Situational Crisis Communication Theory: *Corporate Reputation Review*, Volume 10 (3): 163–176.
- xvi. Coombs, W. T., 2011. Protecting organization reputations during a crisis: The development and application of situational crisis communication theory. *Corporate Reputation Review*, Volume 10(3).
- xvii. Coombs, W. T., and Holladay, S. J., 1996. Communication and attributions in a crisis: An experimental study of crisis communication: *Journal of Public Relations Research*, Volume 8(4): 279-295.
- xviii. Coombs, W., and Holladay, S.J., 2010. *The handbook of crisis communication*, First edition, Oxford Wiley-Blackwell.
- xix. Cumming, C. M., 2011. Managing Crises without Government Guarantees: How do we get there: *OECD journal*, Volume 2011(2): 1-10.
- xx. Demaki, G. O., 2012. Business Recovery Strategies in the Economic Crisis of Recession in Nigeria. *African Research Review: An International Multidisciplinary Journal*, Ethiopia, Volume. 6(1): 27-38.
- xxi. Derina, H. R., and Glen, R. F., 2010. *An Investigation into the role of Image Repair Theory in Strategic Conflict management*, University of South Florida.
- xxii. Ferguson, D. P., Wallace, J. D., and Chandler R. C., 2012. Rehabilitating Your Organisation's image: Public Relations, Professionals c of the Effectiveness and Ethnicity of Image Repair Strategies in Crisis situations: *Public Relations Society Journal*, Volume 6(1): 1-19.
- xxiii. Giles, J., Rozelle, S., Huang, J., Zhi, H., and Huang J., 2010. The Impact of Global Financial Crisis on Off Farm Employment and Earnings in Rural China, The World Bank, Development Research Group.
- xxiv. Gilpin, D. R., & Murphy, P.J. 1996. *Crisis management in a complex world*, New York: Oxford University Press
- xxv. Gumbo T., and Geyer, M., 2011. "Picking up the Pieces": Reconstructing the Informal sector in Bulawayo, Zimbabwe, Volume 2011 (59): 53-64.
- xxvi. Grunig, J. E., and Hunt, T. 1984. *Managing Public relations*, Fort Worth, Harcourt Brace, Jovanovich College Publishers.
- xxvii. Hayibour, S., 2012. *Business and Society: Equity and Expectancy Considerations in Stakeholder Actions*, SAGE Publications.
- xxviii. Jacques, T., 2007. *Issue Management and Crisis Management: An Integrated, Non-Linear, Relational construct*, New York, Rout-ledge.
- xxix. Jin, Y., Liu, B. F., and Austin, L. L., 2014. Communication Research: Examining the role of social media in effective management: The effects of crisis origin, Information form and source on Publics crisis responses, Volume XX(X) 1–21.
- xxx. Ki, E. J., and Brown, K. A., 2013. The effects of crisis response strategies on Relationship quality outcomes: *Journal of Business Communication*, 2013(50): 403.
- xxxi. Krejcie, R. V., and Morgan, D. W., 1970. *Educational and Psychological Measurement*, Volume 30: 607-610
- xxxii. Kunt, A. D., and Serven, L., 2009. Are All the Sacred Cows Dead?: Implications of the Financial Crisis for Macro and Financial Policies, The Word Bank, Development Research Group.
- xxxiii. Kyhn, H. S., 2008. *Situational Crisis Communication Theory: Its use in a complex crisis with Scandinavian Airlines' grounding of dash 8-q400 airplanes*. M.Sc. Thesis, Aarhus School of Business.

- xxxiv. LAI, Y, Y., 2010. Application of Situational Crisis Communication Theory. M.Sc. Thesis Ball State University, Muncie, Indiana.
- xxxv. Laurel, E, ABC., 2005. Public Relations Research in the Real World of Business, English Communications.
- xxxvi. Madhekeni, A., 2012. Implementing Results-Based Management Systems in Zimbabwe: Context and Implications for the Public Sector: *International Journal of Humanities and Social Science* Vol. 2 (8): 122-129.
- xxxvii. Malhotra, N.K., 2006. *Marketing Research*, 4th edition, Upper saddle river, Pearson Education.
- xxxviii. Manyukwe, C., 2012. "NRZ Off Rails", *The Financial Gazette*, 30 August 2012: 1.
- xxxix. Mashavira, N., Nyanga, T., Chifamba, E., and Zirima, H., 2013. Factors mitigating effective performance management in parastatals operating in Masvingo Urban District, Zimbabwe: *International Journal of Politics and Good Governance* Volume 4 (4.3): 0976 – 1195.
- xl. Mathenge, M, W., 2011. Disaster Recovery and Business Continuity Plans in Class A parastatals in Kenya. M.Sc. Thesis, University of Nairobi.
- xli. McDonald, L, M., 2012. Using Student Constructed Cases to Investigate Crises: *Journal of Management Education*, 37(1): 115–134.
- xlii. Modeus, G., Paulson, R., and Olson, H., 2012. Crisis management in social media. M.Sc. Thesis, Linnaeus University, School of Business and Economics.
- xliii. Mulinge, M, M., and Munyae, M, M., 2008. Managing Organisational Change in Higher Education: Lessons from the University of Botswana: *Journal of African Business*, Volume 9(1) 2008, 167-190.
- xliv. Gilpin, D. R., and Murphy, P. J. 2008. *Crisis management in a complex world*, Oxford University Press.
- xlv. Mwase, N., 2009. The Liberation, Deregulation and Privatisation of the Transport sector in Sub-Saharan Africa: The Experiences, Challenges and Opportunities: *Journal of African Economics*, Volume 12(2): 153-192.
- xlvi. Njagi, L, M., and Malel, J., 2012. Time Management and Job Performance in Selected Parastatals in Kenya, *Australian: Journal of Business and Management research*, Volume 2(5): 19-29.
- xlvii. NRZ Mailroader., 2012.
- xlviii. Nyandoro, T., 2013. "Zimbabwe Railroads Riding to Extinction", *The Financial Gazette*, 25 March 2013: 9.
- xlix. Nyazema, N, Z., 2010, The Zimbabwe Crisis and the Provision of Social Services: Health and Education: *Journal of Developing Societies*, Volume 26(2): 233–261.
- l. Sapriel, C., 2003. Effective crisis management: Tools and best practice for the new millennium: *Journal of Communication Management*, Volume 7(4): 1363–254X.
- li. Seeger, M, W., and Ulmer, R, R., 2003. Explaining Enron: Communication and Responsible Leadership: *Management Communication Quarterly*, Volume 17 (1): 58-84.
- lii. Singh, D., and LaBrosse, R, J., 2012. Developing a Framework for Effective Financial Crisis Management. *OECD Journal-Financial Markets*, Volume 2011 (2): 1-30.
- liii. Sinha, T., 2011. *Crisis Management in Organizations: An exploratory study of factors that affect strategy formation and selection*. D Phil Thesis, Louisiana State University.
- liv. Svensson, P., 2009. Embracing Left and Right: Image Repair and Crisis Communication in a Polarized Ideological Milieu: *Management Communication Quarterly*, Volume 22(4): 555-576.
- lv. Ulmer, R, R., 2012.: Increasing the Impact of Thought Leadership in Crisis Communication: *Management Communication Quarterly*, Volume 26(4): 523–542.
- lvi. Umezurike, C., 2012. Globalisation, Economic Reforms and Democracy in Nigeria, *Africa Development*, Volume 37 (2): 25 – 61.
- lvii. Vagliasindi, M., 2008. The Effectiveness of Boards of Directors of State Owned Enterprises in Developing Countries, The World Bank.
- lviii. Walden, U., 2012. *Educational social psychology*, English Publications.
- lix. Wang, H., and Li, Z., 2009. Research on the Enterprise Crisis Management System Basic on Knowledge Demand: Proceedings of the 2009 International Symposium on Web Information Systems and Applications, May 22-24, 2009, Nanchang, P. R. China.
- lx. Wright, C., 2009. Responding to crises: A test of the situational crisis communication theory, University of South Florida.
- lxi. Yang, S., Kang, M., and Johnson, P., 2010. Effects of narratives, openness to dialogic-communication and credibility on engagement in crisis communication through organizational blogs: *Communication Research*, Volume 37(4): 473-497.
- lxii. Zhou, G., 2000. Public enterprise sector reforms in Zimbabwe: A macro Analytical Approach, *Zambezia*, Volume 27(2): 195-219.
- lxiii. Zikmund, W, G., 2011. *Business research methods*, 7th Edition, Cengage Learning, India.