## esm blog

# When every word matters: the importance of crisis communication

By Cédric Crelo, Juliana Dahl

8 April 2025

In today's volatile world, good crisis communication is vital for sustaining public trust and implementing policies and reforms effectively. Whether it's a financial crisis, a natural disaster, or a public health emergency, the way public organisations communicate during a crisis directly impacts public perception and trust, thus hindering or facilitating crisis management and resolution.

The European Stability Mechanism (ESM), for which crisis preparedness and prevention are paramount, collaborated with the European University Institute (EUI) on a year-long research project aimed at enhancing crisis communication. This initiative was enriched by the contributions of politicians and other thought leaders with experience navigating crises and included executive trainings and workshops to share best practices and case studies. The project underscored the need for a cooperative and proactive approach in public institutions' communication efforts. This blog presents the project's findings, outlining the eight key principles that should guide effective crisis communication.

## The power of words

The famous 'whatever it takes' speech by former European Central Bank president Mario Draghi<sup>[2]</sup> is a testament to how impactful crisis communication can be. Words are the first direct measure that citizens and financial markets react to in crises management. They are an essential tool for maintaining public trust while key reforms and policies take root. Draghi's words, spoken at the right moment, were powerful enough to contribute to safeguarding the euro.<sup>[3]</sup>

Crisis communication is essential to help manage the direct impact of crises by providing clear and accurate information. This, in turn, helps maintain public trust and confidence.

# esm blog

Such communication is also vital for ensuring that organisations are ready to respond effectively to any crisis.

### Prioritising public safety and trust

Public crisis communication is key to protect an institution's reputation and to instil trust.

The ESM-EUI research project identified eight key principles for effectively disseminating information to the public during a crisis:

- 1. Prepare and anticipate
- 2. Steal the thunder
- 3. Make communication part of policy
- 4. Adjust to the audiences
- 5. Avoid the boomerang effect
- 6. Speak with one voice
- 7. Listen and show empathy
- 8. Never let a crisis go to waste

Implementing these principles can significantly improve crisis communication efforts, ensuring that public organisations are well-equipped to handle crises.

#### Before a crisis hits

The principle "prepare and anticipate" is a critical component of effective crisis communication. Organisations must have crisis communication plans in place that include structured information on processes and personal accountabilities, contact information of key media, related organisations and other stakeholders, key messages, sample briefings, press releases, and social media campaigns.

Communication teams should be integrated in all business areas in non-crisis times, making communication part of policy.

# esm blog

This means developing communication plans and training leaders, spokespeople, and other staff on skills needed such as media relations, stakeholder management, and social media strategies.

#### In the midst of a crisis

During a crisis, the focus shifts to addressing the immediate situation and managing the flow of information. To limit negative media attention and increase credibility, an organisation can quickly self-disclose a crisis and communicate all known information at that time, a strategy known as "stealing the thunder". It is important to own the narrative from the start rather than leaving it to others and having to correct it.

To prevent negative backlash to a statement, the "boomerang effect", an organisation must provide the public with accurate, honest, and transparent information. Of equal importance is empathetic communication. To "listen and to show empathy" implies genuinely trying to understand what is at stake and how impacted parties feel. During the Covid-19 pandemic, this approach helped build public trust and thus compliance with vital health guidelines.

"Adjusting to the audience", is also crucial. Different aspects of the crisis response will have to be emphasised to different audiences and in different communication styles to limit misconceptions.

Of critical importance is "speaking with one voice". Inconsistent communication by various players can trigger confusion and suspicion, thereby seriously undermining institutional credibility and public trust. Following the partly uncoordinated communication during the euro crisis, the position of spokesperson to the President of the Eurogroup was created to avoid multilayered communication in the future.

#### Post-crisis reflections

Once the immediate crisis has passed, it is important to evaluate the response and make necessary improvements. This phase is crucial for rebuilding any lost trust and ensuring the organisation is better prepared for future crises. Effective post-crisis communication includes providing updates on the situation, addressing any remaining concerns, and conducting a thorough review of the crisis response to identify areas for improvement.

# esm blog

As attributed to Winston Churchill, "never letting a (good) crisis go to waste", the ESM-EUI project has developed a comprehensive handbook on crisis communication that encapsulates best practices and lessons learned from various crises. This handbook serves as a valuable resource for public institutions looking to enhance their crisis communication strategies.

#### Why effective crisis communication matters

Crises are complex in cause and nature, pushing institutions to continuously improve their approaches to managing them. The ESM- EUI project endeavours to enhance crisis communication strategies and improve overall crisis preparedness.

Avoiding crises is crucial due to their significant economic and social costs. [4], [5] By understanding the importance of effective public crisis communication and adhering to its key principles, organisations like the ESM and others can better manage crises and protect public welfare.

## Acknowledgements

The authors would like to thank <u>Nicola Giammarioli</u> and <u>Anabela Reis</u> for the valuable suggestions and contributions to this blog post, Raquel Calero for the editorial review.

## Further reading

Bojovic, J., Dahl, J. and Andrisani, M. L. (2025), Handbook on Crisis Communication for Public Institutions, European Stability Mechanism, European University Institute (
<a href="Handbook for crisis communication for public institutions">Handbook for crisis communication for public institutions</a>)

Andrisani, M. L. (2025), Crisis communication literature review with key takeaways, European Stability Mechanism, European University Institute (Crisis communication literature review with key takeaways)

#### **Footnotes**



# esm blog

- [1] The project included the publication of a <u>handbook elaborating eight key principles for</u> effective public crisis communication and a related background paper.
- [2] European Central Bank (2012), "Within our mandate, the ECB is ready to do whatever it takes to preserve the euro. And believe me, it will be enough", Verbatim of the remarks made by Mario Draghi
- [3] Baumgaertner, M., Zahner, J. (2024), Talking fragmentation away Decoding the 'whatever it takes' effect, Economics Letters 324
- [4] ESM (2022), Would quality-of-life considerations improve financial assistance evaluations?, Would quality-of-life considerations improve financial assistance evaluations? | European Stability Mechanism
- [5] ESM (2020), Evaluation of financial assistance to Greece, <u>Lessons from financial</u> assistance to Greece | European Stability Mechanism