CITACONOMIA : Economic and Business Studies

Volume 5 No.1
ISSN: 2963-492x
The article is published with OpenAccess at:
https://ejournal.citakonsultindo.or.id/index.php/CITACONOMIA/indexdex

STRATEGIC PUBLIC RELATIONS IN BUILDING AND DEVELOPING CORPORATE IMAGE AFTER REPUTATIONAL CRISIS

Diana Candraningrum[1], Nawang Ayu Romadoni[2], Nenny Anggraini[3], Pramudya Ibnu Subrata[4]
[1,2,3,4]Universitas Slamet Riyadi, Surakarta
Email: adewa7587@gmail.com

Abstrak: *Corporate governance crises have increasingly become a critical challenge for organizations as they can significantly damage reputation and weaken stakeholder trust. When governance failures such as ethical violations, corruption, or weak internal oversight occur, organizations may face substantial reputational pressure that threatens their legitimacy in the eyes of the public. In this context, effective crisis communication and strong governance mechanisms are essential to restore public confidence and maintain long-term organizational credibility. This article aims to develop a conceptual model explaining the process of corporate image development following a governance-related reputational crisis. Using a qualitative descriptive approach and literature-based conceptual analysis, the study integrates perspectives from crisis communication theory, stakeholder theory, and corporate governance literature to examine the relationships among crisis responsibility attribution, crisis response strategies, transparency, stakeholder engagement, and trust restoration. The analysis suggests that governance crises influence public attribution of organizational responsibility, which subsequently shapes the selection of crisis communication strategies. Transparent communication and corrective actions play a central role in reducing uncertainty and demonstrating accountability during the crisis recovery process. Furthermore, stakeholder engagement is identified as a critical mechanism that facilitates trust restoration and strengthens long-term corporate image development. The proposed conceptual model contributes to the literature by integrating multiple theoretical perspectives to provide a more comprehensive understanding of reputational recovery and sustainable image development in contemporary organizations*.

Keyword: *Crisis Communication, Corporate Governance, Corporate Reputation, Stakeholder Engagement, Trust Restoration, Corporate Image Development.*

INTRODUCTION

Pertamina, as a state-owned enterprise operating in the energy sector, occupies a strategic position in maintaining national energy security and supporting the continuity of economic activities in Indonesia. The company plays a central role in ensuring the stability of the national energy supply through its extensive distribution network, including the provision of fuel and liquefied petroleum gas (LPG) to remote and underserved regions. This distribution capacity is essential for sustaining production and consumption activities across various economic sectors, thereby contributing to domestic economic stability (Ryan, 2025). In addition to generating state revenue through taxes and dividends, Pertamina's role in maintaining accessible and affordable energy supplies has been recognized as a critical driver of economic development and public infrastructure expansion in Indonesia.

However, the public legitimacy of state-owned energy corporations such as

Copyright at authors some right reserved this work is licensedUnder a
Creative Commons Attribuation-ShareAlike 4.0 International License.

Pertamina is not determined solely by their economic contributions, but also by public perceptions of corporate governance and ethical business conduct. In recent years, allegations of corruption and concerns regarding governance practices have emerged in public discourse, contributing to a decline in public trust toward the organization. These developments have intensified the challenge faced by the company in restoring its reputation through stronger transparency, accountability, and credible communication with the public (Mantiri, 2025). This situation illustrates that public legitimacy toward a national energy enterprise must be maintained not only through economic performance but also through the consistent implementation of good corporate governance and effective responses to reputational crises (Fauziyah, Zahrah, & Ramdani, 2025).

In the digital era, corporate reputation dynamics are increasingly shaped by the rapid flow of information, the interactivity of social media platforms, and the growing participation of the public in shaping organizational narratives. Digital communication channels allow issues related to corporate governance, business ethics, and transparency to be disseminated and debated widely within a short period of time. As a result, corporate reputations have become more vulnerable to the influence of public opinion and media framing (Aula, 2010; Coombs, 2015). Media exposure of governance challenges within the national energy sector has further heightened public sensitivity toward accountability practices, including reports regarding the challenges faced by PT Pertamina (Persero) in restoring public trust following governance-related controversies (ANTARA News, 2025). In this context, corporate image is no longer determined solely by operational performance but also by the organization's ability to respond to issues rapidly, transparently, and dialogically in the digital public sphere (Coombs, 2007; Suchman, 1995).

Reputational crises resulting from alleged ethical violations or governance failures are commonly understood as situations in which organizational legitimacy experiences social delegitimization due to a perceived gap between public expectations and institutional practices. In contemporary corporate environments, ethical misconduct is no longer perceived as merely an internal organizational issue but rather as a public concern that shapes broader perceptions of organizational credibility and moral responsibility (Suchman, 1995; Treviño, den Nieuwenboer, & Kish-Gephart, 2014). When governance-related controversies are reported through mass media and digital platforms, responsibility is frequently attributed to the organization as a collective entity, causing reputational damage that may extend beyond individual actors involved in the incident (Coombs, 2007). Consequently,

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.

reputational crises are typically characterized by increased negative media coverage, heightened public scrutiny, and declining stakeholder trust in the integrity of the organization.

In the context of Indonesia's national energy sector, allegations of corruption and governance irregularities reported in the media have placed considerable pressure on the reputation of PT Pertamina (Persero), making the restoration of public trust a strategic priority for the organization (ANTARA News, 2025). Such circumstances demonstrate that reputational crises do not only influence public perception but also affect relationships with investors, regulators, and the broader community. Therefore, corporate governance has become a central element in shaping corporate image, where transparency, accountability, and responsive communication must function as primary mechanisms for mitigating long-term reputational risks and rebuilding stakeholder confidence (Coombs, 2015).

LITERATURE REVIEW

Corporate Image and Corporate Reputation

Corporate image, corporate reputation, and organizational legitimacy represent three closely related yet conceptually distinct constructs within corporate communication and public relations scholarship. Corporate image generally refers to the perceptions or impressions formed in the minds of stakeholders based on the information, experiences, symbols, and communication messages associated with an organization (Gray & Balmer, 1998). These perceptions are shaped through multiple communication channels, including media coverage, organizational messaging, and direct interactions between companies and their stakeholders. Consequently, corporate image tends to be relatively dynamic and can change within a short period of time as new information and interpretations emerge (Cornelissen, 2020).

In contrast, corporate reputation is understood as a more stable and long-term collective evaluation formed through the accumulation of stakeholder experiences and judgments regarding an organization's performance and behavior over time. Reputation is not solely constructed through communication activities but also through the organization's historical track record related to product quality, social responsibility, managerial integrity, and its ability to meet stakeholder expectations (Fombrun & van Riel, 2004). From this perspective, corporate image can be considered an initial perceptual layer that contributes to the gradual formation of a more enduring organizational reputation.

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.

Organizational Legitimacy in Corporate Communication

Organizational legitimacy introduces a broader institutional and normative dimension to the discussion of corporate perception. Legitimacy refers to the generalized perception that the actions of an organization are desirable, appropriate, or consistent with socially constructed norms, values, and beliefs within a given society (Suchman, 1995). Unlike corporate image or reputation, which primarily reflect stakeholder perceptions, legitimacy relates more directly to whether an organization's actions align with accepted social standards and institutional expectations.

In this regard, legitimacy is often associated with the organization's governance practices, regulatory compliance, and social responsibility initiatives. When organizations demonstrate alignment between their actions and societal expectations, they are more likely to achieve stable social acceptance. Therefore, corporate image, reputation, and legitimacy can be understood as interconnected processes: image reflects immediate perceptions, reputation reflects long-term evaluations, and legitimacy represents the broader societal acceptance of the organization's presence and activities (Cornelissen, 2020).

Corporate Image Formation in Public Relations

Within public relations research, corporate image is frequently conceptualized as a perceptual construct emerging from communication processes between organizations and their publics. These perceptions do not develop spontaneously but are shaped through the interpretation of messages, symbols, and organizational representations communicated across various channels. In the context of corporate communication, image is viewed as the result of an interpretive process through which stakeholders evaluate the identity, values, and activities communicated by the organization (Cornelissen, 2020).

Organizational communication therefore plays a central role in structuring these perceptions. Through strategic communication initiatives, organizations attempt to convey consistent messages regarding their identity, reputation, and corporate values. Information disseminated through mass media, digital platforms, and interpersonal interactions is cognitively processed by audiences and subsequently influences how the organization is perceived (Gray & Balmer, 1998). Corporate image thus reflects the interaction between the messages produced by organizations and the interpretations formed by stakeholders.

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.

Factors Influencing Corporate Image

The formation of corporate image is influenced by multiple factors related to communication processes and stakeholder experiences. One of the most prominent factors discussed in the literature is media exposure, which refers to the extent and manner in which an organization is represented across various communication channels. Media coverage, corporate publications, and digital communication platforms contribute to shaping the interpretive framework through which the public understands organizational activities and identity (Cornelissen, 2020). Positive and consistent media exposure can therefore strengthen public perceptions regarding corporate credibility and professionalism.

In addition to media exposure, direct stakeholder experiences also play a critical role in shaping corporate image. These experiences may arise from interactions with organizational products or services, engagement with company representatives, or participation in corporate initiatives. Positive experiences tend to reinforce perceptions of organizational quality and integrity, while negative experiences can generate unfavorable impressions that weaken the corporate image (Fombrun & van Riel, 2004). Consequently, corporate image is not only constructed through symbolic communication but also through the real experiences stakeholders have with the organization.

Symbolic Representation and Corporate Identity

Another factor contributing to corporate image formation involves organizational symbols that visually and conceptually represent corporate identity. These symbols include logos, brand designs, slogans, corporate colors, and other visual identity elements used in organizational communication. In corporate communication theory, these symbolic representations function as cognitive cues that help stakeholders recognize and differentiate organizations from their competitors (Gray & Balmer, 1998).

Consistent and recognizable symbolic elements can strengthen positive associations in the minds of stakeholders and facilitate the development of a stable corporate image. Through continuous communication and consistent visual identity management, organizations can reinforce their distinctive characteristics and values within competitive environments. As a result, corporate image formation can be understood as a multidimensional process involving the interaction of media exposure, stakeholder experiences, and symbolic representations (Cornelissen, 2020).

Copyright at authors some right reserved this work is licensedUnder a
Creative Commons Attribuation-ShareAlike 4.0 International License.

Corporate Reputation as a Strategic Asset

Corporate reputation is widely recognized in public relations and strategic management literature as an intangible asset that contributes significantly to organizational sustainability. Reputation develops gradually through the accumulation of stakeholder perceptions regarding an organization's consistency in performance, credibility, and ethical conduct over time (Fombrun & van Riel, 2004). Unlike corporate image, which may fluctuate with changing information environments, reputation reflects long-term evaluations rooted in organizational behavior and performance history.

As a strategic resource, reputation provides numerous advantages for organizations operating in competitive environments. Companies with strong reputations tend to enjoy higher levels of stakeholder trust, including support from customers, investors, regulators, and the general public. This trust can strengthen customer loyalty, facilitate strategic partnerships, and enhance access to financial resources. Consequently, reputation not only represents public perception but also serves as a valuable strategic asset that supports long-term organizational success (Cornelissen, 2020).

Strategic Public Relations

Public relations has increasingly been positioned in organizational communication literature as an integral component of strategic management. Within this perspective, communication activities are not limited to the dissemination of information but function as managerial processes used to identify environmental issues, manage stakeholder relationships, and support organizational objectives (Grunig, Grunig, & Dozier, 2002). Consequently, public relations practitioners are often involved at the executive level to ensure that organizational decisions align with stakeholder expectations and broader societal interests.

Strategic public relations also involves systematic environmental scanning, enabling organizations to identify emerging public concerns, political developments, and shifts in public opinion. Through this process, organizations can develop adaptive communication strategies capable of responding to dynamic environmental changes. In the Excellence Theory framework, public relations practitioners contribute to policy formulation and strategic decision-making rather than merely implementing communication programs (Grunig et al., 2002).

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.

Two-Way Symmetrical Communication

One of the most influential principles in modern public relations theory is the concept of two-way symmetrical communication, developed by James E. Grunig and Todd Hunt. This model conceptualizes communication between organizations and stakeholders as a dialogic process involving mutual exchange of information. Rather than relying on one-sided persuasion, the model emphasizes negotiation, compromise, and mutual adaptation between organizations and their publics (Grunig, 1994).

Through symmetrical communication, organizations not only influence stakeholders but also adjust their policies and behaviors based on stakeholder feedback. This reciprocal process allows both parties to influence each other and adapt to changing social environments. The two-way symmetrical model is widely regarded as one of the most ethical and effective approaches in public relations because it promotes long-term, mutually beneficial relationships between organizations and their stakeholders (Roper, 2005; Cornelissen, 2020).

Trust Capital in Public Relations

Trust between organizations and stakeholders is frequently conceptualized as a form of social capital that holds strategic value for organizational sustainability. In public relations literature, this concept is often referred to as trust capital, representing the level of confidence stakeholders have in the integrity, competence, and credibility of an organization (Fombrun & van Riel, 2004). Trust is not formed instantly but develops gradually through consistent communication, transparency, and alignment between organizational messaging and actual practices.

Public relations plays a central role in cultivating this trust by facilitating open and accountable communication with stakeholders. When stakeholders perceive organizational communication as credible and transparent, relationships between organizations and their publics become more stable and resilient. Transparent crisis responses, in particular, are often associated with higher levels of public trust, as organizations that communicate openly during crises are generally perceived as more responsible and trustworthy (Coombs, 2015; Cornelissen, 2020).

Organizational Legitimacy and Communication

Institutional legitimacy refers to the degree of social acceptance granted to an

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.

organization within its broader institutional environment. Organizations achieve legitimacy when their actions are perceived as consistent with prevailing social values, norms, and expectations (Suchman, 1995). Within this context, public relations functions as a key communication mechanism that enables organizations to explain, justify, and reinforce their actions in the eyes of stakeholders.

Strategic communication therefore becomes essential for maintaining alignment between organizational activities and societal expectations. When organizations face public criticism or controversial issues, public relations strategies are often employed to clarify policies, provide contextual explanations, and develop narratives that resonate with stakeholder expectations (Cornelissen, 2020). Through transparent and responsive communication practices, organizations can maintain social acceptance and reinforce their institutional legitimacy.

Situational Crisis Communication Theory

Situational Crisis Communication Theory (SCCT) was developed to explain how organizations should strategically respond to crisis situations that threaten their reputations. The theory emphasizes that effective crisis responses must be tailored to the specific characteristics of the crisis rather than relying on universal communication strategies. Crises are defined as unexpected events that generate negative stakeholder perceptions regarding organizational actions or failures (Coombs, 2007).

Within the SCCT framework, stakeholder perceptions of responsibility play a central role in shaping public reactions to crises. When crises occur, stakeholders attempt to attribute responsibility to the organization, and these attributions influence the intensity of reputational damage experienced by the organization. Consequently, crisis communication strategies must be carefully designed to address stakeholder perceptions while simultaneously protecting the organization's reputation (Coombs, 2007; Coombs, 2015).

Crisis Response Strategies

SCCT categorizes crisis response strategies into three primary groups: deny, diminish, and rebuild strategies. Deny strategies are used when organizations attempt to refute accusations or clarify that they are not responsible for the crisis event. These strategies are typically applied when organizational responsibility is perceived as low (Coombs, 2007).

Diminish strategies acknowledge the occurrence of a crisis but attempt to reduce

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.

perceptions regarding the organization's level of responsibility. In contrast, rebuild strategies are employed when organizations are perceived as highly responsible for the crisis. These strategies involve accommodative actions such as public apologies, compensation for affected stakeholders, and commitments to corrective measures aimed at preventing similar incidents in the future (Coombs, 2015).

Image Repair Theory

Image Repair Theory provides a complementary perspective for understanding how organizations attempt to restore their reputations following crises or accusations in the public sphere. The theory focuses on rhetorical strategies used by organizations to repair damaged images through carefully crafted communication messages (Benoit, 1997).

Several key strategies are identified within this framework, including denial, corrective action, and mortification. Denial involves rejecting accusations or responsibility, corrective action involves implementing solutions to address the underlying problem, and mortification involves acknowledging wrongdoing and offering a public apology. Through these communication strategies, organizations seek to rebuild credibility and restore stakeholder trust following reputational crises (Benoit, 1997).

Stakeholder and Governance Perspective

Stakeholder theory emphasizes that modern organizations operate within networks of relationships involving multiple stakeholder groups rather than solely focusing on shareholders. In the context of state-owned energy enterprises, key stakeholders typically include governments, consumers, investors, regulators, employees, media organizations, and local communities (Freeman, 1984; Morsing & Schultz, 2006).

Effective management of stakeholder relationships is crucial for organizational sustainability because social legitimacy and public support depend largely on the quality of interactions between organizations and their stakeholders. For state-owned enterprises, governments often play a dual role as both regulators and owners, while public expectations regarding energy access and service quality create additional accountability pressures (Hitt et al., 2017).

Good Corporate Governance

Good Corporate Governance (GCG) refers to a system of principles and structures

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.

designed to direct and control organizational activities in a transparent, accountable, and responsible manner. Within state-owned enterprises, governance frameworks are particularly important because these organizations manage public resources and are subject to higher levels of public scrutiny (OECD, 2015; Tricker, 2019).

The core principles of GCG transparency, accountability, responsibility, independence, and fairness serve as fundamental mechanisms for ensuring ethical organizational conduct. When these governance principles are implemented consistently, stakeholder trust tends to increase because managerial decisions are perceived as transparent and accountable. As a result, effective governance practices contribute significantly to strengthening organizational reputation and public legitimacy (Saputri et al., 2023).

Transparency, Accountability, and Dialogic Communication

Transparency and accountability are widely recognized as essential components of governance in modern organizations. Transparency refers to the openness of organizations in providing accurate and accessible information regarding their activities and performance, allowing stakeholders to evaluate organizational behavior (Rawlins, 2008).

Dialogic communication complements transparency by emphasizing interactive engagement between organizations and stakeholders. Through dialogue-based communication approaches, organizations can create opportunities for feedback, consultation, and collaborative problem-solving. Such practices enable organizations to identify emerging concerns, strengthen stakeholder relationships, and maintain institutional legitimacy in increasingly complex communication environments (Kent & Taylor, 2002; Morsing & Schultz, 2006).

RESEARCH METHODS

This study employs a qualitative descriptive approach to examine the conceptual relationship between crisis communication, organizational legitimacy, and corporate image development. Qualitative descriptive methods are commonly used in conceptual and theoretical studies to explore complex organizational phenomena through interpretative analysis rather than numerical measurement. In this context, the approach allows the study to synthesize theoretical perspectives from public relations, corporate reputation, and crisis communication literature in order to construct a coherent analytical framework. By focusing on conceptual interpretation, the research seeks to explain how reputational crises influence

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.

corporate image and how strategic public relations practices contribute to image restoration and long-term reputation development (Cornelissen, 2020; Coombs, 2015).

The research design relies primarily on literature-based analysis, which involves systematic examination and interpretation of scholarly works relevant to corporate communication, crisis management, legitimacy theory, and stakeholder relations. Through this method, theoretical insights are collected from established academic sources and then analyzed to identify conceptual relationships among the key constructs discussed in this study. Previous studies on corporate reputation, legitimacy, and stakeholder communication provide the theoretical foundation for understanding how organizational responses to crises shape stakeholder perceptions and influence the reconstruction of corporate image after reputational disruption (Fombrun & van Riel, 2004; Suchman, 1995; Freeman, 1984).

In addition to literature analysis, the study adopts a conceptual synthesis approach aimed at integrating multiple theoretical perspectives into a unified analytical framework. The integration of crisis communication theory, stakeholder theory, and corporate reputation literature enables the development of a conceptual model that explains the process through which organizations transition from crisis response to sustainable image development. By combining these theoretical perspectives, the research provides a structured explanation of how strategic communication practices, governance transparency, and stakeholder engagement contribute to restoring public trust and strengthening organizational legitimacy following reputational crises (Coombs, 2007; Grunig, Grunig, & Dozier, 2002; Cornelissen, 2020).

RESULT

A. Theoretical Integration

1) Crisis Communication and Image Repair Perspectives

The development of crisis communication research in modern organizations has been strongly influenced by theoretical approaches that emphasize the importance of strategic responses to reputational threats. One of the most widely used frameworks in this field is Situational Crisis Communication Theory (SCCT) developed by Coombs. This theory explains that crisis communication strategies should be adjusted according to the level of responsibility attributed by the public to the organization. Consequently, organizational responses to crises cannot be generalized, as different crisis situations require different communication strategies to effectively manage reputational damage (Coombs, 2007).

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.

Within the SCCT framework, crises are categorized into three main types: victim crisis, accidental crisis, and preventable crisis. Each category generates different levels of perceived organizational responsibility, which subsequently influences public evaluations of the organization. When a crisis is perceived as the organization's fault, accommodative strategies such as apology and corrective action tend to be more effective than defensive responses. In contrast, when responsibility attribution is relatively low, organizations may rely on defensive strategies to clarify their position and protect their reputation (Coombs & Holladay, 2012).

Complementing this perspective, Image Repair Theory developed by Benoit provides a more detailed explanation of rhetorical strategies that organizations may employ to restore their image after a crisis occurs. According to this theory, organizations can adopt several communication strategies, including denial, evasion of responsibility, reducing offensiveness, corrective action, and mortification. These strategies aim to influence public perceptions of the organization's actions so that reputational damage can be minimized and trust gradually restored (Benoit, 1997).

2) Integration of Crisis Communication and Stakeholder Perspectives

In many organizational contexts, the integration of SCCT and Image Repair Theory is considered particularly useful because both perspectives address different but complementary aspects of crisis communication. SCCT focuses primarily on determining the appropriate communication strategy based on the situational context of the crisis, whereas Image Repair Theory provides a framework for designing persuasive messages intended to restore the organization's image. The combination of these approaches enables organizations to develop more comprehensive crisis communication strategies that address both situational dynamics and message formulation (Coombs, 2007).

In practice, such theoretical integration can be observed in various corporate crises that attract significant public attention. Organizations often combine explanations regarding the crisis situation with expressions of apology and commitments to corrective actions. This integrated approach aims not only to reduce public attribution of responsibility but also to rebuild stakeholder trust in the organization (Ulmer, Sellnow, & Seeger, 2018).

Beyond crisis communication strategies, the recovery phase after a crisis frequently involves strengthening relationships with stakeholders. In this regard, Stakeholder Theory provides an important analytical framework, emphasizing that organizational sustainability depends on the quality of relationships with key stakeholders. According to Freeman,

Copyright at authors some right reserved this work is licensedUnder a
Creative Commons Attribuation-ShareAlike 4.0 International License.

organizations must consider the interests of groups affected by their activities when making strategic decisions, particularly during periods of reputational recovery (Freeman, 1984).

3) Governance and Reputation Reinforcement

In the post-crisis stage, strengthening organizational image is not solely dependent on communication strategies but also on the quality of corporate governance implemented by the organization. Governance Theory explains how organizational accountability mechanisms, supervisory structures, and transparency practices influence institutional legitimacy and public trust. Effective governance practices can therefore enhance stakeholder confidence and strengthen organizational reputation in the long term (Tricker, 2019).

The concept of Good Corporate Governance (GCG) emphasizes principles such as transparency, accountability, responsibility, independence, and fairness. When these principles are consistently implemented, public perceptions of organizational integrity tend to improve significantly. Particularly in state-owned enterprises, governance practices are closely linked to the legitimacy of public resource management and institutional credibility (OECD, 2015).

Consequently, the integration of crisis communication, stakeholder engagement, and governance perspectives provides a comprehensive understanding of how organizations manage reputational challenges. Crisis communication strategies address immediate reputational threats, stakeholder engagement facilitates trust restoration, and governance reforms contribute to the long-term strengthening of corporate image and institutional legitimacy (Fombrun, 1996).

B. Proposed Conceptual Model

1) Governance Crisis and Attribution of Responsibility

Governance crises are commonly understood as situations in which organizational management practices are perceived as failing to meet expected standards of transparency, accountability, or integrity. Such crises often emerge from allegations of ethical misconduct, conflicts of interest, or failures in managerial oversight. When governance issues become publicly visible, media attention and public scrutiny typically intensify, leading stakeholders to assess the degree of responsibility attributable to the organization (Coombs, 2007).

Within the framework of SCCT, crisis responsibility attribution is described as a cognitive process through which stakeholders evaluate the extent to which the organization

Copyright at authors some right reserved this work is licensedUnder a
Creative Commons Attribuation-ShareAlike 4.0 International License.

is responsible for a negative event. Several factors influence this process, including the organization's previous reputation, historical performance, and perceived level of control over the crisis event. When governance failures are perceived as internal organizational problems, stakeholders tend to attribute higher responsibility to the organization (Coombs & Holladay, 2012).

From the perspective of organizational legitimacy, governance failures may create a perceived gap between organizational practices and societal expectations. When this gap becomes visible through media coverage or public discourse, the legitimacy of the organization is often questioned. As a result, stakeholders may hold the organization morally and institutionally accountable for the crisis, thereby increasing reputational pressure on the organization (Suchman, 1995).

2) Crisis Response Strategies: Transparency and Corrective Action

Crisis response strategies refer to the communication and policy actions undertaken by organizations to mitigate the negative consequences of reputational crises. Effective crisis responses typically involve providing accurate information, clarifying the causes of the crisis, and demonstrating organizational commitment to resolving the issue. These actions aim to reduce uncertainty among stakeholders and restore confidence in the organization (Coombs, 2007).

Transparency plays a particularly important role in this process. When organizations openly communicate the causes of a crisis and disclose relevant information, stakeholders are better able to understand the situation and evaluate the organization's response. Transparency therefore reduces uncertainty and signals institutional accountability to the public (Rawlins, 2008).

In addition to transparency, corrective action represents a critical component of crisis response strategies. According to Image Repair Theory, corrective action involves concrete efforts to address the root causes of the crisis and prevent similar events from occurring in the future. Through such actions, organizations demonstrate that the crisis has been taken seriously and that meaningful institutional improvements are being implemented (Benoit, 1997).

3) Stakeholder Engagement and Trust Restoration

Stakeholder engagement refers to the process through which organizations interact with various stakeholder groups in order to build mutually beneficial relationships. In strategic communication literature, reputation is understood not only as the outcome of

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.

communication messages but also as the result of sustained relationships between organizations and their stakeholders (Freeman, 1984).

Following a crisis, stakeholder engagement often becomes a crucial mechanism for restoring trust. Through public dialogue, consultation forums, and participatory communication initiatives, organizations can demonstrate their willingness to listen to stakeholder concerns and incorporate feedback into organizational reforms. These dialogic communication processes contribute to rebuilding trust and strengthening organizational legitimacy (Kent & Taylor, 2002).

Empirical studies also suggest that organizations that actively engage stakeholders during the recovery phase tend to experience higher levels of trust restoration. When stakeholders feel that their voices are acknowledged in organizational decision-making processes, perceptions of organizational integrity and credibility tend to improve significantly (Fombrun, 1996).

4) Trust Restoration and Sustainable Corporate Image

Trust restoration represents a gradual process through which organizations rebuild stakeholder confidence after reputational crises. In reputation management literature, trust is often regarded as a foundational element in shaping long-term corporate image and organizational legitimacy (Fombrun, 1996).

Once stakeholder trust begins to recover, public perceptions of the organization gradually shift toward a more positive evaluation. Stakeholders may perceive the organization as capable of learning from past mistakes and implementing meaningful reforms. These perceptions contribute to the formation of a more stable and credible corporate image over time (Coombs & Holladay, 2012).

A sustainable corporate image is not formed solely through symbolic communication but through consistent organizational behavior that reflects transparency, accountability, and ethical governance. When organizations consistently demonstrate commitment to good governance practices, their reputation becomes more resilient and credible in the eyes of stakeholders (Tricker, 2019).

C. Conceptual Propositions

Based on the theoretical integration discussed above, several conceptual propositions can be formulated to explain the relationships among the variables in the proposed model. These propositions aim to clarify how governance crises, crisis communication strategies,

Copyright at authors some right reserved this work is licensedUnder a
Creative Commons Attribuation-ShareAlike 4.0 International License.

stakeholder engagement, and trust restoration interact in shaping sustainable corporate image.

First, according to SCCT, the level of crisis responsibility attributed to an organization significantly influences the selection of crisis response strategies. When stakeholders perceive the organization as highly responsible for the crisis, more accommodative strategies such as apologies, compensation, and corrective actions are generally required to mitigate reputational damage (Coombs, 2007).

Second, transparency is proposed as a mediating variable linking crisis response strategies and trust restoration. Transparent communication enables stakeholders to understand how the organization is addressing the crisis and demonstrates institutional accountability. As a result, higher levels of transparency are expected to facilitate stronger recovery of stakeholder trust (Rawlins, 2008).

Third, stakeholder engagement is proposed as a moderating factor in the relationship between trust restoration and sustainable corporate image. When organizations actively involve stakeholders in dialogue and decision-making processes, the positive impact of trust restoration on corporate image becomes stronger. Therefore, effective stakeholder engagement can enhance the long-term development of organizational reputation (Freeman, 1984).

CONCLUSION

General Conclusion and Theoretical Implications

Corporate governance crises represent one of the most significant threats to organizational reputation and institutional legitimacy. When failures in governance occur such as ethical violations, corruption, or weak internal oversight public trust toward an organization may decline substantially. In such situations, reputational damage does not only affect the organization's public image but can also weaken stakeholder confidence in the integrity and credibility of the institution. Consequently, governance crises should be understood as multidimensional challenges that influence both reputational standing and broader institutional legitimacy, particularly in organizations with significant public responsibilities.

The findings of this conceptual study highlight that effective reputation recovery requires the integration of governance reform, strategic crisis communication, and long-term stakeholder engagement. Transparency and corrective actions play a central role in

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.

demonstrating organizational accountability and reducing uncertainty among stakeholders during periods of crisis. At the same time, the involvement of stakeholders through continuous dialogue and participatory communication strengthens the process of trust restoration and supports the development of a sustainable corporate image. Theoretically, the conceptual model proposed in this study contributes to the literature by integrating crisis communication perspectives, stakeholder theory, and governance approaches into a unified framework that explains how organizations transition from reputational crisis toward sustainable image development.

Directions for Future Research

Future studies are encouraged to empirically examine the relationships proposed in the conceptual model presented in this article. Quantitative or mixed-method approaches may be employed to test the influence of governance crises, crisis response strategies, transparency, and stakeholder engagement on trust restoration and corporate image development across different organizational contexts. In addition, comparative studies involving state-owned enterprises and private corporations may provide deeper insights into how institutional characteristics influence crisis communication effectiveness and reputation recovery processes in contemporary organizational environments.

REFERENCES

Amiroel, A., & Pratiwi, M. (2025). Penerapan prinsip good corporate governance pada perusahaan industri BUMN. Jurnal Ilmiah Multidisiplin, 5(1). https://doi.org/10.56799/jim.v5i1.13603

ANTARA News. (2025). Pertamina CEO admits biggest challenge is regaining public trust.

Aula, P. (2010). Social media, reputation risk and ambient publicity management. Strategy & Leadership, 38(6), 43–49. https://doi.org/10.1108/10878571011088069

BBC News. (2023). Corporate crisis communication and reputation recovery in major industries.

Benoit, W. L. (1997). Image repair discourse and crisis communication. Public Relations Review, 23(2), 177–186. https://doi.org/10.1016/S0363-8111(97)90023-0

Coombs, W. T. (2007). Protecting organization reputations during a crisis: The development and application of situational crisis communication theory. Corporate Reputation Review, 10(3), 163–176. https://doi.org/10.1057/palgrave.crr.1550049

Coombs, W. T. (2015). Ongoing crisis communication: Planning, managing, and responding

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.

(4th ed.). SAGE Publications.

Coombs, W. T., & Holladay, S. J. (2012). The handbook of crisis communication. Wiley-Blackwell.

Cornelissen, J. (2020). Corporate communication: A guide to theory and practice (6th ed.). SAGE Publications.

Faisal, D., Berliana, F., Pahlevi, R., Febrian, R., & Fathullah, D. (2023). Dinamika kepercayaan publik di media sosial: Krisis komunikasi humas terhadap isu korupsi Pertamina. Socius: Jurnal Penelitian Ilmu Sosial.

Fauziyah, A., Zahrah, H., & Ramdani, D. W. (2025). Penegakan etika bisnis dan tata kelola perusahaan dalam pencegahan korupsi serta pemulihan kepercayaan publik pada perusahaan migas nasional. Indonesia Economic Journal. https://doi.org/10.63822/cpfxq856

Fombrun, C. (1996). Reputation: Realizing value from the corporate image. Harvard Business School Press.

Fombrun, C. J., & van Riel, C. B. M. (2004). Fame and fortune: How successful companies build winning reputations. FT Press.

Freeman, R. E. (1984). Strategic management: A stakeholder approach. Pitman.

Gray, E. R., & Balmer, J. M. T. (1998). Managing corporate image and corporate reputation. Long Range Planning, 31(5), 695–702. https://doi.org/10.1016/S0024-6301(98)00074-0

Grunig, J. E. (1994). World view, ethics, and the two-way symmetrical model of public relations. https://doi.org/10.1007/978-3-322-97043-5_4

Grunig, J. E., & Hunt, T. (1984). Managing public relations. Holt, Rinehart & Winston.

Grunig, J. E., Grunig, L. A., & Dozier, D. M. (2002). Excellent public relations and effective organizations: A study of communication management in three countries. Lawrence Erlbaum Associates.

Gwebu, K. L., Wang, J., & Wang, L. (2018). The role of corporate reputation and crisis response strategies in data breach management. Journal of Management Information Systems. https://doi.org/10.1080/07421222.2018.1451962

Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2021). A primer on partial least squares structural equation modeling (PLS-SEM) (3rd ed.). Sage Publications.

Hitt, M. A., Ireland, R. D., & Hoskisson, R. E. (2017). Strategic management: Competitiveness and globalization. Cengage Learning.

Hon, L. C., & Grunig, J. E. (1999). Guidelines for measuring relationships in public relations. Institute for Public Relations.

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.

Kementerian BUMN. (2024). Transformasi tata kelola dan transparansi BUMN.

Kent, M. L., & Taylor, M. (2002). Toward a dialogic theory of public relations. Public Relations Review, 28(1), 21–37. https://doi.org/10.1016/S0363-8111(02)00108-X

Kumalasari, A., Musa, H. G., Garad, A., Emovwodo, S., & Aditasari, K. (2024). Digital communication transparency and public trust in crisis communication. Komunikator Journal. https://doi.org/10.18196/jkm.24485

Ma, L., & Zhan, M. (2016). Effects of attributed responsibility and response strategies on organizational reputation: A meta-analysis. Journal of Public Relations Research, 28(2), 102–119. https://doi.org/10.1080/1062726X.2016.1166367

Mantiri, S. A. (2025, September 19). Pertamina CEO admits biggest challenge is regaining public trust. ANTARA News.

Morsing, M., & Schultz, M. (2006). Corporate social responsibility communication. Business Ethics: A European Review, 15(4), 323–338. https://doi.org/10.1111/j.1467-8608.2006.00460.x

Nuortimo, K., Harkonen, J., & Breznik, K. (2024). Exploring corporate reputation and crisis communication. Journal of Marketing Analytics. https://doi.org/10.1057/s41270-024-00353-8

OECD. (2015). OECD principles of corporate governance. OECD Publishing.

PLN. (2025). Penerapan good corporate governance dan transparansi PLN. PT PLN (Persero).

Rabbina, H. N., Santoso, O. A., & Wahjono, S. I. (2025). Rekonstruksi budaya organisasi: Korupsi di Indonesia sangat mengkhawatirkan, termasuk di BUMN. Innovative: Journal of Social Science Research, 5(3), 1279–1288. https://doi.org/10.31004/innovative.v5i3.19128

Rawlins, B. (2008). Measuring the relationship between organizational transparency and employee trust. Public Relations Journal, 2(2).

Rawlins, B. (2009). Give the emperor a mirror: Toward developing a stakeholder measurement of organizational transparency. Journal of Public Relations Research, 21(1), 71–99. https://doi.org/10.1080/10627260802153421

Reuters. (2024). Energy companies face reputational scrutiny following crisis events.

Risanti, Y. D., & Nurfadila, F. (2025). Responding crisis communication: The role of social media in building brand trust. PESHUM: Jurnal Pendidikan, Sosial dan Humaniora. https://doi.org/10.56799/peshum.v4i5.11007

Roper, J. (2005). Symmetrical communication: Excellent public relations or a strategy for hegemony? Journal of Public Relations Research, 17(1), 69–86. https://doi.org/10.1207/s1532754xjprr1701_6

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.

Saputra, R. (2020). Penerapan situational crisis communication theory bagi organisasi dakwah dalam menghadapi situasi krisis. Jurnal Simbolika. https://doi.org/10.31289/simbollika.v6i2.4172

Saputri, E. D. A., Fakhruddin, I., Santoso, S. B., & Dirgantari, N. (2023). Pengaruh implementasi good corporate governance terhadap kinerja keuangan BUMN. Jurnal Ilmiah Edunomika, 8(1). https://doi.org/10.29040/jie.v8i1.11530

Schermer, T. (2021). Reputational crises unspun: A stakeholder solution to reputational crises. Springer. https://doi.org/10.1007/978-981-16-5130-4

Stieglitz, S., Bunker, D., Mirbabaie, M., & Ehnis, C. (2019). Sense-making in social media during extreme events. Journal of Contingencies and Crisis Management, 26(1), 4–15. https://doi.org/10.1111/1468-5973.12193

Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. Academy of Management Review, 20(3), 571–610. https://doi.org/10.2307/258788

Suhardi, A. J. (2023). Crisis communication management strategies: A comparative analysis of corporate responses in global emergencies. Jurnal Konseling dan Pendidikan. https://doi.org/10.29210/1168500

Sulistyanto, A., Usmar, U., & Hermiyetti, H. (2020). Model of crisis communication management in the perspective of situational crisis communication theory. Jurnal Komunikasi Ikatan Sarjana Komunikasi Indonesia. https://doi.org/10.25008/jkiski.v5i2.408

Tresnoati, W. S. (2024). Implementation of the two-way symmetrical model of public relations in disaster mitigation communication. Priviet Social Sciences Journal. https://doi.org/10.55942/pssj.v6i2.1497

Tricker, B. (2019). Corporate governance: Principles, policies, and practices. Oxford University Press.

Ulmer, R. R., Sellnow, T. L., & Seeger, M. W. (2018). Effective crisis communication: Moving from crisis to opportunity. Sage Publications.

Copyright at authors some right reserved this work is licensedUnder a Creative Commons Attribuation-ShareAlike 4.0 International License.