



UniMAC
UNIVERSITY OF MEDIA, ARTS AND COMMUNICATION

**INVESTIGATING PUBLIC RELATIONS IN THE GHANAIAN
BANKING SECTOR: AN OVERLOOKED PERSPECTIVE**

BY

AMA AGYEMAN-GYEKYE

MAPRM23015

**A DISSERTATION/THESIS SUBMITTED TO THE UNIVERSITY OF
MEDIA, ARTS AND COMMUNICATION UniMAC IN PARTIAL
FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF MA
IN COMMUNICATION STUDIES.**

DECEMBER 2024

DECLARATION

I hereby declare that this submission is my own work towards the Master of Arts in Public Relations with Marketing and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree at the University, except where due acknowledgment has been made in this document.

AMA AGYEMAN-GYEKYE (MAPRM23015)



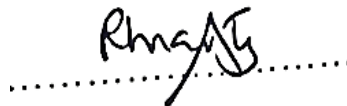
7/02/2025

Student's name and ID

Signature

Date

DR. RHODALENE AMARTEY



7/02/2025

Supervisor's name

Signature

Date

ABSTRACT

This study examines the often-overlooked role of public relations (PR) within Ghana's banking sector, with a particular focus on the shortcomings identified during the 2018 banking sector clean-up. The crisis, which resulted in the closure of several banks, highlighted significant deficiencies in stakeholder communication, transparency, and crisis management. Using a qualitative case study approach focused on GN Bank, this research employs document analysis and applies PR theories, including Excellence Theory and Systems Theory, to assess the effectiveness of PR practices during the crisis. The findings reveal that PR efforts were predominantly reactive, focusing more on promotional activities than on proactive stakeholder engagement and two-way communication. This lack of a strategic PR framework exacerbated reputational damage and eroded public trust. The study highlights the crucial role of PR in managing organisational crises, stressing the importance of transparency and stakeholder-focused communication in mitigating reputational risks. To address these challenges, the study recommends the adoption of the two-way symmetrical communication model, the enhancement of PR capacity through targeted training, and the integration of robust crisis management frameworks to improve stakeholder relationships. By implementing these measures, Ghanaian banks can restore public trust and bolster long-term resilience. This research contributes to the ongoing discourse on financial PR in developing economies, providing practical insights to refine communication strategies within the banking sector.

DEDICATION

This dissertation is dedicated to my family, whose unwavering support and encouragement have been my greatest source of strength throughout this academic journey. To my parents, for instilling in me the value of hard work and perseverance, and to my friends and mentors, who have guided and inspired me with their wisdom and kindness. Finally, to all young professionals striving to make a difference in their communities, this work is for you.

ACKNOWLEDGEMENT

I am deeply thankful to the Almighty God for providing me with the strength, guidance, courage and wisdom to make this project a reality. His unwavering support has been the foundation of this accomplishment.

I would like to express my heartfelt gratitude to my supervisor, Dr. Rhodalene Amartey, for her patience, guidance and thoughtful feedback, which have been instrumental in shaping this project.

My heartfelt appreciation goes to my family and colleagues, for their emotional support, which enabled me to complete this project. Your belief in me has been a constant source of strength.

Finally, I am indebted to all the authors and researchers whose works have been referenced in this project. Without their contributions, this work would not have been possible.

TABLE OF CONTENTS

Declaration.....	i
Abstract.....	ii
Dedication.....	iii
ACKNOWLEDGEMENT.....	iv
CHAPTER 1: Overview of the study.....	1
1.0 Introduction.....	1
1.1 Background of the Study.....	1
1.2 Problem Statement.....	3
1.3 Research Objectives.....	6
1.4 Research Questions.....	6
1.5 Scope of Research.....	7
1.6 Significance of the Study.....	8
1.7 Organisation of the Study.....	9
1.8 Chapter Summary.....	11
Chapter 2: Literature review.....	12
2.1 Introduction.....	12
2.2 What is public relations and financial public relations?.....	12
2.3 Models of Public Relations Practice.....	15
2.4 The role of PR in Ghanaian financial sector.....	18
2.4.1 Public relations roles.....	18
2.4.2 Illustration of the roles: A simple model.....	22
2.5 Theoretical framework.....	22
2.5.1 Theories of Public Relations.....	23
2.5.2 Excellence Theory.....	23
2.5.3 Systems Theory.....	24
2.6 Crisis Management and Organisational Reputation.....	25
2.6.1 Crises as Reputational Threats.....	25
2.6.2 The Role of Situational Crisis Communication Theory (SCCT).....	26
2.6.3 Crisis Response Strategies in SCCT.....	27
2.6.4 Ethical Considerations in Crisis Management.....	28
2.6.5 Protecting Reputation Through Crisis Management.....	28
2.6.6 The Role of Image Restoration Theory in Crisis Communication.....	29
2.6.7 Fundamental Concepts and Assumptions.....	29

2.6.8 Typology of Image Restoration Strategies	30
2.6.9 Case Studies and Applications	31
2.6.10 Limitations of Image Restoration Theory	31
2.7 Structure of Ghana’s Banking Sector	32
2.7.1 Early Development of the Banking System	32
2.7.2 Post-Independence Growth and Regulation	32
2.7.3. Current Landscape and Challenges	33
2.8 The banking sector clean-up	34
2.9 Chapter Summary.....	36
Chapter 3: methodology.....	38
3.0 Introduction	38
3.1 Research Design.....	38
3.2 Population.....	39
3.3 Sample Size.....	39
3.4 Sampling Technique.....	39
3.5 Data Collection Methods.....	40
3.5.1 Secondary Data Sources	41
3.5.2 Primary Data Sources	41
3.5 Data Handling and Analysis.....	41
3.6 Justification for Document Analysis Over Interviews	43
3.7 Chapter Summary.....	43
Chapter 4: Data Analysis, Presentation of Findings, and Discussions	45
4.1 Introduction	45
4.2 Lack of Proactive Crisis Communication	45
4.3 Insufficient Stakeholder Engagement	46
4.4 Overemphasis on Promotional Activities.....	47
4.4.1 Interest Dimension.....	47
4.4.2 Initiative Dimension	48
4.4.3 Image Dimension.....	48
4.4.4 Reputation Management and Proactive Strategies	48
4.5 Theoretical Implications.....	49
4.5.1 Excellence Theory and the Absence of Strategic PR	49
4.5.2 Systems Theory and Organisational Adaptability.....	49
4.5.3 Situational Crisis Communication Theory (SCCT) and Reputation Management	50
4.6.1 Implications for PR Practice in Ghana’s Financial Sector	51

4.6.2 Broader Implications for Ghana’s PR Framework	52
4.6.3 Global and Local Contexts of Financial PR	52
4.7 Chapter Summary	53
Chapter 5: Summary, Conclusion, and Recommendations	55
5.1 Introduction	55
5.2 Summary of Findings	55
5.3 Conclusions	56
5.4 Recommendations	56
5.5 Limitations of the Study	57
5.6 Suggestions for Future Research	57
5.7 Chapter Summary	58
Bibliography	59
Glossary	63

CHAPTER 1: OVERVIEW OF THE STUDY

1.0 Introduction

This chapter provides an overview of the study, focusing on the significance of public relations (PR) in the Ghanaian banking sector, particularly its role in stakeholder communication, crisis management, and trust-building. It introduces the background of the research, the problem statement highlighting PR lapses during the 2018 banking sector cleanup, and the objectives aimed at identifying deficiencies in PR practices and proposing improvements. Additionally, the chapter outlines the scope of the study, including its geographical, temporal, and thematic boundaries, and emphasizes its significance in addressing gaps in financial PR to enhance transparency and stakeholder engagement. Finally, it presents the organisation of the dissertation, detailing the structure of subsequent chapters that cover the literature review, methodology, data analysis, and recommendations.

1.1 Background of the Study

Public relations plays a pivotal role in the operations and success of banks. Similar to other sectors of the economy, it focuses on maintaining mutually beneficial relationships (Cutlip, Center, & Broom, 2006), seeking common ground to advance the interests of both the institution and its various publics, commonly referred to as stakeholders. Newsom & Haynes (2005) define it as a two-way street, where the leadership does not only influence the public, but also considers the views of its publics. In the banking sector, PR is integral to a business's long-term success, as it takes the lead in shaping and safeguarding the institution's reputation. By enhancing transparency and promoting trust and credibility, public relations supports the fundamental pillars that are essential to a bank's sustained growth and its positive image within the community (Obeng, 2018).

Public relations takes on various forms depending on the context in which it is applied (Newsom & Haynes, 2005; Anani-Bossman, 2018). Much like water, it adapts to the shape of its context, shifting its approach to suit different circumstances. In discussing these varied contexts and, by extension, the recipients of different PR campaigns, Newsom & Haynes (2005) highlight several factors that influence how PR is received, such as income levels, education, taste, civic awareness, and political affiliation, among others. These diverse influences shape how public relations is tailored to meet the needs and expectations of specific groups. In the context of banking, however, public relations takes on a distinct form, designed to cater to the unique needs and challenges of the financial sector. Specifically, the form of public relations practiced in this sector is referred to as “financial public relations” (Obeng, 2018), focusing on fostering trust, transparency, and credibility with the public.

Sengupta (2011), as cited in Obeng (2018), defines financial public relations as a strategic function within organisational management that focuses on accurately conveying an organisation’s progress, performance, and future prospects to its stakeholders. Generally, financial public relations focuses on revealing the financial position and future prospects of a company by transparently communicating key financial indicators (Obeng, 2018). This open communication aims not only to enhance the company’s image but also to strengthen relationships with stakeholders. By providing clear and accurate financial information, financial PR seeks to build trust and credibility, ultimately improving the company’s standing with its shareholders, investors, and the wider public.

An investigation into the PR practices of banks in Ghana, conducted by Obeng (2018) and titled “A Study of Financial Public Relations Practices and Corporate Image in Selected Commercial Banks in Ghana”, revealed the widespread use of various public relations strategies within the Ghanaian financial sector. The practice of public relations is growing globally (Anani-Bossman, 2018; Newsom & Haynes, 2005), and with this growth comes the

evolution of certain aspects of PR. In Ghana, as in many other countries, public relations plays a crucial role in maintaining public trust (Obeng, 2018). However, despite its importance, a noticeable deficit in its practice is evident, with clear lapses revealed through public reactions. The banking sector cleanup that took place in Ghana in 2018 serves as a clear example of multiple public relations lapses. According to the 2018 Bank of Ghana report, the financial institutions affected by the cleanup commonly referred to as the banking crisis faced difficulties due to poor decisions made by the management of the banks. From a PR perspective, several lapses are evident. PR experts should have advised management on the consequences of their actions, considering the interests of the public (Newsom & Haynes, 2005). Furthermore, there was a clear case of negligence on the part of management in failing to communicate the challenges the banks were facing to their stakeholders, preventing those stakeholders from taking the necessary actions in response.

A JoyNews report on MyJoyOnline.com by Asante (2024) reveals that some shareholders withdrew their funds from GN Bank ahead of its collapse due to widespread panic. This incident highlights significant shortcomings in the public relations practices of banks, particularly in managing stakeholder communication during crises. Given that a key role of PR is to enhance transparency and effectively manage crises (Obeng, 2018), this failure points to critical gaps in the application of these principles. While the adaptation to PR practices is encouraging, the lapses observed and room to cover is alarming.

1.2 Problem Statement

Ghana's banking sector is crucial for the country's economic development, overseen by the Bank of Ghana which regulates monetary policy and maintains financial stability (Bank of Ghana, 2018). The sector includes commercial, development, merchant, and rural banks, each

serving distinct roles. Commercial banks offer a range of financial services to individuals and businesses, development banks fund key sectors like agriculture and industry, merchant banks provide investment banking services, and rural banks enhance financial inclusion in remote areas (Ghana Investment Promotion Centre). According to a MyJoyOnline news report by Asante (2024), GN Bank played a crucial role in supporting small businesses and rural communities. The bank acted as a financial lifeline, providing essential services that not only helped rescue struggling enterprises but also ensured their continued operation. By offering accessible financial solutions, GN Bank contributed significantly to the economic stability of these communities, reinforcing its position as a key partner in their growth and sustainability.

In 2018, the Ghanaian banking sector underwent a significant cleanup programme, resulting in the revocation of licenses for several banks and other financial institutions. According to the Bank of Ghana (2019), many of the banks that collapsed had substantial non-performing loans (NPLs) on their balance sheets. These loans significantly increased operating costs, as banks struggled to manage the financial burden of unpaid debts. This, in turn, led to reduced profitability and created a ripple effect on their financial stability. Over time, the accumulation of non-performing loans eroded the capital reserves of these banks, leaving them undercapitalized and unable to meet the regulatory requirements necessary to remain operational (Dwamena & Yusoff, 2022).

However, the challenges extended beyond non-performing loans. Several banks were also found to have engaged in poor corporate governance practices, which included weak oversight, conflicts of interest, and a lack of accountability among board members and senior management. High credit risks further exacerbated the situation, with many banks extending loans without proper assessment of borrowers' creditworthiness, leading to a high rate of loan defaults. Additionally, regulatory lapses played a significant role, as delays in enforcing compliance and identifying financial irregularities allowed these issues to escalate unchecked

(Dwamena & Yusoff, 2022). These factors, among others, created a volatile environment in the banking sector, ultimately contributing to the collapse of several institutions. Following the banking sector cleanup, the Bank of Ghana reported growth in several key performance indicators (KPIs), referring to the policy as largely successful (Bank of Ghana, 2019). Recent growth in the banking sector is evident from increasing assets and deposits, driven by rising demand for financial services.

The position of this research paper is on the lapses, here referred to as ‘overlooked,’ observed in the banking sector’s PR practices. Several references can be made to establish the relationship between PR and the collapse of the banks, focusing on the role of PR in averting the situation or managing the crisis better. For instance, Sandin and Simoline (2006) argue that public relations is critical to the effective functioning of banks and the financial services sector as a whole. The collapse of these banks serves as a clear example of Ineffective PR in the banking sector. Furthermore, financial PR involves various public relations activities, such as media relations, investor relations, internal communication, opinion measurement, stakeholder reporting, with particular emphasis on crisis management (Bowman & Bing, 1993 as cited in Obeng, 2018), another aspect of PR which clearly fell short in addressing the challenges of the banks. Obeng (2018) clearly notes that financial PR is a burgeoning field that has garnered significant attention in recent times. However, it seems that while considerable effort is directed towards promoting the banks' products, other critical aspects of financial PR are being neglected, resulting in poor performance in these areas.

While much is known about the various financial PR practices employed by banks and other financial institutions, little attention has been given to the overlooked aspects of these practices. This paper, therefore, adopts an exploratory approach, delving into the nuances of PR practices within the Ghanaian banking sector, identifying key lapses, and proposing solutions through recommendations for improvement.

1.3 Research Objectives

The primary objective of this research is to investigate the role of public relations (PR) in the Ghanaian banking sector, with a particular focus on the lapses observed during the 2018 banking sector cleanup. The study aims to explore the deficiencies in financial PR practices and their impact on the reputation and stability of banks during times of crisis.

To achieve this, the study is guided by the following specific objectives:

- To establish the role and importance of public relations in the banking sector in Ghana.
- To identify the public relations practices currently employed by banks in Ghana.
- To determine the lapses in financial public relations that contributed to the 2018 banking crisis.
- To make recommendations for improving financial public relations practices in Ghana's banking sector.

1.4 Research Questions

The research aims to answer the following key questions in order to assess the public relations practices within the Ghanaian banking sector and identify areas for improvement:

- What is the role and importance of public relations in the banking sector in Ghana?
- What public relations practices are currently employed by banks in Ghana?
- What lapses in financial public relations contributed to the challenges faced by banks during the 2018 banking sector cleanup?
- What strategies and recommendations can be implemented to improve public relations practices in Ghana's banking sector?

1.5 Scope of Research

Public relations (PR) plays a pivotal role in shaping the reputation and operations of banks in Ghana. However, its application and significance in the banking sector remain underexplored in existing research, which predominantly focuses on financial performance and risk management. This study seeks to bridge this gap by investigating the role and practices of financial public relations (PR) in Ghanaian banks, particularly during periods of crisis, such as the 2018 banking sector cleanup.

The research will focus on the following areas:

Geographical Scope: This study will concentrate exclusively on banks operating in Ghana, with an emphasis on commercial and development banks that are regulated by the Bank of Ghana. It will not cover non-banking financial institutions or other sectors outside the financial industry.

Time Frame: The main focus of this research will be on the events surrounding the 2018 banking sector crisis, which resulted in the closure of several banks. The study will explore how PR practices were applied before, during, and after the crisis, evaluating their effectiveness and identifying lapses in communication. While the research will primarily focus on this period, it will also consider the evolution of PR practices in Ghanaian banks post-crisis.

Content Focus: This research will delve into various aspects of financial PR, such as media relations, crisis management, stakeholder communication, and transparency. It will assess how these practices were employed during the crisis and identify areas where improvements are needed to strengthen the sector's reputation and public trust.

Exclusion: This study will not focus on the financial or technical aspects of the banking sector, such as financial performance, regulatory policies, or risk management strategies. Instead, the

emphasis will be on understanding the role of PR in enhancing communication, managing crises, and improving stakeholder relationships in Ghana's banking industry.

By examining these aspects, this study aims to provide valuable insights into the often-overlooked role of public relations in the banking sector and offer practical recommendations for improving communication strategies to foster greater transparency and trust with the public.

1.6 Significance of the Study

The significance of this study lies in addressing the crucial gap in the role of public relations (PR) in Ghana's banking sector. The banking sector in Ghana is a critical pillar of the country's economic development, yet the public relations practices within the sector have not been fully explored, particularly in times of crisis. The 2018 banking sector cleanup highlighted significant lapses in communication, particularly regarding crisis management, stakeholder relations, and transparency, which ultimately contributed to the challenges faced by the affected banks. While most research in the sector has focused on financial performance and risk management, this study shifts the focus to the often-overlooked area of financial public relations.

By examining the role of PR in Ghanaian banks, this research will contribute to a better understanding of how PR practices are implemented in the sector, particularly in times of crisis. The outcomes of this study are significant for various stakeholders. For financial PR practitioners, the findings will provide insights into best practices for enhancing communication strategies, improving crisis management, and strengthening stakeholder relationships. It will also highlight areas of weakness and suggest strategies for addressing these gaps to ensure more effective communication with both internal and external publics.

Moreover, the study will help bank managers and executives appreciate the importance of financial PR as a vital component of corporate management. It will offer practical recommendations on how to use PR to build trust, foster transparency, and mitigate reputational risks. These insights will also serve to inform policymakers and regulators about the role of PR in ensuring the stability and credibility of the banking sector, particularly in crisis situations.

For financial journalists and other media professionals, the study will provide a deeper understanding of how PR strategies can complement their reporting efforts, helping them to navigate complex financial issues and communicate more effectively with the public. Additionally, feedback from clients and stakeholders on the current state of financial PR will be instrumental in refining PR practices to better meet the needs of the banking sector's diverse audience.

Finally, this study will contribute to the academic literature on financial public relations, particularly in the context of developing economies like Ghana. It will serve as a foundation for future research in this field, potentially prompting further investigations into the evolving role of PR in financial institutions globally.

1.7 Organisation of the Study

This research is organized into five chapters, with each chapter addressing specific aspects of the study to ensure a thorough and coherent exploration of the topic. The chapters are outlined as follows:

Chapter One: Introduction

This chapter lays the groundwork for the study. It introduces the background, research problem, objectives, research questions, scope, and significance of the study. It also explains the context

and rationale for investigating public relations in Ghana's banking sector, particularly in light of observed lapses during the banking sector cleanup.

Chapter Two: Literature Review

This chapter examines existing literature on public relations in banking, focusing on its role, practices, and challenges within the financial sector. It explores previous studies on financial public relations, the impact of PR practices on crisis management, and the relevance of communication strategies to stakeholder engagement. The review also identifies gaps in the literature that this study seeks to address.

Chapter Three: Theoretical Framework and Research Methodology

This chapter presents the theoretical framework guiding the study, detailing the relevant theories that underpin the research. It also outlines the research design and methodology, including the research approach, data collection methods, sampling techniques, and analysis strategies. This chapter provides justification for the chosen methods and their alignment with the study's objectives.

Chapter Four: Data Analysis, Presentation of Findings, and Discussions

This chapter presents the results of the research, including data analysis and interpretation. The findings are discussed in relation to the research questions and objectives, drawing connections to the literature reviewed in Chapter Two. Key insights are highlighted, particularly those related to PR practices, lapses, and their implications for Ghanaian banks.

Chapter Five: Summary, Conclusion, and Recommendations

The final chapter summarizes the main findings of the study and provides conclusions based on the research objectives. Practical recommendations are proposed to improve financial PR practices in Ghana's banking sector, with an emphasis on addressing lapses and enhancing

crisis management strategies. This chapter also highlights limitations of the study and suggests areas for future research.

1.8 Chapter Summary

This study investigates the role of public relations (PR) in Ghana's banking sector, focusing on lapses observed during the 2018 banking sector cleanup. Public relations, especially financial PR, is crucial for building trust and credibility in banks, fostering transparent communication, and enhancing stakeholder relationships. However, PR practices in Ghanaian banks have been inadequate, as seen during the banking crisis, where poor crisis management and lack of transparency contributed to bank collapses. The research aims to explore the role of PR in this context, identify the lapses, and propose improvements to enhance communication and stakeholder relations. The study fills a gap in existing research, which primarily focuses on financial performance and risk management, by emphasising the importance of PR in ensuring the stability and reputation of the banking sector.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

In Ghana, the banking sector has witnessed increasing scrutiny of PR practices due to its role in influencing stakeholder confidence and institutional stability. Effective PR strategies are essential for maintaining transparency, building relationships with customers, and navigating crises. However, lapses in financial PR practices have been identified, raising concerns about the adequacy of communication and engagement strategies within the sector.

This chapter reviews existing literature on public relations and financial PR, focusing on its role in the banking industry and the specific practices employed in Ghana. Using the banking sector cleanup between 2017 and 2019 as a case study, the chapter explores the gaps and lapses in PR practices that may have influenced stakeholder trust and engagement during that period. The literature review aims to provide a comprehensive understanding of the importance of PR in the banking sector, identify existing practices and challenges, and lay the groundwork for recommendations to improve financial PR in Ghana.

2.2 What is public relations and financial public relations?

Public Relations (PR) is a dynamic field of practice encompassing a broad range of activities aimed at managing communication between an organisation and its various publics (Newsom & Haynes, 2005). Historically, early definitions of PR focused on its role in "building and holding goodwill" through communication (Bernays, 1928), a perspective that remains a cornerstone of the practice. Over time, PR has evolved into a more strategic function, incorporating a range of communication techniques designed to foster relationships and ensure mutual understanding between organizations and their audiences (Grunig & Hunt, 1984). While some marketing professionals view PR as a tactical tool in the promotional mix, others,

especially PR scholars, have conceptualized it as a management discipline (Lages & Simkin, 2003). According to Johnston & Zawawi (2009, p. 6), public relations as a management function that utilizes communication to build relationships and promote mutual understanding between an organisation and its publics. This definition underlines PR's role in managing and aligning an organisation's policies with the public's expectations, which is central to fostering positive relationships.

As the field of PR has evolved, several common themes have emerged in its definitions, particularly around management, organisational alignment, and the establishment of relationships with different publics. For example, Belch and Belch (2004) describe PR as a “management function” that evaluates public attitudes and establishes organisational policies to promote understanding and acceptance. This view highlights the strategic aspect of PR, with an emphasis on both internal policy alignment and external relationship-building, though it may not fully address the dynamic, evolving nature of public relations practice in the contemporary digital age. In this regard, PR is increasingly seen as “relationship management”, where the focus is on managing the relationships between an organisation and its stakeholders through processes like analysis, planning, implementation, and evaluation (Lages & Simkin, 2003). These definitions reflect a shift from viewing PR solely as a communicative activity to recognizing it as a strategic tool for long-term organisational success.

Public relations also plays a crucial role in fostering a positive organisational image. According to Jefkins (1978), PR consists of all forms of planned communication aimed at achieving specific objectives concerning mutual understanding between an organisation and its publics. The activities within PR include not only external communication but also internal communication, aimed at cultivating goodwill and supporting organisational goals. As such, PR is integral to building and maintaining a company's image, both in the public eye and with its internal stakeholders (Onwuchuruba, 1996). In this regard, the role of PR professionals

extends beyond simply disseminating information; they also engage in strategic planning, media relations, and reputation management.

One of the most important components of PR is its adaptability to different sectors and industries. For instance, in the Ghanaian banking sector, PR plays an essential role in building positive relationships with key stakeholders, including customers, employees, regulators, and the general public. Banks in Ghana utilize PR to manage their reputation, promote corporate social responsibility, and ensure transparency in their financial practices (Anani-Bossman, 2018). PR activities in the banking sector typically include media relations, crisis communication, financial reporting, and investor relations, with the goal of ensuring that the public perceives the bank as a trustworthy and reliable institution (Obeng, 2018). However, it is important to note that the use of PR in the Ghanaian banking sector is not exhaustive, and its practices may vary depending on the bank's objectives, target publics, and communication strategies.

Financial PR, a subset of PR, specifically focuses on managing an organisation's communication with its investors, financial analysts, and other stakeholders concerned with its financial performance (Obeng, 2018). Financial PR involves promoting transparency and trust by providing clear, accurate, and timely information about an organisation's financial status, including its investments, earnings, and corporate governance (Anani-Bossman, 2018). According to the Farlex Financial Dictionary (2012), financial PR is the division of PR responsible for cultivating positive investor relations and ensuring the proper disclosure of financial information. In this context, financial PR helps organizations navigate the complex financial landscape and maintain a favourable reputation among investors and financial institutions.

The importance of financial PR cannot be overstated, especially in sectors like banking, where trust and credibility are vital to an organisation's success. As noted by (Obeng, 2018), PR is an important part of the promotional strategies, and financial PR is particularly valued for its ability to enhance an organisation's credibility and reputation. In the Ghanaian banking sector, financial PR strategies are used to communicate the bank's financial health, mitigate the impact of any crises, and ensure that stakeholders are well-informed (Dumitru, Motoi, & Budică, 2016). This includes investor briefings, press releases, shareholder meetings, and financial reporting. By fostering positive relationships with financial stakeholders, banks can ensure continued investment and public confidence (Bhabra, Kollahgar, & Ravi, 2020).

While public relations and financial PR share common goals of building and maintaining favourable relationships with various publics, their scope and application differ. PR, as a broader practice, encompasses a variety of activities beyond financial communication, such as crisis management, media relations, and employee engagement. Financial PR, on the other hand, is specifically concerned with financial communication, investor relations, and maintaining trust in an organisation's financial practices (Obeng, 2018). This distinction sets financial PR apart as a specialized area of PR that requires expertise in both financial reporting and strategic communication.

2.3 Models of Public Relations Practice

Public relations (PR) models serve as frameworks for understanding and evaluating the approaches and methods employed by practitioners in managing communication between organizations and their stakeholders. Among the most influential contributions to PR theory are the models proposed by Grunig and Hunt (1984), which remain central to contemporary

PR practice. These models highlight how PR has evolved and provide a lens through which to examine its application in different contexts, including the financial sector in Ghana.

Grunig and Hunt (1984) identified four models of PR that describe distinct approaches to communication. The first model, known as the press agency model, is rooted in the activities of press agents and publicists during the 19th and early 20th centuries. It is characterized by one-way communication aimed at securing positive media coverage. Practitioners using this model often employ sensationalism, propaganda, and selective information to promote their organisation. While effective in generating publicity, it is criticized for its lack of transparency and ethical considerations (Grunig, 1984; Lattimore et al., 2012).

Building on the press agency model, the public information model prioritizes truth and accuracy in communication. Introduced by Ivy Lee's "public be informed" approach, this model also relies on one-way communication but focuses on disseminating factual information. Although this model demonstrates a more ethical approach, it does not consider audience feedback or engagement, thus limiting its effectiveness in fostering meaningful relationships (Grunig & Hunt, 1984; Butterick, 2011).

The two-way asymmetrical model introduces the concept of audience research to inform communication strategies. Practitioners seek to understand their audience's attitudes and behaviours to craft messages that persuade or influence stakeholders in favour of the organization. While this model incorporates feedback, the communication remains imbalanced, as the primary goal is to benefit the organisation rather than achieving mutual understanding (Heath, 2005; Grunig & Hunt, 1984).

The two-way symmetrical model is regarded as the most effective and ethical approach. It promotes mutual understanding and dialogue between organisations and their stakeholders. This model emphasises negotiation, conflict resolution, and collaboration, fostering long-term

relationships built on trust and mutual respect. It is particularly valued for its ability to adapt to changing circumstances and address the needs of both the organisation and its publics (Grunig, 1989; Grunig & Hunt, 1984).

Although Grunig and Hunt's models have been widely adopted, their applicability varies across cultural contexts. Grunig et al. (1995) identified two additional models that reflect cultural influences on PR practices. The personal influence model highlights the importance of building personal relationships with key stakeholders. Commonly observed in countries where personal connections play a significant role in business and governance, it involves leveraging personal networks to achieve organisational objectives. The cultural interpreter model focuses on bridging cultural gaps between organisations and their stakeholders. It is particularly relevant in multicultural or international settings, where understanding and respecting cultural nuances are critical for effective communication.

Grunig et al. (1995) argue that these cultural models are variations of the four core models and suggest that the principles underlying the two-way symmetrical model can be adapted to different cultural and regional contexts, including developing nations like Ghana. The application of these models within Ghana's financial sector provides valuable insights into the strengths and limitations of PR practices. While the public information and press agency models dominate, there is an emerging recognition of the importance of two-way communication in rebuilding trust and fostering stakeholder engagement (Anani-Bossman, 2018). By adopting the two-way symmetrical model, financial institutions in Ghana can enhance their reputation and resilience, particularly during crises.

The next section will explore how these models translate into specific PR roles and practices within the financial services sector.

2.4 The role of PR in Ghanaian financial sector

Based on the critical function of public relations (PR) in businesses, particularly in financial institutions, it is evident that PR plays a pivotal role in their overall success. As Anani-Bossman (2018) asserts, “the relevance of PR professionals is clearly found in the roles they play in organisations.” This assertion underscores the importance of examining the roles and functions of PR and its practitioners in the context of Ghana’s financial institutions. PR practitioners do more than manage the flow of information; they actively engage key publics, foster strong relationships, safeguard the organisation's reputation under all circumstances, and contribute to achieving strategic organisational objectives. As outlined by the Public Relations Society of America (PRSA, 2012), these roles include leveraging PR measurement to ensure alignment with the organisation's goals, further emphasising the indispensable value of PR in modern financial institutions.

2.4.1 Public relations roles

In the context of public relations (PR) and financial PR, understanding the roles PR practitioners assume is crucial for exploring how PR can influence organisational communication, particularly within the financial sector. The concept of 'roles' refers to the day-to-day activities that PR professionals undertake (Anani-Bossman, 2018), which are central to shaping how public relations is practiced in various sectors, including finance. Broom (1986: 2) defines PR roles as “gathering, assimilating, interpreting, and disseminating intelligence about the environment,” which underscores the importance of the practitioner's ability to process and communicate information effectively. This concept is key to understanding PR practices across different contexts, such as Ghana's banking sector.

Broom and Sha (2012: 31) refer to Broom and Smith (1979) as the originators of the conceptualisation of four key PR roles: the communication technician, expert prescriber,

communication facilitator, and problem-solving facilitator. These roles provide a framework for understanding the various functions PR practitioners fulfil within an organisation.

Role	Description
Communication Technician	<p>The communication technician role is primarily focused on the implementation of communication strategies rather than decision-making. It involves tasks such as writing press releases, managing social media content, and handling media relations. In financial PR, the technician may be tasked with preparing press releases about a company's financial performance or managing the media's coverage of financial issues.</p>
Expert Prescriber	<p>The expert prescriber is a more strategic role, where PR practitioners serve as advisors to senior management. They provide expert guidance on communication strategies, helping shape how an organisation interacts with the media and its stakeholders. In financial PR, this role would involve advising management on how to communicate financial results or navigate financial crises.</p>
Communication Facilitator	<p>This role focuses on facilitating two-way communication between various stakeholders, both within and outside the organisation. Practitioners act as liaisons to ensure effective communication between management and external stakeholders. In financial PR, the communication facilitator ensures that key information, such as financial reports, is clearly communicated to investors, regulators, and the public.</p>

Role	Description
Problem-Solving Facilitator	The problem-solving facilitator role involves working closely with management to develop communication strategies that address specific challenges, whether internal or external. This could include managing a financial scandal, handling market fluctuations, or addressing negative public perception. Financial PR practitioners in this role need to align organisational actions with public expectations and regulatory requirements.

In a more developed classification, Dozier and Broom (1995) distinguish between two dominant roles: the technician and manager roles. The technician role focuses on implementing strategic decisions, while the manager role involves planning and managing PR programmes, advising management, and making communication policy decisions. The managerial role, as discussed by Broom and Sha (2012), is often divided into three sub-categories: the expert prescriber, communication facilitator, and problem-solving facilitator. These roles are not merely academic concepts but are crucial for understanding how PR operates strategically within organisations, particularly in the financial sector.

In addition to these roles, Van Ruler et al. (2001) introduced the reflective role, which is especially important in the context of the Ghanaian banking sector. This role is about ensuring that an organisation's communication practices evolve in response to societal expectations. It involves adjusting organisational values and norms to align with societal standards. In the financial sector, particularly in Ghana, where there is increased scrutiny from both the public and regulators, the reflective role plays a vital part in maintaining the legitimacy of financial institutions.

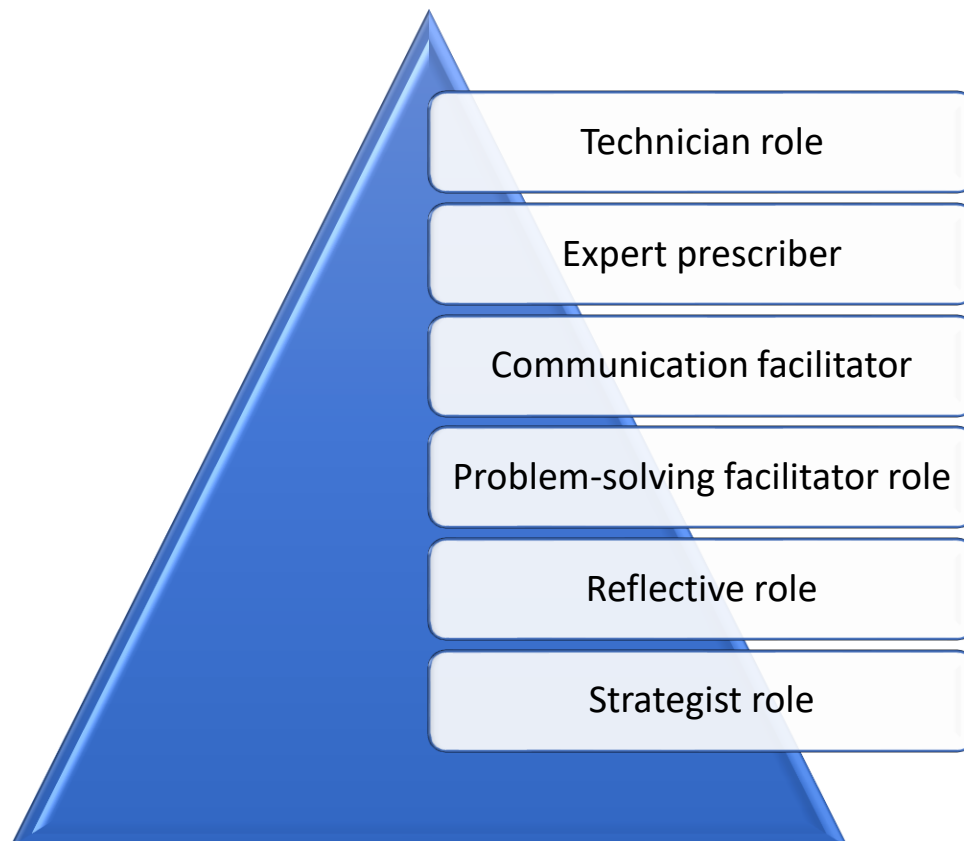
Role	Description
Reflective Role	The reflective role is about aligning an organisation's practices with the broader social context. It ensures that an organisation's values and norms are consistent with societal expectations. In financial PR, this role is key in addressing concerns around transparency and accountability, particularly in response to financial scandals or regulatory changes.
Strategist Role	The strategist role, as conceptualised by Styen (2000), involves senior PR practitioners taking on the responsibility of shaping both internal and external communication strategies. This role closely mirrors the reflective role, as it requires aligning the organisation's strategies with societal expectations and long-term objectives. In Ghana, this role is critical in navigating financial crises and regulatory scrutiny.

These roles provide a framework for understanding how PR is practiced in Ghana's financial sector. While the models developed in the United States dominate the literature, Van Ruler et al. (2001) note that international variations exist, with different roles gaining prominence in different countries. For example, in Ghana, the emphasis on the reflective and strategist roles may be particularly relevant, as financial institutions face growing pressure for transparency and ethical behaviour.

Examining how these PR roles are applied within Ghana's financial sector can help identify potential lapses in practice. These lapses may manifest as inadequate communication strategies during financial crises, failure to meet societal expectations around transparency, or insufficient alignment of corporate values with public concerns. Addressing these issues requires a

thorough understanding of the roles that PR practitioners play and how these roles can be leveraged to improve financial communications in Ghana.

2.4.2 Illustration of the roles: A simple model



2.5 Theoretical framework

Public relations practices play a pivotal role in maintaining the reputation and trust of financial institutions, especially in times of crisis. The banking crises in Ghana present a critical case for examining how PR strategies, or the lack thereof, affected the outcomes for the affected institutions and their stakeholders. By applying the Excellence Theory and Systems Theory, this research aims to explore how lapses in PR practices could have contributed to the crisis

and what lessons can be learned for future communication strategies in the Ghanaian banking sector.

2.5.1 Theories of Public Relations

In understanding the practice of public relations (PR), it is essential to consider theoretical frameworks that help to explain how organisations manage their communication with stakeholders. Austin and Pinkleton (2006: 271) assert that theories are crucial for generalising human behaviour and determining the most suitable goals and objectives of a communication programme. In the context of this research, two key theories are particularly relevant: The Excellence Theory and Systems Theory. These theories offer valuable insights into how corporate organisations utilise PR and the models they adopt in their practices, with a focus on their contribution to organisational effectiveness.

2.5.2 Excellence Theory

The Excellence Theory, developed from a comprehensive 15-year study by Grunig and Dozier (Grunig, 2008: 1620), provides a crucial framework for understanding what constitutes effective PR in an organisation. This theory explores the various dimensions of public relations, including its contribution to organisational effectiveness, its structure and management, the environmental conditions that facilitate its success, and the ways in which organisations measure the monetary value of PR.

Grunig's research identifies 'excellent communications' as a key feature of organisations engaged in exceptional PR practices. The Excellence Theory is built on earlier works, particularly the four models of PR identified by Grunig and Hunt, and it integrates elements of strategic management theories into a cohesive whole. It answers fundamental questions about how, why, and to what extent communication contributes to the achievement of organisational

objectives. At its core, the Excellence Theory seeks to determine how PR should be practiced and how the communication function must be organised to maximise its contribution to organisational effectiveness (Grunig, 1992: 5).

The theory stresses that for PR to be effective, it must be integrated with the strategic goals of the organisation, with a focus on long-term relationships and mutual understanding with key stakeholders. It also highlights the role of PR in shaping organisational culture and decision-making processes, particularly in terms of aligning the organisation's values with the expectations of its stakeholders.

2.5.3 Systems Theory

Systems Theory, developed by Ludwig von Bertalanffy in 1986, is another fundamental framework in the study of PR. This theory posits that organisations are composed of interdependent subsystems that rely on each other for survival. It emphasises the interconnectedness of different parts within an organisation and how these parts adapt to changes in their external environment, whether political, economic, or social (Lattimore, Baskin, Heiman & Toth, 2012: 52; Tench & Yeomans, 2006: 27).

Broom and Sha (2012: 151) define systems as “interacting units which endure through time within an established boundary by responding and adjusting to change pressures from the environment to achieve and maintain goal states.” In the context of PR, Systems Theory provides a lens through which to assess an organisation's relationship with its environment. It highlights how organisations must continuously respond to changes and pressures in the external environment to achieve their goals, which may include profitability, market share, or sustainability objectives (Mehta & Xavier, 2009: 194).

In this framework, PR professionals are seen as "boundary spanners" who serve as a vital link between the organisation and its environment. They are responsible for gathering and

interpreting information from the external environment and conveying it to decision-makers within the organisation. PR practitioners facilitate communication between the organisation and its stakeholders, helping decision-makers respond to emerging challenges and opportunities (Mehta & Xavier, 2009: 195).

Systems Theory underscores the dynamic, adaptive nature of PR, emphasising the need for continuous feedback and interaction between the organisation and its stakeholders. It stresses that PR is not just about managing communication but about creating a process of dialogue and mutual understanding that can influence organisational goals and strategies.

2.6 Crisis Management and Organisational Reputation

The interplay between crisis management and organisational reputation is a critical area of study, given the intangible yet invaluable nature of reputation as a key organisational asset. Reputation is defined as stakeholders' collective evaluations of how well an organisation meets their expectations based on past behaviours (Wartick, 1992). This perception significantly influences stakeholder trust, loyalty, and behavioural intentions, ultimately affecting the organisation's long-term viability. However, crises—characterised by their sudden, disruptive nature—pose a profound threat to both operational stability and reputational integrity, affecting stakeholders “physically, emotionally and/ or financially” (Coombs, 2007), necessitating effective management strategies.

2.6.1 Crises as Reputational Threats

A crisis can dramatically alter stakeholder perceptions by exposing gaps between organisational actions and stakeholder expectations. Such discrepancies erode trust and can lead to adverse outcomes, including negative word-of-mouth, withdrawal of stakeholder support, and diminished market value. Stakeholders often evaluate an organisation's

competence, reliability, and ethics based on the organisation's response to the crisis, as well as on external narratives shaped by media coverage and social discussions (Carroll, 2004; Fombrun & van Riel, 2004).

Crises amplify reputational risks by offering stakeholders reasons to question the organisation's integrity. Reputational damage is particularly severe when stakeholders perceive the organisation as failing to address their concerns adequately. However, organisations with substantial reputational capital—a reserve of goodwill derived from positive past interactions—are better equipped to mitigate such damage. Reputational capital serves as a buffer, enhancing stakeholder patience and forgiveness during adverse events (Fombrun & van Riel, 2004). Conversely, organisations with a history of neglect or misconduct face heightened reputational threats, as crises are interpreted as consistent with previously observed patterns of behaviour.

2.6.2 The Role of Situational Crisis Communication Theory (SCCT)

Situational Crisis Communication Theory (SCCT) provides an evidence-based framework for understanding how crises impact organisational reputation and how appropriate communication strategies can mitigate this impact. SCCT builds on Attribution Theory, which explains how individuals assign responsibility for negative events based on perceived organisational control and intentionality. It posits that stakeholders' attributions of responsibility significantly influence their emotional and behavioural responses to a crisis (Weiner, 1985; Coombs & Holladay, 2005).

Three primary factors shape reputational threats within the SCCT framework: initial crisis responsibility, crisis history, and prior relational reputation (Coombs, 2007). These factors help crisis managers evaluate the severity of reputational risks and determine the most effective response strategies.

Initial Crisis Responsibility: This factor refers to stakeholders' perceptions of whether the organisation caused the crisis. Preventable crises, such as those stemming from organisational mismanagement or misconduct, evoke stronger attributions of responsibility and more severe reputational damage. In contrast, victim crises—such as natural disasters or external attacks—generate weaker attributions and milder reputational threats (Coombs & Holladay, 2002).

Crisis History: An organisation's history of similar crises intensifies reputational risks, as stakeholders view recurring issues as indicative of systemic problems. This pattern diminishes trust and heightens expectations for corrective action (Kelley & Michela, 1980).

Prior Relational Reputation: Organisations perceived to have treated stakeholders poorly in the past face heightened reputational threats during crises. A history of stakeholder neglect or exploitation exacerbates perceptions of culpability, undermining crisis response efforts (Porritt, 2005).

2.6.3 Crisis Response Strategies in SCCT

SCCT categorises crisis response strategies into three primary approaches—deny, diminish, and rebuild—based on the level of organisational responsibility accepted (Coombs, 2007). Each strategy aligns with specific crisis types and stakeholder expectations to minimise reputational damage.

Deny Strategies: These involve denying responsibility or attributing the crisis to external factors (scapegoating). Effective in cases of false accusations or unsubstantiated claims, deny strategies risk backfiring if evidence contradicts the organisation's position.

Diminish Strategies: These strategies seek to reduce stakeholders' perceptions of the crisis's severity or the organisation's involvement. For example, framing the crisis as an uncontrollable technical error can mitigate reputational harm when supported by credible evidence.

Rebuild Strategies: These involve acknowledging responsibility, offering apologies, or providing compensation to affected stakeholders. Rebuild strategies are particularly effective in preventable crises, where stakeholders expect restorative actions to rebuild trust.

Supplemental strategies, such as bolstering through reminders of past positive actions or expressions of victimhood, can complement primary strategies by leveraging goodwill or eliciting stakeholder sympathy.

2.6.4 Ethical Considerations in Crisis Management

While reputation protection is a central goal of crisis management, ethical considerations must take precedence. Effective crisis management prioritises stakeholder well-being, addressing their physical and psychological needs before focusing on reputational recovery (Sturges, 1994). Providing clear, instructive information on protective actions and adapting messages to reduce stress are essential first steps. Expressions of concern and empathy further reinforce trust and mitigate negative emotional responses, laying the groundwork for reputational repair (Coombs & Holladay, 2005).

2.6.5 Protecting Reputation Through Crisis Management

The ultimate efficacy of crisis management lies in its ability to shape stakeholder perceptions, reduce negative emotional responses, and foster supportive behaviours that aid organisational recovery. SCCT emphasises consistency in response strategies to avoid mixed messaging, which can erode trust. By aligning crisis communication with stakeholder expectations and ethical principles, organisations can mitigate reputational damage, rebuild trust, and emerge stronger from adversities (Coombs & Holladay, 2001).

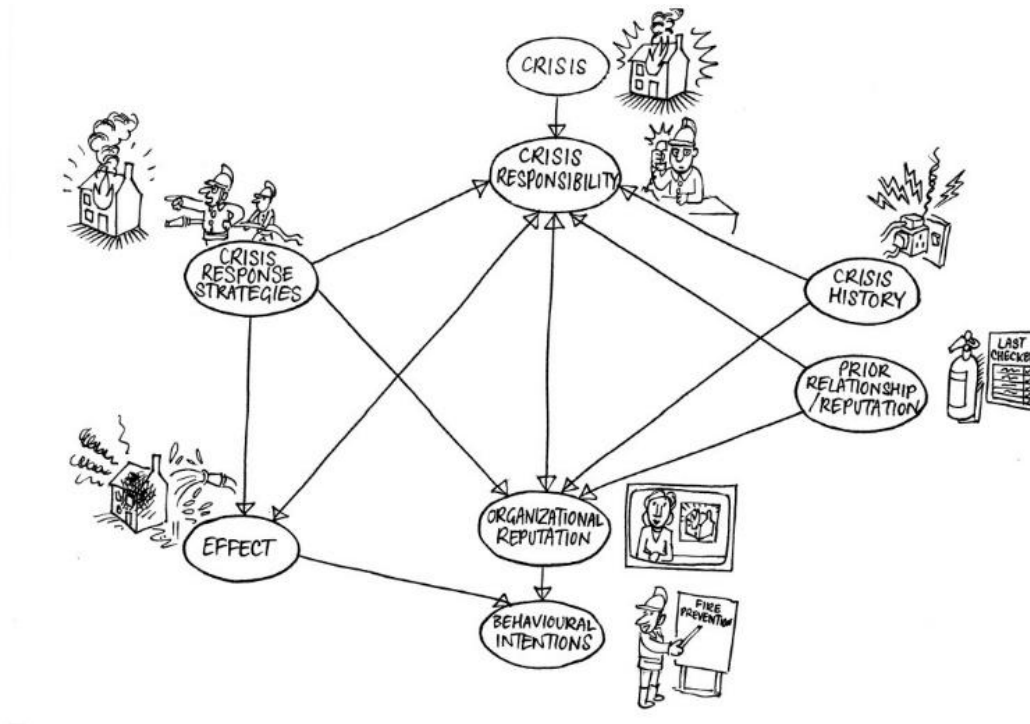


Figure 1: Crisis situation model of SCCT (Coombs, 2007)

2.6.6 The Role of Image Restoration Theory in Crisis Communication

Image Restoration Theory (IRT), developed by William Benoit (1995), is a framework within crisis communication that outlines strategies to repair an individual's or organisation's reputation following a public challenge. As crises can cause significant damage to the credibility and trustworthiness of entities, IRT provides an analytical approach to mitigating these effects. It integrates elements of apologia and impression management theories, focusing on maintaining or restoring a favourable public perception through strategic communication (Benoit, 1995). This review explores the fundamental principles, strategies, and limitations of the theory while discussing its applicability in the field of public relations and organisational crisis management.

2.6.7 Fundamental Concepts and Assumptions

IRT is grounded on two key assumptions: communication is a goal-directed activity, and maintaining a favourable reputation is a crucial goal of communication (Benoit, 1995). In essence, communicators aim to achieve their most important goals while balancing potential costs. The theory postulates that the perception of fault—either through direct responsibility or offensiveness of an act—triggers the need for image restoration efforts (Fearn-Banks, 2009). As a reputation-centric model, IRT underscores the role of perception, as stakeholders' beliefs significantly influence the success of repair strategies (Coombs, 2006).

For effective application, IRT identifies three key factors: the degree of crisis responsibility, the type of crisis, and the existing reputation of the organisation or individual. These factors guide the selection of appropriate image restoration strategies, which aim to reduce the reputational damage caused by the crisis (Brinson & Benoit, 1996).

2.6.8 Typology of Image Restoration Strategies

Benoit's theory categorises image restoration strategies into five broad types, each containing specific tactics. The first strategy, denial, involves refuting responsibility for the crisis or shifting the blame to another party. This is often effective when the accused party is genuinely not at fault (Benoit & Brinson, 1999). The second, evasion of responsibility, includes tactics such as provocation (claiming the act was a response to another wrongful act), defeasibility (asserting lack of knowledge or control), and pleas for goodwill based on prior conduct (Benoit, 1995).

Reducing offensiveness is another key strategy, with sub-strategies like bolstering (highlighting positive past actions), minimisation (downplaying the severity of the act), and differentiation (comparing the act to worse offences). This category is particularly useful in preserving goodwill among stakeholders (Benoit & Czerwinski, 1997). Corrective action involves promising to rectify the issue and prevent recurrence, while mortification entails

admitting fault and seeking forgiveness. According to Benoit, mortification combined with corrective action is one of the most effective approaches for restoring trust (Brinson & Benoit, 1996).

2.6.9 Case Studies and Applications

IRT has been applied in various individual and organisational contexts to evaluate image repair efforts. For instance, Queen Elizabeth's unprecedented public response following Princess Diana's death in 1997 utilised denial, bolstering, and transcendence to address criticisms of insensitivity (Benoit & Brinson, 1999). In another example, Hugh Grant effectively employed mortification during media appearances to apologise for a scandal involving lewd behaviour, successfully mitigating reputational damage (Benoit, 1997).

Organisations have similarly utilised IRT in addressing crises. AT&T's response to a long-distance service breakdown in 1991 involved corrective actions and public apologies through newspaper advertisements, demonstrating the effectiveness of admitting fault and providing solutions (Benoit & Brinson, 1994). Conversely, Dow Corning's denial of allegations regarding silicone breast implant safety in the 1990s led to prolonged conflicts with the Food and Drug Administration (FDA), illustrating the risks of inappropriate strategy selection (Brinson & Benoit, 1996).

2.6.10 Limitations of Image Restoration Theory

Despite its contributions, IRT is not without criticism. Coombs (2006) argues that the theory's prescriptive recommendations lack predictive validity, as strategies effective in one scenario may not apply universally. For instance, while mortification and corrective action are generally favoured, their success is not guaranteed in cases involving criminal violations such as racial discrimination (Coombs, 2006). Additionally, Benoit's reliance on case studies has been

criticised for its limited generalisability. Coombs (2006) suggests that analysing patterns across multiple crises could enhance the robustness of the theory.

2.7 Structure of Ghana's Banking Sector

Ghana's banking sector has undergone a significant transformation since its inception in the colonial era. Initially established to serve the financial needs of the colonial administration and its enterprises, the sector has evolved to become a robust and diversified network of financial institutions (Dwamena & Yusoff, 2022). The structure of Ghana's banking system is characterised by a mix of both domestic and foreign-owned institutions that operate under the regulatory oversight of the Bank of Ghana (BoG), the country's central bank.

2.7.1 Early Development of the Banking System

The history of banking in Ghana, formerly known as the Gold Coast, dates back to 1896 when the Bank of the British West Africa (now Standard Chartered Bank) became the first bank to open in the region. The success of this institution attracted other foreign banks, including the Colonial Bank, National Bank of South Africa, Anglo-Egyptian Bank, and Barclays Bank. By the mid-20th century, the Bank of British West Africa and Barclays Bank were the two dominant banking institutions operating in Ghana. It wasn't until 1953 that the first indigenous bank, Ghana Commercial Bank (GCB), was established, marking a significant milestone in the development of the country's banking sector (Dwamena & Yusoff, 2022).

2.7.2 Post-Independence Growth and Regulation

Following Ghana's independence in 1957, the Bank of Ghana was established as the central authority responsible for managing the country's currency and overseeing the financial system. Over the years, both foreign and indigenous banks have been established, contributing to the diversification and growth of the sector. As of 2017, there were 36 banks operating in the

country, with 19 of these being domestically controlled. The remaining banks were foreign-owned, with notable names such as Barclays, GT Bank, Stanbic Bank, and Access Bank leading the foreign sector (Bank of Ghana, 2017).

The banking sector in Ghana is primarily composed of two categories of financial institutions: Deposit Money Banks and Non-Bank Financial Institutions (NBFIs). Deposit Money Banks, which are licensed by the Bank of Ghana, include both commercial banks and savings banks that engage in the acceptance of deposits and lending activities. NBFIs, on the other hand, offer services such as investment, insurance, and microfinance, and although they are regulated by the BoG, they are subject to different laws and regulatory standards (Bank of Ghana, 2017).

2.7.3. Current Landscape and Challenges

Today, Ghana's banking sector is one of the most sophisticated in West Africa, with a wide range of services offered by both domestic and international institutions. However, despite these achievements, the sector has faced challenges, particularly in the wake of the banking crises of the past few years. In 2018, the Bank of Ghana took steps to clean up the sector, revoking the licenses of several banks, including some smaller indigenous banks, due to insolvency issues and regulatory non-compliance. This has sparked ongoing debates about the effectiveness of the regulatory framework, particularly in terms of maintaining the stability and health of the financial sector.

The closure of several banks, including GN Bank, led to significant public outcry, as many of these institutions had been integral to the financial services offered to local communities, particularly in rural areas. The “Bring Back GN Bank” campaign, which gained momentum in late 2024, reflects the deep-seated concerns of customers and stakeholders who feel that the closure of these banks undermined local businesses and entrepreneurship. Dr Paa Kwesi Nduom, the founder of GN Bank, has been at the forefront of calls to restore the bank,

emphasising its importance to Ghanaian entrepreneurs and communities, particularly in the rural areas (Asante, 2024).

2.8 The banking sector clean-up

The recent banking crisis in Ghana resulted in the revocation of the licenses of more than 400 financial institutions that were licensed under the Bank of Ghana Act, 2016 (Act 930). The Bank of Ghana (BoG) holds the responsibility by law to ensure the safety, stability, and soundness of the nation's financial system, as well as to protect the interests of depositors (BoG, 2018). In response to legacy issues within the banking system, the then Governor of the Bank of Ghana, Dr. Addison, led the central bank in implementing measures in 2018 to restore stability and resilience to the financial sector. These measures aimed to address long-standing vulnerabilities and threats within the banking system, which became evident between August 2017 and January 2020 (Bank of Ghana Press Release, 2019).

The necessity for such interventions arose due to several weaknesses within Ghana's banking sector. The central bank identified issues such as poor risk management, undercapitalisation, poor corporate governance, macroeconomic challenges, non-performing loans, and regulatory lapses, all of which had developed over several years, creating vulnerabilities that could have destabilised the entire banking system. According to an Asset Quality Review conducted by the Bank of Ghana in 2015 and 2016, a few indigenous banks were found to be particularly vulnerable. These institutions were burdened with high levels of non-performing loans, undercapitalisation, and weak corporate governance. In 2018, the central bank also discovered signs of distress in banks licensed in 2016 and operational by 2017, with the possibility of falsified documents being used to secure licenses.

As part of the Bank of Ghana's intervention, five banks—BEIGE, Sovereign, Construction, uniBank, and Royal Bank—were merged to form Consolidated Bank Ghana. These banks had been severely affected by the crisis, and each had its own set of challenges contributing to its downfall. The Bank of Ghana's intervention included a recapitalisation process, which saw the number of banks in the country drop from thirty-six to twenty-three. Nine banks were collapsed, and three others merged, leading to the revocation of more than twenty financial institutions' licenses. The cost of this clean-up exercise was estimated to be more than twelve billion Ghanaian cedis.

Several causes contributed to the banking crisis in Ghana, and these have been extensively documented by the Bank of Ghana in 2018 and research conducted by Frimpong (2018). Among the key factors identified were poor corporate governance, regulatory lapses, high non-performing loans, and macroeconomic instability.

One of the major causes of the crisis was poor corporate governance, which refers to the mechanisms by which banks are directed and controlled. The boards of directors and strategic shareholders play a central role in ensuring proper governance, but many banks affected by the crisis suffered from inexperience, poor judgment, and a lack of integrity. Research by Wheelock (1998) suggests that deficiencies in governance, such as poor decision-making by board members, were a contributing factor to the instability of several banks during the crisis. Additionally, a lack of transparency and ineffective internal controls within many banks allowed for cover-ups by executive directors, exacerbating the issue.

Regulatory lapses also played a significant role in the banking crisis. The Bank of Ghana, as the primary regulator, is responsible for enforcing legal and regulatory frameworks within the financial sector. However, regulatory non-compliance and weak enforcement contributed to the deterioration of the banking system. The failure to properly supervise banks, coupled with

questionable licensing processes, allowed some institutions to operate without meeting the necessary capital requirements, which eventually led to their collapse. Research by Adombila (2019) highlights the lack of consistent oversight by the central bank, along with political influences and a lack of routine engagement, as contributing factors to the regulatory failures.

High levels of non-performing loans (NPLs) were another critical issue leading to the crisis. NPLs occur when borrowers default on loan repayments for both principal and interest over a prolonged period. As reported by the Bank of Ghana (2019), many of the collapsed banks had significant amounts of NPLs on their balance sheets. These non-performing loans not only increased operating costs but also contributed to the undercapitalisation of the affected banks. This financial mismatch was further exacerbated by the practice of some companies taking short-term loans to finance long-term projects, which hindered their ability to repay the loans promptly.

Macroeconomic instability was also a significant contributing factor to the banking crisis. The performance of banks is strongly influenced by macroeconomic factors such as GDP growth, inflation, interest rates, and exchange rates. In periods of economic downturn, banks experience a reduction in credit demand, which negatively impacts their profitability. Research by Ongore and Kusa (2013) suggests that when GDP growth slows, the demand for credit falls, which in turn affects the stability and performance of banks. Furthermore, fluctuations in macroeconomic indicators, such as inflation and interest rates, can destabilise the financial system, making it difficult for banks to maintain liquidity and meet their obligations.

2.9 Chapter Summary

This chapter has provided an in-depth exploration of public relations (PR) and its critical application within financial institutions, with a particular focus on the Ghanaian banking sector. It highlighted the vital role of financial PR in fostering trust, safeguarding reputations, and

enabling effective communication. Grounded in theoretical frameworks such as Excellence Theory and Systems Theory, the discussion demonstrated how PR practices contribute to organisational effectiveness by aligning communication strategies with institutional goals and stakeholder expectations.

Additionally, the chapter examined PR models prevalent in Ghana, noting the dominance of public information and press agency approaches, while emphasising the increasing importance of two-way symmetrical communication. This shift is crucial for rebuilding trust and fostering meaningful stakeholder engagement, especially in the aftermath of crises.

The review also delved into the intersection of crisis management and organisational reputation, illustrating how reputation acts as both a vulnerability and a shield during crises. By employing evidence-based frameworks like Situational Crisis Communication Theory (SCCT) and adhering to ethical crisis management practices, organisations can effectively mitigate reputational risks while fostering long-term resilience. These insights underscore the importance of proactive and strategic PR efforts in navigating crises and preserving stakeholder trust.

Overall, the insights from this review establish a robust foundation for analysing lapses in financial PR practices within Ghana's banking sector. They also provide the necessary context for recommending strategies to enhance PR approaches, ensuring organisations can manage reputational risks effectively and maintain stakeholder confidence.

CHAPTER 3: METHODOLOGY

3.0 Introduction

The methodology chapter outlines the research design, methods and procedures employed to explore the lapses in public relations (PR) within the Ghanaian banking sector. This study adopts a qualitative case study approach, focusing on the banking crises in Ghana to provide an in-depth understanding of PR practices, their shortcomings and their impact during a critical period. By comparing the case study findings against established PR theories, models and current practices, the research seeks to uncover significant gaps in financial PR practices in Ghana and offer actionable recommendations for improvement.

This chapter details the research design, data collection methods, analysis techniques and ethical considerations that underpin the study. It also highlights how these methodologies align with the research objectives, facilitating a thorough and structured investigation of PR lapses in Ghana's banking sector.

3.1 Research Design

Research design refers to the overall plan that connects research questions to data collection and analysis methods (Vaus, 2001). The research adopts a qualitative case study design to investigate the lapses in financial public relations (PR) within the Ghanaian banking sector, using the banking crises as the focal point. Yin (1984) describes the case study as an empirical inquiry that investigates a contemporary phenomenon within its real-life context especially when the boundaries between phenomenon and context are not clearly evident. This design was selected due to its suitability for analysing social interactions while combining various data sources for a complete evaluation.

3.2 Population

The population for this study comprises all publications and documents produced by GN Bank before and during the 2018 banking sector crisis. These include press releases, financial reports, public statements, and other official communications. These documents represent the entirety of GN Bank's communication efforts during the period under study, providing a foundation for understanding the bank's public relations (PR) strategies and stakeholder engagement during the crisis.

3.3 Sample Size

Given the qualitative nature of this study, the sample size was determined based on relevance and the richness of the data. The study focuses on a selection of GN Bank's publications and documents, such as official press releases, reports and public announcements, which were deemed most relevant to addressing the research objectives.

3.4 Sampling Technique

Purposive sampling, a non-probability sampling technique, was employed in this study. This approach allows for the deliberate selection of materials most relevant to the research objectives (Patton, 2002). Documents and publications from GN Bank were chosen based on their potential to shed light on the bank's PR practices and communication strategies during the banking sector crisis. The selection criteria includes the below;

- Documents published between **2017 and 2020** to capture PR strategies before, during, and after the crisis.
- Press releases, financial reports and official statements directly addressing crisis management.
- Media coverage reflecting public and stakeholder reactions to GN Bank's PR efforts.

3.5 Data Collection Methods

This study employs document analysis as the primary method to explore lapses in financial public relations (PR) within the Ghanaian banking sector during the crisis. This approach enables an in-depth examination of authentic records such as press releases, regulatory reports, and media coverage, providing valuable insights into the communication strategies employed by GN Bank. These materials offer direct evidence of how the bank communicated with stakeholders during a period of significant instability.

Document analysis also allows for the construction of a historical narrative, revealing patterns, shifts in strategies, and communication gaps over time (Bowen, 2009). Media coverage further provides an external perspective on the public's response, enabling the study to evaluate the effectiveness of GN Bank's PR efforts and identify potential misalignments in their communication strategies (Heath & Johansen, 2018). This method was selected over primary data collection techniques such as interviews due to time constraints and limited access to key stakeholders (Patton, 2002).

Additionally, a theoretical review complements the document analysis by framing the findings within established communication theories, including the Situational Crisis Communication Theory (SCCT) and Image Restoration Theory. SCCT provides a framework for understanding how organisations communicate during crises based on their level of responsibility (Coombs, 2007), while Image Restoration Theory focuses on strategies to rebuild organisational reputation post-crisis (Benoit, 1997). These frameworks guide the evaluation of GN Bank's crisis communication efforts, examining their alignment with best practices and the extent to which they addressed stakeholder concerns. The study also draws on the two-way symmetrical communication model, which emphasises transparency and dialogue between organisations and stakeholders (Grunig & Grunig, 2000). The combination of document analysis and theoretical review ensures a robust and comprehensive assessment of the PR lapses in the

Ghanaian banking sector, offering valuable insights into institutional communication during the crisis.

3.5.1 Secondary Data Sources

The data for this study will be sourced from secondary sources. Secondary data will be derived from the document analysis, which includes regulatory reports, press releases, media articles, and annual reports. These documents will offer critical information regarding the communication strategies implemented during the crises, as well as the public and media response. By analysing these materials, the study aims to assess how banks communicated with their stakeholders during the crises and identify any lapses in their PR practices.

The theoretical review will serve as another secondary data source, providing insights into established theories of crisis communication and public relations. This review will be instrumental in contextualising the findings from the document analysis within broader PR practices and frameworks, helping to identify best practices and areas for improvement.

3.5.2 Primary Data Sources

For the purpose of this research, no primary data source was used. All the data used were derived from secondary data sources, as explained in 3.5.1 above.

3.5 Data Handling and Analysis

The data analysis will employ a qualitative approach, with a focus on thematic analysis to interpret the documents from the three banks involved in the 2017 banking crisis. The thematic analysis will identify key patterns in the banks' crisis communication strategies, providing insights into how their public relations practices influenced their reputations and stakeholder relationships during and after the crisis. This analysis will be grounded in Situational Crisis

Communication Theory (SCCT), which is a well-established framework in crisis communication research.

SCCT is a critical theory that guides the understanding of how organisations can effectively manage their reputation during a crisis by tailoring their communication strategies to the specifics of the situation. This theory highlights the importance of understanding the reputational threat posed by a crisis and the corresponding crisis response strategies that can mitigate or exacerbate the damage (Coombs & Holladay, 2005). According to SCCT, the effectiveness of post-crisis communication in protecting an organisation's reputation relies heavily on the appropriate selection of crisis response strategies, which are informed by the nature of the crisis, the organisation's prior history, and the extent of stakeholder attributions regarding the organisation's responsibility (Coombs, 2007).

In analysing the PR materials, the study will focus on how the three banks managed their reputational threats during the crisis. Specifically, it will look for evidence of key crisis response strategies outlined by SCCT, such as denial, justification, corrective action, or apology, and assess how these strategies were employed to manage stakeholder perceptions and protect the banks' reputations. The analysis will examine the tone, content, and timing of the banks' communications, with particular attention to whether they acknowledged responsibility and demonstrated efforts to address the causes of the crisis, as recommended by SCCT.

Moreover, the study will explore the alignment between the banks' crisis communication strategies and the empirical evidence from SCCT, which emphasises the importance of evidence-based decision-making in crisis communication (Rousseau, 2006). By identifying lapses in the banks' communication strategies, the study will assess whether their responses followed best practices for reputational protection or if their approach inadvertently

exacerbated the crisis. The findings will also highlight areas where improvements could have been made in the banks' communication strategies, with a view to offering recommendations for more effective crisis communication practices in the future.

Ultimately, this data analysis will not only assess the crisis response strategies of the banks but will also contribute to the broader understanding of crisis communication in the context of financial PR. The study will provide insights into how stakeholder reactions to crisis communication affect reputational recovery and highlight the gaps in the banks' efforts to repair their reputations in the aftermath of the crisis.

3.6 Justification for Document Analysis Over Interviews

Although interviews and surveys could have provided additional insights, document analysis was chosen due to:

- **Time Constraints:** The study had limited time to engage industry professionals for interviews.
- **Access Limitations:** Key PR executives and decision-makers were not readily accessible.
- **Authenticity & Objectivity:** Official documents provide unfiltered records of crisis communication strategies, reducing bias compared to retrospective interviews.

3.7 Chapter Summary

This chapter has outlined the methodology employed to explore lapses in financial PR within the Ghanaian banking sector. A qualitative case study approach, utilizing document analysis, was chosen to assess GN Bank's crisis communication strategies. The study applies **thematic analysis** to systematically evaluate PR effectiveness, drawing insights from established

theories such as **Situational Crisis Communication Theory (SCCT)** and **Image Restoration Theory**. Ethical considerations have also been addressed to ensure transparency and academic integrity.

The findings from this methodological approach will be presented and discussed in the next chapter, providing a detailed analysis of PR lapses and their implications within the Ghanaian banking sector

CHAPTER 4: DATA ANALYSIS, PRESENTATION OF FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter presents the findings derived from the qualitative case study of public relations (PR) practices within the Ghanaian banking sector during the 2017–2020 crisis. Guided by the research objectives, the chapter focuses on the role of PR, lapses in its application, and their implications for stakeholder relationships and organisational stability. Data from press releases, regulatory reports, and media coverage of GN Bank were thematically analysed. The chapter also integrates the theoretical frameworks outlined in Chapter Two, including the Excellence Theory, Systems Theory, and Situational Crisis Communication Theory (SCCT), to interpret the findings.

4.2 Lack of Proactive Crisis Communication

The analysis revealed a significant delay in response to key allegations and an overall reactive approach to crisis communication, rather than a proactive strategy.

A clear example of this reactive communication was the tour of the ten regions initiated by the Chairman of GN Bank, Dr. Papa Kwesi Nduom, on 3rd October 2018, under the theme **“STOP THE PANIC WITHDRAWALS AND STRENGTHEN OUR INDIGENOUS BANKS”**. This initiative, reported by GhanaWeb in a 12th December 2019 publication dubbed “GN Bank – Matters Arising”, was launched in response to widespread panic withdrawals that had already destabilised GN Bank and other indigenous financial institutions. Instead of proactively addressing concerns ahead of the crisis through clear, consistent communication, the bank sought to reassure customers only after significant damage had been done (GhanaWeb, 2019).

This reactive approach underscores a significant lapse in crisis communication strategy within GN Bank and the broader financial sector. A proactive model—where early warnings, transparent stakeholder engagement, and clear crisis mitigation plans were in place—could have potentially mitigated the impact of panic withdrawals and regulatory actions.

4.3 Insufficient Stakeholder Engagement

Stakeholder engagement is a fundamental component of effective public relations (PR), particularly in times of financial uncertainty. However, GN Bank’s communication during the banking crisis lacked consistency, transparency, and strategic engagement with key stakeholders, including depositors, investors, and regulators. This reactive approach contributed to heightened uncertainty and public distrust.

A significant failure was the delay in addressing concerns over the Bank of Ghana’s (BoG) directive to raise minimum capital to GHS 400 million. While internal efforts were underway, GN Bank’s chairman, Dr. Paa Kwesi Nduom, publicly responded in August 2018, nearly a year after the recapitalisation directive. By this time, confidence in the banking sector had already deteriorated due to panic withdrawals and regulatory interventions (GN Bank, 2018). The absence of timely and structured communication meant that misinformation filled the gap, exacerbating the bank’s instability.

Additionally, GN Bank’s approach to its recapitalisation plan was not effectively communicated to its customers. Although shareholders had committed to raising the necessary capital, there was no structured campaign to keep stakeholders informed. The bank merely submitted periodic updates to the BoG without addressing the growing uncertainty among depositors and investors. This failure to engage transparently further eroded confidence in the bank’s stability (GN Bank, 2018).

Dr Nduom's public appeal for government support for local banks was another example of ineffective engagement. While he urged Ghanaians to support indigenous banks, there was no structured effort to mobilise businesses, pension funds, or the general public. The government also demonstrated no commitment to support these banks. The absence of sustained dialogue allowed uncertainty to persist, further weakening confidence in GN Bank's operations.

4.4 Overemphasis on Promotional Activities

Public relations (PR) plays a pivotal role in the success of banks, contributing to reputation management, stakeholder engagement, and promotional activities (Obeng, 2018). While these functions are crucial, an overemphasis on promotional activities at the expense of other strategic PR roles poses risks to long-term sustainability.

Thornton (1964) outlines key PR functions in banks, such as promoting products, protecting the bank's image, and fostering mutual understanding with customers. However, an undue focus on promotional content often overlooks the importance of strategic PR, such as reputation management and proactive crisis communication, which are essential for maintaining public trust.

4.4.1 Interest Dimension

Hutton's (1999) interest dimension highlights the need for a balance between organisational interests and public interests. In the banking sector, PR strategies are increasingly focused on promoting products rather than addressing broader societal concerns or customer needs. This emphasis on promotion undermines the role of corporate social responsibility (CSR), especially, feedback from stakeholders, and weakens the bank's reputation in the long term (Anani-Bossman, 2018).

4.4.2 Initiative Dimension

PR strategies can be proactive or reactive. In Ghana, many banks take a reactive approach, addressing issues only after they escalate. For example, during the 2017–2020 financial crisis, GN Bank’s delayed communication about its financial instability contributed to stakeholder distrust (Bank of Ghana, 2019). A proactive approach, such as early crisis communication, could have mitigated the fallout and maintained trust.

4.4.3 Image Dimension

Hutton’s (1999) image dimension assesses the alignment between a bank's image and its operational reality. In Ghana, PR often prioritises promotional campaigns over substantive actions like improving customer service or transparency. For instance, GN Bank’s heavy reliance on promotional content on social media, with little focus on customer engagement or feedback, highlights the gap between image-building activities and genuine stakeholder trust (Obeng, 2018).

4.4.4 Reputation Management and Proactive Strategies

The overemphasis on promotion also leads to reactive reputation management. During the banking sector clean-up, many banks, including GN Bank, responded to public concerns only after regulatory interventions (Bank of Ghana, 2019). A proactive approach, such as regular financial health updates, would have helped maintain stakeholder confidence during turbulent times.

Despite the focus on promotional activities, PR’s broader roles—such as reputation management, relationship building, and proactive crisis communication—are critical for long-term sustainability in the financial sector. Banks that adopt a comprehensive approach to PR, integrating proactive strategies and stakeholder engagement, are more likely to build resilience and maintain public trust in a highly competitive and regulated environment.

4.5 Theoretical Implications

The findings of this study underscore significant theoretical implications, particularly in relation to Excellence Theory, Systems Theory, and Situational Crisis Communication Theory (SCCT). These frameworks provide a lens through which the lapses in public relations (PR) within Ghana's banking sector can be understood and critically evaluated.

4.5.1 Excellence Theory and the Absence of Strategic PR

Excellence Theory, as developed by Grunig and Hunt (1984), posits that effective PR should be integrated into an organisation's strategic management, ensuring two-way symmetrical communication between an institution and its stakeholders. However, the study's findings indicate that PR in GN Bank—and more broadly within Ghana's banking sector—was largely reactive rather than proactive. The failure to engage stakeholders early, particularly in response to the 2017 Bank of Ghana (BoG) directive on recapitalisation, demonstrates a breakdown in strategic communication.

According to Excellence Theory, organisations that practice two-way symmetrical communication foster transparency and mutual understanding with their publics. In contrast, GN Bank's engagement was largely one-way and crisis-driven, evident in its delayed public reassurances and insufficient stakeholder communication. This aligns more with the public information model of PR, which focuses on information dissemination rather than engagement. The lack of structured dialogue contributed to stakeholder uncertainty and weakened public trust.

4.5.2 Systems Theory and Organisational Adaptability

Systems Theory (Bertalanffy, 1986) views organisations as open systems that must continuously adapt to their external environment to survive. A key aspect of this theory is the role of feedback loops, where institutions gather stakeholder concerns and adjust their

strategies accordingly. However, the study reveals that GN Bank's communication approach was largely closed-looped, failing to adequately incorporate stakeholder feedback into its crisis response.

For instance, the bank's decision to launch a regional tour in October 2018 to address panic withdrawals—months after these withdrawals had begun—suggests an adaptive lag. If PR efforts had been aligned with Systems Theory principles, GN Bank would have engaged stakeholders early, proactively addressing concerns before they escalated into a full-blown crisis. Moreover, the BoG's regulatory actions disrupted the financial ecosystem, requiring banks to be flexible and responsive. Yet, instead of engaging in a structured dialogue with regulators, GN Bank relied on late-stage negotiations and public appeals, reflecting a lack of real-time adaptability as prescribed by Systems Theory.

4.5.3 Situational Crisis Communication Theory (SCCT) and Reputation Management

SCCT (Coombs, 2007) provides a framework for understanding how organisations respond to crises based on their perceived level of responsibility. The theory outlines three broad crisis response strategies:

Deny strategies – shifting blame or refuting allegations.

Diminish strategies – minimising perceived harm or explaining the situation.

Rebuild strategies – taking responsibility, apologising, and offering corrective actions.

GN Bank's crisis response lacked a coherent strategy, making it difficult to mitigate reputational damage. Initially, the bank engaged in diminish strategies, reassuring stakeholders that it could meet the capital requirement while criticising the BoG's policy as unfair to indigenous banks. However, as the crisis escalated, the bank shifted to rebuild strategies, including public appeals for stakeholder support and a request for government intervention.

This inconsistent messaging weakened public confidence, as stakeholders perceived a lack of clear direction in the bank's communication approach.

Furthermore, SCCT suggests that organisations with a history of prior crises face heightened reputational risks, as stakeholders view repeated failures as systemic. GN Bank's financial challenges, coupled with the broader banking sector clean-up, amplified the negative public perception, making crisis communication even more critical. However, the absence of transparent, timely, and structured messaging suggests a failure to implement SCCT principles effectively.

4.6 Broader Contexts and Implications for Financial PR in Ghana

The findings of this study highlight key broader contexts and implications for financial PR in Ghana, particularly within the banking sector.

First, there is a notable gap in the sector's approach to strategic communication. PR practices in Ghanaian banks often prioritise promotional activities, such as product marketing and CSR initiatives, at the expense of proactive crisis communication and stakeholder engagement. This trend reflects a limited application of strategic PR practices that are crucial during financial instability. For instance, many banks, including GN Bank, predominantly focus on one-way communication, such as press releases, which are reactive and lack the depth needed to rebuild stakeholder trust during crises (Obeng, 2018).

4.6.1 Implications for PR Practice in Ghana's Financial Sector

The findings also reveal that the PR function within Ghana's banking sector is insufficiently integrated into organisational strategy. Excellence Theory suggests that when PR is embedded at the strategic level of management, organisations tend to fare better in crisis situations

(Grunig, 1992). However, in Ghana, PR departments often operate in isolation, with limited influence on decision-making processes. This separation results in delayed and inconsistent communication strategies, especially during crises, as demonstrated by the banking sector's response to financial instability (PricewaterhouseCoopers, 2018).

This disconnect is further exacerbated by a lack of investment in PR expertise. Banks have been overly reliant on promotional campaigns, such as advertisements and CSR efforts, without addressing the more critical aspects of financial PR, including risk communication, stakeholder relationship management, and transparent engagement. Without a strategic approach to these areas, banks struggle to manage public perception and stakeholder trust effectively, particularly during periods of financial distress (Obeng, 2018).

4.6.2 Broader Implications for Ghana's PR Framework

The study also points to systemic weaknesses in Ghana's financial PR framework. One significant gap is the limited use of reflective PR practices. Reflective PR, which involves aligning organizational values with societal expectations, is crucial for building trust and maintaining legitimacy in the eyes of stakeholders. However, in Ghana's banking sector, the focus has predominantly been on functional PR, such as press agency and public information, which do not adequately address societal concerns or engage stakeholders in meaningful dialogue (Steyn, 2000). This lack of reflection on societal needs and expectations limits the effectiveness of PR efforts, particularly during times of crisis and highlights the need for a shift towards a more comprehensive, two-way communication model that engages stakeholders and fosters long-term trust.

4.6.3 Global and Local Contexts of Financial PR

When comparing Ghana's PR practices to those in other regions, it becomes evident that the reliance on reactive and promotional communication is not unique to Ghana. Many developing

economies, constrained by limited resources and expertise, exhibit similar PR practices (Anani-Bossman, 2018). However, global PR best practices, such as the integration of two-way communication models and the use of digital platforms for interactive engagement, offer potential solutions for enhancing the effectiveness of financial PR in Ghana.

Additionally, the socio-economic context of Ghana, where public scrutiny of financial institutions is heightened following recent banking crises, makes it imperative for PR to address transparency, accountability, and stakeholder trust. Cultural factors, such as the importance of personal relationships in Ghana's business culture, also influence how PR strategies are developed and received. These local nuances must be considered in shaping effective PR frameworks that align with both local and global expectations.

4.7 Chapter Summary

This chapter examined the public relations (PR) practices of Ghana's banking sector during the 2017–2020 crisis, revealing significant lapses that exacerbated the crisis. Key issues included inadequate crisis communication, insufficient stakeholder engagement, and an overemphasis on promotional content rather than proactive PR. GN Bank's reactive communication approach, evident in delayed responses to the Bank of Ghana's directives, further damaged public trust and confidence. These lapses reflected broader trends within the sector, where PR was often disconnected from strategic decision-making, leading to ineffective crisis management.

The study also applied theoretical frameworks, including Excellence Theory, Systems Theory and Situational Crisis Communication Theory (SCCT), to highlight the importance of proactive, two-way communication and crisis management in PR. The findings suggest that

Ghana's financial sector needs to adopt a more strategic, transparent, and integrated PR approach. By aligning PR efforts with organisational management and focusing on stakeholder engagement during crises, banks can better manage reputational risks and rebuild public trust.

CHAPTER 5: SUMMARY, CONCLUSION, AND

RECOMMENDATIONS

5.1 Introduction

This chapter synthesises the findings from the study on public relations (PR) practices in Ghana's banking sector, focusing on lapses during the 2018 banking sector clean-up. It provides a summary of key findings, draws conclusions based on the research objectives, and offers practical recommendations to improve financial PR practices. Additionally, the chapter highlights limitations of the study and suggests directions for future research.

5.2 Summary of Findings

The study investigated lapses in financial PR practices in Ghana's banking sector during the 2018 banking sector cleanup. It specifically examined the roles of PR in crisis management, stakeholder engagement, and reputation preservation, using the case of GN Bank. The findings reveal that PR played a critical role in fostering transparency, building trust, and safeguarding reputations. However, PR efforts in Ghanaian banks were often limited to promotional activities, with insufficient emphasis on two-way communication and crisis management.

PR practices employed by banks were primarily reactive rather than proactive. Most banks focused on issuing press releases and managing media relations to communicate financial challenges, neglecting direct stakeholder engagement and feedback mechanisms. This reactive approach highlighted significant lapses, including a lack of transparency and timely communication, which contributed to the erosion of public trust. Moreover, banks failed to adequately involve PR professionals in strategic decision-making, leading to ineffective crisis communication. Stakeholder communication during the cleanup was largely one-sided, with limited efforts to address public concerns and restore confidence.

The study further found that PR lapses exacerbated reputational damage during the crisis. The absence of structured PR strategies for addressing public concerns hindered effective stakeholder engagement and the rebuilding of trust. These findings underscore the critical role of PR in managing crises and highlight the need for strategic communication to safeguard organisational reputations.

5.3 Conclusions

Based on the findings, the study concludes that effective PR practices are essential for managing crises in the banking sector. However, Ghanaian banks underutilised PR as a strategic tool, relying predominantly on basic communication methods. The research identified significant gaps in financial PR, including inadequate transparency, poor stakeholder communication, and limited use of crisis management frameworks.

The study also demonstrates the relevance of PR models, such as the two-way symmetrical model and Systems Theory, in addressing these lapses. These frameworks can enhance transparency, trust, and stakeholder engagement. The banking crisis highlighted the importance of PR in safeguarding reputations, with poor practices not only failing to mitigate the crisis but also contributing to public dissatisfaction and loss of confidence in affected institutions.

5.4 Recommendations

To address the lapses identified and improve financial PR practices in Ghana's banking sector, several actions are recommended. Banks should prioritise transparency by providing accurate and timely information during crises. Regular updates and proactive engagement can help rebuild trust and confidence. Additionally, the integration of the two-way symmetrical model into PR practices is essential to facilitate mutual understanding and effective stakeholder communication. PR professionals should be actively involved in strategic decision-making processes.

Developing and implementing comprehensive crisis management plans that include PR strategies is imperative. These plans should outline protocols for engaging stakeholders, addressing concerns, and mitigating reputational risks. Furthermore, banks should invest in training PR professionals to enhance their skills in crisis communication, stakeholder engagement, and reputation management. The adoption of digital tools and platforms can also improve communication efficiency.

During times of crisis, banks may benefit from engaging external PR consultants with expertise in crisis management. These consultants can complement internal efforts and provide objective perspectives. Finally, mechanisms should be established to monitor and evaluate the effectiveness of PR strategies. Regular assessments can identify areas for improvement and ensure alignment with organisational goals.

5.5 Limitations of the Study

While this study provides valuable insights into lapses in financial PR practices, it is not without limitations. The focus on three banks limits the generalisability of the findings to the entire banking sector. Additionally, the reliance on document analysis may not capture all dimensions of PR practices and stakeholder perceptions. The emphasis on the 2018 banking crisis may also overlook changes in PR practices in subsequent years.

5.6 Suggestions for Future Research

Future studies could expand on this research by conducting comparative analyses of PR practices across multiple sectors to identify commonalities and differences. Investigating the impact of digital communication tools on financial PR in Ghana would provide further insights into modern communication strategies. Examining stakeholder perceptions of PR efforts could offer a more holistic understanding of their effectiveness. Additionally, exploring long-term changes in PR strategies post-crisis would assess improvements and their sustainability.

5.7 Chapter Summary

This chapter summarised the findings of the study, concluding that lapses in financial PR practices significantly contributed to the challenges faced by Ghanaian banks during the 2018 crisis. It provided actionable recommendations to address these gaps and improve PR strategies, emphasising the importance of transparency, stakeholder engagement, and strategic crisis management. By implementing these recommendations, Ghanaian banks can enhance their reputation and resilience in the face of future challenges.

BIBLIOGRAPHY

- Anani-Bossman, A. A. (2018, June). Developing a Framework for Public Relations Practice: A Study of the Financial Services Sector in Ghana (Doctoral dissertation). *Theses and Dissertations (Communication Science)* . Retrieved from <https://uir.unisa.ac.za/handle/10500/25317>
- Asante, E. (2024, December 3). *News: Myjoyonline.com*. Retrieved from Myjoyonline.com Website: <https://www.myjoyonline.com/massive-demonstration-hits-elmina-residents-demand-the-return-of-gn-bank/>
- Atawoge, K. (2024). *GN Bank debt of GH¢7.1bn not disputed by govt – Movement spokesperson*. Accra: Citi Newsroom. Retrieved from <https://citinewsroom.com/2024/05/gn-bank-debt-of-gh%20a7-7-1bn-not-disputed-by-govt-movement-spokesperson/>
- Belch, G. E., & Belch, M. A. (2004). *Advertising and promotion: An integrated marketing communications perspective* (6th ed.). McGraw-Hill.
- Benoit, W. L. (1995). *Accounts, Excuses, and Apologies: A Theory of Image Restoration Strategies*. Albany, New York : State Univeristy of New York Press.
- Bernays, E. L. (1928). *Crystallizing Public Opinion*. New York: Liveright Publishing Corporation.
- Bhabra, H. S., Kolahgar, S., & Ravi, R. (2020, January 15). Investor Relations and Stakeholder Communications (IRSC) and Cost of Debt and Equity Capital. *S&P Global Market Intelligence* . Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3520923

- Citi Newsroom. (2024, June 14). *Business: Citi Newsroom*. Retrieved from Citi Newsroom Website: <https://citinewsroom.com/2024/06/bog-justifies-revocation-of-gn-banks-license/>
- 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. doi: <https://doi.org/10.1057/palgrave.crr.1550049>
- Cutlip, S. M., Center, A. H., & Broom, G. M. (2006). *Effective public relations* (9th ed.). Upper Saddle River: Pearson Prentice Hall.
- Dumitru, A., Motoi, A. G., & Budică, A. B. (2016). The Financial Communication and Financial Communication Strategy. *Social Science Research Network*.
- Dwamena, K. O., & Yusoff, M. E. (2022). Banking Crisis in Ghana: Major Causes. *Banking Crisis in Ghana: Major Causes. International Journal of Academic Research in Accounting Finance and Management Sciences*, 12(3), 406–418. doi:DOI:10.6007/IJARAFMS /v12-i3/14833
- Farlex Financial Dictionary. (2012). *Financial PR*. In *The Free Dictionary by Farlex*. Retrieved from <http://www.thefreedictionary.com>
- GhanaWeb. (2019, December 12). *Business News*. Retrieved from <https://www.ghanaweb.com/GhanaHomePage/business/GN-Bank-Matters-arising-813451>
- GN Bank. (2018, August 16). *Banking*. Retrieved from <https://www.myjoyonline.com/we-can-recapitalize-on-our-own-gn-bank/>
- Grunig, J. E., & Hunt, T. (1984). *Managing public relations*. New York: Holt, Rinehart & Winston.

- Hutton, J. G. (1999). Defining the relationship: Public relations in the context of corporate communication. *Journal of Public Relations Research*, 11(3), 233-258.
doi:https://doi.org/10.1207/s1532754xjpr1103_2
- Jefkins, F. (1978). *Public relations techniques*. Pitman.
- Johnston, J., & Zawawi, C. (2009, March 1). *Public Relations: Theory and practice*. Crows Nest NSW, Australia : Allen & Unwin.
- Kotler, P., & Armstrong, G. (1994). *Principles of marketing* (6th ed.). Prentice Hall.
- Lages, C. R., & Simkin, L. (2003). Relationship marketing: The relevance of concepts and definitions. *Journal of Marketing Management*, 19(3-4), 303-324.
doi:<https://doi.org/10.1362/0267257032773956>
- Newsom, D., & Haynes, J. (2005). *Public Relations Writing: Form & Style* (8th ed.). California, United States of America: Thomson Wadsworth.
- Obeng, L. (2018). A STUDY OF FINANCIAL PUBLIC RELATIONS PRACTICES AND COPORATE IMAGE IN SELECTED COMMERCIAL BANKS IN GHANA. *Department of Communication and Media Studies*. Retrieved from <http://41.74.91.244:8080/handle/123456789/816>
- Onwuchuruba, J. O. (1996). *The role of public relations in Nigeria's socio-economic development*. NIPR Publications.
- PricewaterhouseCoopers (PwC). (2018). *2018 Ghana Banking Survey: Enhancing Customer Value to Sustain Profitability*. Accra: PwC Ghana. Retrieved from <https://www.pwc.com/gh/en/assets/pdf/2018-gh-banking-survey.pdf>
- Sandin, D., & Simolin, T. (2006). Public relations as perceived and practiced by commercial banks. . *Lulea: Dissertation submitted to Lulea University of Technology*.

Vaus, D. A. (2001). *Research Design in Social Research*. London: Sage Publications.

Wartick, S. (1992). The relationship between intense media exposure and change in corporate reputation. *Business & Society*, 31, 33 – 49.

Yin, R. K. (1989). *Case Study Research: Design and Methods*. Thousand Oaks, California: Sage Publications.

GLOSSARY

1. Bank of Ghana (BoG): The central bank of Ghana, responsible for monetary policy and regulating the financial sector.
2. Banking Sector Cleanup (2018): A regulatory intervention by the Bank of Ghana aimed at stabilising the financial sector by revoking licences of non-compliant financial institutions.
3. Crisis Communication: The strategies and processes used to manage and mitigate damage to an organisation's reputation during a crisis.
4. Crisis Management: A set of strategies and actions designed to handle unexpected and disruptive events that threaten an organisation's stability or reputation.
5. Excellence Theory: A public relations theory that highlights the value of two-way symmetrical communication for effective organisational management and stakeholder relations.
6. Financial Public Relations (PR): A specialized branch of PR focused on managing communication between an organisation and its stakeholders concerning financial performance and governance.
7. GN Bank: One of the banks affected during the 2018 banking sector cleanup in Ghana.
8. Non-Performing Loans (NPLs): Loans for which the borrower has failed to make scheduled payments of principal and interest.
9. Public Relations (PR): A strategic communication process that builds and maintains mutually beneficial relationships between an organisation and its publics.
10. Reputation Management: The ongoing effort to influence and maintain a favourable perception of an organisation among its stakeholders.
11. Regulatory Compliance: The process of adhering to laws, regulations, and guidelines set by governing bodies, such as the Bank of Ghana.

12. Stakeholder Engagement: The process of involving and communicating with individuals or groups who have an interest or stake in an organisation's operations or decisions.
13. Stakeholders: Individuals or groups that have an interest in or are affected by an organisation's actions, including customers, investors, regulators, and employees.
14. Systems Theory: A framework that views organizations as interconnected systems that must adapt to their environment to survive and thrive.
15. Transparency: The practice of openly sharing information with stakeholders to foster trust and accountability.
16. Two-Way Symmetrical Model: A PR framework that emphasizes mutual understanding and dialogue between an organisation and its stakeholders.