Communication and crisis management in Galician companies: study of its evolution in the last two years

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Abstract
This study analysed the communicative approach followed by Galician companies classified as “highly polluting” in crisis situations. Taking as a starting point the Registro Estatal de Emisiones y Fuentes Contaminantes, dependent of the Ministerio de la Transición Ecológica (PRTR Spain), the universe under study has been established and the communicative activity of the 87 companies based in Galicia with the highest polluting emissions index (sum of waste and emissions, data referring to 2016) has been analysed through in-depth interviews. The results are compared with those obtained two years ago, in the first phase of the study, when information was collected from 120 companies (data from 2014). The purpose of the study is to carry out an analysis of crisis management of this companies and thus be able to assess the communication activity in this sector, as well as its evolution in recent years (2014-2016).

Keywords
communication; crisis; pollution; management; public relations; Dircom

Comunicação e gestão de crises em empresas galegas: estudo da sua evolução nos últimos dois anos

Resumo
Este é um estudo no qual se explora a abordagem de comunicação de crise utilizada pelas empresas galegas classificadas como “altamente poluentes”. Tendo como ponto de partida o Registro Estatal de Emisiones y Fuentes Contaminantes do Ministerio de la Transición Ecológica (PRTR Espanha), foi estabelecido o universo de estudo e analisou-se a atividade comunicativa das 87 empresas sediadas na Galiza, que possuem o maior índice de emissões poluentes (soma de resíduos e emissões do ano de 2016), através da realização de entrevistas em profundidade. Os resultados foram comparados com aqueles que foram obtidos no ano de 2014, na primeira fase do estudo, que incluiu a recolha de informações de 120 empresas. O objetivo deste trabalho foi realizar uma análise da gestão de crise destas empresas e, assim, avaliar a atividade comunicativa do setor, bem como a sua evolução nos últimos anos (2014-2016).
Communication and crisis management in Galician companies. Ana Belén Fernández-Souto, Montse Vázquez-Gestal & Iván Puentes-Rivera

Introduction

This is a study analyses crisis communication strategies of “highly polluting” Galician companies. The purpose of the study is to carry out an analysis of communication management in order to assess the activity in the sector, as well as to compare it with the results obtained four years ago regarding the first phase of this study.

The starting point of this study was the Registro Estatal de Emisiones y Fuentes Contaminantes (PRTR Spain), which was used to establish the universe under study. It is a new research based on the premise that highly polluting companies are more likely to undergo a crisis which might affect both their communication and reputation. In this sense, this research analyses current mechanisms they use to deal with such situations.

Theoretical framework

The study hypothesises that companies which take bigger environmental risks are more susceptible to preventive actions that include crisis communication plans. According to this notion, companies and institutions with a higher number of toxic releases (including to air, water and soil) should be better prepared to manage and communicate during a potential crisis, which should include prompt implementation of plans.

Every company, either public or private, is susceptible to suffering crises that affect their communicative action (González Herrero, 1998), which imply the loss of trust from its stakeholders or damages to its reputation. There are multiple scenarios a company may be confronted with which may result in a communication problem. This includes financial, human resources related problems or work accidents, which can potentially harm the company’s reputation and, as so, prevention is believed to play an essential role in many cases. Having communication mechanisms that allow to suppress and alleviate the problem may be vital to ensure the company’s survival.

The department in charge of managing communication should create a specific kind of document, called “crisis plan”, in order to address any potential threats to the company in a serene and calm way. The crisis plan will make it easier to know what to do depending on the situation, thus ensuring the organization’s survival. The absence of such a plan reveals lack of preparation and potential risks such as:

1. a delay in both the planning and application of emergency procedures;
2. a certain confusion and lack of coordination caused by an inexistent plan will stir up distrust, often motivated by the company’s silence on the matter (Ongallo, 2000); the organization should never forget that information is the basis for all decisions, which means that companies must be granted access to all the available information before making a decision (Harrison, 2002).

Palavras-chave

comunicação; crise; poluição; gestão; relações públicas; Dircom

1 See http://www.prtr-es.es
In short, the plan’s main purpose is to be the key element in crisis communication strategies: it is the first element of a continuity plan that deals with whatever may affect the services rendered by the company, which also facilitates decision making regarding the future (Fernández-Souto, Puentes-Rivera & Vázquez-Gestal, 2016).

In view of this situation, it is only logical to think that companies are more likely to have work-related accidents, whose consequences might increase the risk and actually endanger their own survival, as highly polluting ones, should have this kind of documents as to be ready to act without losing any time and ensure full efficacy and efficiency in order to survive and restore their reputation.

Galician companies and communication frameworks

To understand the purpose of the study it is necessary to think about business organizations and their internal and external frameworks regarding communication, but also about their plans to prevent public relations crises. This study focuses essentially on two theoretical frameworks: the communication structure of the study’s object and its view on preventing and managing communication during a crisis.

By analysing the communication framework of Galician companies, it was found that there is little literature about it. Besides specific studies about health institutions (Costa-Sánchez, 2012), Galician municipalities or small and medium-sized companies (Fernández-Souto & Puentes-Rivera, 2014), and except for the first stage of the current study published in 2016 (Fernández-Souto et al., 2016), there are no references to in-depth studies.

There are a lot more researches about communication frameworks and Dircom in Spain (Alloza, García-Perrote & Panadero, 2007; Armendáriz, 1993; Casado Molina, Méndiz Noguero & Peláez Sanchez., 2013; Costa, 2001, 2009, 2011; Dircom, 2010, 2013, 2015a; Dircom Catalunya, 2013; Farias, Paniagua & Roses, 2010; Freixa, 2004; García Santamaría, 2011; González Molina, 2011; Gutiérrez García & Rodríguez Virgili, 2015; Matilla, 2010, 2015; Matilla & Marca, 2011; Míguez & Baamonde, 2011; Morales & Enrique, 2007; Moreno, Zerfass & Navarro, 2010; Sáez, Matilla & Cuenca, 2015). Based on all these researches, one may conclude that the two options which matter the most to companies’ communication strategies result from two types of frameworks: an internal one, similar to a department integrated in their own organogram, or an external support-like organization, which is occasionally or permanently subcontracted.

With regard to the significance granted by companies to the creation of their own internal communications department, we have recovered the data collected by Fernández-Souto and Puentes-Rivera (2014), between 1993 and 2009, according to which few Galician business organizations had a specialized department dedicated to communication, almost none had experts in the matter. Less than half of the medium-sized companies analysed admitted having developed communication actions. By 2010 there was very little progress and only 18% of the analysed SMC’s had an integrated department – or, at least, someone in charge of communications management –, whose staff, for
the most part (90%), did not have the necessary specialized training in communication and/or public relations and presented a low level of professionalism (Fernández-Souto & Puentes-Rivera, 2014).

This trend is in consonance with the national reality since, and according to Dueñas (2016), the management of small and medium-sized companies (which are over 98% of the Spanish corporate fabric) is underdeveloped and presents a low level of investment in resources regarding Communication. In the same line of thought, Gómez (2011), mentions that communication “makes small and medium-sized companies scared” (p. 120), because they see it as an activity for big organizations and multinational companies. Dueñas (2016) goes on, by stating that organizational communication is mostly reduced to establishing relationships with clients and that its management is done without any previous planning, sometimes consisting of some kind of isolated marketing campaign: mainly flyers, catalogues or advertisements in the media, client-oriented promotions or direct contact through sales. The interpretation of communication in medium-sized companies is treated merely as a product, leaving out their internal target publics and, mainly, other external target publics which are not on the clients list. There is no evidence of investment in the management and prevention of crises from this kind of businesses, on the contrary they seem to resort to outside professionals whenever there is a problem and they do not seem able to deal with it.

In this context, the activity of communication and public relations agencies stands out, due to the crisis communication services they provide. According to Empresite, there are more than 600 companies in Spain that provide crisis communication services, mostly consulting and communication companies, advertising and/or public relations agencies². Most of them are located in Madrid (5,536) and Barcelona (1,807). In addition to these data, there is the list published by Top Comunicación³, which has chosen 20 major agencies that operate in crisis communication.

When comparing these data nationwide, the Galician case is by far more limited. According to Empresite, there are 637 communication and public relations companies in the four Galician provinces, information that does not coincide with that on the guide published by Xunta de Galicia⁴, where 274 companies are catalogued as advertising, communication and public relations agencies. There is no specification of the rendered services, so information about the exact number of Galician agencies that provide crisis management services cannot be provided.

In any case, the reality of public relations agencies is changing and variable, therefore – as is mentioned in the methodology section – we will limit the universe under

¹ Retrieved from https://empresite.eleconomista.es/Actividad/COMUNICACION-DE-CRISIS/
² Retrieved from https://www.topcomunicacion.com/agencias-especializadas-en-comunicacion-de-crisis-guia-de-la-comunicacion/

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study to communication agencies that provide crisis management services to major companies listed in the 2018 public relations report, drafted by Torres y Carreras agency⁵.

**Crisis communication management**

Another aspect being addressed in this study is the crisis communication management. According to Losada (2016):

> crisis and communication are so intimately connected that one might doubt the nature of the event if it passes discretely and quietly by the ones affected by it. In case explanations are not needed, if one can go by without justifying what happened, if there is no need to warn someone, to apologize, if the past goes undisturbed, why would someone keep on talking about it? Consequently, one should not exaggerate the role of the communicator in crises, nor how important it is for that person to be conveniently prepared to perform their task. (pp. 12-13)

Every company is likely to suffer in a crisis situation, even if not similarly (Rodríguez Perea, 2016). Also, not every organization is able to handle prevention and communication of a crisis while trying to minimize its consequences as to keep and/or recover a certain reputation amongst their different target publics.

In support of what Ruiz Mora (2015) said, determining how to act in critical situations and what steps to take about communication in the course of the crisis will make it easier to end it with smaller negative impacts for the company, even though this does not mean there will be zero consequences. Nevertheless, nowadays there are many companies that still do not think it is necessary to invest in these tasks and resort to specific services for managing the crisis when it is already unfolding and with serious negative social impact. At this point, it seems clear that it would be easier to manage and solve a crisis in an earlier stage and provided that there was a prevention plan.

If there is already a problem, gaining time is of essence, and therefore it becomes imperative that who ever is in charge of the company knows how and when to act. Having a previously drafted document, a crisis plan that structures and specifies the main intervention strategies, would be quite interesting. According to De Gasperin (2015), the crisis plan is a set of tools and institutional possibilities that allows the successful handling of this dangerous and complex phenomenon.

However, there are still a lot of companies that have not agreed to that yet and lack crisis communication plans that serve as an example of how to act, how to take responsibility towards the public, manage their presence in social media, monitor the effects of the crisis.

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Methodology

The starting hypothesis maintains that the most concomitant Galician companies do not properly value crisis communication management, even if it is clear that many of them have, in recent years, invested greatly in decreasing their pollutant emissions and in minimizing the possibilities of a crisis.

As mentioned before, the data used was gathered from the Registro Estatal de Emisiones y Fuentes Contaminantes, which provides information on air, water and land pollutant emissions and waste transfer from major industries and other occasional and diffuse sources and allows a territory-based selection.

As far as this study is concerned, research was limited to the autonomous community of Galicia and the numbers of pollutant emissions and waste were added together on two different occasions: the first in September 2015, with data from 2014; and the second in September 2018, with data from 2016. The data related to 2017 were published in February 2019, and that was the reason why they could not be used while carrying out this work field.

The research contemplated the following variables: the total number of registrations in the autonomous community of Galicia, 2014 and 2016; economic activity CNAE6-2009; multiple selection activity; data concerning emissions and waste. Therefore, 120 companies were analysed in 2014, and 87 in 2016. It should be noted that, while analysing all the data concerning emissions and waste, researchers noticed that a few companies were mentioned in both lists, which reduces their total. On the other hand, it should also be noted that, the fact that since the official publication of the PRTR data until the drafting of this study some of the companies on the official list have become inactive7.

Once the object of study and its spatial-temporal dimension was defined, the methodology used to collect the data was specified. First, there were some in-depth interviews carried out among the people in charge of communication at the mentioned companies – as long as there were some – as well as an analysis of articles in the media about previous and/or current crises, the way they were addressed and how information was managed. The purpose of this stage of the research was to gather data on the communication internal frameworks of the companies under study and to compare them with the ones published in the media concerning past crises.

Interviews were carried out with professionals specialized in crisis management in order to collect data that allowed to compare it with that provided by the companies, mostly experts in crisis communication prevention and management at the major communication and public relations agencies located in Spain. The study universe was limited to communication agencies which provide crisis management services to major companies also listed in the 2018 public relations report, drafted by Torres y Carreras, and based on the billing data8.

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6 National Classification of Economic Activities.
7 See http://www.prtr-es.es/informes/facilitylevel.aspx
8 See https://prnoticias.com/comunicacion/facturacion-del-sector-rrpp/20167834-ranking-agencias-comunicacion-mas-facturan
Finally, a graphic explanation of the results was made as to clarify the conclusions of the study, as well as to confirm or not the starting hypothesis: the most polluting companies in Galicia keep dismissing the importance of crisis communication management; however, many of them have been making major investments to reduce their pollutant emissions and to manage the minimization of potential problems. Nevertheless, almost none of the companies have a crisis plan or specific mechanisms to deal with it.

**RESULTS AND DISCUSSION**

This is the analysis of the main results of this study. First, a problem concerning waste management was detected in the autonomous community of Galicia. As presented in Graph 1, emissions in Galicia have increased.

![Graph 1: Time series of emissions in Galicia](http://www.prtr-es.es/informes/seriespollutant.aspx)

The approach is slightly different when it comes to data on waste. Graph 2 shows a more moderate increasing trend, but with a significant recovery in 2015. Anyway, waste data are also alarming.

![Graph 2: Time series of waste in Galicia](http://www.prtr-es.es/informes/serieswaste.aspx)
According to this data, it would be only logical to think that the larger the number of tons of emissions and waste, the more interested polluting companies would be in protecting themselves and in getting prepared to deal with adverse situations. Nevertheless, this line of thought appears to contradict the data provided by the companies themselves.

In the first stage of the study, and according to the statements of people in charge of communication, the trend of the theme under study is improvisation. Although the analysis focused on highly polluting sectors, it was perceived that – to a large extent – the people in charge did not have previous plans to manage communication in times of crisis. Right then, communication directors from the analysed companies confirmed that only 15.8% of the organizations had successfully dealt with some sort of crisis in the past (Fernández-Souto et al., 2016); in the following stage, the percentage decreased dramatically and none of the interviewees admitted to have suffered any kind of reputational crisis. However, references in social media corroborated the fact that there were some repercussions in some of the companies studied, even though none of them had anything to do with waste or pollution management.

The next aspect being analysed in this study is the internal frameworks related to communication management and, thus, the implementation of crisis plans. According to collected data regarding 2014, there was a balance between the organizations which had a communication department and those who did not (Graph 3).

![Graph 3: The existence of communication departments at the companies analysed in 2014](source: Fernández-Souto et al., 2016, p. 54)

In the light of this data, the researchers expected to find some improvement over time and an increase of the number of communication departments in 2016, but, instead of progress there was regression, since the number of departments decreased (Graph 4).
The following element of analysis refers to the existence of crisis plans. Communication directors were asked if they had a written crisis plan. The interviewer insisted strongly that the model ought to be “written” because most analysed companies mentioned that both the company’s director and the communication director knew what to do, but there was nothing in writing and, thus, nothing was shared with other members of the department or senior management.

It was established that in 2014 only 35.8% of the analysed companies had a communication plan in writing (Graph 5).

Given this information, the second stage of the study did not show any progress since most organizations still did not have specific plans (Graph 6). However, the last data include a large number of “does not answer/does not know” answers, which sounds quite alarming given the specific role a crisis plan should play in these organizations. At
the same time, it seems to be consistent with the collected data on specific communication frameworks: if it confirms companies analysed in 2016 have less departments specifically dedicated to communication, it seems logical that the level of professionalization, and therefore of the activities related to communication and management of reputation, should be lower. Not having professionals capable of making progress regarding communication highlights their lack of knowledge about the procedures.

The study also analyses the data concerning the training of communication managers who deal with crisis situations. According to 2014 data, there is a certain balance among the professionals who have been specifically trained in communication (41.7%) and those from other areas of expertise (Graph 7).

Nevertheless, the 2016 data seem to indicate that communication managers at these companies are more qualified and that the majority of them have even got people who specialized in communication at college (Graph 8).
In any case, the predominance of journalists and marketing professionals as head of the departments, both in 2014 and 2016, should be stressed. According to the analysed data, we could say that the mentioned companies tend not to have so many communication frameworks, but those who have them resort to professionals. This tendency is mainly present in the big companies located in this autonomous community when comparing with SMC’s, mostly in the livestock business, where there are almost no management frameworks or directors who see communication as an investment, but rather as an expense.

In addition to this data, during the second phase of the study there was another variable added to the research, and the communication managers were asked if they outsourced or not communication services (Graph 9).
Once again, the data show how little concern companies have for communication activities: most of the studied companies choose not to outsource communication services and have internal frameworks that take up these tasks; this comes to show communication still plays an irrelevant part in the strategic planning of the analysed organizations.

To complement this data, 10 major communication agencies located in Spain were contacted (following the 2018 public relations report drafted by Torres y Carreras, according to billing data) and were asked about the services provided for managing crises and if they operated with the studied companies. From the 10 agencies contacted, only five collaborated with the study. It is, nonetheless, a representative sample since they all provide crisis management related services (in the case of Llorente y Cuenta that section represents 30% of the company’s total invoicing; as far as Tinkle is concerned it represents between 5% and 10%), and three out of five collaborate with highly polluting companies located in Galicia, even though, due to confidentiality agreements signed with the clients, they are not at liberty to divulge any further data.

Conclusion

As already stated by Sánchez Calero (2004), a crisis is one of the most genuine phenomena in corporate communication management for two main reasons: first, and regardless of its nature, it affects the whole organization; the second reason has to do with the idea of communication management and its priorities, one of which, due to the level of transcendence it may reach, ought to be foreseen. However, it seems Galician entrepreneurs do not share this notion because crisis management in Galicia is still at an early stage. This conclusion was reached at the first phase of the study, but the second one shows some continuity when it comes to data, whose main conclusions are summarized:

1. although the number of polluting emissions and waste has been increasing every year in Galicia, polluting companies do not invest on communication; they do not create inner structures that can deal with it, nor do they see the need to subcontract outside services. The Galician polluting companies gathered in PRTR 2016 have less communication departments than in 2014. In view of such information, it should be mentioned that there is a high percentage of organizations that do not show any interest in hiring specialized services and, even worse, many of them know nothing whatsoever about this reality or if they should “request” communication and public relation actions or tools;

2. the lack of crisis plans is also related to this issue. In 2014 only 35 of the inquired companies confirmed having a written plan, but by 2016 the number had dropped to 17;

3. the professionalization of the staff who manages communication is still in the hands of experts in marketing or communication sciences, mostly journalists. However, it was also observed a tendency to decrease the number of professionals graduated in areas outside communication. Also, the number of graduates in other areas of Communication Sciences, like advertising and public relations, or audio-visual media has increased;

4. this data must be analysed based on the thought that the majority of the organizations interviewed are medium-sized companies known to interpret communication as a cost instead of an investment. The interviews carried out show that the companies which have communication departments, with specialized professionals, and which invest in crisis communication management, are
those that have developed into multinationals (Endesa, Repsol, Ence, etc.), contrary to small and medium size companies – especially in the livestock business – which totally lacks investment in that area;

5. finally, it was observed that a few of these companies resort to renowned outside experts, by hiring services from public relation and communication agencies which operate at a national and international level.

Every organization communicates, even if not voluntarily. When companies were exclusively dedicated to producing, communication was believed to be an accessory tool. But nowadays it is a strategic and key differentiation factor and, above all, the means to reach a concrete position and build up a certain reputation among its different publics.

Organizations should base their relationship with their stakeholders on trust and transparency, by honouring their commitments. This need is even clearer when it comes to highly polluting companies whose social responsibility is always more evident. Regarding the cases studied, however, it seems they still have a long way to go.

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