



**Human Resource Management and Communication in the Context of
the Financial Crisis**

por

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BIOGRAPHICAL NOTE

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ABSTRACT

Recent years were marked by one of the most complex economic periods of our time. Its beginning is linked to the United States sub-prime crisis, yet it propagated itself in a global scale at an alarming rate impacting in all production sectors, forcing organizations to rethink their corporate strategy.

This study looks at the impact of the economic or financial crisis on the internal communication policies and practices. A review of the literature was conducted concerning communication in the context of crises, namely economic and financial ones. The empirical study examined how a Portuguese organization dealt with this situation in terms of internal organizational communication, both formal and informal, aimed at the employees. For data collection face-to-face semi-structured interviews were used, to workers and former workers.

After analyzing the data gathered and discussion of the results, the main conclusions were that the organization chosen for this study, and its crisis communication practices and policies, appear not to follow the best practices identified in the literature. Implications and suggestions for both researchers and practitioners are also included.

Key Words: Crisis, Organizational Communication, Communication practices and policies.

RESUMO

Os últimos anos foram marcados por um dos mais complexos períodos económicos dos nossos tempos. O seu início está relacionado com a crise no mercado hipotecário de alto risco dos Estados Unidos da América, contudo propagou-se de uma forma global a um ritmo alarmante tendo impacto em todos os setores de produção e forçando as organizações a repensar a sua estratégia competitiva.

Este estudo tem por objetivo analisar o impacto da crise económica ou financeira nas políticas e práticas de comunicação organizacional interna. Assim, foi feita uma revisão da literatura, centrada na comunicação organizacional em contextos de crise, nomeadamente, de natureza económica ou financeira. O estudo empírico, com recurso a

entrevistas a colaboradores e antigos colaboradores de uma organização Portuguesa, procurou identificar os efeitos da recente crise financeira na comunicação interna, tanto formal como informal, dirigida aos colaboradores

A análise dos resultados mostrou que a organização escolhida para este estudo, e as suas políticas e práticas de comunicação organizacional interna, parecem não estar em linha com as melhores práticas identificadas na literatura. São também exploradas implicações e sugestões tanto para investigadores como para profissionais.

Palavras-chave: Crise, Comunicação Organizacional, Políticas e Práticas de Comunicação.

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1. INTRODUCTION

The year 2008 marks the beginning of one of the most complex economic periods of our time, with many comparing it to the 1930's crisis. The crisis was ignited by the United States sub-prime crisis that contaminated other markets impacting most production sectors, and forcing organizations to rethink their corporate strategy. The economic and social consequences were severe such as the quick rise of unemployment rates. Yet, the impact of the crisis was asymmetrical producing different effects depending on the particular national context and the specific features of the sector.

In Portugal, according to OECD Economic Surveys (2012), the global crisis exposed serious fiscal problems and underlying weaknesses and imbalances in the Portuguese economy, leading to a severe recession with high unemployment rates. In the last few years, considerable changes took place in terms of employment relations, including reduction of benefits, work intensification and flexibility, layoffs, and training cutbacks, among others, affecting the employees' attitudes towards their employers. In a context of economic and social instability and apprehension, organizations that were directly hit by the economic crisis, as well as those that were not so affected were forced to make an effort to adjust internally and revise their current policies and practices in order to address the challenges of the new economic and social environment.

This study looks at the impact of the economic and financial crisis on the internal communication policies and practices.

During large-scale organization changes effective communications is a way to improve trust in management (Tucker et al., 2013). Internal communication plays a key role in helping employees dealing with uncertainty and reducing anxiety and focusing their efforts in what really matters – hence the relevance of this topic.

This study intends to explore five main questions:

- Was there any pre-crisis planning?
- What were the measures taken at the crisis response stage?
- How was that communication perceived by the target audience?
- What was the role played by new communication media such as social networks?
- As the threat declined, were there any post-crisis measures put into place?

A review of the literature was conducted concerning communication in the context of crises, namely economic ones, as is presented in Chapter 2. Chapter 3 presents a study of how a particular Portuguese organization dealt with this situation in terms of internal organizational communication, both formal and informal, aimed at the employees. Chapter 4 presents the data analysis and chapter 5 the discussion of the results and the main conclusions. The study limitations and implications, as well as some suggestions for further research are also included in this final chapter.

2. THEORETICAL BACKGROUND

Crises are dramatic, they trigger emotions, expose vulnerabilities and to some extent cause empathy, as we all can become a victim of one (Coombs and Holladay, 2011). They are also becoming more and more a common part of the social, psychological, political, economic and organizational landscape of our modern life (Seeger et al., 2003) and as they become more common and increasingly visible, so both the need for crisis management and the absence of crisis management are noticeable (Spence, 2008).

Organizational crises may have many potential undesirable effects, such as loss of market share, increased regulatory scrutiny and control, stockholder discontent, decreased employee morale, bankruptcy and organizational failure (Massey and Larsen, 2006) and therefore there is the need for a comprehensive study of crisis as organizational phenomena.

As mentioned above, this study looks at organizational crises, focusing on a type of crisis most afflicting to the Portuguese organizations nowadays, the crisis of economic or financial origin, and its communicative dimensions, exploring the impact of this crisis on the internal communication policies and practices. In order to do that, in the review of the literature, we start by defining crisis, focusing on the organizational ones, and the proposed differentiations and classifications, as well as making a separation between crises, risks and issues. We will then proceed to further analyze theoretical approaches to organizational crises, as well as, organizational crisis management and crisis communication.

2.1. DEFINING *CRISIS*

The word *crisis* comes from the Greek *krisis*, meaning, literally, decision, and it was used as a medical term by Hippocrates, describing a turning point in an illness, and from *krinein*, that meant to judge or decide (Seeger et al., 2003).

Despite possible similarities, it is important to call attention to the conceptual distinctions between organizational crises and other disruptions, namely natural disasters.

Natural disasters, namely severe storms, floods, drought, earthquakes, heat waves, blizzards, hurricanes, tornadoes, volcanic eruptions, mud slides, forest fires, or epidemics, are usually large-scale, environmentally based disruptions that affect entire communities and regions. They are unusual in intensity, duration and also in consequence, with unforeseen results, such as disruption in good and service transportation, as well as infrastructures in general, with a high threat to health, safety and security (Seeger et al., 2003). Their consequences are dealt by the communities, the government or other groups, like the Red Cross (Kreps, 1984, cited by Seeger et al., 2003).

In contrast, organizational crises, generally involve oversights or deficiencies in systems often related to a particular organization (Quarantelli, 1988, cited by Seeger et al., 2003). Nonetheless, an organizational crisis may occasionally reach the consequence level of a natural disaster – for example the Chernobyl nuclear accident – and they may also interact with natural disasters, compound or accelerate harm (Seeger et al., 2003).

2.2. ORGANIZATIONAL CRISES

There are several definitions of organizational crises. Seeger et al. (1998) defines organizational crisis as a specific, unexpected and non-routine organizationally based event or series of events that create high levels of uncertainty and threat or perceived threat to an organization's high priority goals (Seeger et al., 1998, cited by Seeger et al., 2003).

Coombs defines crisis as a perception of an unpredictable event that poses a serious threat to important stakeholders' expectancies and it can have a severe impact on the performance of an organization and generate negative outcomes. Coombs also called our attention to the fact that being largely perceptual, we cannot perceive the entire crisis story at any given moment, and only part of it reaches the public. Furthermore, if stakeholders believe there is a crisis, the organization is in a crisis

unless it is able to fruitfully convince stakeholders it is not. A crisis is ultimately a violation of expectations; an organization has done something stakeholders feel is inappropriate (Coombs and Holladay, 2011).

Karl Weick (1988) explored crisis as a phenomenon of low probability/high consequences events that threatens the most crucial goals of the organization.

Fearn-Banks (2002) noted that a crisis is a major event with a potentially negative outcome affecting the organization, company or industry, and also its products, services or good name. It interrupts normal business operations and it may even, in the worst case scenario, threaten the existence of the organization.

Charles Hermann (1963), examining international political incidents, developed one of the first extensively used models of crisis. He maintained that crises have three fundamental conditions: “(1) *threatens high priority values of the organization goal;* (2) *presents a restricted amount of time in which a decision can be made, and* (3) *is unexpected or anticipated by the organization.*” (Charles Hermann, 1963, p. 64).

A crisis, though, doesn't necessarily need to be a catastrophic event, corresponding that to a far too narrow view. Many crises cannot be perceived as catastrophes, but as interruptions in routine business that, if ignored, or handled poorly, can easily escalate to cause significant operational or reputational harm. Effective crisis response, concerning not only what the company does but also what it says, offer companies a competitive advantage and can even boost reputation. In particular companies that handle crises well tend to protect the things that they consider most important, such as stock prices, operations, employee morale, productivity or strategic focus. On the other hand, ineffective crisis response can cause significant harm to the company's operations, reputation and competitive position, and can even put an enterprise's existence at risk. The sooner the company realizes the existence of a crisis, the sooner it can mobilize its resources to respond effectively to the situation (Doorley and Garcia, 2011).

2.2.1. CRISES' DIFFERENTIATION AND CLASSIFICATION

Justo Villafaña (1998) maintains that, as there are several potential causes for a crisis, we can group them according to their nature, naming five common causes of occurrence: catastrophes, severe functional failures, character crisis, economic or financial threats and internal crisis.

Due to its random effect, catastrophes are more frequently identified as the genuine crisis situation. They have a large impact in society, proportional to the drama of their consequences and the number of people affected. Even if the company takes immediate measures, it does not mean the situation will be contained, particularly in terms of media. This type of crisis can put in jeopardy the company's future growth or its own existence. As an example, the magazine *Business Week*, on 24th December 1984, had as one of its news titles, referring to Bhopal's poisoning situation: *Union Carbide Fights for its Life*. Such crises can have a long recovery stage (Villafaña, 1998).

Severe functional failures pose a threat to people's safety and health. It relates to the sudden appearance of an important fact about a company's product or service. There are sectors more sensible to this type of crisis, as the food industry, but no production activity or services are immune to a functional failure (Villafaña, 1998). A good example of this is Johnson & Johnson's drug, extra-strong Tylenol, that was contaminated with cyanide (inorganic salt, containing the extremely poisonous cyanide ion) in September 1982, responsible for the death of seven people, in Chicago, USA, after they ingested the capsules containing the product (Villafaña, 1999, cited by Neves, 2005).

Character crisis occur when some of the organization's representatives or directors incur in misconduct, such as bribes or corruption. When a company is affected by this type of crisis it may produce highly negative effects, because it deteriorates, sometimes in an irreversible way, the company's image (Villafaña, 1998).

Economic or financial threats may occur in inhospitable economic environments. Examples of economic or financial threats are a sudden drop on the stock market, a hostile takeover bid or a highly negative tax inspection. This type of crisis can lead to severe consequences such as share loss, internal crisis or sudden loss of the value of the company (Villafaña, 1998).

Lastly, internal crisis are originated by work conflicts, low productivity, misunderstandings between the organization and its leaders or lack of consensus. It can be an extension of an exterior crisis and it can lead to deterioration of the organizational atmosphere and a drop in productivity (Villafañe, 1998).

Ian Mitroff and Christine Pearson (1993) categorize the different potential crises. They stress the importance of interpreting different crisis, placing them into major clusters or types, according to their shared characteristics. For the authors, the generic categories were formed having two underlying principal dimensions: crises that are perceived to be primarily technical and economic and those perceived to be primarily human and social.

To better understand the crisis concept we can also divide crises in two groups, the predictable and the unpredictable ones (Lampreia, 2007, Caetano *et al*, 2006, cited by Diegues, 2011). The predictable ones derive from situations that the organization is aware of and therefore the organization has a larger amount of time to prepare to face and manage them. The unpredictable ones, due to its unforeseen nature, are those that can cause more damage to the organization.

In order to reduce the probabilities of the recurrence of a crisis, we need to determine its cause (Ray, 1999, cited by Seeger *et al.*, 2003). There are three general views about patterns of crises causality. These are: interactive complexity and normal accident theory, failures in foresight, warnings and risk perception and breakdowns in decisional vigilance. The three do not mutually exclude one another, meaning that elements of the three are commonly associated with a particular crisis. A crisis is consequence of multiple causes and develops over extended periods of time and in some cases the final cause is never completely determined (Seeger *et al.*, 2003).

2.2.2. CRISES, RISKS AND ISSUES

Crisis, risks and issues are three interconnected concepts, which need to be differentiated.

A risk is a central feature of strategic business management. Organizations are variously risk takers, a characteristic of their entrepreneurial nature. At the essence of

risk management are matters of safety, security, happiness, good health, sound financial future, and other matters that have individual or public consequences for positive and negative outcomes of various magnitudes. Crises are risks that manifested (Heath and O'Hair, 2010).

A risk can occur in different magnitudes, with various degrees of predictability, and poses a threat to different parts of society. The concept has prompted several theories that emerged to understand, manage and diminish the impact of a risk. As such as a risk manifests itself, a crisis may occur (Heath, 2011, cited by Coombs and Holladay, 2011).

Issues are unsolved questions or perceived problems that occur in the public domain with the potential to affect an organization (Cralle and Vibert, 1985, cited by Seeger et al., 2003). Issues can derive from risks and an issue can become a crisis. An example of this is the issue regarding the safety and/or health hazard of tobacco use. The debate regarding this issue led to a crisis in the tobacco industry (Heath, 2011, cited by Coombs and Holladay, 2011).

How issues are handled can mean the difference between a crisis out of control and a proactive solution. Many issues can be anticipated and successfully managed. Yet, many organizations fail to see there is a problem (Larkin and Regester, 2005).

The triangle connection between risk, issue and crisis can have public policy implications and can arise from and lead to private sector threats and opportunities. A risk can create the opportunity for a product or public policy. As an example, we can think about the toy industry. Toys can pose risks, which can lead to a crisis for parents and companies, and this generates the necessity of public policies surrounding the issue (Heath, 2011, cited by Coombs and Holladay, 2011).

2.3. THEORETICAL APPROACHES TO ORGANIZATIONAL CRISES

In the initial years of crisis research, it was mainly incident-focused and problem-driven (Shrivastava, 1993, cited by Hutchins and Wang, 2008). Natural disasters were the main study object, and the role of the community and response agencies were primarily examined. Crisis events were therefore explored from a geopolitical

perspective and the organizations were considered as a source of collective response resources and not so much as the contributors or the ones causing a crisis event (Smith & Elliott, 2006, cited by Hutchins and Wang, 2008).

A second approach to crisis research focused on the role of social, political and technical factors on crisis events, perpetrated by Turner (1976). From this point on researchers began considering the actions of people and also organizations as the catalysts of crisis events. The organization's role and how it contributed to and managed the crisis event became a primary concern of crisis researchers (Turner, 1976, cited by Hutchins and Wang, 2008).

In order to further examine organizational crises and to understand how crises have been studied and related to the organizations some theoretical frameworks have been suggested.

Pearson and Claire (1998) focused on the psychological aspects of crisis, exploring cognitive and psychoanalytic aspects of crisis events (Pearson and Claire, 1998, cited by Hutchins and Wang, 2008). Cognitive approaches address the ways individuals make sense of crisis events, particularly how individual cognitive processes might be influenced in times of distress, role ambiguity and lack of clear communication (Hutchins and Wang, 2008)

Another theoretical framework for understanding organizational crises is Karl Weick's theory of sensemaking. Weick's sensemaking theory is particularly representative of a psychological perspective and casts a light on how individuals make sense of, seek meaning for and also take action toward solving a crisis situation. Sensemaking can be perceived as the cognitive process of interpreting mostly fragmented, emotional and often unusual information. This also includes the process through which one decides what action to take to deal with a certain situation (Weick, 1988). Organizational participants use communication to collectively interpret and make sense of their informational environment (Seeger et al., 2003).

According to sociopolitical perspectives, organizational crises can also be interpreted using the organizational cultural lenses. Studies using this perspective reflect upon how crises occur from a breakdown in the social meaning, legitimization and social relationships among organizational members (Pearson and Claire, 1998, cited by Hutchins and Wang, 2008).

A technological structural perspective has also been taken into account by the researchers to study crises. They have considered how an organization can be arranged to minimize the occurrence of a crisis and how it can accelerate the management and recovery processes if such events occur (Hutchins and Wang, 2008).

Chaos theory is another theoretical framework that has been used to understand crises. The chaos theory is most often associated with physics, mathematics and biology, and has only recently been applied broadly as a meta-theoretical framework in the social sciences (Seeger, 2002). This framework can be useful for understanding organizational crises and crisis communication. *“Chaos theory is an expansion and development of a general-systems theory that described the behaviour of large, complex, non-linear systems, including those where social and technical elements interact.”*(Seeger et al., 2003, p. 18). Even though the common belief is that it rejects predictability, chaos theory does seek order (Seeger et al., 2003) and its goal is to achieve some level of predictive understanding, but without depending on established causal and deterministic patterns and models and using broader scales, perspectives, and methods (Seeger, 2002). Moments of crisis, in complex organizational systems, are often followed by periods of renewal (Seeger et al., 2003).

Another helpful theoretical framework to understand organizational crises is the organizational learning theory. This framework proclaims the articulation of four constructs through which an organization learns: processes of knowledge acquisition, information distribution, information interpretation and organizational memory (Huber, 1996).

2.4. ORGANIZATIONAL CRISIS MANAGEMENT

Pearson and Claire (1998) described crisis management as the process of systematically avoiding or managing a crisis in order to sustain or resume business operations and minimize the losses to the stakeholders (Pearson and Claire, 1998, cited by Hutchins and Wang, 2008).

Similarly, Coombs described crisis management as a set of factors designed to combat crisis and to diminish the actual inflicted damages and protect the stakeholders, but also the organization and/or industry from damage (Coombs and Holladay, 2011).

Effective crisis management can result in a stronger organization, as mentioned before. A crisis is a threat to the organization, but the way it is managed determines if the outcomes are threats or opportunities (Coombs and Holladay, 2011).

We should perceive crisis management as a multidimensional process, with concerns such as preventive measures, crisis management plans and post crisis evaluations.

The roots of crisis management lie in emergency and disaster management. Researchers in this field studied ways to prevent incidents and how to respond to or cope with incidents. Two streams of research were identified in the literature – emergency and disaster management followed a parallel path with Quarantelli (1988) while in crisis management Fink began detailing the emerging field of crisis management (Coombs and Holladay, 2011).

Fink (1986) developed a four stages model for crisis management, which tries to illustrate the evolution of a crisis. The four stages are: “(1) *prodromal, warning signs of a crisis appear*; (2) *acute, a crisis occurs*; (3) *chronic, recovery period that can include lingering concerns from the crisis*; and (4) *crisis resolution, the organization is back to operations as normal*.” (Fink, 1986, cited by Coombs and Holladay, 2011, p. 22).

In 1990, Smith suggested a model with 3 steps: “(1) *crisis management, a crisis incubates*; (2) *operational crisis, a trigger event occurs and first responders arrive*; (3) *crisis of legitimization, a communicative response is provided, media and government become interested, and organizational learning occurs*.” (Smith, 1990, cited by Coombs and Holladay, 2011, p. 22). Smith goes beyond the crisis process itself, considering crisis management efforts as well (Coombs and Holladay, 2011).

Mitroff (1994) divides crisis management into five stages, where he models the crisis management process more than the crisis process itself, highlighting the learning stage. The five stage model consists of the following: (1) signal detection, crisis warning signs should be identified and preventative measures must be taken; (2) probing and prevention, active search and reduction of risk factors; (3) damage

containment, a crisis hits and action is taken to limit its spread; (4) recovery, effort to return to normal operations; and (5) learning, people review and critique the crisis management process more than just the crisis process itself (Mitroff, 1994, cited by Coombs and Holladay, 2011).

Despite the apparent differences between Fink's model (1986) and Mitroff's (1994), both approaches have strong similarities. Mitroff's stages reflect Fink's crisis cycle to a large degree. Fink's model implies that crises can be prevented, while Mitroff's model actively tries to identify them, in order to prevent them. The essential differences are revealed when comparing the final stages. Mitroff's model is more active and Fink's more descriptive. Mitroff points out what crises managers should do at each phase while Fink describes the characteristics of each stage. Fink worries about mapping the crises, despite also giving recommendations to crisis managers, while Mitroff is more concerned with how crisis management efforts progress (Coombs, 2014).

According to Hale et al. (2005), crisis management consists of three distinct phases: crisis prevention, crisis response and recovery from the crisis.

Coombs divided the set of factors that constitute crisis management into three phases: pre-crisis, crisis and post-crisis. The pre-crisis communication stage concerns itself with asking what can be said and done to reduce the probability of crisis and to mitigate the consequences if it occurs. The crisis stage is when management must actually address a crisis situation. The post-crisis phase looks for better ways to prepare itself for the next crisis, to reduce the probability of its occurrence, and offers the opportunity to a follow-up communication (Coombs and Holladay, 2011). The post-crisis stage is also a time for the organization to renew itself, becoming different and better (Ulmer et al., 2009, cited by Coombs and Holladay, 2011).

This three categories system provides us with a mechanism to consider crisis communication (Coombs and Holladay, 2011).

From a study of various crisis management models, the above mentioned three influential approaches emerged, taking into account the number of people citing the approach in the development of their crisis models – Fink's (1986) four-stage model, Mitroff's (1994) five-stage model and a basic three-stage model, that has no clearly identifiable author but has been recommended by various crisis management experts

(Coombs, 2014). The last mentioned model was lately very much identified with Coombs three stages model – pre-crisis, crisis and post-crisis. It has been extensively used as the main theoretical framework to explore the progress of some crises that have happened, some very severe, such as the BP Deepwater Horizon Spill Oil – on 20th April 2010, a gas release and subsequent explosion occurred on the Deepwater Horizon oil rig working on the Macondo exploration well for BP in the Gulf of Mexico, with immense consequences, namely loss of life and impact on the environment and livelihoods of those in the affected communities. In Mejri and Daniel’s study about the subject (2013), we can read: *“The three stages model is today the most widely used and recommended framework to analyse and manage crises. This model supposes that crisis management can be divided into three distinct phases, but the process should be viewed as holistic and integrated and its phases should be considered in aggregate rather than as separate sets of activities.”* (Penrose, 2000, cited by Mejri and Daniel, 2013, p. 7).

2.5. CRISIS COMMUNICATION

“Crisis communication can be defined broadly as the collection, processing, and dissemination of information required to address a crisis situation.” (Coombs and Holladay, 2011, p. 20). Crisis communication can also refer to the strategies, actions and means used to avoid, diminish or face a crisis situation (Diegues, 2011). These communication processes have a multitude of interconnected objectives, such as reduce and contain harm, provide specific information to stakeholders, initiate and enhance recovery, manage image and perceptions of blame and responsibility, repair legitimacy, generate support and assistance, explain and justify actions, apologize, and promote healing, learning and change (Reynolds and Seeger, 2005).

Crisis communication is a growing study field, partly because of the frequency and high profile nature of recent crises, such as the 9/11 or the Tsunami in Southeast Asia. In these situations the role of communication has been stressed as important. During crisis communication is particularly challenging, as an immediate response is necessary, due to the pending threat and uncertainty of these situations (Ulmer et al., 2007). The need for information is fuelled by the crisis or the crisis idea.

Communication becomes the essence of crisis management. Communication is essential throughout the entire crisis management process (Coombs and Holladay, 2011). As such, communication is increasingly recognized as an important process in organizational crises and crisis management (Seeger et al, 2012).

The development of the crisis communication field we've seen over the last couple of years, professionally but also academically, is important because it creates pressure for an effective crisis communication. Crisis communication is a critical element in effective crisis management, which provides a larger context for crisis communication (Coombs and Holladay, 2011).

Crisis communication cannot be perceived as a theoretical exercise. Rather than academic exercises, theories and principles need to help crisis management. Both theory and application need to overlap (Coombs and Holladay, 2011).

The development of this body of knowledge reflects its applied nature. The early research was done by practitioners and appeared in non-academic journals, only later appearing in academic ones, when academics embraced the need to solve crisis communication problems (Coombs and Holladay, 2011). Also, while of interest to management research, most of the crisis communication research was done in the context of public relations and communications studies, associated to the efforts of strategically manage and frame public perceptions of an event so the harm is reduced for the organization and its stakeholders (Reynolds and Seeger, 2005).

The initial practitioner research in crisis communication used war stories and cases to attain some advices. In general terms, cases of crises of other organizations were analyzed, without use of any analytic framework, and by reflecting upon points that seemed effective, these cases provided advice to handling future crises (Coombs and Holladay, 2011).

Case studies were also studied by academics in crisis communication research. The researchers introduced specific theoretical frameworks or principles to analyze the cases, thus being more rigorous. Besides cases analyses, crisis communication research has others sources of inspirations, such as theory development (Coombs and Holladay, 2011).

Nowadays, there is a large number and diversity of crisis communication research studies, which can be seen as positive or negative at the same time. The variety of

insights offered to the field is a positive aspect, but, if we think about all the studies that are conducted about this subject, the dispersion and the difficulty to integrate them in a useable form may also be negative (Coombs and Holladay, 2011).

Traditionally crisis communication has directed itself to the crisis category/crisis response – what the organizations says and does after a crisis emerges (Coombs and Holladay, 2011). Recently, however, the role of communication has expanded, relating to all phases of organizational crisis (Seeger et al., 2003).

The pre-crisis communication stage is about collecting information about crisis risks, making decisions about how to manage potential crises and training people who will be involved in the crisis management process. Prevention gets a fair amount of attention, as well as developing systems for locating and tracking potential crisis risks, which include efforts to monitor the media, namely the Internet. Preparation is also an important word, with focus on training (Coombs and Holladay, 2011).

Barton (2001) and Coombs (2006) have compiled a few practices which allow organizations to handle crises better, being some of them: (1) have a crisis management plan and update it at least annually – a crisis management plan should not be seen as a blueprint, but as a reference, and should include key contact information, information about what should be done in a crisis and ways to document the crisis response; (2) have a designate crisis management team that is properly trained; (3) conduct exercise at least annually to test the crisis management plan and team; and (4) pre-draft select crisis management messages, having the legal department review and pre-approve these messages (Barton, 2001, and Coombs, 2006, cited by Coombs, 2007a).

The crisis response stage is the one that has been subjected to more research, which is explained by the fact that how an organization communicates during a crisis has a significant effect on the outcome of the crisis (Coombs and Holladay, 2011).

Crisis communication as a crisis response early research revolved around tactical advice – advices resembling instructions regarding the proper forms to act. Some of the advices were to be quick, accurate and consistent (Coombs and Holladay, 2011).

Crisis managers need to have a quick response in order to be able to tell their side of the story and not create a vacuum of information that can be filled by erroneous information. Accuracy is another relevant element and it is important any time an

organization communicates, as people want accurate information about what happened and inaccuracies make an organization look incompetent. A consistent message should also be conveyed and ideally spokespersons are trained prior to any crisis (Coombs, 2007a).

Most research in crisis communication focuses on strategic advice or use of crisis response in order to achieve specific outcomes and have the desired effect on stakeholders. The focus is on how a range of crisis response strategies are used to pursue various organizational objectives, namely instructing and adjusting information that will influence reputation repair (Coombs and Holladay, 2011).

Informal crisis communication research associated with reputation repair uses case study methods. Rhetorical theories are used as tools to examine cases and generate insights into crisis communication. There are three main schools of thought: corporate apologia, image restoration and renewal (Coombs and Holladay, 2011).

Corporate apologia explores the use of communication as a mechanism of self-defence. The organization speaks to defend its reputation (Coombs and Holladay, 2011). When an organization is faced with criticism, one of four strategies can be used: (1) denial, deny any allegations, the organization was not involved in any wrongdoing; (2) bolstering, remind the public of the good things the company has done; (3) differentiation, an organization seeks to provide an explanation that mitigates the hostility as well as the conclusion that the company is indeed guilty of the critic's charges; and (4) transcendence, place the actions into a broader, more favourable context (Ware and Linkugel, 1973).

Benoit's image restoration theory or image repair theory (IRT) is a vastly used framework for informal crisis communication research, used by many published case studies. According to its author, to understand this theory, we will need to understand the nature of the attacks or complaints that incited a response or instigated a corporate crisis. The attack generally has two components: the accused is held responsible for an action and the act is considered offensive (Benoit, 1997). Image repair theory was not specifically designed for crisis communication, but it is put into focus because a crisis involves a reputation threat and it uses communication to defend it. We can rely on it in order to understand, but especially to design messages during crisis or to assess them (Coombs and Holladay, 2011).

Coombs (2007a) has presented a master list of reputation repair strategies that integrates the work of Benoit with others.

Table 1
Master list of reputation repair strategies (Coombs, 2007a)

<p>1. Attack the accuser: crisis manager confronts the person or group claiming something is wrong with the organization.</p> <p>2. Denial: crisis manager asserts that there is no crisis.</p> <p>3. Scapegoat: crisis manager blames some person or group outside of the organization for the crisis.</p> <p>4. Excuse: crisis manager minimizes organizational responsibility by denying intent to do harm and/or claiming inability to control the events that triggered the crisis.</p> <p>Provocation: crisis was a result of response to someone else's actions.</p> <p>Defeasibility: lack of information about events leading to the crisis situation.</p> <p>Accidental: lack of control over events leading to the crisis situation.</p> <p>Good intentions: organization meant to do well.</p> <p>5. Justification: crisis manager minimizes the perceived damage caused by the crisis.</p> <p>6. Reminder: crisis managers tell stakeholders about the past good works of the organization.</p> <p>7. Ingratiation: crisis manager praises stakeholders for their actions.</p> <p>8. Compensation: crisis manager offers money or other gifts to victims.</p> <p>9. Apology: crisis manager indicates the organization takes full responsibility for the crisis and asks stakeholders for forgiveness.</p>

The most recent informal line of research in crisis is the rhetoric of renewal. Renewal involves a rebuilding of confidence, particularly after a severe crisis episode. Corrective action can restore confidence in the eyes of the public. An organization names what it believes are the necessary steps to avoid similar crises in the future. Emphasizing these steps often quiets public alarm (Ulmer & Sellnow, 2002).

What differentiates this approach is its positive overview of the organization's future. It focuses on helping the victims. Nevertheless, the rhetoric of renewal can be

limited in its application, because in certain conditions it can be inapplicable (Coombs and Holladay, 2011).

The transition crisis communication research focus on content analysis studies related to the analyses of actual messages related to crisis communication. The data studied include media reports, messages from the organization and messages from social media (Coombs and Holladay, 2011).

Formal crisis communication research establishes connections between variables and develops the predictive ability of crisis communication theory. Another difference is that formal crisis is more oriented to the audience (Coombs and Holladay, 2011).

Attribution theory is a social-psychological theory that tries to explain how people make sense of events. As an event takes place, the subject attributes that particular event to one cause or another but they are previously moulded by our motivations, beliefs and information (Kelley and Michela, 1980). As such, when an event takes place, especially a negative one, people try to explain it and determine why the event occurred. People will tend to make attributions of responsibility, either blaming the person/organization involved in the event (internal) or blaming it on environmental factors/situation (external) (Coombs, 2007a).

The situational crisis communication theory (SCCT) was developed by Coombs and his colleagues in 1995. The core of the situational crisis communication theory is crisis responsibility. This theory is audience oriented as it seeks to perceive how people depict crisis, their reactions to crisis response strategies and the audience's reactions to the organization in crisis. The situational crisis communication theory was developed for this specific research area. The basis for it is the attribution theory translated into the language of crisis communication (Coombs and Holladay, 2011).

Some of its crisis response strategies range from primary crisis response strategies to secondary crisis response strategies. Primary crisis response strategies include the denial of crisis response strategies, varying from attacking the accuser or finding a scapegoat, diminish crisis response strategies, such as finding an excuse or a justification to the situation, and strategies focusing on rebuilding, as offering compensation to victims or apologizing, having the organization taking full responsibility for the crisis and asking stakeholders for forgiveness. Secondary crisis response strategies include bolstering crisis response strategies, such as reminding the

stakeholders about the past of the organization, praising stakeholders and/or reminding them of past good works of the organization and the victimization strategy, where crisis managers remind stakeholders that the organization is a victim of the crisis too (Coombs, 2007b).

Post-crisis covers the period after which it is believed the crisis is resolved. It revolves around analyzing the crisis management efforts, communicating changes to individuals and give follow-up crisis messages if needed (Coombs and Holladay, 2011).

Post-crisis communication should focus on managing stakeholders' reactions and as the organizations returns to normal, stakeholders need to be updated on the efforts being done for the business continuity. Organizational learning is much stressed in this stage of crisis management research. A crisis provides an opportunity to evaluate what the organization has been doing, right or wrong, what led to the crisis and the crisis management efforts. Nevertheless, people tend to show reluctance to change (Coombs and Holladay, 2011). If any learning is to be sustainable, the translation of knowledge into changed behaviour requires, in turn, a change in the organization's culture (Smith and Elliott, 2007). Also, the ways in which the workers, stakeholders and leaders frame and make sense of these events, reflected in a post-crisis discourse, shapes both the nature and degree of change (Seeger et al., 2005).

As such, some post-crisis phase best practices identified by Coombs (2007a) are: (1) deliver all information promised to stakeholders as soon as that information is known; (2) keep stakeholders updated on the progression of recovery efforts including any corrective measures being taken and the progress of investigations and (3) analyze the crisis management effort for lessons and integrate those lessons in to the organization's crisis management system.

2.6. SUMMARY

In sum, crises are more and more a common part of our lives. Organizational crises have potential undesirable effects and therefore there is the need for a comprehensive study of crisis as an organizational phenomenon.

In the review of the literature, we started by defining crisis, focusing on the organizational ones, and the proposed differentiations and classifications, as well as making a separation between crises, risks and issues. We identified different theoretical approaches to organizational crises, as well as organizational crisis management and crisis communication.

As crisis communication grows as a study field, partly because of the frequency and high profile nature of recent crisis, communication becomes the essence of crisis management. Communication is essential throughout the entire crisis management process and therefore deserves further attention. Despite the various contributions identified in this review not much is yet known about the role of communication in the crisis management.

The following chapter presents an empirical study that looks at organizational crises, focusing on a type of crisis that afflicts many Portuguese organizations these days, a crisis of economic or financial origin, and its communicative dimensions, exploring the impact of the economic crisis on the internal communication policies and practices. The pertinence of this study is linked to the understanding of how, in this case, a Portuguese organization reacted when facing such an economic and financial crisis, in terms of communication.

3. EMPIRICAL STUDY

3.1. OBJECTIVES

This study looks at the internal communication policies and practices during a crisis and the adjustments made to them to cope with the impact of the crisis.

The crisis studied here is related to the recent economic and financial threat that led to an inhospitable economic environment, such as the one Portugal has endured since 2008 in one of the most complex economic periods of the last decades. At the organizational level, crisis such as this one, when not tackled accordingly, may lead to an internal crisis, reflected in work conflicts, low productivity, growing misunderstandings between the management and the workforce, or between the management and the shareholders. And yet, according to Ian Mitroff and Christine Pearson (1993) this crisis would be perceived to be primarily technical and economic, despite its human and social consequences.

In order to conduct this study we have explored how a Portuguese organization dealt with this situation in terms of internal organizational communication, formal and informal, aimed at the employees. The organization chosen underwent this period and suffered the consequences of the economic or financial crisis, and, verbally and in written form, declared to its workers that it was in economic distress.

As this study intends to examine the impact of the economic or financial crisis on the internal communication policies and practices, it is important to realize whether the organizations effectively carried out any pre-crisis planning or overlooked that stage. Also interesting is to realize how they dealt with the situation at the crisis response stage and whether the perception of that situation was shared by the target audience. As employees are concerned it is expected that the word *crisis* be at least quite present in the organization they work for.

Lastly, the study aims to explore whether the new communication media, such as social networks, had any role in the situation, and if, as the threat declined, there were any post-crisis measures taken into account.

As such, the researcher sets out to examine five fundamental questions which are:

- Was there any pre-crisis planning?

- Was a plan drafted for this situation?
- Was there a crisis management team and/or a spokesperson nominated?
- What were the measures taken at the crisis response stage?
 - Was the reaction quick, accurate and consistent?
 - To what extent have the internal communication practices changed since the beginning of the economic crisis?
- How was that communication perceived by the target audience?
 - Did the formal and informal communication go hand in hand in this process?
- What was the role played by new communication media such as social networks?
- As the threat declined, were there any post-crisis measures put into place?

3.2. RESEARCH METHODOLOGY

This section presents the methodology used in this research, taking into account the literature review and the objectives of the study.

This study uses a qualitative research methodology, and a case study approach. A qualitative study “*it is at best an umbrella term covering an array of interpretive techniques which seek to describe, decode, translate, and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world.*” (Van Maanen, 1979, p. 520). Qualitative researchers are interested in exploring how people construct and make sense of their world and how they interpret their experiences, with an emphasis in the process, being this understanding an end in itself.

Parkinson and Drislane (2011, cited by Cuong and Van Ngan, p.139) argue that “*qualitative research is research using methods such as participant observation or case studies which result in a narrative, descriptive account of a setting or practice*”. As such, case studies attempt to throw a light on a phenomenon by studying in depth a single case example of the phenomena. This single case example of the phenomena can be an individual person, an event, a group, or an institution.

The choice of the qualitative, case study approach in this case is related to the fact that the pursuit for the answers to the research questions involve an understanding of

how tasks, policies, roles, or other systemic elements are perceived by participants and as the qualitative approach is more aligned with idiographic explanations (Babbie, 2015), a case study qualitative methodology was used, in an attempt to capture a richness of meaning and an interest in the process itself.

The following four sections will address the key questions related to the methodology, such as data collection, the interview guide, interviewees and setting.

3.2.1. DATA COLLECTION

For data collection face-to-face semi-structured interviews were used, complemented with some free observation, in the period from March to May 2015, in an attempt to obtain firsthand information on the subject of analysis, through the opinions and perceptions of individuals.

To collect the data the interview was chosen due to its advantages. Interviews generally avoid some of the drawbacks of, for example, e-mail questionnaires, since in a self-administered questionnaire respondents may skip questions and in an interview, as interviewers are trained to seek for answers, the respondent will have a harder time adopting the same attitude (Babbie, 2015).

Also, in interviews we can probe for answers, particularly when such answers are important for the study, to obtain more information and to go deeper in the investigation. Probe in this case means *“a technique employed in interviewing to solicit a more complete answer to a question. It is a nondirective phrase or question used to encourage a respondent to elaborate on an answer.”* (Babbie, 2007, p. 267, cited by Martiskova, 2013).

Also, interviews can be continuous, adaptable and of flexible design. Continuous means that, throughout the project, one can redesign the study, we can change what to ask and whom to ask, not being locked in by the original ideas. They are flexible as the researcher can explore new information and insights offered by the conversational partners, and test new ideas as they emerge. Also, as it allows you to deal with the unexpected, the design is adaptable (Rubin and Rubin, 2011).

Furthermore, the researchers questioning the interviewees can make important observations in addition to their responses (Babbie, 2015).

Finally, qualitative interviews can be fairly inexpensive (Babbie, 2007, cited by Martiskova, 2013).

The interview guide used in this study is found in Annexes 1 – the Portuguese version – and 2 – the English translated version, translation done by the author.

The interview script consists of 17 interview questions. Yet, as the interview was semi-structured, and probing techniques were used, other questions were added when and where it made more sense. Also, the interviewees were given the freedom to add information as they pleased. As such, the interviews could take less or more time, depending on the case, having lasted, in general, between thirty-five minutes to one hour.

In the following section we will explore in detail the questions and the reasons behind the questions formulated in the interviews.

3.2.2. INTERVIEW GUIDE

The interview's questions and structure were thought out, from the very beginning, taking into account the literature review and the objectives outlined for this study. Therefore, the logic behind the determination of each specific question was aligned to what the researcher wanted to know and the best way to obtain that through a question.

After some consideration, the first question, which marks the beginning of the interview and can be responsible for setting the tone for the remainder of the interview, was thought out to establish a first connection with the participants of the study, letting them digress in a somewhat more freely way about the beginning of the economic or financial crisis that their company had underwent and its point in time, trying to capture their first impressions about the subject.

1. As far as you know, has the organization where you work faced an economic or financial crisis recently? When and in what circumstances have you heard about this situation?

The question that followed was meant to explore the possible pre-crisis planning that could have taken place in the organization, ultimately trying to attain information about a possible nomination of a crisis management team and/or a spokesperson for such situations, leaving the pre-drafting of plan part to be inferred through other questions.

1.1. What is the department/person responsible for the communication with the employees related to this topic?

The next questions were designed to collect information about the crisis response stage, as to understand how this crisis was tackled. They are important in order to understand how the formal communication aimed at the employees was planned and set in motion during the period of the economic/financial crisis and the extent of the changes in the internal communication practices since the beginning of that sensible time. Some questions, particularly question 1.5. and 1.6., can also open the door to other topics of research, namely how the communication was perceived by the audience and the practical effects of having such internal communication practices during that period.

1.2 Since the beginning of this situation, has there been any modification in terms of communication?

1.3. The existing communication, in your opinion, was synchronized throughout the organization?

1.4. And was it made in a dialogue form or unilaterally?

1.4.1. If unilateral, how could you show your reactions to this communication?

1.5. What was your reaction to these measures?

1.6. How did the organization deal with those reactions?

Questions 2., 2.1. and 2.2. meant to explore the possible post-crisis stage measures adopted by the organization in what relates to the subject of the study, if in fact we could say that the crisis had ended. They also aimed at doing an evaluation regarding what had been done so far, namely in what concerns the efficiency and consistency of the existing crisis communication. Another purpose of these questions was to explore in depth how the communication was perceived by their target audience.

2. How would you classify the crisis communication plan that was applied in this situation in terms of efficiency?

2.1. [Now that the crisis has ended] Is there any measure that has been implemented or some change in terms of crisis communication that has occurred after this situation?

2.2. What crisis consequences do you identify, in terms of communication? Did you notice an increase of distrust or rumours or, on the other hand, understanding or an increase of motivation (...)?

Finally, the last questions, on section 3, were meant to explore if the new communication media, such as social networks, had played any part on this situation and the opinion of the interviewed on the subject.

3. What tools does the company use to communicate with their employees?

3.1.1 With what frequency do you usually use the virtual tools of communication of the company?

3.1.2. If they are not used, what is the reason for that behaviour?

3.2. Did they play any role during the period of economic or financial crisis underwent by the organization where you work?

3.3. Do you think this type of communication is effective?

3.4. *Is there any tool of non-formal communication that you used regarding the organization's matters?*

3.2.3. INTERVIEWEES

The question of how many people to interview is a pertinent and difficult one to answer.

Patton (1990, p. 1) tells us that “*qualitative inquiry typically focuses in depth on relatively small samples, even single cases (n = 1), selected purposefully.*” and also that, “*There are no rules for sample size in qualitative inquiry. Sample size depends on what you want to know, the purpose of the inquiry, what's at stake, what will be useful, what will have credibility, and what can be done with available time and resources.*” (Patton, 1990, p. 184). Lincoln and Guba also recommend sample selection to the point of redundancy (Lincoln and Guba, 1985, cited by Patton, 1990).

As such, given the nature of the study, in order to provide insight and cast in-depth understanding into the issue, a group of eight people were interviewed, more details of whom are presented below. Also, a Patton's convenience sampling strategy was used (Patton, 1990), where accessibility was strongly considered, trying none the less to get the most information of greatest utility from the limited number of cases sampled.

The organization where the interviews were conducted, from now on named only as Company, is located in the north of Portugal. It labours since the beginning of the year 2000, working for the internal market as well as the European market, in the industrial sector. It employs, in Portugal, more than 200 workers. The same organization is part of a multinational, existing for more than half a century, having production units scattered in several countries across the world.

This organization was chosen taking into account the easy access to it and also for being an interesting place for this study, to research how an organization of this size reacted when hit by an economic/financial crisis. This organization had already been the

subject of another small study used for a class during the previous school year what prompted the idea of using it as the subject of the study of this research.

The researcher sought a voluntary (convenience) sample of co-workers and co-workers acquaintances in the organization. Of the participants recruited only one was familiar to the researcher, being the facilitator in the recruitment process of the others. Familiarity with the interview participant is of limited concern. There weren't any interview questions beyond those of the scope of the study, inquiring into specifics about the organization that made the interviewee unwilling or uncomfortable about participation.

As said, eight employees of this organization were interviewed, having different positions in the organization and working in different sectors of the company. To preserve anonymity the interviewees are named as interviewee A to H.

Interviewee A is a male middle manager in the production sector of the company. He has worked for the company for around ten years.

Interviewee B is a male respondent and works in the IT department.

Interviewee C is a male middle manager in the assembly line.

Interviewee D is a female former employee in the IT department. She worked for the company since the beginning, including the period that the company signalled that was going through an economic/financial crisis. She has since been let go, around 2012, and works now in a different company.

Interviewee E is a male administrative assistant. The interviewee works in this company since recently. As such, the two parts agreed that his interview could be done in a comparison basis, between his previous company and this one.

Interviewee F is a female employee in the accountancy department.

Interviewee G is a male respondent and works in the sales department. In relation to this interviewee it should be mentioned that in a previous approach the interviewee agreed to do the interview, not showing any concerns, but later, as the interview progressed, he became quite unresponsive, the causes to which can only be speculated.

Interview H is a male respondent. He works in the marketing department.

All of the interviewees are under 45 years old. Interviewees B, D, E, F and H have a college degree.

The identity of the organization and individuals is confidential, by request of the participants, condition to their participation in the study.

3.2.4. SETTING

The in-person interviews were conducted in a quiet, neutral location where the participants felt comfortable. A calm atmosphere that allowed them to speak freely was sought.

As said before, the interviews lasted approximately, depending on the subject, in general, between thirty-five minutes to one hour. They were not recorded, by request of the participants, who wished to remain anonymous and felt that recording their voices could in some way brake that anonymity. Besides the researcher in question, there was an assistant present who wrote down the answers to the interview questions in a word document in the computer as the interview was conducted. All the interviews transcripts were then translated into English, by the researcher.

4. DATA ANALYSIS

After the data collection phase has ended, the daunting data analysis phase begins, with the confrontation with the materials gathered. Denzin and Lincoln called this task “The Art and Politics of Interpretation and Evaluation” (Denzin et al, 2011, p. 14).

Creswell noted that *"data analysis requires that the researcher be comfortable with developing categories and making comparisons and contrasts. It also requires that the researcher be open to possibilities and see contrary or alternative explanations for findings"* (Creswell, 1994, p. 153, cited by Anfara et al).

As such, following the content analysis approach of Bardin, the information gathered was first divided into the first themes that emerged from the data collected and then, in turn, subdivisions of those themes were formed.

As the questions selected for the interview were in direct line with the objectives of the study, deriving meaningful themes and sub-themes from the interviews proved itself not to be difficult, as presented in the figure 1, created by the researcher.

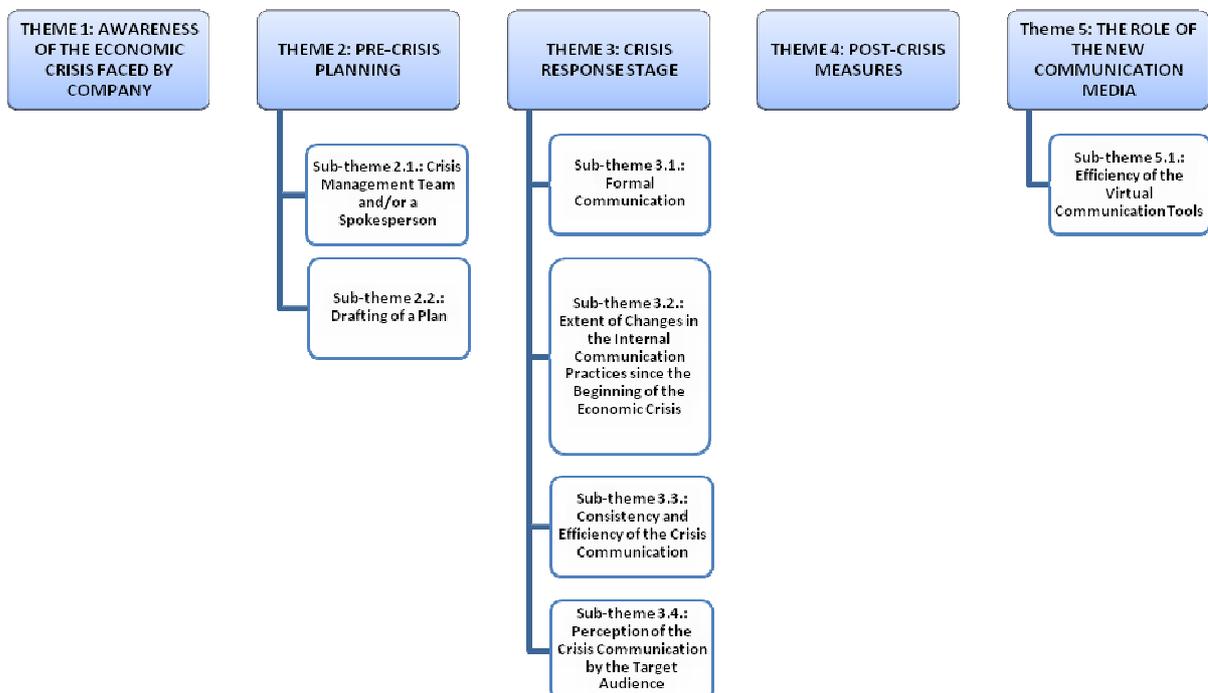


Figure 1: Diagram of Themes and Sub-themes

4.1. AWARENESS OF THE ECONOMIC CRISIS FACED BY THE COMPANY

The first theme portrays the awareness of the workers to the economic crisis faced by the company and tries to explore the perceptions revolving around it.

It is important to point out that one of the main reasons that influenced the consideration of this organization for this study, as said before, was because it had suffered an economic/financial crisis and that was made aware to the workers through the annual reports, as well as, general meetings and general structuring.

When interviewed, the employees of the organization have in fact generally identified that the company itself had signalled and officially made their workers aware that they were going through economic/financial problems. They were essentially made aware through electronic communications leading to general meetings summoned for the effect. Interviewee A, as a production sector middle manager, had firsthand knowledge of the situation as he could attest the diminishing of sales, and subsequent decline in production. As a result, there were some dismissals attributed to this on-going situation. The group pinpointed the beginning of this situation around 2009/2010.

Interviewed E, who has joined the company recently, has never heard of this situation. Interviewed G, despite being in the organization longer, also replied that he had never heard about any crisis situation.

It should be pointed out that despite official communications, it was not enough to halt other situations happening in the organization. These situations are worth being looked at:

On the one hand, there was a lot of non-formal information circulating regarding this fact. This non-formal information, which will be dealt with more detail in another theme, the third theme, sub-theme 3.4., *Perception of the Crisis Communication by the Target Audience*, motivated fear and restlessness, particularly of job losses.

“...there was the fear that the crisis could affect more departments, that it could spread.” (Interviewee C)

“I started to feel some restlessness in the company and hearing this and that about the subject, especially through a certain doubt that the employees had, if we were selling less or not, and there was the fear of dismissals.” (Interviewee D)

On the other, there was also some scepticism. Some workers didn't believe that the organization had in fact dealt with any sort of economic problems or, having faced some, doubted the duration of that situation. There were even those that were unaware that anyone had even been laid off.

“I've never thought that my company was going through economic problems...”
(Interviewee B)

“No, there weren't any dismissals due to the crisis.” (Interviewee F)

4.2. PRE-CRISIS PLANNING

Theme number two is divided into two sub-themes to better address the problem, *Crisis Management Team and/or Spokesperson* and *Drafting of a Plan*.

4.2.1. CRISIS MANAGEMENT TEAM AND/OR SPOKESPERSON

The communication regarding important decisions, namely crisis communication, was left, as identified by the majority of the individuals questioned, to the upper management, namely the Company's General Director.

Some decisions were also passed along to the middle management and they had the task to issue that communication. The middle managers questioned didn't identify any consistency in that procedure, leaving to each middle manager to decide the best way to do it.

“And then there are other types of meetings, where the information is reported to the middle managers, and then they get together with their sector and they report that information to all the employees in their sector or to a part of them or individually... it depends on the information and the manager.” (Interviewee C)

When reflecting upon the dismissal process, one of the middle managers involved in it pointed out that some of his colleagues had even refused to talk to the workers being let go for feeling that this was not their role.

“There were even colleagues that refused to talk to the employees. [...] Because they thought it wasn't their role. It wasn't their decision, they did not have to communicate other people's decisions.” (Interviewee C)

The human resources department was pointed out by the interviewed as having the task of dealing with more technical employment matters, such as the rights and duties of workers, to which they resorted if they have doubts in these issues, but nothing else.

“In terms of communication of work related situations, like schedules, holidays... it's the human resources department that is responsible for communicating with the employees, but in terms of other types of communications, it is the middle managers or the upper management that does that kind of communication.”
(Interviewee B)

4.2.2 DRAFTING OF A PLAN

As for the drafting of a plan for such situations, we have to resort mainly to the knowledge of the middle managers interviewed, as they would be the ones more aware of a possible plan drafted with that purpose.

As such, the two middle managers interviewed weren't able to identify such a plan. They reported that things were seldom discussed previously and only as the problems appeared, such as the economic or financial crisis did, were they then evaluated and measures were taken. They maintained that guidelines for such situations could exist among the upper management, but among middle managers such guidelines were unknown.

“There is no predefined structure, we decide and do things as they take place.”
(Interviewee A)

“In general, all is decided when it happens, there is no organization, there is no planning. Maybe among the directors there are some common guidelines that are followed, but they are not shared with the middle managers, there is nothing established for a crisis situation, that I am aware of anyway.” (Interviewee C)

Regarding the dismissal process that went on in the company, it can also be of interest to point that, after the middle managers involved were informed of the upper management's decision of letting workers go, they had only a few days to organize and communicate the situation to the targeted workers. They weren't given any other solutions or time to think about them.

“The preparation, in this case... it was all off-the-cuff, despite the fact that it could be foreseen, as I said, because it was clear that the production numbers had lowered a lot, but there was no time to realize what the solution was. There could have been other solutions. After the general director's communication we had two or three days to decide who we were going to fire and solve the issue... two or three days.” (Interviewee A)

4.3. CRISIS RESPONSE STAGE

Theme number three is also divided into sub-themes, four of them, to better address the problem – *Formal Communication, Extent of Changes in the Internal Communication Practices since the Beginning of the Economic Crisis, Consistency and Efficiency of the Crisis Communication and Perception of the Crisis Communication by the Target Audience.*

4.3.1 FORMAL COMMUNICATION

As for the way the official upper management crisis communication general meetings were conducted, the interviewed identified that they would gather in large meetings with most of the organization's workers, where the company's general director would then communicate any issues he would find pertinent. Some of the workers mentioned that the communication was unilateral, having no chance to counter what was being said. Others, though, mentioned they could indeed question what was being discussed and the decisions taken, but most felt uncomfortable asking any further explanations. This was due to the number of people involved in the meetings and/or the person conveying the message, as well as believing everything was already decided and their opinion would not make a difference. Some expressed they felt they would put themselves in a negative position if they questioned some of the things that were being discussed and opted for discussing lighter issues rather than the matters that really interested them or simply backed down from their initial conveyed position of discussing the more important matters.

“The communications were open. There were general meetings, which were scheduled in advance, and all the employees went to those meetings with the general director. The communication was made and people could talk. Yet, they were surely conditioned. There was the fear that if we questioned things, we were putting ourselves in an unfavourable position. Some people wanted to talk, they

talked in the hallways, before they said they were going to talk a lot, but then, they got to the meeting and they didn't say anything." (Interviewee D)

Some pointed out that they could also meet with the middle managers to discuss the subject in hands or others, after the general meetings or in other occasions. Some expressed that they felt in fact more comfortable discussing it with the middle manager in charge of their sector or unit. The dialogue that was established with the workers was considered satisfactory by the interviewees. Regardless of that, they felt that at the end it was often fruitless, as things had previously been decided and there was little margin for a change or they needed the upper management's approval to implement any change and that could prove difficult to obtain.

"I explained to each one the reasons [that led to their dismissal]. Of course that despite the fact that they could argue, all was already decided and changing that would be difficult." (Interviewee A)

Despite the organization's official communications, that communication, though, as mentioned before, was not enough to bring to an end the worker's doubts about the situation, as we will explore further in the third theme, sub-theme 3.4., *Perception of the Crisis Communication by the Target Audience*.

4.3.2. EXTENT OF CHANGES IN THE INTERNAL COMMUNICATION PRACTICES SINCE THE BEGINNING OF THE ECONOMIC CRISIS

Regarding the extent of the changes in the internal communication practices since the beginning of the economic crisis there were mixed messages. Some of the interviewed viewed no changes in the communication practices when comparing the period before and after the economic crisis, particularly taking into account previous

information that some of them didn't even recognize the existence of the crisis, or at least didn't feel the existence of such in their department.

“I didn't feel any change in communication, I don't know if there was any change in other sectors.” (Interviewee C)

Others reflected that the main difference was the more common use of the word *crisis*, especially to justify certain unpopular work measures such as cutbacks in work benefits, causing a more pessimistic work environment. Two of the interviewees mentioned that the word *crisis* had lately not been used, but the harsh work measures that involved it have continued or at least the working conditions still haven't met the workers' expectations.

“There was some change, yes. The company's communication was done with the objective of complaining about the country's economic situation and it created a “depressive” atmosphere.” (Interviewee F)

In another interviewee's opinion, the communication regarding that issue became more frequent and detailed, which was an improvement, despite not leading to any practical positive developments in the working conditions.

“There were some changes. The employees met with more frequency, we discussed more clearly what was going on, and things were explained more, the communication got better in that sense. “We are not going to give bonuses because of this”, “there will not be increases in salaries because of this”... well, the communication got better in that sense, it doesn't mean that the working conditions got better.” (Interviewee D)

It should be also pointed out that the middle manager interviewed responsible for part of the dismissal process that was carried out due to the economic/financial crisis

admitted that they had not since this process updated any of the workers regarding the status of the organization, leaving them to figure things out on their own, mainly through their instincts or through the reports published.

“But we didn’t communicate it to people, it wasn’t necessary to talk to people, the numbers speak for themselves, they realize that the company’s situation is getting better, that it has been improving and at this moment we are no longer facing a crisis.” (Interviewee A)

4.3.3. CONSISTENCY AND EFFICIENCY OF THE CRISIS COMMUNICATION

Regarding the communication’s consistency, the interviewees also shared different opinions. Some believed that there was consistency in the communication and they believed it reached all the organization, at the same time, playing the general meetings an important role in this.

Others, believed it not to be true, being the affected ones by a particular measure, such as the dismissal process, more aware of the situation than others, which can be backed up by the fact that, as seen previously, some were even unaware of that same process.

Also, different departments had different takes on the matter, depending on who addressed them, with middle managers backing different attitudes towards the times they were living.

One of the interviewees, interviewee B, established a difference between message consistency in terms of people closer to the upper management and closer to the regular workers, as the latter didn’t seem to completely align themselves to the upper management’s message, particularly in the last stage of this process, but, in his opinion, they were not given the possibility to escape that message, as the ultimate decisions were in the hands of the upper management.

This, of course, led to a lot of non-formal communication flow, particularly from sector to sector.

“It wasn’t synchronized. Who was affected knew what was happening; others got the information about what was happening talking with their colleagues.”
(Interviewee C)

“There was discrepancy. While some decisions makers aimed to a negative tone, where they talked about the crisis and the fact that the economy was bad, other people with responsibility didn’t follow that same tone, and maintained a more optimistic line of discourse, that things weren’t that bad, and others didn’t even mentioned the crisis, maintaining the same speech that I’ve always known.”
(Interviewee F)

As for the efficiency of the crisis communication that was put in place, the interviewees shared different opinions as well. Some considered that it wasn’t efficient, particularly due to its negative consequences, which will be addressed in more detail below, in the third theme, sub-theme 3.4., *Perception of the Crisis Communication by the Target Audience*, being one of them the worker’s lack of motivation.

“It wasn’t efficient for the company or the employees. It shot itself in the foot. The unmotivated personnel work worse.” (Interviewee H)

Others considered it very efficient, especially when admitting that they did not have a real knowledge of the exact aim of the plan, or differentiating to whom it was efficient, either to the organization or the workers.

“It is efficient, within what they wish for it is efficient. I mean, to me it looks efficient, I don’t really know very well how to define the objectives behind that plan. The employees accept the message...” (Interviewee D)

4.3.4. PERCEPTION OF THE CRISIS COMMUNICATION BY THE TARGET AUDIENCE

The interviewees expressed that, despite the fact that the organization had or had not undergone economic/financial problems, the word *crisis* was used to potentially justify harmful measures or limit benefits to the workers unlinked to a real situation, particularly in a later stage of the crisis. Some of the interviewees also expressed that the organization took advantage of the negative economic situation that the country was going through to reinforce those measures. Also, they believed that, as things get progressively better, benefits are not evenly distributed, having a few with more benefits, some of which are unattainable to most of them.

“I believed that there was an exploitation of the general atmosphere, of the state of the country’s economy.” (Interviewee B)

“In other cases they clearly took advantage of the moment that the country was living – every time the crisis is mentioned out there, the power that the television has, the television is a very powerful “little creature”, and all of that has a lot of influence on people, people were fearful of what was going to happen, if they were going to lose their job too, and that was used to justify a lot of things, not having salary increases, production bonus, the increase of production lines, production hours...” (Interviewee A)

“At this moment, the crisis is not mentioned and there was even some improvement in the working conditions, but not for all, and not according to what people expected.” (Interviewee F)

In an attempt to further increase our perception of the topic, we can revisit the interviews and extract from them the words that are connected with three important ideas at this point:

- The feelings mentioned by the workers towards the measures taken by the Company to control the undergone crisis (indicated in table 2);
- Words and expressions that were used by the worker to generally refer to the crisis (indicated in table 3);
- And, finally, what were the consequences of this crisis communication (indicated in table 4).

Table 2

Feelings mentioned by the workers towards the measures taken by the Company to control the undergone crisis

INTERVIEWEE:	A	B	C	D	E	F	G	H
▪ Lack of motivation		✓	✓			✓	✓	✓
▪ Lack of understanding	✓	✓	✓					
▪ Fear	✓	✓		✓				
▪ Injustice			✓	✓				
▪ Distrust					✓			✓
▪ Dissatisfaction		✓				✓		
▪ Frustration				✓				
▪ Suspicion		✓						
▪ Not being compensated			✓					
▪ Disinvestment in the employees				✓				
▪ Restlessness				✓				
▪ Doubt				✓				

Table 2 shows us that all of the interviewees expressed an array of feelings not at all positive towards the measures adopted by the Company to control the crisis it suffered. The feeling most mentioned was lack of motivation though fear and lack of understanding of what was going on were also shared by some of the interviewees.

Table 3
Words/expressions associated with crisis

INTERVIEWEE:	A	B	C	D	E	F	G	H
▪ Mentality of living on a knife-edge situation	✓							
▪ Same argument			✓					
▪ Adamastor (a mythological creature)				✓				
▪ Anaesthesia				✓				

Table 3 groups a couple of words or expressions used by the interviewees when talking about the crisis they have endured in the Company, which can eventually shed a light into their perceptions of that same situation.

Both the expressions *mentality of living on a knife-edge situation* and *same argument* were used by middle managers. These expressions were used to explain the use of the word *crisis* in their organization. In the opinion of the middle managers interviewed the recurrent use of this word was meant to create a group idea that the organization was in a tough spot, it was undergoing economic or financial problems, suffering with the crisis, and therefore all the harsh measures taken should be accepted by the employees. As such, the *same argument*, meaning the crisis, was used to justify these measures.

Another interviewee, interviewee D, that, as mentioned before, has since left the Company, has compared the crisis to Adamastor or as being a sort of anaesthesia.

Adamastor is a mythological being, a giant titan, present in the Portuguese culture, much due to the Portuguese writer Luís de Camões who incorporated him in his epic poem “Os Lusíadas”. It represents all the dangers the Portuguese sailors would face when trying to round the Cape of Good Hope and enter the Indian Ocean. The interviewee compares the crisis to this creature as the word *crisis* is recurrently used, usually linked to measures which are not considered positive for the employees, being the go-to scenario used to justify them. The crisis is then seen as the monster that haunts them continuously, from which they are running from and therefore should accept the harsh measures as they will allow them to be further away from this “monster”.

It is also some sort of anaesthesia, in the opinion of this interviewee, as the interviewee considered that there is an effort to make the employees believe that these measures are better than actually suffering the ultimate consequence – the loss of their job – which makes them accept other not so positive measures, as they could be seen as a lesser evil.

It may be also of relevance to notice that this interviewee is also the one that expresses more negative feelings towards the measures taken by the Company to control the undergone crisis, as seen in table 3.

Table 4
Behaviours triggered by the crisis

INTERVIEWEE:	A	B	C	D	E	F	G	H
▪ Informal talks	✓	✓	✓	✓				
▪ Rumours		✓		✓		✓		
▪ Gossip		✓						
▪ Complaints		✓						

Table 4 sums up some behaviours triggered by the crisis, mentioned by the interviewees. All but interviewee G and F mentioned that this situation led to an increase in the flow of informal talk and spreading of rumours and gossip. There were also complaints about the current situation.

Of interest seems to be also the consequences of working in such an atmosphere experienced by the organization, as one of the middle managers points out that the lack of motivation derives in costs, such as production costs, which could be avoided.

“The production sector is bad, there are a lot of rejected parts. If there’s a rejected part, we make another one, no problem, what results in other types of costs, as, for example, in terms of delivery times, etc. (...) We have good results, but we could be much better.” (Interviewee C)

4.4. POST-CRISIS MEASURES

As pointed out in the first theme, the employees of the organization had generally identified that the company itself had signalled and officially made their workers aware that they were going through economic/financial problems. Nonetheless, there were those who didn’t believe that the organization had in fact dealt with any sort of economic problems or, having faced some, doubted the duration of that situation. As such, establishing an end to this period proved to be difficult.

Some of the workers believe that the so-called crisis had never existed, and therefore cannot end. In this group we have to take into account those that stated that the crisis communication continues, as they believe the organization where they work wants to take advantage of the country’s situation to limit benefits or implement harsh working conditions. Others stated that the crisis has ended or is in an ongoing process to approach that end, with some noting improvements in the working conditions, despite not being what they would consider desirable, as said before.

As for any changes that could have been implemented in this process, all the interviewees, though, including the two middle managers, considered that there were no changes and nothing new was really implemented.

“No, there is no change. There is no standardization. If there is, it remains with the top managers.” (Interviewee A)

4.5. THE ROLE OF THE NEW COMMUNICATION MEDIA

In what concerns tools that could enable virtual communication, the Company has an internet site and intranet or an internal portal. Part of the workers has a company's e-mail. The ones interviewed use frequently these tools, namely the e-mail, but we need to take into account that there are those that don't have a company's e-mail, including the production department workers.

Besides these, some of the workers recall having seen a profile of their organization in the social media.

The tools that most of the interviewees identified as being the ones that are used most to communicate with the workers by the organization are the e-mail and face-to-face communication, with one of the interviewees declaring to use Skype frequently, to communicate nationally and internationally, as part of his job.

Despite the variety of virtual communication tools, being part of the new communication media or not, none of the interviewees identified these as having a part in the economic crisis period the organization went through, with the exception of some e-mails sent to those workers that had an e-mail from the organization, scheduling general-meetings regarding this same topic or addressing the theme lightly.

In what concerns possible informal virtual tools of communication that could have been used by the workers to discuss this subject they were also unanimous in the fact that they in effect had no part in these questions and they didn't used them.

“No, no they didn't. It was used more to work related matters. I got some announcements of meetings that would take place by e-mail, and half way through them it was mentioned that we would discuss the new measures to face the crisis, but nothing too specific.” (Interviewee D)

“There is a department's private Facebook group, but it only exists so we can talk to one another (...) it hasn't anything to do with the matters we've been discussing...” (Interviewee C)

4.5.1. EFFICIENCY OF THE VIRTUAL COMMUNICATION TOOLS

As for the efficiency of the virtual communication tools, in an attempt to explore the topic a bit further, most workers identified them as being efficient, fast, more private and also necessary and of easy access, particularly for what they are used in the present, to make the flow of information easier. Interviewee H also stated that with virtual communication tools those who publish the information can manage it better, controlling the time of publication or correcting some data that has been wrongly informed.

It was also mentioned that other virtual means of communication could be put to use, like the intranet, with different aims, such as making other types of information more accessible to workers, like the result reports, or do some communication aimed at motivating the workers.

Yet, some stated that they are not enough, and they do not allow a direct conversation about the subject. Interviewee C, a middle manager, agrees with this position, stating that the efficiency drops as not all the workers have access to them. But, in his opinion, he doesn't consider useful for everyone to be able to use virtual communication tools and receive information through them as we were talking about industrial production and many things would not be understood and communication as it is with a prevalence in a face-to-face communication is desirable.

A different opinion was expressed by interviewee A, also a middle manager, who once heading a department in a new location, demanded all his workers had an e-mail and warned them of the important of it and how much they would use it to have access to all of the news as fast as possible, so they could be more efficient.

5. DISCUSSION AND CONCLUSIONS

5.1 DISCUSSION OF THE RESULTS

After thoroughly analyzing the data collected in the interviews, this chapter will reflect upon what can we extract from the responses and what inferences can we form, establishing a connection with the objectives of the study.

Observing the first research question, related to the existence of any pre-crisis planning, and crossing it with the second theme, the data shows that in fact in this case there wasn't. The Company seemed to react to the situation in hands when faced with it and take any necessary measures concerning such situation as it went along. No plan was drafted for the case of an economic/financial crisis or, if it existed, at least it wasn't shared with the middle managers or other workers. As such, the study couldn't also attest the existence of a crisis management team and the nomination of a spokesperson to address this type of crisis. The upper management, namely the Company's General Director, was identified by the majority of the group questioned as the person responsible for crisis communication, as well as any other important issues.

Looking closely to the second research question now, the focus is directed to the measures taken in the crisis response stage, explored on the third theme, particularly on sub-themes 3.1., 3.2. and 3.3.

As regards the official communication addressing this situation, it was essentially made through general meetings, headed by, as mentioned, the Company's General Director, with many feeling uncomfortable about discussing the measures addressed in them, mainly due to the one conveying the message as for the sheer number of people involved in the meetings or feeling that everything was already decided and their opinion would not make a difference. The workers could also discuss the subject with the middle manager responsible for their sector or unit, but many times, despite considering their dialogue a fruitful one, it had no consequences as they felt everything was already decided and the upper management's approval was needed to implement any measures.

The participants in the study didn't share a common perspective regarding the extent of the changes in the internal communication practices since the beginning of the

economic crisis. Some noted no changes, others only pointed out the more pessimistic tone of them, with the common use of the word *crisis*, used to justify certain unpopular work measures such as cutbacks in work benefits. Other interviewees considered that communication was then more frequent and detailed, which was an improvement, despite not having any practical positive working conditions improvements.

As for the consistency of the message, participants presented different opinions. Some considered it consistent, as, in their opinion, it reached the entire company, playing the general meetings an important role in this. But others disagreed, claiming that the ones most affected by the situation, such as the ones targeted in the dismissal process, were more aware of that, which in this case can be backed up by the fact that, as seen previously, some were even unaware that such a process was taking place.

As for the efficiency of the message, participants differed as well in their opinions. Some considered it not to be efficient, particularly taking into account its negative consequences, such as the decrease in motivation, and others considered it efficient, especially when admitting that they did not have a real knowledge of the exact aim of the plan, or differentiating to whom it was efficient, either to the organization or the workers.

Thus, from the data gathered, it seems that, apart some small attempts to keep the employees updated on the status of the company's economic situation, particularly in the beginning of this crisis, where more rigid measures were needed, there were no real measures regarding the internal communication policies and practices taken at the crisis response stage, particularly measures that could indicate the existence of a previous approved plan that could present guidelines from which measures could be derived. Therefore, the internal communication practices didn't change much since the beginning of the economic crisis, at least not in a consistent, accurate or quick manner and all-in-all efficient one, as we are presented with the consequences of such internal communication policies and practices, revisited below.

Moving on to the third research question, this tries to ascertain the perceptions of the crisis communication by the target audience, explored on the third theme, sub-theme 3.4.

On this topic, the interviewees expressed that they believed the word *crisis* was used to potentially justify harmful measures or limit benefits to the workers. Some of

the interviewees also expressed that the organization took advantage of the negative economic situation that the country was going through to reinforce and justify those measures. Also, the Company's working atmosphere was not the most positive one, with an apparent flow of informal communication and feelings such as lack of motivation, distrust or fear, having these potentially leading to other consequences, such as production costs.

As such, the targeted audience acknowledged the formal communication, but it wasn't enough to put an end to their questions, and as the formal crisis communication process failed, the informal communication sprouted and the atmosphere deteriorated. The off-putting work atmosphere ultimately led to potential loss of revenue, as one of the middle managers pointed out when he said that they have good results, but they could have even better ones. Thus, it can safely be said that the formal and informal communication didn't go hand in hand in this process.

Regarding the fourth research question, it questioned the role of the new communication media such as social networks in this process, explored on the fifth theme.

Most of the interviewees identified the e-mail and face-to-face communication as the tools that are used more frequently by their organization to communicate. There are a variety of virtual communication tools available, but regardless of them being part of the new communication media or not, none of the interviewees identified these as having a part in the economic crisis period the organization went through, set apart some e-mails sent to those workers that had an e-mail from the organization, scheduling general-meetings regarding this same topic or addressing the theme lightly. The same happens with informal virtual tools of communication, the interviewees were also unanimous in agreeing that they had no part in these questions and they didn't use them.

In what concerns the last research question, it addressed the post-crisis measures and it was explored in the fourth theme.

The first theme portrayed the awareness of the workers to the economic crisis faced by the company and tried to explore the perceptions revolving around it. From the data collected, it could be observed that the employees of the organization had generally identified that the company itself had signalled and officially made their workers aware that they were going through economic/financial problems. Nonetheless, there were

those who didn't believe that the organization had in fact dealt with any sort of economic problems or, having faced some, doubted the duration of that situation. Establishing an end to this period, as such, proved to be difficult.

Some of the workers believe that the so-called crisis never really existed, and therefore cannot end. Others stated that the crisis has ended or is approaching the end. As for any changes that could have been implemented in this process, all the interviewees, though, including the two middle managers interviewed, considered that there were no changes and nothing new was really implemented.

The fact that the interviewees could not confirm/indicate that the threat had ceased to exist, can be considered as an evidence of the lack of efficiency of the formal crisis communication adopted in this case. Nonetheless, it seems clear that if there weren't any pre-crisis planning or even much control of communication during the crisis response stage, there won't be as well any post post-crisis measure put into place, as all of the interviewees attested.

Finally, after carefully examination of the data gathered, it seems to stand out that the company chosen for this study and its crisis communication practices and policies dramatically deviates themselves from the ideal of a crisis communication process, with the above mentioned dramatic consequences.

In search of answers for the research questions, none of the best practices were found. Quite the opposite, the organization studied seems to be an example of how not to communicate during a situation of an economic/financial crisis. By doing so, this company seems to have lost the chance of taking advantage of the potential benefits that come from such a situation. As pointed out above: a crisis provides an opportunity to evaluate what the organization has been doing, right or wrong, what led to the crisis and the crisis management efforts. Nevertheless, people tend to show a reluctance to change (Coombs and Holladay, 2011).

Faced with such results, in an attempt to roundup the issue with more practical measures that could lead to a more positive outcome, potential improvements to the crisis communication process, which could adapt to this particular situation, were sought in the interviews, as the interviewees, themselves, made helpful suggestions.

Starting with the middle managers, they expressed the need for time, time to evaluate the problems, in order to avoid situations where they need to make important decisions, and sometimes life altering for those who are affected by them, in a very short period, such as the dismissal process that took place. They also mentioned several times the lack of structure and guidelines, which don't exist or are not shared with the middle managers. These guidelines would allow them some form of standardization of reactions towards any crisis that might happen. The need for more consistent communication was also mentioned, one that could extend to the entire company, so that everyone could know the real situation of the company at that moment and what was happening as a result.

As for the regular workers, they stated that they felt more comfortable discussing important issues with the middle managers of their sector or unit rather than talk to the upper management or even the human resources department, as they had a closer relationship with them – this can also be a result of the particular company's atmosphere. Also, that it should be given more power of decision to these, as they felt that a lot of what was discussed didn't have any practical outcome as an upper management's endorsement was necessary.

They also expressed doubts about what was being communicated, what needed to be tackled, revealing to some extent lack of information and giving way to the feelings and situations explored in the third theme, sub-theme 3.4., *Perception of the Crisis Communication by the Target Audience*, namely lack of motivation or understanding, feelings of fear and injustice, giving way to, for example, informal talks and rumours.

In order to promote motivation they pointed out that there should be a sector by sector evaluation, so there are no injustices, being this word also a very big concern in the words of the interviewees. There should be at least some bonuses, but for those that have indeed stood out, so that the employees could continue being motivated. In this way they would not feel like the company is not investing in them anymore and that there is a tsunami of cutbacks, as interviewee D as put it. As such, planning seems of extreme importance.

Of interest can be also some of the events reported by interviewee E. Although recently appointed, he had previously worked in another company that eventually went bankrupt. It is interesting, that despite that event, he still considers its crisis

communication in his previous company as ideal. In the interview he touched some of the points that made it ideal. The communication was made in a dialogue format, between the human resources, the upper management and the employees. It was also consistent and he believed it corresponded to the reality of things. He put into motion the crisis response measures, because he considered them necessary. Initially there was some distrust and rumours but as time went by there was even a positive side to it, an increase of motivation as far as employees are concerned.

“We can mediate it in terms of efficiency and effectiveness [the crisis communication]. In terms of efficiency it was an A+, meaning that motivation increased as well as the commitment of the employees. In terms of effectiveness it was an F, because it didn’t produce the expected results, although the communication had been done in a way which I consider ideal.” (Interviewee E)

5.2. CONCLUSIONS

The times we are living in are among the most complex economic periods in recent history. Faced with economic and social unrest, organizations, directly hit by the economic/financial crisis as well as those that were not so affected, in order to address the challenges of the new economic and social environment, were forced to make an effort to adjust internally and revise their current policies and practices. Internal communication plays a key role in this process, helping employees deal with uncertainty and reducing anxiety and focusing their efforts on the important matters.

This study intended to look at the impact of the economic or financial crisis on the internal communication policies and practices.

A review of the literature was conducted, focusing on organizational crisis, particularly a type of crisis most afflicting to the Portuguese organizations these days, a crisis of economic or financial origin, and its communicative dimensions, exploring the impact of the crisis on the internal communication policies and practices.

With an increasingly growing field, mainly due to the frequency and high profile nature of recent crisis, crisis communication is the essence of crisis management.

Communication plays a key role in the crisis management process. As such it is important to explore further the role of communication in the crisis management.

The empirical study focused on a particular Portuguese organization and the way this organization dealt with this situation in terms of internal organizational communication, both formal and informal, aimed at the employees. The study explored five main questions:

- Was there any pre-crisis planning?
- What were the measures taken at the crisis response stage?
- How was that communication perceived by the target audience?
- What was the role played by new communication media such as social networks?
- As the threat declined, were there any post-crisis measures put into place?

The organization was chosen taking into account the easy access to it and also for being considered an interesting place for this study given its size, and affiliation as part of a multinational group. The data was gathered through face-to-face semi-structured interviews. The eight interviewees had different positions in the organization and worked in different sectors.

After analyzing the data gathered, the organization chosen for this study, and its crisis communication practices and policies, revealed itself not to follow the best practices identified in the literature. In fact, it can be considered to be the opposite in some aspects.

The organization lacked pre-planning of the crisis. As for the crisis response measures, they were scarce and revealed themselves to be insufficient and inadequate as they seem to have led to a negative working atmosphere, with doubts and lack of motivation, as well as a heavy non-formal flow of communication, which lead to potential loss of revenue. As expected from the previous indicators, no post-crisis measures were put in place. The new communication media played no role in this situation.

In sum, this organization seems not to follow the best practices of internal communication management. The data show that as the company dramatically deviates itself from the best practices in crisis communication, some dramatic consequences may

occur as indeed could be witnessed in this research with. There is something to learn, tough, from a not so positive example, a sort of guide of how not to communicate during a situation of an economic/financial crisis.

Finally, when hit by an economic/financial crisis, this company did not take advantage of the situation, as effective crisis management can result in a stronger organization, as pointed out in the literature. A crisis is a threat to an organization, but the way it is managed will determine ultimately whether the outcomes are threats or opportunities (Coombs and Holladay, 2011).

5.3. LIMITATIONS AND IMPLICATIONS FOR THEORY, RESEARCH AND PRACTICE

Naturally, this study has some limitations. The nature of qualitative research, with inherent subjectivity in the analysis of the data, brings disadvantages which cannot escape the attention of the researcher and need to be taken into account; in Babbie's words (2015, p. 27) "*...qualitative data bring the disadvantages of purely verbal descriptions. For example, the richness of meaning I've mentioned before is partly a function of ambiguity.*" and Myers (2002, p. 1) "*Qualitative studies are tools used in understanding and describing the world of human experience. Since we maintain our humanity throughout the research process, it is largely impossible to escape the subjective experience, even for the most seasoned of researcher*".

Moreover, there were also limitations in the reduced number of interviews done in one organization. The choice of the interviewees was driven by convenience, thus limiting even further the possibility of considering the responses somewhat representative of the whole population of the organization. From all the respondents only two were female. Also, one the respondents was quite unresponsive, as mentioned before. It is also plausible that some interviewees might have been cautious expressing their views given the sensitive nature of the questions raised. Fear of retaliation or of being identified as critical to the current administration might have led some interviewees to soften their comments.

As such, taking into account the limitations of the study above and the discussion of the results offered from the data gathered, this allows us to envision some implications for the theory, research and practice.

We suggest that other studies should be conducted in organizations that might constitute more virtuous examples of crisis communication to further explore the differences and implications of positive communication practices.

Also, taking into account the limitations of qualitative research, future approaches to the topic could ally qualitative to quantitative studies to allow for a broader perspective of the communication policies and practices adopted by the Portuguese organizations during this period.

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Annexes 1: Interview guide – Portuguese Version

Guião de Entrevista

1. Tanto quanto é do seu conhecimento, a empresa em que trabalha enfrentou alguma crise económica/financeira recentemente? Quando e em que circunstâncias é que ouviu falar dessa situação?

1.1. Qual o departamento/pessoa responsável pela comunicação com os colaboradores relacionada com este assunto?

1.2. Desde o início desta situação, houve alguma modificação em termos de comunicação?

1.3. A comunicação existente, na sua opinião, era sincronizada por toda a empresa?

1.4. E era feita em forma de diálogo ou unilateralmente?

1.4.1 Se for unilateralmente, como é que demonstra as suas reações a essa comunicação?

1.5. Qual foi a sua reação perante estas medidas?

1.6. Como é que a empresa lidou com essas reações?

2. Como classificaria o plano de comunicação de crise que foi aplicado nesta situação em termos de eficiência?

2.1. [Agora que a crise passou] Há alguma medida que tenha sido implementada ou alguma modificação em termos de comunicação de crise que tenha ocorrido após esta situação?

2.2. Que consequências da crise identifica, em termos de comunicação? Notou um aumento da desconfiança ou rumores ou, por outro lado, de compreensão ou um aumento de motivação (...)?

3. Que ferramentas é que a empresa utiliza para comunicar com os seus colaboradores?

3.1. Com que frequência costuma utilizar as ferramentas virtuais de comunicação da empresa?

3.1.2. Caso não consulte, por que motivo?

3.2. Estas desempenharam algum papel durante o período de crise económica atravessado pela empresa onde trabalha?

3.3. Acha que este tipo de comunicação é eficaz?

3.4. Há alguma ferramenta de comunicação não formal referente aos assuntos da empresa que utilize?

Annexes 2: Interview guide – English Version

Interview Guide

1. As far as you know, has the organization where you work faced an economic or financial crisis recently? When and in what circumstances have you heard about this situation?
 - 1.1. What is the department/person responsible for the communication with the employees related to this topic?
 - 1.2 Since the beginning of this situation, has there been any modification in terms of communication?
 - 1.3. The existing communication, in your opinion, was synchronized throughout the organization?
 - 1.4. And was it made in a dialogue form or unilaterally?
 - 1.4.1. If unilateral, how could you show your reactions to this communication?
 - 1.5. What was your reaction to these measures?
 - 1.6. How did the organization deal with those reactions?
2. How would you classify the crisis communication plan that was applied in this situation in terms of efficiency?
 - 2.1. [Now that the crisis has ended] Is there any measure that has been implemented or some change in terms of crisis communication that has occurred after this situation?
 - 2.2. What crisis consequences do you identify, in terms of communication? Did you notice an increase of distrust or rumours or, on the other hand, understanding or an increase of motivation (...)?
3. What tools does the company use to communicate with their employees?
 - 3.1.1 With what frequency do you usually use the virtual tools of communication of the company?
 - 3.1.2. If they are not used, what is the reason for that behaviour?
 - 3.2. Did they play any role during the period of economic or financial crisis underwent by the organization where you work?
 - 3.3. Do you think this type of communication is effective?

3.4. Is there any tool of non-formal communication that you used regarding the organization's matters?