Engaging with untruthful company crisis communication: The understanding of decoupling in the face of crisis

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Abstract

Purpose: By considering the organizational legitimacy framework, this work examines how offending companies decouple their narratives from the facts as a communication strategy when handling environmental crises in the Latin American context. It also considers the implications of such behavior in terms of its potential inconsistency with the organizational value system, and therefore with the ethical sense of the crisis communication practice.

Design/methodology: The research relies on a multi-case study approach, where four major environmental incidents involving four extractive companies in Venezuela, Colombia, Mexico, and Argentina are analyzed. By scrutinizing public sources, these companies’ crisis communication processes are examined to allow for the linking of theory and practice.

Findings: Results obtained suggest that to defend their legitimacy, companies deliberately conveyed untruthful messages and decouple their communication in crisis from reality, which in turn exposes a delinking between values and actions, resulting in ethical concerns for the practice of both crisis management and crisis communication. This work identifies four different decoupling-based crisis communication strategies performed by companies and the way these are accompanied by secondary strategies.

Research limitations/implications: By emphasizing the connection between legitimacy and crisis communication, the study illustrates how narrative-fact decoupling (i.e., untruthful crisis communication practices) can be an indicative of more profound organizational contradictions. However, due to the constraints of case studies, it is acknowledged that the results obtained have boundaries for generalization.

Originality/value: Instead of approaching decoupling as a trigger for crisis, the present investigation considers decoupling as a communicational strategy some companies engage with, when handling crisis. Furthermore, by focusing on Latin America, the study reflects the potential impact that the geographical context may have on the bodies of knowledge of organizational crisis communication and legitimacy.

Keywords: Legitimacy, Decoupling, Crisis communication, Crisis management, Environmental incidents, Latin America
1. Introduction

The proneness to manipulate messages makes phenomena such as fake news, post-truth, and alternative facts represent one of the main challenges in the study of organizational communications. Untruthful behavior (whether deliberate or unintentional) has been acknowledged as something natural in organizations (Jenkins & Delbridge, 2020; Pfeffer, 2014), but the fact that it is a common occurrence does not mean that this action is still correct or moral. On the contrary, because one engages in unacceptable behavior, a premeditated intention to deceive is inevitably linked to the phenomenon of company corruption (Fleming & Zyglidopoulos, 2008). In some cases, this behavior has led to major worldwide crises. For instance, the 2014 Volkswagen incident of tampering with emission tests results is a vivid example of how an admired company is still able (and willing) “to run a multibillion-dollar global fraud [...] or even worse, a criminal enterprise” based on deceiving its customers and the society at large (Schrage, 2015; p. 3). For this reason, the company eventually admitted its dishonesty and was forced to face the costly consequences of these deceitful acts. However, instead of approaching decoupling from this perspective, which presents untruthfulness as a trigger for crisis, the present investigation emphasizes another angle based on approaching untruthful communication as a strategy companies often use in crisis periods.

Set within the organizational legitimacy framework, this study identifies evidence as to how offending companies decouple their narratives from the facts as a crisis communication (CC) strategy. At the same time, and acknowledging that “the institutional consequences of decoupling exposure have been treated only tangentially in the literature” (Hensel & Guérard, 2020, p. 416), the study examines the implications of such behavior. Firstly, in terms of the organizational value system execution, and subsequently by addressing some concerns about the ethical component of the crisis management practice. For this purpose, this study fundamentally recognizes decoupling as the disconnection between appearance and reality, or more precisely, as a process of detachment of what is declared from what is real (Meyer & Rowan, 1977). Furthermore, this study considers, in the first instance, the possibility of decoupling identification as either a deliberate or unintentional practice (Crilly, Zollo & Hansen, 2012).

The study is conducted in the Latin American context. A region that has been primarily recognized as a holder of a weak institutional environment (Brinks, Levitsky & Murillo, 2020). A region in which, when scenarios of transgression take place, offending companies manage to held limited repercussions for their social judgments (Contreras-Pacheco, 2020). In this regard, four case studies in the Latin American context are examined. Concretely, communication of the involved companies in the aftermath of the crises is reviewed and compared with the companies’ declared principles and beliefs. In parallel, this study identifies several ways in which companies in crisis decouple CC from reality. Finally, the impact of these actions and decisions is discussed by considering moral obligations and their effect on surrounding communities and societies.

The contribution of this study is three-fold. First, it represents a reinforcement of the theoretical and practical notion of decoupling in CC by identifying the implications of untruthful communication practices in crisis scenarios. Second, it highlights some contradictions and ethical issues that a manager faces when communicating with the public in moments of crisis, especially when several social and environmental issues are at stake; thus, there is a challenge to the organizational value system. Finally, by focusing on Latin America, this study enriches the CC debate by including a developing and constantly changing context, in which, according to the best of the authors’ knowledge, there are immense opportunities to incorporate decoupling into the crisis management literature.
2. Crisis, crisis communication and ethics

Organizational misbehavior frequently ends up turning into a crisis. A company crisis is commonly understood as a “low-probability, high-impact event that threatens the viability of the company and is characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly” (Pearson and Clair, 1998; p. 60). However, crises affect companies and their stakeholders, making stakeholders the true adjudicators of whether a crisis exists. Consequently, a crisis can be defined most suitably as “the perception of an unpredictable event that threatens important expectancies of stakeholders and can seriously impact a company’s performance by generating negative outcomes” (Coombs, 2019, p. 4). In this spirit, there have been several approaches that examine crisis effects. From a negative perspective, “much of the research […] considers a company’s social evaluations as key outcomes of a crisis” (Bundy, Pfarrer, Short & Coombs, 2017; p. 1678). Contreras-Pacheco and Claasen (2018), for example, highlight the potential development of a compounding effect when offending companies failed to manage their crises appropriately. From an optimistic perspective, after being adequately managed, crises can also be considered sources of constructive effects, like motivation, resilience, and even corporate learning (Rerup & Zbaracki, 2021).

In any case, companies dealing with crises should assume the need to create meaningful interaction spaces with their stakeholders (Sellnow & Seeger, 2021). Depending on those interactions, stakeholders construct their perceptions about crises and the degree of responsibility of offending companies. Trying to influence those perceptions through an appropriate communication process within the crisis management framework is the aim of CC. In effect, CC is defined as collecting, processing, and disseminating information required to address a crisis (Coombs, 2021). Consequently, CC is intended chiefly to defend an offending company’s image (Benoit, 1997), reputation (Coombs, 2007), and legitimacy (Suchman, 1995; Massey, 2001) in the minds of its stakeholders. Furthermore, even though some of those approaches can devote more attention to prioritizing the end over the means (i.e., obtaining the least possible damage to the offending company’s interests), none consider the implications of offending necessary ethical codes.

The underdeveloped ethical components of the CC domain (Bowen & Coombs, 2020; Bundy et al., 2017) include a wide range of principles and criteria, such as immediacy, proactivity, transparency, justice, and care (Sellnow & Seeger, 2021). It is widely argued that ethical CC strategies are even more effective than non-ethical CC strategies (Claeys, Cauberghe & Pandelaere, 2016). In essence, these approaches recommend timely crisis disclosure and highlight that using pure defensive strategies is problematic. Furthermore, to build credibility and trust, these approaches emphasize honesty as a fundamental demand in the practice of CC. In this regard, Huang’s (2004) scheme seems both clear and provocative. He states that the more reliable the information that a company in crisis shares with its stakeholders (i.e., symmetric information), the more effective its CC performance will be.

Nevertheless, many companies have not understood that the many risks and repercussions of non-ethical crisis management practices act against both the company’s interests and the achievement of collective prosperity objectives in the long run (Bowen & Coombs, 2020). Some managers continue to prioritize other issues related to, for example, purely legal obligations and find excuses for not prioritizing stakeholders’ needs. Typical CC strategies appear to be applied as if they were valid in every critical situation, regardless of the company’s level of responsibility in the corresponding crises, when in fact, they are not (Coombs, 2019). For instance, in evaluating ‘denial’ (the attempt to detach from an ongoing crisis) as a typical representative of CC strategies, Coombs, Holladay and Claeys (2016) emphatically state that this strategy is valid only when a company is “wrongly linked to a crisis” (p. 382). When there is strong evidence to the contrary, denying responsibility constitutes an act of deception, and therefore an unethical practice.

However, beyond the above understanding, and considering that the background to the normative behavior of any organization must reside in its organizational value system, it seems commonsensical to affirm that an organization in crisis should not be the exception. In prescriptive terms, organizational values are explicit means for conforming to the purpose and achieving the goals of an organization (Malbašić, Rey & Potočan, 2015). They explain what the organization stands for and what organizational members believe, and as such, they also
enlighten the organizational conducts and decisions. An organizational value system should be considered, therefore, the “soul” of the organization (Collins & Porras, 1996). Empirical research has been consistent in suggesting that, even in moments of intense pressure, organizations profoundly devoted to doing business based on their value system are more successful than organizations that do not pursue the accomplishment of such values (Gehman, Treviño, & Garud, 2013; Tidwell, 2016). Consequently, by taking into account the circumstances of their occurrence, crises can be considered valid scenarios in which organizations are tested to recognize their genuine link with society by completing their value system practice.

3. Legitimacy and decoupling

Lately, the notion of legitimacy has become one of the focal points of the ethical crisis communication body of knowledge (Bowen & Coombs, 2020). In consequence, an organization is considered legitimate when, in moments of crisis, it accomplishes consistency between organizational values and stakeholder values (Coombs, 2021). Suchman (1995) suggests that legitimacy is conceived as the “generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (p. 574). When associated with the stakeholder engagement process, legitimacy is usually understood as an evolution of the concept of ‘social license to operate’ (Lansbury & Jeanneret, 2015). This idea implies that companies that transgress taken-for-granted social rules put their social license to operate at risk, resulting in a loss of legitimacy and vice versa (Matejek & Gössling, 2014). Complementarily, it has been concluded that stakeholder pressures could boost the apparent “adoption of practices and structures intended to improve legitimacy rather than internal practices” (Boiral, Heras-Saizarbitoria & Testa, 2017; p. 57). Usually, those practices come in the form of messages, revealing that some communication practices raise unrealistic stakeholder expectations, creating legitimacy breaches and deficiencies (Claasen & Roloff, 2012). When handling a crisis, a company is then susceptible to nurturing public expectations. However, they are unlikely to fulfill, solely for the sake of defending its legitimacy.

In turn, the phenomenon known as decoupling is related to the body of knowledge on legitimacy, insofar as decoupling can be a response to the company’s legitimacy defense (Boxenbaum & Jonsson, 2018). Decoupling is traditionally defined as behavior that allows (sometimes, even forces) companies “to maintain standardized, legitimating, formal structures while their activities vary in response to practical considerations” (i.e., policy-practice decoupling; Meyer & Rowan, 1977; p. 357). However, it is worth mentioning that companies principally adopt decoupling because of specific external pressures under particular circumstances (MacLean & Behnam, 2010). Consequently, companies can decouple symbolism from the substance, rhetoric from action, and even appearance from authenticity with the objective of defending the company’s interests (Stål & Corvellec, 2021). In this paper, decoupling is principally considered as the mismatch between what is officially communicated by a company and the reality of a particular situation or circumstance (i.e., narrative-fact decoupling). In a word, and following recent ideas from the fields of corporate social responsibility and ethics (e.g., Crilly, Hansen & Zollo, 2016; Holtbrügge & Conrad, 2020; Siano, Vollero, Conte & Amabile, 2017; Thummes, 2018), sometimes, decoupling can be equalized as committing untruthful communication.

Bromley and Powell (2012) assert that, in its more profound sense, decoupling should be understood better as the disconnection between intentions and actions (i.e., means-ends decoupling). Nevertheless, conveying a message consisting of something false or incorrect is not always intentional, and therefore it does not represent an act of deception per se (Mahon, 2016). In that order of ideas, Crilly et al. (2012) indicate that companies perform decoupling through communication in different ways and for various reasons. They found that messages tend to be emergent in the presence of conflicting stakeholder expectations and with no intention to deceive. Conversely, they also found that in the presence of information asymmetry between companies and their stakeholders, organizational messages tend to be intentional. Correspondingly, decoupling performance can be seen as a continuum from ‘muddling through’ to ‘faking it,’ depending on the particular context.

In narrowing down the latter notion (i.e., intentional decoupling), it must be mentioned that in order to consider it as a strategy, successful decouplers are persistent and do not tend to use it in isolation (Stål & Corvellec, 2021). On the contrary, they manage to put into practice something like a secondary strategy or reinforcement. In the
words of Godson and Wirtz (2011): “To pursue a course of action that relied on deception if the target failed to ‘take the bait’ would be foolhardy. Alternatively, if an initial deception plan failed, the feedback mechanism could activate backup [denial and deception] campaigns” (p. 4).

4. Methodology

4.1. Case-study method

The case study method is used to examine four specific cases with rich context, which provide a detailed and comprehensive understanding of the selected examples, as suggested by Yin (2014). A multi-case study, in particular, implies the understanding of similarities and differences between cases. Also, it demands data analysis both within and across situations, which is ideal for unearthing examples and other essential aspects of decoupling. The four cases investigated were highly covered by the mainstream media (by the time of this publication, some of them have even been catalogued as ‘the worst disaster’ in their corresponding countries’ history). Although deliberately selected, they assure a certain level of regional diversity and representativeness. They embody different company types in different countries with different backgrounds. At the same time, all four cases contain similar aspects, which makes the sample relatively homogeneous: the companies are part of the extractive industry, they are essential for their respective economies, their crises concern contaminating spills in water and involve environmental damage with further social implications for the surrounding communities, and finally, the evidence determined that each company was, in fact, fully responsible for the incident and its consequences. The geographical context and its importance for better understanding the implications of decoupling or deceitful behavior are further explained below.

4.2. The geographical context – Latin America

Latin America’s diverse natural resources are a determinant of the region’s economic development and the world. Colombia, Mexico, Venezuela, and Argentina, the countries of the four case studies in this research, are ranked second, fifth, tenth, and twentieth, respectively, among the world’s most biodiverse countries (Butler, 2016). On the other hand, Latin American economies are still highly dependent on exploiting natural resources to fulfill social expectations, such as decreasing poverty and unemployment (Sinnott, Nash & de la Torre, 2011). As a result, several companies have been attracted by the possibility of exploiting, acquiring, and trading those resources for their benefit. Even though these companies have generally found the notion of corporate social responsibility to be the best way to legitimize their actions and decisions (Contreras-Pacheco, 2020; Joutsenvirta & Vaara, 2015), it has been evidenced that the region’s economic growth is unlikely to occur without environmental problems and incidents that directly threaten its sustainable development (Castro, 2015). Some difficulties and events have such severity and repercussions that they have the capacity to affect communities and ecosystems, thereby attracting public attention via the media and requiring intervention by the government. As a natural consequence of the institutional pressures, several of these events in which high-profile companies are involved become highly visible crises, putting those companies in a defensive position.

The following is a brief description of each of the four crisis examples summarized in Table 1 below. In line with Coombs (2019), all cases are proven to be real crises, given their degree of notability and affectation of companies and different stakeholder groups.

4.2.1. Case 1—Everything is “under control”

The first case study is framed on an oil pollution spill into the Guarapiche River, one of the most important rivers of northeastern Venezuela, a country which holds the world’s largest proven crude oil reserves. The river feeds a water purification plant, which supplies a large population in Maturin, the eighth-most populated city in Venezuela. On February 4, 2012, a significant oil spill in the mangrove area was at the river’s mouth. The spill, which started with a ruptured crude oil pipeline, apparently lasted more than twenty-four hours, although the exact magnitude of the disaster was never addressed officially. The pipeline was operated by the giant state-owned company Petróleos de Venezuela S.A. (PDVSA), the nineteenth biggest oil company in the world (Forbes.com, 2017c). Although early official versions pointed to sabotage with political motivations as the cause,
internal irregularities in maintenance and contingency plan implementation were later revealed as possible causes of the disaster and its spread (Peñaloza, 2012).

The most notable aspect of the incident was the reaction of both the company and the government to stop the media from covering the story in situ while assuring that the situation was under control (García-Guadilla, 2014). Furthermore, in every organizational press release by the PDVSA during the crisis, the company emphatically stated that there would be no repercussions from the incident (Pdvsa.com, 2012b, 2012c, 2012d, 2012e, 2012f, 2012g, 2012h, 2012i, 2012a). However, the resulting environmental damage is practically irreversible, and the population’s water source was severely contaminated (Carvajal & Oletta, 2012). More than one-third of the city was without water for almost two months, and the rest suffered constant water cuts and shortages in nearly one year (Aray, 2012; Vásquez-Lezama, 2016). Inhabitants of Maturin still claim that the water supply service has not been stable or clean since the oil spill (Velandia, 2016). Finally, it is worth mentioning that no official investigation into PDVSA’s oil spill was launched, and the company received no official penalty.

4.2.2. Case 2—“If we say nothing, nobody will know”

The second case study is centered on a coal-dumping incident in Colombia, the world’s fourth-largest coal producer and holder of the most significant coal reserves in Latin America. Currently, Drummond Company Inc., which is among the two hundred ten largest private North American corporations (Forbes.com, 2017a), is the biggest exporter of Colombia’s thermal coal. This company has its deep-water ocean port located in the Caribbean seashore, barely twenty miles from the tourist district of Santa Marta, whose shoreline holds several bays of more than twenty beaches, a national natural park, and the Sierra Nevada. On the morning of January 13, 2013, as part of a so-called rescue operation, Drummond’s cranes were deployed and started removing coal from a semi-submerged transportation barge in the port. To recover the stability of the barge, machines dumped about one thousand nine hundred metric tons of coal into the seabed on that day (Molinski, 2013).

The company stayed silent after the incident and tried to conceal it. However, seventeen days later, the company was exposed. An independent journalist published detailed pictures of the incident, and the news spread like wildfire. (Invemar, 2013; Molinski, 2013). Subsequently, Colombian society was outraged by this happening. Despite some sanctions issued by the government one year after the incident, the company never acknowledged that it had hidden the facts during the crisis but rather justified not reporting them based on legal arguments (DrummondLtd.com, 2013a, 2013b, 2014). The company continued to deny any wrongdoing and claimed that the amount of coal dumped was less than that determined during investigations (Drummond Ltd., 2015). Santa Marta’s beaches remain profoundly impacted by water, soil, and air pollution from the coal industry and transportation (Caballero-Gallardo, Guerrero-Castilla, Johnson-Restrepo, de la Rosa & Olivero-Verbel, 2015). Pollution has resulted in poor health, quality of life, and economic development, especially in the tourism industry (Caballero-Gallardo and Olivero-Verbel, 2016). Like the Drummond incident in 2013, pollution events perpetuate this reality and make it difficult for mining to coexist alongside environmental protection.

4.2.3. Case 3—Blame it on the rain

The third case study involves a copper sulfate spill into three rivers in Mexico, the world’s third-largest copper producer. On August 6, 2014, about forty million liters of acidified copper sulfate drained into the Tinajas, Sonora, and Bacanuchi rivers, located sixty miles south of the United States border. The incident was officially reported two days later, and all eyes were on the source of the accident: Buenavista del Cobre mine, a major subsidiary of Grupo México, the largest mining corporation in Mexico (Forbes.com, 2017d).

From the start, the attention of the Mexican public opinion was on the inaccurate initial messages conveyed by Grupo México, which reported that above-average rainfall was the cause of the accident (Grupomexico.com, 2014a, 2014b). This version was later rejected by official reports of the National Weather Service, which denied that there had been any unusual activity at the time of the accident (Lammers, 2014). This situation was evidence of Grupo Mexico’s intention to avoid responsibility and distance itself from the disaster. Consequently, the company was subjected to sharp criticism and came under intense pressure to clarify the situation. As a result,
three weeks later, the company partially acknowledged its inaccuracy but placed the blame on a building subcontractor (Grupomexico.com, 2014c). After an expedited investigation, the Mexican environmental regulator finally found that the spill amounted to organizational wrongdoing and imposed pecuniary sanctions on the company (Lara, 2017). According to Cohen (2015), the leading cause of the disaster was a missing valve in the leachate basin. Thus, the spill was entirely attributable to the company. At the time of the accident, the river turned yellow and spread an ammonia-like smell. With the water supply of more than twenty-four thousand farmers and villagers directly affected and several devastating effects on flora and fauna of the surrounded territory, the spill constituted the worst socio-environmental disaster in the mining history of Mexico (Portales & Romero, 2016). Furthermore, “the damage had a major impact on economic activity in the area, quality of life, and inhabitants’ health” (Aragonés, Tapia-Fonllem, Poggio & Fraijo-Sing, 2017; p. 1).

4.2.4. Case 4—“It's bad”… Correction: “It’s worse”

The last case study focuses on an incident wherein a contaminated liquid spilled into five Argentinian watercourses placed at the heart of one of the most productive gold mines in the world. Canada’s Barrick Gold Corporation is the largest gold mining company globally and one of the top multinational performers (Forbes.com, 2017b). In turn, Minera Argentina Gold S.A. (hereinafter Barrick Argentina) is part of this transnational conglomerate, which has been operating in the open-casted Veladero mine at the Andean province of San Juan since 2005. On September 12, 2015, a valve ruptured in a pipeline causing a massive leak of solution rich in cyanide and other pollutants. This liquid was poured directly into a local river, which supplies water to four other streams and a neighboring population.

Considering the official messages, the details of the crisis were unfolding progressively. The incident was not first reported by the company, but by its employees, through electronic messages to their families urging them not to consume the water downstream. However, neither the company nor the government gave details about the incident (Parrilla, 2016a). The local media reported the occurrence only a few days after, highlighting the company’s downplaying of the disaster’s magnitude (Antonelli, 2016). As a preventive measure, a local court restricted the addition of new reagents to the mine’s heap leach circuit, but this restriction was lifted shortly afterward (Barrick.com, 2015a). On September 13, it was reported that the spill comprised fifteen thousand liters of polluted water (Clarin.com, 2016). Later, on September 16, an official report indicated that the spill involved two hundred and twenty-four million liters of polluted water (Daneri & Minera Argentina Gold S.A., 2015). Finally, the company reported around one million liters of contaminated water in that spill (Barrick.com, 2015b). In light of this, the incident is considered the worst mining accident in Argentinian history to date (Parrilla, 2016a). Although Barrick claims that the local stakeholders were immediately notified about the situation and implemented a comprehensive downstream water-monitoring program (Barrick.com, 2015b; Barrick Gold Corporation, 2016), the regulator suggests a different story. Together with issuing the verdict that imposed a $10 million fine on the company (Barrick.com, 2016), the Argentinian court manifested that Barrick did not guarantee safety rules, contingency plans, monitoring, control, analysis, information reporting to the authority, and giving an early warning (Els, 2016). Consequently, the company has permanently faced intense criticism for being negligent in its operations and, at the same time, opaque with the public (Castilla, 2017).
<table>
<thead>
<tr>
<th>Offending company</th>
<th>Place and date</th>
<th>Incident details</th>
<th>Description of the company</th>
<th>Main implications</th>
<th>Sanction applied</th>
</tr>
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<tbody>
<tr>
<td>Petróleos de Venezuela S.A., PDVSA</td>
<td>Jusepín, Edo. Monagas (Venezuela)—February 4, 2012</td>
<td>River oil spill (unknown amount, although unofficial versions vary between 60000 to 80000 barrels)</td>
<td>Operational event (Pdvsa.com 2012a)</td>
<td>Irreversible environmental damage to the surrounding fauna and flora (mangroves)</td>
<td>None</td>
</tr>
<tr>
<td>Drummond Ltd. (subsidiary of Drummond Company Inc.)</td>
<td>Ciénaga, Dpto. Magdalena (Colombia)—January 13, 2013</td>
<td>Seashore coal throwing (while the company provided different amounts, scientific evidence indicates it was around 1900 metric tons)</td>
<td>Industrial accident (DrummondLtd.com 2013a)</td>
<td>Environmental damage owing to the flattening effect</td>
<td>$3.6 million fine, plus cleaning expenses</td>
</tr>
<tr>
<td>Buena Vista del Cobre (subsidiary of Grupo México)</td>
<td>Cananea, Edo. Sonora (Mexico)—August 6, 2014</td>
<td>River toxic drain (40 million liters)</td>
<td>Non-toxic copper sulfate spill (Grupomexico.com 2014a)</td>
<td>Environmental damage to rivers and wildlife and a direct impact on the economic activities of farmers and households</td>
<td>$1.8 million fine, plus the creation of a $154 million trust fund for redress, reparation, and compensation</td>
</tr>
<tr>
<td>Minera Argentina Gold S.A. (subsidiary of Barrick Gold Corporation)</td>
<td>Dpto. Iglesia, Prov. San Juan (Argentina)—September 12, 2015</td>
<td>Cyanide substance spill in three Andean rivers (1.07 million liters)</td>
<td>Release of solution with no associated risks (Barrick.com 2015a)</td>
<td>Environmental damage with cyanide and heavy metals to five rivers located in a periglacial area within the Andes mountain range</td>
<td>$9.8 million fine</td>
</tr>
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Table 1. Case studies examined

4.3. Data and analysis

This study’s primary data sources are press releases, media outlets, official company websites, and sustainability reports. Most communication and documents scrutinized are thus found in the public domain and are from credible sources. These sources were initially issued in Spanish.

The analysis involved two stages. First, this study examined the individual cases, considering the offending companies’ profiles, how they communicated with the public in the aftermath of each incident, and what the evidence determined in comparison with their messages. This phase aims to validate the adoption of decoupling as a legitimate strategy and identify the relevant details of each behavior. Finally, the four cases were compared to identify the similarities and differences in how each company handled its crisis and ascertain common patterns. The results are discussed below.

5. Results

It is evident that when handling the crises mentioned in the previous section, PDVSA, Drummond, Grupo México, and Barrick neglected the search for the truth and ended up misleading their public in various ways. Their CC did not match the facts of each incident. Thus, their stakeholders received false information regarding the details of the crises. Parenthetically, this behavior suited the interests of the offending companies and was
not acknowledged as falsehoods in the subsequent organizational messages. Irretrievably, this phenomenon leads a knowledgeable audience to assume that those actions could be premeditated to defend the companies’ social approval at study. Nevertheless, it appears that instead of alleviating the crises, their CC behavior amplified them.

While these companies defined themselves as honest, transparent, and precise, putting social and environmental interests above other considerations in communicating during the aftermath of each crisis, these companies went out of their way to behave in a manner inconsistent with their guidelines. Their most notable modus operandi included giving the impression of having everything under control, hiding the facts, lying about the causes of the incidents, and adapting the specifics as the days passed, among other deceitful tactics. As a result, other contradictory behavior was uncovered, amounting to pure deception.

First, PDVSA’s criterion for communicating its social and environmental performance is guided by several premises, including transparency, exhaustiveness, and exactitude (PDVSA, 2013). The company proclaims that it works according to the highest ethical standards in order to manage state-owned resources with transparency, efficiency, and adequacy (Pdvsa.com, n.d.). Therefore, this study finds that PDVSA deceived the public by manifesting they had the situation under control when this was not the case. None of the company’s press releases published concerning the oil spill gave precise details about the situation. Instead, they were repetitive, focused on short-term solutions, and filled with self-praising messages. For instance, the company did not provide an official version of how much oil spilled into the river or how it would compensate for the damage. Despite the seriousness of the repercussions, the company never referred to any of them as a potential threat to the population or the environment, which created a climate of uncertainty among those affected. Instead of stepping back and acting as an impartial actor that advocates for the public interest, the Venezuelan government assisted the company and became an active interlocutor in the crisis. As a result, an attempt was made to scapegoat the opposition party as part of the overall untruthful communication strategy. Even though the tactic did not work and the information was eventually rejected, it worked as a distraction in moments of intense public scrutiny.

Second, Drummond declares to have a continuous “commitment to improving communication” and expresses a desire “to report on the topics that are important to [their] communities and the country” (Drummond Ltd., 2015; p. 10). As for its communication policy, the company explicitly commits to constantly generating transparent, direct, timely, and precise messages (Drummond Ltd., 2014). However, the company deceived the public as it hid the coal-dumping incident from the environmental authority and the entire Colombian society for more than seventeen days. Worse, the company would have remained silent had it not been for the third-party disclosure. When it finally started communicating, the company systematically tried to explain its secrecy by resorting to technical legal arguments, which, aside from being nonsensical, were later found to be invalid by the authorities in charge. It is noteworthy that the messages conveyed as part of the company’s CC strategy are very different from the company’s official account of the incident published in its sustainability report two years later and even more different from the scientific evidence collected by official investigators. Expressly, no exact or consistent figure was provided of how much coal was dumped onto the seabed, which constitutes a deliberate act of dishonesty.

Third, together with respect and responsibility, Grupo México highlights honesty as being its first official organizational value. Moreover, transparency constitutes one of its many principles and is a central pillar of its corporate governance declaration (Grupo México, 2015). Subsequently, it is contradictory that the company deceived the public when it blamed the leakage of a toxic substance on an inexistent meteorological phenomenon. Moreover, Grupo México shamelessly sustained the same version for more than twenty days until it was cornered by public opinion in the face of overwhelming evidence. Then, without discarding its original story, the company, this time, blamed one of its suppliers. The company’s CC strategy shows its eagerness to avoid responsibility for the incident and especially its consequences. Thus, it is clear that the company used fraudulent tactics.

Lastly, for Barrick Gold Corporation, upholding the highest ethical standards is one of their top main concerns to become a responsible company. Part of this narrative consists of declaring an organizational principle based on
conducting business with integrity and transparency (Barrick.com, 2019). However, downplaying the effects of the incident at first and then progressively expanding the magnitude of its specifics makes the company look unreliable and obscure. At the same time, the fact of inhibiting third parties (in the representation of the affected communities) from performing a visual inspection made the situation very suspicious (Parrilla, 2016b). For these reasons, the company’s CC strategy demonstrates its preoccupation in unveiling the truth about the incident from the beginning and ending up conveying a message of profound mistrust.

In general, a brief comparison of the cases reveals that several of their aspects are both similar and different. These results are summarized in Table 2 below.

- None of the companies apologized for their untruthful behavior in their CC. In fact, despite evidence to the contrary, they never acknowledged having misled their public.
- There was active participation in public relations by each company and other actors in all four cases. In this respect, it is necessary to underline the active participation of the Venezuelan government (headed by president Hugo Chávez) as an interlocutor ex proprio jure of the offending company; the active role of the interim CEO of Drummond, José Miguel Linares as the company’s official spokesperson during the entire investigation; and the total absence of both Grupo México’s CEO, Germán Larrea and Barrick’s CEO, Kelvin Dushnisky, from any of the conveyed messages during the height of the crisis.
- Unlike Drummond, Grupo México, and Barrick, which published three press releases each, PDVSA was very active in posting press releases about the oil spill, publishing nine within the first month of the incident. Even though Drummond published three press releases, they were published after only one, nine, and twelve months, and the Drummond case is exceptional for its opaque attitude and slow official investigation.
- All four governments participated in the crises, but with some differences. Although the Colombian, Mexican, and Argentinian governments were somehow acquiescent with the offending companies initially, they eventually deployed several investigations. They penalized Drummond, Grupo México, and Barrick with fines and social contributions. Nevertheless, PDVSA avoided punishment and was continuously praised for its apparent ‘timely reaction’ by Venezuela’s socialistic government.
- The four companies attacked some of their stakeholders differently. Drummond accused the Colombian media of inaccuracy with the coal-dumping details, Grupo México accused the official Mexican environmental regulator of exaggerating in cataloging the incident as disastrous, Barrick evaded local community scrutiny. PDVSA fiercely attacked and blocked the Venezuelan opposition party and independent media for being ‘bourgeois instruments at the service of the empire and the enemies of the people.’ In this regard, it is logical that the specific socio-political context played an essential and unique role in the unfolding of each crisis.

<table>
<thead>
<tr>
<th>Case 1—PDVSA</th>
<th>Case 2—Drummond</th>
<th>Case 3—Grupo Mexico</th>
<th>Case 4—Barrick</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of press releases</td>
<td>9 press releases within the first month</td>
<td>3 press releases within the first year</td>
<td>3 press releases within the first month</td>
</tr>
<tr>
<td>Primary crisis communication strategy (decoupling)</td>
<td>Façade of control over the incident’s consequences</td>
<td>Hiding the incident</td>
<td>Lying about the causes of the incident</td>
</tr>
<tr>
<td>Secondary crisis communication strategy</td>
<td>Scapegoating (political)</td>
<td>Attacking the media</td>
<td>Delaying the official report of the incident</td>
</tr>
<tr>
<td></td>
<td>Attacking the political opposition party</td>
<td>Altering the details of the incident</td>
<td>Scapegoating (subcontractor)</td>
</tr>
<tr>
<td></td>
<td>Attacking and blocking the independent media</td>
<td></td>
<td></td>
</tr>
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<td></td>
<td>Covering up details of the incident</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2. Crisis communication behavior
Therefore, the results confirmed that these four companies performed an explicit disconnection between their narratives and the crises' facts. Moreover, their behavior gives the impression that there was a more unseen disconnection between their organizational value systems and the exercise of the same values. Lastly, in a more in-depth analysis linked with the relevant theory, these results can even identify the real intentions of the companies and their possible disconnection with their actions themselves. See Figure 1.

![Figure 1. Decoupling in Company Crisis Management](image)

6. Discussion and conclusion

Embedded in a cultural background dominated by the fake-news phenomenon, this paper aimed to provide evidence of how instead of just being a trigger for crises, the practice of decoupling can be performed in some cases by offending companies as a CC strategy. Accordingly, this study proposes that narrative-fact decoupling in CC is a dynamic concept that can be understood as the mismatch between what is communicated by a company in crisis and the reality of the crisis at issue. Another aim was to reinforce the theoretical and practical notion of decoupling within the legitimacy domain (Boxenbaum & Jonsson, 2018; MacLean & Behnam, 2010). Using a multi-case approach, this study ascertained that Latin America, particularly its extractive industry, was an appropriate scenario to address the phenomenon of decoupling during crisis scenarios. The biodiversity of Latin America (Butler, 2016), exemplified by the richness of its subsoil (Sinnott et al., 2011), as well as its institutional weaknesses (Contreras-Pacheco, 2020), makes the region a suitable subject to examine whether companies that exploit their natural resources play fair. This study enables the shaping of insights that can be used as a starting point to understand decoupling on a broader level.

This study suggests that clear signs of narrative-fact decoupling are identified within a crisis circumstance when noticing that the communication intended to handle the crisis does not match reality. Complementarily, in line with Boiral et al. (2017), Boxenbaum and Jonsson (2018), and Claasen and Roloff (2012), the study also acknowledges that a transgressing company can adopt this strategy as a reaction to the different institutional pressures in the environment; and thus for the sake of shielding its organizational legitimacy. Additionally, through the multi-case analysis, it is subtracted that this type of decoupling can be understandably related to other typical decoupled relationships in organizations. This particular effect seems to be superficial insofar as more significative comportment is noticed in deep. In the first instance, a contravention to the organizational value system of the companies at study, and subsequently, a potential ethical conflict between what the companies intend to do and what they actually achieve. A representation of this phenomenon is presented in Figure 1.

This latter understanding embodies the main theoretical contribution of the present study. In this spirit, the study embraces Hensel and Guérard’s (2020) hint about the scarce literature regarding the consequences of decoupling performance. For this purpose, it unveils some modes and implications of narrative-fact decoupling...
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(Crilly et al., 2016; Holtbrügge & Conrad, 2020; Siano et al., 2017; Thummes, 2018), adjusted to the practice of CC. It also exposes the subsequent depletion of a very traditional way of decoupling—the policy-practice decoupling (Meyer & Rowan, 1977), and presents some concerns about the inconsistency of CC practice. Finally, it implies that this last behavior can indicate adopting a more thoughtful form of decoupling—the means-ends decoupling (Bromley & Powell, 2012), as a final consequence of engaging in untruthfulness as a CC strategy. In this spirit, the study proposes that via untruthful CC, offending companies can break their value system, expose what they actually believe, and in the long run, transgress some moral-related principles. This whole idea illustrates a transition from the organizational surface to the organizational deep. A functioning that ultimately reveals the prevalence of the instrumental orientation over the ethical orientation in the practice of CC.

Furthermore, in line with Godson and Wirtz (2011), and Stål and Corvellec (2021), these companies were obstinate with such behavior and usually accompanied each decoupling strategy with a secondary strategy as a backup. In this work, the primary strategies found in the presented cases were as follows: 1) image projection of having the crisis under control when it is not (PDVSA); 2) hiding the incident, totally or partially (Drummond); 3) lying about the causes of the incident (Grupo México); and 4) downplaying the magnitude of the crisis at first, but increasing it as time progressed (Barrick). Secondary strategies consist of maintaining deception by varying some facts, delaying the official report of the incident, looking for a scapegoat to create a distraction, and impeding third parties inquiring about the crisis events. Moreover, it seemed almost mandatory for these companies to deploy a counterattack against either the government (or environmental regulators) or media representatives who questioned their actions when handling the crises.

The quest of the present study could go beyond these conclusions. In fact, several scholars (e.g., Bromley & Powell, 2012; Crilly et al., 2012; MacLean & Behnam, 2010; Stål & Corvellec, 2021) have suggested that all this behavior emerges as natural in response to institutional pressures (like in crises). Furthermore, as mentioned above, some of them also assert that it constitutes an ultimate signal of a less deliberate, but at the same time, a more prevalent and consequential form of decoupling: the means-ends decoupling. Instead of being connected, the intentions and actions of an organization can act in separate ways. This circumstance occurs since the search for a benefit is justified at any cost. By embracing this idea, this work could infer that some companies employ activities (e.g., CC) that are faintly related to their intentions and end up being essentially unproductive when dealing with a crisis. Besides the inconvenience for business, within the ethical arena can even represent a deontological problem. Therefore, it would be valid to assert that offending companies tend to shift the ethical focus of their messages to a pure-instrumental focus of their messages when communicating during crises and thus end up being untruthful.

However, it should be made clear that since making an untruthful statement without the intention to mislead does not necessarily constitute an act of lying (Mahon, 2016), decoupling is not always an intentional practice. Evidently, this study was not capable of determining the intentions of such companies in making untruthful statements in the aftermath of the crises. In consequence, one of the first work premises is the impossibility to absolutely catalog the four companies’ declarations as either fortuitous events or acts of pure deception. To that effect, in embracing Crilly et al.’s (2012) approach (who illustrated both scenarios based on institutional pressures), future studies will be able to produce some inferences. For the moment, it is crucial to consider that calculated deception is performed effectively, mainly when there is active control of information flow by companies to their stakeholders in moments of crisis. Therefore, it is presumed that because of the desire of some companies in crisis to defend their legitimacy and in response to evident institutional pressures in each context, they could take advantage of the existence of asymmetrical information to ‘faking it’ their messages in several ways.

Recently, some scholars like Bowen and Coombs (2020), Bundy et al. (2017), and Sellnow and Seeger (2021) have pleaded for a more in-depth discussion of the ethical aspect within the CC literature. It is worrisome that emblematic CC strategies, like those proposed by Benoit (1997), Coombs (2007), Massey (2001), and Suchman (1995), are considered in practice as valid in every crisis. As mentioned above, since some companies are indeed responsible for activating crises, their indiscriminate application can transgress specific ethical codes, making them not precisely appropriate in every case (Coombs, 2019). The present study suggests that this occurs...
especially when these companies employ an arbitrary deceptive behavior, such as looking for a scapegoat, appearing consistent in their self-defensive arguments and justifications, deciding to exert ‘their right’ not to respond, and attacking their opponent stakeholders. In short, when a crisis is connected effectively to a company, communicating the truth should be a given.

This study has some practical implications. First of all, the four cases highlighted in this work are vivid counterexamples of the relevance of communicating the truth. Despite being guilty in each case, PDVSA, Drummond, Grupo México, and Barrick defended their legitimacy through deception and behaved unethically. They did so by overlooking their own beliefs (or better, belief declarations) regarding transparency, respect, precision, and honesty; something that contradicts prescriptive guidelines in CC, considering that planning how to face crises must have a clear guide supported by respective value systems (Tidwell, 2016). Additionally, even though the inconvenience of this behavior seems obvious, the real trouble is that it can be conceived as common insofar as the adoption of decoupling as a legitimizing tool in CC could become a ‘habitual move’ in approaching stakeholders. After all, the problem with lying is that it is perceived as “incredibly common… in part because [it] helps to smooth over relationships” (Pfeffer, 2014; p. 3). However, it is problematic since lying in the challenging contexts presented here may have serious negative consequences for the people and the environment.

Finally, some limitations of the present study require to be underlined. Although the four case studies are a reasonable exemplification of the Latin American context, the most palpable limitation of this study is that it is based on case studies. Thus, learning from these cases cannot be generalized or applicable to all cases of a similar nature. For instance, the socio-political environment of each context can be, of course, one issue to take into account. However, one of the main aims of this study is to consider the possibility of transferring the framework proposed here to other similar contexts (see Yin, 2014). This practice can lay the groundwork for further conclusions, which, in the long run, would create a substantial research contribution with both internal and external validity. Given the dynamics of Latin American countries (Joutsenvirta & Vaara, 2015), various approaches seem valid to tackle this limitation. One approach would be to focus on the universal need for a company to obtain its social license to operate as a means to secure its legitimacy (Matejek & Gössling, 2014; Lansbury & Jeanneret, 2015). In line with Contreras-Pacheco and Claasen (2018), another approach, for example, would be to evaluate how inappropriate CC can compound crises and make them descend into secondary crises.

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