

## DEAR READERS,

**C**risis comes in all shapes and sizes, from the politically devastating (see our Commentary below) to the upsets that any successful corporation must learn to navigate from time to time. In this month's newsletter, an article taken from the previous issue of *Communication Director*, Jesper Strömbäck brings a touch of philosophy to crisis management, a theme which will no doubt receive much coverage in April's EACD Summit. As usual, our newsletter also brings you recent appointments in the world of communications, and selected events for your calendar. Best wishes,



Marc-Oliver Voigt  
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## COMMENTARY

### *"Free Tibet" meets Chinese crackdown.*

Recent unrest in Tibet has once again revealed how -in an age when we are accustomed to receiving too much information about any particular newsworthy event- it is still possible for a politically-charged situation to project only minimal or completely spun bits and pieces of this most recent Tibet-China confrontation to the rest of the world. Regardless of whether it is the death-toll or the reported accounts of what happened over last week's protests and resulting riots and curfews, international media is getting multiple sides of the story. On the one side is the Chinese government and Premier Wen Jiabao with their predictable condemnation of the Dalai Lama for inciting these uprisings. On the other side there is the exiled Tibetan spiritual leader, along with yet another pseudo-side comprised of independent eyewitness reports, describing a burnt-out Lhasa and complete martial law in-effect. Although the Chinese government should play it very



safe in the public eye during the run-up to the Olympics, they have thus far not been at a loss for harsh words. Whispers and rumors of a Beijing Olympic Boycott over the Tibet (as well as Human Rights) issue are (as of yet) unfounded, but nevertheless this incident has done nothing for China's image worldwide.

-Paul J. Thomas, Editor

# “IT’S THE PERCEPTIONS, STUPID!”

*Understanding people’s reactions is rapidly becoming the quintessential element of crisis management. Mapping the linkage between images and actions can not only assist the process, but usually form an action-model.*

*by Jesper Strömbäck*

**M**ore than 2,000 years ago, Plato offered one of the most famous allegories to date: the “allegory of the cave”. Well-known does not equal well understood, however, and there are still many insights that can be gained from the allegory of the cave.

In this allegory, Plato asks the reader to imagine the condition of men living in a cave underground where “they have been from childhood, chained by the leg and also by the neck, so that they cannot move and can see only what is in front of them, because the chains will not let them turn their heads”. The only things they can see are images, reflected from a fire onto the walls of the cave. These images they perceive to be reality, as it is the only reality of which they are aware. Some 2,000 years later, Walter Lippman published his classic “Public Opinion”, in which he explained the concept of “pseudo-environment”. This concept refers to all those images of reality in which people believe, and which form the basis of their thoughts, feelings and behaviours. It is this pseudo-environment – that is, the perceptions of reality – that matters, not reality itself. Accordingly, the “analyst of public opinion must begin, then, by recognising the triangular relationship between the scene of action, the human picture of that scene, and the human response to that picture working itself out upon the scene of action.”

Still, in every election campaign, or any crisis, or any other chain of events, many politicians, CEOs, crisis managers and so on behave and talk as if reality – as they themselves perceive it – matters more than the “pictures in the heads” of the public at large or various target groups and stakeholders. This strongly suggests that they have failed the central lesson, started by Plato and continued by media and communication scholars and analysts, that “It’s the Perceptions, Stupid”, to paraphrase the 1992 Clinton campaign.

In other words, people can only form their feelings, thoughts and behaviours from their perceptions of reality, and in this sense, the perceptions of reality are always more real than reality, however defined. This is why the role of the media is so important in contemporary societies: it is from the media we receive most of the information that we use to form our perceptions of reality. This is especially true with respect to events, people or conditions that are not part of our everyday experiences and where we lack first-hand knowledge. Needless to say, this constitutes most things that we have feelings, thoughts and opinions about. Despite the popular notion of today’s societies as “information societies”, they should rather be thought of as second-hand, third-hand, or fourth-hand information societies.

This is not to say that reality, however defined, is unimportant. I do not want to be interpreted as some kind of postmodernist denying the existence and importance of reality beyond our subjective perceptions of it. Reality matters – but in this context, reality

matters mostly insofar as it influences the perceptions of reality. The distance between actual reality and the images and perceptions of reality is a variable, but most of the time there is a linkage between the two. These observations have clear implications for understanding people's reactions to actors, organisations and institutions involved in a crisis, and can help in forming a model to better understand people's reactions to crisis management.

### UNDERSTANDING REACTIONS TO CRISIS MANAGEMENT

By definition, crises are events that pose an unexpected threat which can have negative effects on an organisation, industry, community or group of stakeholders. While unexpected, crises should not be understood as wholly unpredictable. Most organisations suffer crises sooner or later, although the type and severity varies. As crises do, or have the potential to, cause disruptions and damages, there is always a need for crisis management, understood as a "process of preventing, preparing for, performing, and learning from crises" (Coombs, 1999, p. 5). Crisis communication is then the process of communicating before, during and after a crisis; it forms part of, but does not equal, crisis management.

Crisis thus have to be managed, and there is a need for effective crisis communication in all phases: before, during and after. A necessary part of effective crisis management and crisis communication is the realisation that crises are subject to interpretations. Once again, the perceptions of reality matter more than the actual reality. If shareholders believe that a crisis will cause a company's stocks to fall in price, they will sell, and if voters believe that a politician has behaved unethically, they will lose confidence in him or her. If the perceived crisis management, then, is what matter most for people's reactions, the next question is what shapes the perceived crisis management. Here reality comes back into the picture, in that the actual crisis management does matter for how the crisis management is perceived. Exactly how much the actual crisis management matters is impossible to know on a general level, but it does matter. An organisation hit by a crisis is never only a victim of the circumstances.

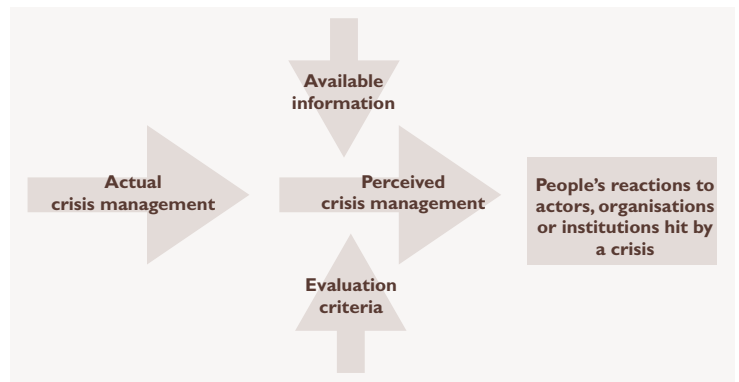


Figure 1 | Model for Understanding People's Reactions to Crisis Management.

**INFORMATION AND EVALUATION** Another crucial factor in understanding the perceived crisis management is what information there is available. The available information forms one of the most important bases for people's perceptions of reality, and one way of shaping the perceived crisis management is by trying to control the flow of information. Most of the time this is difficult, however, as people receive most of their information from the news media, and the news media can be expected to be both critical of and more credible than an organisation trying to defend themselves and their crisis management. This is particularly true when a crisis has its origins in behaviours that an organisation is supposed to have at least some control over.

This brings us to a third crucial variable: the evaluation criteria people make use of. Regardless of whether we are aware of it or not, we always make use of various evaluation criteria when judging the performances of actors, organisations, institutions or

## EXECUTIVE SUMMARY

### Crisis steering by perception

- ➔ Walter Lippman's 'pseudo-environment': reality matters insofar as it influences the perceptions of reality.
- ➔ People's perceptions of crises matter: if shareholders believe a crisis will cause stocks to fall, they will sell.
- ➔ Perception of crisis management is based on actual crisis management, available information, & the evaluation criteria people use.
- ➔ Organisations should be open, provide information, & build relationships to assess evaluation criteria

other entities. Evaluations are simply not formed in a vacuum. For instance, most people believe that politicians should be honest, keep their election promises and not misuse taxpayers' money. They believe that corporations should not pollute more than they are allowed, that they should not use child labour, and that they have responsibilities for a safe work environment. They believe that governmental agencies should be responsive, that they should follow the laws and regulations, and that they should react swiftly if the country is hit by a natural disaster.

**MINIMISING THE DAMAGE** Taken together, this suggests that the perceived crisis management is mainly shaped by a) the actual crisis management, b) available information, and c) the evaluation criteria people make use of. The perceived crisis management is in turn decisive in understanding people's reactions to actors, organisations or institutions hit by a crisis and their crisis management (see figure 1; Strömbäck & Nord, 2006).

An organisation seeking to understand how people react to a crisis that it is involved in must thus attend to the actual crisis management as well as the available information – in most if not all cases, filtered and conveyed through the news media – and the evaluation criteria people make use of. This is true in all phases of a crisis, and has consequences for what crisis response strategies are appropriate or feasible. For example, if the available information indicates that the organisation in question is itself responsible for the crisis, then a strategy of attacking the accuser or of denying that there is a crisis will not work. Rather, it might lead to a backlash in public opinion. In such cases, making excuses and promising corrective action might be the only way to minimise the damage to the organisation's reputation.

The choice of crisis response strategies is part of the actual crisis management, while it simultaneously has repercussions for the perceived crisis management. It is thus crucial that an organisation hit by a crisis chooses its crisis response strategy carefully, particularly if the organisation is accused of being at least partly responsible for the crisis at hand. Carefully choosing crisis response strategies is a true challenge, however, since first impres-

sions form quickly and affect the remainder of the crisis communication. It is thus very important not only that the crisis response strategy is carefully chosen, but also that the initial response is quick. The organisation should be characterised by openness and provide information that can reduce the uncertainty among those affected, directly or indirectly.

**PROBLEM PERCEPTION** No matter whether an organisation that is affected by a crisis chooses to use denial, evasion of responsibilities, reducing the offensiveness, corrective action or mortification as the main crisis response strategy, it should not be chosen without recognising that the perceived crisis management ultimately matters more than reality. Plato thus still has something to teach today's crisis managers. The good news is that all organisations can prepare for crises. Although crises in all their details are usually unexpected, it is possible to identify potential crises, to develop scenarios on how to respond if various crises happen, and through that to shorten the response time and increase the likelihood that the right response strategies are chosen if and when a crisis hits. By being thoroughly prepared, an organisation can shape the actual crisis management. It also has a greater chance of influencing what information will be available. Finally, through research and relationship building it is possible to find out more about what evaluation criteria various stakeholders make use of. Taken together, preparations like these can increase the likelihood that an organisation is successful in shaping the perceived crisis management, and thus people's reactions when a crisis hits. |

## STORYTELLER



This article was published in Communication Director's previous issue "Weather the Storm: The Crucial Methods of Crisis Communication". Jesper Strömbäck is Professor of Media & Communication and holds a chair in Journalism at the Mid Sweden University. He is research director at the Centre for PolComm Research, Mid Sweden University, and has published books on PolComms and several articles in journals such as the Euro Journal of Communication and the Harvard International Journal of Press/Politics.

## Recent Appointments from the World of Communications / March 2008



Rudolf Ramsauer  
(Corporate Communications  
Director)  
Institution: Nestlé  
Start: January 1 2008



### Switzerland: New Corporate Communications Director for Nestlé

Nestlé Switzerland have added to their communications department by appointing RUDOLF RAMSAUER to the newly-created post of Corporate Communications Director, effective January 1. Ramsauer, who joined Nestlé last year was previously Director at EconomieSuisse for nine years, and will report in his new role to the Chairman and CEO of Nestlé, Peter Brabeck-Letmathe.



Iria Gala Barxa  
(Director of Communications  
and Public Relations)  
Institution: Fujitsu Siemens  
Start: February 25 2008



### Spain/Portugal: Fujitsu Siemens hires Iria Gala Barxa

Fujitsu Siemens Computers, the European supplier of IT infrastructure, has appointed IRIA GALA BARXA as its new Director of Communications and PR for its Spanish and Portugese markets. Barxa has headed communications departments for several companies and organizations, including Panda Security, the Latin American Association of Telecommunication Companies (AHCJET) and the European Parliament.



Christer Haglund  
(Group Vice President for Public  
Affairs and Corporate Comms)  
Institution: Finnair  
Start: March 1 2008



### Finland: Finnair with new Senior Vice President Communication

Finnair's Corporate Communications have been restructured, with CHRISTER HAGLUND appointed Group Senior Vice President for Public Affairs and Corporate Communications and member of Finnair PLC's Executive Board. He will be responsible for corporate communications and environmental issues, as well as investor relations in cooperation with the financial organization.

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**Thorsten Strauß**  
(Executive Vice President  
Corporate Communications)

Institution: Bertelsmann AG  
Start: April 1 2008



### Germany: **Strauß is new Head of Communications at Bertelsmann**

As of the 1st of April, THORSTEN STRAUß will be Executive Vice President Corporate Communications at the Media firm Bertelsmann AG, located in Gütersloh. Strauß succeeds Jasmine Borhan, who left the company in December 2007. He comes to Bertelsmann from partner-firm Arvato where he was Head of Communications. In his new position he will report to Hartmut Ostrowski, Chairman of the Board of Bertelsmann



**Yves Romestan**  
(Director of Group Communi-  
cations)

Institution: Alliance Boots  
Start: March 2008



### UK: **Romestan new Director of Communication for Alliance Boots**

Alliance Boots, the international pharmacy-led health and beauty group, has promoted YVES ROMESTAN to the newly created role of Director of Group Communications, effective February. He will also continue his current responsibilities as Director of Communication for Alliance Healthcare, having joined the Group in 2003. Prior to this, he held similar senior communications roles at Bouyges, Brandt, Lafarge and Total.



**Ulrich Lissek**  
(Head of Communications)

Institution: Rewe  
Start: March 1 2008



### Germany: **Lissek new Head of Communications at Rewe**

On March 1st ULRICH LISSEK began as Head of Communications at Rewe Group, the trade and tourism company based in Cologne. In Autumn Lissek will take over from Wolfram Schmuck, Spokesperson and Head of Communication and Public Affairs, who will go into retirement. Until then Lissek reports to Schmuck, but as Head of Communications he will report to Alain Caparros, Chairman of the board for REWE Group.



**Edel McCaffrey**  
(Head of Media Relations)

Institution: BG Group  
Start: April 2008



### UK: **BG Group appoints new Head of Media Relations**

Effective April, EDEL MCCAFFREY will be the new Head of Media Relations at BG Group, the natural gas company, where she will report to Matt Peacock, Group Director of Communications. She is currently Media Relations Manager at the pharmaceutical company AstraZeneca, and has recently co-authored "The HCA Good Practice Guide on Working with the Media". McCaffrey is a graduate of the University of Ulster, Northern Ireland.



**Adam Renyi**  
(Communication Director)

Institution: RTL Klub  
Start: June 2008



### Hungary: **New Communication Director for RTL Klub**

As of June this year, ADAM RENYI will replace Laszlo Fazekas as Communication Director at RTL Klub, the commercial channel owned by RTL and broadcast in Hungary. Renyi was previously Head of PR for TV2 and Deputy Editor-In-Chief for Playboy Hungary, and graduated from the University of Sciences, Budapest, with an MA in Media Studies in 2002.

## IMPRINT

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## EVENTS



**31.03.2008 - 02.04.2008**

### Conference: The future of internet

Today's 1 billion internet users will soon be joined by 3 billion more when mobile devices will make use of a fully pervasive wireless Internet infrastructure, anywhere, anytime. This open conference identifies the long term societal and economic trends of future on-line societies, how they will impact the underlying network and service technologies and how they subsequently drive research and technology requirements towards a "Future Internet", hence defining future actions at European level in a domain that has now become a global issue, with bold initiatives started in the US and in Asia.

European Commission  
Slovenian Presidency of the European Union, Bled, Slovenia

[➔ More](#)

**28.03.2008 - 29.03.2008**

### Informal Meeting of Foreign Ministers ("Gymnich")



The EU Ministers of Foreign Affairs will convene for the "Gymnich" at Brdo pri Kranju, where they will discuss issues relevant to the European foreign policy.

Slovenian Presidency of the EU

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**31.03.2008 - 03.04.2008**

### European Wind Energy Conference & Exhibition



This conference covers key aspects of the wind market, attracting engineers, purchasers, analysts, political representatives and board members.

European Wind Energy Association [➔ More](#)

**02.04.2008 - 04.04.2008**

### NATO Summit



The capital of Romania, Bucharest, will host the 2008 Summit meeting of NATO Heads of State and Government.

Bucharest, Romania

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**24.04.08 - 25.04.08**

### European Communication Summit

The second European Communication Summit, initiated by the European Association of Communication Directors and the Communication Director Magazine, will again bring together top-class communication professionals from all over Europe, from many different fields and sectors. The summit covers all topics relevant for Communication professionals and spokespersons in business, associations, NGOs and politics. Panels and keynotes range from Crisis Communication and PR Evaluation to Change Management, Corporate Governance and New Media.

Speakers include Marianne Amssoms, InBev; Marianne Barner, IKEA; Markus Beeko, Amnesty International; David Bickerton, BP; Reed Brody, Human Rights Watch; Barbara Crowther, The Fairtrade Foundation.

Hotel Le Plaza, Brussels, Belgium

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**07.04.2008 - 08.04.2008**

### The Brussels Tax Forum 2008



This annual conference brings together policy makers, experts, stakeholders and the general public from all over the world to discuss tax issues of particular political and general interest.

European Commission DG for Taxation and Customs Union

[➔ More](#)

**16.04.2008**

### Social Impact of Globalisation



The European Commission will be hosting a major conference in cooperation with CEPS on the social impact of globalisation.

Charlemagne Building, Brussels, Belgium

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**21.04.2008 - 25.04.2008**

### Transport Research Arena 2008



Transport Research Arena 2008 will discuss a "Greener, Safer and Smarter Road Transport for Europe".

European Commission Ljubljana, Slovenia

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