

УДК 316

**СТРАТЕГИИ КРИЗИСНЫХ КОММУНИКАЦИЙ В СТРОИТЕЛЬНОЙ
ОТРАСЛИ: АНАЛИТИЧЕСКИЙ РАЗБОР КЕЙСОВ****Хаймина Алена Дмитриевна**

магистрант кафедры связей с общественностью в бизнесе
Санкт-Петербургский государственный университет
199034, Российская Федерация
Санкт-Петербург, наб. Университетская, 7-9
E-mail: st079208@student.spbu.ru.

Аннотация

Как и любая другая сфера бизнеса, строительный рынок и его участники не застрахованы от возникновения кризисных ситуаций и рисков. Любая строительная компания сталкивается с кризисными ситуациями, и главное в таком случае – постоянно заниматься антикризисными коммуникациями и иметь стратегию реагирования на кризисы. Целью настоящей статьи является определение характерных особенностей кризисных коммуникаций в строительной отрасли. Автор выявляет основные группы общественности строительной отрасли, рассматривает группы рисков и типы кризисов характерные для строительной отрасли, а также анализирует стратегии и технологии реагирования на кризисы в сфере строительства на примере конкретных ситуаций.

Ключевые слова: кризисные коммуникации, антикризисный PR, стейкхолдеры, группы общественности, кризисная ситуация

**CRISIS COMMUNICATION STRATEGIES IN THE CONSTRUCTION
INDUSTRY: CASE STUDIES****Alena D. Khaimina**

Master Student of Department of PR in Business
St. Petersburg State University, 199034, 7-9 Universitetskaya emb.
St. Petersburg, Russian Federation
E-mail st079208@student.spbu.ru

ABSTRACT

Members of construction industry, as in any other business field, are not insured against crises and risks. Any construction company faces crisis situations, and the main goal in this case is to constantly deal with anti-crisis communications and have a crisis response strategy. The

purpose of this article is to determine the characteristic features of crisis communications in the construction industry. We identify the main groups of the construction industry, examine the main risk groups and types of crises typical for the construction industry, and also analyze strategies and technologies for responding to crises in the construction industry using the example of specific situations.

Keywords: crisis communications, anti-crisis PR, stakeholders, crisis situation, construction industry.

Introduction

Before we start study crisis communications in the construction field, we shall reveal the term "crisis". A. N. Chumikov, a vice-president of the Russian association of Public Relations, gives the definition in the regard of "the cessation of the normal (regular) processes and an unforeseen event that threatens the stability of the enterprise, and a sudden serious incident with the potential to damage the reputation of the company or even destroy it". He also speaks that a company in the crisis moment becomes a target of attention of such groups as "shareholders, politicians, public organizations who are interested in the company's news" [2]. Referring to the reputation of the company and stakeholders, the author of this definition focuses on the communication component of the crisis.

We shall observe the approaches of foreign authors to the concept of crisis. D. P. Gavra singles out the definitions of T. Coombs and K. Fearn-Banks as the most significant [6]. Fearn-Banks defines a crisis as "the most significant event with a potentially negative impact on an organization, company or industry, as well as on the public, product, supply chain or the brand name. It interrupts normal business operations and can sometimes threaten to the existence of an organization" [5].

T.W. Coombs emphasized the negative influence of the crisis in the frames of "...an unpredictable phenomenon, an important threat that can have negative consequences for the organization, the entire industry or groups of the public if mistreated" [3]. Moreover, he defines crisis communications as "processing, collecting and disseminating information necessary to resolve a crisis situation" [3]. This is the main distinguishing feature of a crisis from crisis communications. A crisis can be defined as a certain situation or negative event. But crisis communications can be defined as the communication interactions of a subject in crisis with all significant audiences (stakeholders) [6]. By response strategies, we mean a certain plan of actions in a crisis situation. Like any plan, a strategy should pursue a specific goal, based on it, tasks and a sequence of actions are formed.

Crisis communication and crisis PR have their own logic and technological algorithms. The general strategic rules for crisis communication are the same. And at the same time, in each of the spheres or branches of the national economy, these rules have their own refraction. This specificity is primarily determined by the specifics of industry risks and the composition of stakeholders. The author carried out this research and considered the features of the application of crisis communication strategies in the construction industry using the example of two cases.

Theoretical frameworks and the main subjects of the construction industry

In Russian Federation, the number of construction organizations includes legal entities of all forms of ownership (enterprises), registered and licensed for construction activities, performing work under construction contracts or a government contract concluded with customers. The main subjects of the construction market are the developer and the investor [7]. The basis subject of PR in the construction industry is a developer. It is precisely with the optimization of its

communicative flows in a crisis situation that crisis communications in construction are associated. The third subject is the buyer of the object, the final or intermediate consumer, who uses the use value included in the construction project.

D.P. Gavra and E.V. Bykova emphasized the next main groups of public society, which can be identified as primary stakeholders [7]:

1. Government authorities (GR-communications);
2. Public organizations and civil activists;
3. Local society;
4. Potential costumers;
5. Mass-media and expert community.

Let's characterize each of the groups in the context of their crisis potential for a construction company.

Government authorities are one of the most important groups of the public with which a construction company interacts. The importance of communication with the authorities is due to the fact that the activities of construction organizations directly depend on the permitting and regulatory authorities at all stages of the construction process - from obtaining a construction permit to putting into operation real estate objects. At the same time, GR communications are a priority for the construction company, since all permitting and control procedures, legislative initiatives and competitive activities are carried out by state bodies [7].

The main issues of interaction of construction companies with government authorities: purchase of new land plots, construction tenders, preparation of documents for the construction of facilities, inspections, reporting, and more.

Crisis situations in the interaction of developers with authorities can provoke a change in the timing of the approval of the necessary documentation and various kinds of administrative barriers. Ultimately, this leads to a rise in the cost of construction, a change in the timing of commissioning facilities, etc. Any information about the conflict between the developer and the authorities scares away investors and potential customers, and in a competitive market, investors and equity holders will redirect their financial resources to other companies.

Any construction company sooner or later has to deal with *public organizations*. A public organization is a membership-based public association created on the basis of joint activities to protect common interests and achieve the statutory goals of the united citizens¹. By interacting with government agencies and getting involved in solving construction issues, public organizations play an important role in the construction market [7].

Traditionally, public organizations are classified by areas of activities. Construction companies most often interact with *historical*, *cultural* and *environmental* public organizations. As a separate type of historical and cultural organizations are *city protection organizations*. Their main goal is to protect the rights of citizens during the reconstruction of the city, as well as to protect historical buildings. And they oppose the destruction of the historical image of the city. Environmental NGOs advocate for the preservation of the environment [7].

Another equally significant group of the public with which construction companies interact - *customers (byers)*. This group can be divided into those who have already acquired real equity holders and potential buyers. Any investment project, especially related to housing construction, has a long implementation period and is built, as a rule, on borrowed resources - credit or funds of equity holders. Experts note that the majority of projects attract funds from equity holders already during construction. For this reason, trust and reputation are crucial here. Any crisis situation, information about the conflict and other reputational losses automatically

¹ Article 8 of the Federal Law of May 19, 1995 No. 82-FZ "On Public Associations" (as amended on 02.12.2019).

reduces the trust of real and potential consumers, thereby creating risks for the developer. The crisis can be expressed in the formation of a negative information field for future equity holders, in an open struggle between equity holders and the developer (rallies, pickets, hunger strikes), as well as in filing lawsuits [6].

The next group whose interests also have to be taken into account by construction companies is a *local community*. By local community we mean the population that is in the immediate vicinity of the facilities under construction. Interaction with this group of the public, as well as with public organizations, takes place only in crisis situations. The local community generates crises of social unacceptability of the construction site associated with grievances and emotional or physical discomfort. In this case, public groups can be relatively disinterested, defending their interests and fighting for the integrity of the developer. Or they can be quite selfish, the purpose of which may be to use the spontaneous protest of the local public in political interests or for the purpose of economic blackmail of the developer.

The last group with which construction companies have to interact is the *mass-media and the expert community*. They are also a key community with which developers interact. This group can act both independently and as a guide to others: government authorities, public organizations, local communities, equity holders and buyers. Any crisis situations of construction organizations come under close attention of the media. Therefore, experts consider it necessary to separate them into a separate group. It is obvious that any of the designated groups of the public within the existing risk structure generates its own crises for the construction company. For each of these crises, the company must have a crisis communication plan and a crisis response strategy.

Case studies

The first case was the crisis situation that arose between the equity holders and the St. Petersburg developer, *Normann Group of Companies*. This crisis situation arose as a result of the failure to meet the deadlines for the completion of the "Na Zarechnaya" facility in the Pargolovo district. The construction project was introduced to the market by the Norman holding in 2012. The project had a good reputation and investment attractiveness due to the successful choice of location for construction, as well as a reasonable price. The first phase of the project provided for the construction of two brick-monolithic residential buildings (for 288 and 486 apartments) with built-in commercial premises [11]. In 2013, it turned out that construction began without obtaining a permit [10]. But the problem was quickly resolved. In June 2014, a permit was obtained and construction resumed. And at the very end of 2014, the third stage of the complex was brought to the market - two more buildings for a total of 828 apartments [11].

In 2014, sales fell sharply due to a decrease in purchasing power among the population. For some time, the developer was still trying to create the illusion of hectic activity by extending the construction committee's deadlines for commissioning the facility (from the launch of the project to the present, the commissioning date of the first phase has changed six times; the latest version is Q4 2019). In 2017, construction ceased completely, the facility was mothballed without observing the required standards. Thus, around 1500 families have not received their homes [11].

The equity holders of the project immediately after the apparent cessation of construction work took an active position, namely, they sent appeals and petitions to various city authorities, went on a hunger strike, went to single pickets, and organized communities on social networks. In November 2020, the equity holders went on a hunger strike, the result of which was that the Governor of St. Petersburg Alexander Beglov took the situation with the completion of the residential complex under his personal control [4]. An Agreement on completion of the residential complex was signed between the city and the investor, as well as acts of acceptance and transfer of the Developer's facilities with bankruptcy commissioners [8]. The resumption of construction has been announced.

After the analysis of action plan of the *Normann Group* in a crisis situation, we conclude that the company used a *denial strategy*, which is also confirmed by the official statements of the GC press service: “Everything is not bad at all with us. I can't say which is good, but the company has reserves for completing facilities. Two facilities are now 95% complete. These are “Izhora”, 4th stage, and “Na Zarechnaya”, 1st stage. Such houses cannot fail to be completed” [9]. And also, the *strategy of reducing (excuses) and evading responsibility*: “I will not make promises. We are working, making every effort to overcome this situation” [9].

As a result of the analysis, the following key features of overcoming this crisis situation can be identified:

- lack of official, reliable and timely information;
- lack of an official appeal from the top officials of the organization;
- lack of apologies and compensation;
- lack of exact dates and dates;
- declared problem - lack of working capital for construction;
- in 2019, representatives of Norman announced that they had found an investor, but did not disclose the name of the company;
- all the dissatisfaction of the equity holders got to forums, revocable platforms and social networks.

In the current crisis situation with equity holders, the construction organization made a large number of mistakes. This case is an example of ineffective crisis management, since the company failed to correct the situation and minimize the reputation losses. The lack of a public apology and payment of compensation, failure to provide complete, reliable and timely information, the lack of corrective action proves the ineffective use of crisis communications, which only exacerbated the situation.

As the second case, the so-called “*Ammonia scandal*” was chosen, during which residents of various new buildings complained en masse about the persistent pungent smell of ammonia in their apartments. This case is associated with the problem of using low-quality building materials.

In 2010-2011, costumers of several construction companies, including “YIT”, “LenSpetsSMU”, “Construction Trust”, “Baltic Pearl” and others, received apartments with a high concentration of ammonia [1]. Residents complained about the ammonia smell in the apartments. A sanitary and epidemiological examination was carried out, which established that the standards for the content of ammonia were exceeded in the apartments.

After the scandal a working group was created to investigate the causes of the ammonia smell in apartments. Experts say that the main reason for the ammonia smell in the room is poor-quality concrete. More precisely, the substances that are added to it to increase frost resistance and accelerate the hardening of the solution [12].

It is important to note that the YIT company pursued an open policy and provided all information on the affected equity holders. The YIT company named the exact number of complaints – the owners of 40 apartments in the Optimist residential complex turned to the developer. At the same time, an excess of the permissible concentration of ammonia was recorded in 400 apartments of the YIT company. The company also immediately suggested that customers who had already completed a sale and purchase agreement either get an apartment and abandon the claim, or return the company's apartments in exchange for the money paid for the apartment and compensation of 10% of the apartment value (*recovery strategy - compensation*) [1]. At the same time, the houses of the YIT company and, in particular, the Optimist residential complex, according to the company's statements earlier, are being built from special environmentally friendly building materials, which is reflected in the high cost of apartments relative to the market.

Nevertheless, there were also such conflicts that reached the point of litigation. A resident of the residential complex "Optimist" after the decision of the Primorsky District Court was able to return 55% of the cost of the apartment: 15% as a markdown for the apartment and 30% fine for violation of consumer rights and refusal to compensate for losses on a voluntary basis by the company YIT [1].

In addition to treating the walls with a special solution to neutralize ammonia, which was used by most construction companies, the specialists of the Finnish concern YIT purified the air with special filters. The company also hired Finnish experts to investigate the source of the odor (*corrective action strategy*).

This case is an example of effective crisis management. The main success of the use of anti-crisis communications by YIT is: an open policy and the provision of complete, reliable information (the exact number of complaints and apartments in which the smell of ammonia was recorded), active interaction with victims (payment of compensation) and immediate measures to eliminate the smell ammonia in apartments.

Conclusion

Traditionally, the construction industry was closed and low competitive business area. And only in the last few years, after an increase in the number of players in the market and increased competition, construction organizations began to think about using PR tools to build communication with various groups of the public.

Based on the example of specific cases, we made conclusion that a crisis is a complex and unpredictable process. In particular, for the construction industry, where the degree of responsibility towards all stakeholders for possible consequences is especially high. Having examined in detail the strategy of various companies' response to a crisis situation, we conclude that not all companies manage to effectively resolve the crisis, correct the situation and minimize reputational losses.

We concluded that when interacting with each of the 5 groups of the public in a crisis situation, it is recommended to perform certain actions and tasks within the framework of the response strategy. However, the researchers also identify a general response strategy for crisis communications in the construction industry – the maximum generation of positive reasons, using the feedback and comments of expert, professional and other loyal public groups to the company.

References

1. Asanova A. The court assessed the smell of ammonia // Fontanka.ru. 16.05.2013. URL: <http://www.fontanka.ru/2013/05/16/087/> (accessed 19.06.2021). (In Russian)
2. Chumikov A.N., Bocharov M.P. Public Relations: Theory and Practice: Textbook. LLC "Business". 2004. 413p. (In Russian)
3. Coombs W.T., Holladay S.J. The Handbook of Crisis Communication. Willey-Blackwell. 2010.768 p.
4. In St. Petersburg, dissatisfied shareholders of Normann Group of Companies took part in the rally // Delovoy Peterburg. 13.01.2018. URL: https://www.dp.ru/a/2018/01/13/V_Peterburge_na_miting_vi (accessed 19.06.2021). (In Russian)
5. Fearn-Banks K. Crisis Communication. A Casebook Approach (4th edition). Routledge. 2010.524 p.
6. Gavra D. P. To rethink the category of crisis communication // Strategic communications in business and politics. Saint-Petersburg. 2014. P.17-24. (In Russian)

7. Gavra D.P., Bykova E.V. Crisis communications in the construction business: basic principles and practical aspects // Russian School of Public Relations. 2016. Vol.8. P.100-109. (In Russian).
8. Lobanovskiy A. Cheap land for defrauded equity holders: Smolny and RSTI hit hands // Delovoy Peterburg. 17.11.2020. URL: https://www.dp.ru/a/2020/11/17/Deshjovaja_zemlja_za_obmanuti (accessed 19.06.2021). (In Russian)
9. Sanzheeva D. The developer "Normann" answered the protesters // Moika 78. 15.01.2008. URL: <https://moika78.ru/news/2018-01-15/11300-zastroyshchik--Normann--otvetil-mitinguyushchim/> (accessed 19.06.2021). (In Russian)
10. Smolny unveiled a new list of houses that are being erected without a building permit // TASS. 26.11.2013. URL: <https://tass.ru/spb-news/791685> (accessed 19.06.2021). (In Russian)
11. Tyrtishova O. And the house is still there. Shareholders of the residential complex "Na Zarechnaya" do not believe in the desire of the authorities to complete the long-term construction // Karpovka. 08.07.2020. URL: <https://karpovka.com/2020-07-08/a-dom-i-nyne-tam-dolshhiki-zhk-na-zarechnoj-ne-veryat-v-zhelanie-vlasti-zavershit-dolgostroj/> (accessed 19.06.2021). (In Russian)
12. Zakharov A. Developers "sniffing" the concrete from LSR // Fontanka.ru. 04.08.2011. URL: <http://www.fontanka.ru/2011/08/04/110/> (accessed 19.06.2021). (In Russian)

Список литературы

1. Асанова А. Суд оценил запах аммиака // Фонтанка.ру. 16.05.2013. URL: <http://www.fontanka.ru/2013/05/16/087/> (дата обращения 19.06.2021).
2. В Петербурге на митинг вышли недовольные дольщики ГК Norman // Деловой Петербург. 13.01.2018. URL: https://www.dp.ru/a/2018/01/13/V_Peterburge_na_miting_vi (дата обращения 19.06.2021).
3. Гавра Д. П. К переосмыслению категории кризисной коммуникации // Strategic communications in business and politics. 2014. P.17-24
4. Гавра Д.П., Быкова Е.В. Кризисные коммуникации в строительном бизнесе: базовые принципы и прикладные аспекты // Российская школа связей с общественностью. 2016. Вып.8. С.100-109.
5. Захаров А. Застройщики принимают к бетону от «ЛСР» // Фонтанка.ру. 04.08.2011. URL: <http://www.fontanka.ru/2011/08/04/110/> (дата обращения 19.06.2021).
6. Лобановский А. Дешёвая земля за обманутых дольщиков: Смольный и РСТИ ударили по рукам // Деловой Петербург. 17.11.2020. URL: https://www.dp.ru/a/2020/11/17/Deshjovaja_zemlja_za_obmanuti (дата обращения 19.06.2021).
7. Санжеева Д. Застройщик «Normann» ответил митингующим // Мойка 78. 15.01.2008. URL: <https://moika78.ru/news/2018-01-15/11300-zastroyshchik--Normann--otvetil-mitinguyushchim/> (дата обращения 19.06.2021).
8. Смольный обнародовал новый список домов, которые возводят без разрешения на строительство // ТАСС. 26.11.2013. URL: <https://tass.ru/spb-news/791685> (дата обращения 19.06.2021).
9. Тыртишова О. А дом и ныне там. Дольщики ЖК «На Заречной» не верят в желание власти завершить долгострой // Интернет-газета Карповка. 08.07.2020. URL:

<https://karpovka.com/2020-07-08/a-dom-i-nyne-tam-dolshhiki-zhk-na-zarechnoj-ne-veryat-v-zhelanie-vlasti-zavershit-dolgostroj/> (дата обращения 19.06.2021).

10. Чумиков А.Н., Бочаров М.П. Связи с общественностью: теория и практика: Учеб. Пособие. 2-е изд. М.: Дело. 2004. 413 с.
11. Coombs W.T., Holladay S.J. The Handbook of Crisis Communication. Willey-Blackwell. 2010. 768 p.
12. Fearn-Banks K. Crisis Communication. A Casebook Approach (4th edition). Routledge. 2010. 524 p.