

Measuring a Company Reputation in a Crisis Situation: An Ethnography Approach on the Situational Crisis Communication Theory

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Abstract

By conducting an ethnography method, this research applied the Situational Crisis Communication Theory (SCCT) to explain the public perception about the company's action during a crisis. The public has a particular attribution about the crisis that determines the company's reputation. The attribution involves three factors of the reputation, an initial crisis responsibility, a crisis history, and a prior relational reputation. The SCCT has often been overlooked; however, most research has focused on an organization-centered approach rather than a public approach. Hence, this current research focuses on the public's perspective of the mudflow crisis in Indonesia. There also appears to be little ethnography research available that centered on the public approach. It gives contribution to the public relations issues and crisis management field. This research reinforces the Situational Crisis Communication Theory. It should be emphasized that the company should deal more properly with the impact of the crisis on the victims.

Keywords: Situational Crisis Communication Theory, crisis management, public relations, reputation, ethnography

1. Introduction: the Mudflow Crisis

In this research, the Situational Crisis Communication Theory (SCCT) was applied to measure the company's reputation during a mudflow crisis. The mudflow has been occurring since 29th of May 2006 and the center of eruption is 200 m from Lapindo's drilling activity in Sidoarjo, Indonesia. It has become a lake of mud and has submerged 12 villages. It compelled more than 60,000 people to leave their homes and resulted in 14 deaths. According to the presidential regulation, the victims were categorized in three disaster zone and Lapindo is responsible to pay compensation for the victims in the disaster zone 1 and 2.

Lapindo Inc is a production sharing contract and owned by Bakrie Group. The main production is natural gas and exploration efforts will provide clean and cheap energy for the communities and the industries. During the fieldwork, the researcher found that Lapindo has a special power in high politics because Aburizal Bakrie (the owner of Bakrie Group) was the Indonesia minister (in 2004-2009). At present, he is the Chief of the biggest political party (the winner of the 2004 National Election and the second winner of the 2009 national Election) and the chief of the union of the coalition parties for supporting the government so that it appeared to be a conflict of interest. The crisis also created controversial speculation in the community regarding the issue of a unique relationship between the company and the government during their efforts to deal with the mudflow crisis. Indeed, it was difficult to know when Bakrie acted as the minister and when he acted as the Bakrie's owner (Akbar, 2007; Cahyadi, 2008; Santoso, 2007; Schiller, Lucas, & Sulistiyanto, 2008; Utomo, 2009).

The crisis grew quickly to an *imminent status* when it revealed the public knowledge and the dispute which tended to blame the company, including the geologist, mass-media, NGOs, the victims and the government. Quickly, during 2007-2008, the cause of the eruption became a *current stage*. It became the public's focus of discussions when opinion leaders dealt with this issue. They gave statements, which had a great influence on the public, through the mass-media. When the courts decided that it was a natural phenomenon the crisis became a *critical* because the public is divided into two; they agree or disagree with the issue. However, at present, it is in a *dormant stage* because the government and legal formal institutions view that it is a natural disaster. The issue of the cause of the eruption was also considered by the central government. After 15 days of the first eruption, the Minister of Energy and Mineral set up the Investigation Team.

After three months, the team concluded that the mud eruption was caused by the drilling mistake of not using casing (Sha, C9, & Kim, 2010). This was also the conclusion of the East Java Police in their investigation a month after the incident (Asmoro, 2006). Similarly, the President and the Members of the House of Representatives demanded Lapindo pay compensation to the victims. Lapindo has agreed to pay compensation for the victims.

However, the crisis has not been solved completely. The compensation payments have not been conducted properly up in the six years of the crisis. Some of the victims have not been receiving the compensation and there is a clear lack of information about when the payments would be completed properly.

2. *The Situational Crisis Communication Theory (SCCT)*

The key point of this theory is it emphasizes protecting the public from damage, rather than protecting the company's reputation. This is the first priority to warrant safety and survival when facing a crisis situation (Veil, Liu, Erickson, & Sellnow, 2005). In turn, it can develop positive attribution of the public to the company's reputation. Coombs (2007) stated:

It would be irresponsible to begin crisis communication by focusing on the organization's reputation. To be ethical, crisis managers must begin their efforts by using communication to address the physical and psychological concerns of the community. It is only after this foundation is established that crisis managers should turn their attentions to reputational assets. (p. 165)

The assumption about not solely focus on the organization's reputation appears to be linked to a Contingency theory of Accommodation in Public relations. The Contingency Theory of Accommodation assumes that although Public relations practitioners consider to be advocates for or defenders of their organizations, they also have a function as an accommodator of trust with their public (Cameron, Cancel, Sallot, & Mitrook, 1997; Mitrook, Parish, & Seltzer, 2008; Reber & Cameron, 2003).

It appears that the concept 'reputation' means that the company has 'legitimacy'. Metzler (Veil, et al., 2005, p. 19) and Culbertson, Jeffers, Stone, and Terrell (1993, p. 18) stated that legitimacy is "an organization's right to exist". In short, legitimacy is approved by the community (Culbertson, et al., 1993) and developed by two aspects: an organization's competence and character (Veil, et al., 2005). If the company operates its business effectively, it will be called competent. Furthermore, character can be gained if the public perceives that the company has programs that are concerned with social community (CSR) (Bhattacharya, Korschun, & Sen, 2009; Turker, 2009; Veil, et al., 2005).

Therefore, the public's interpretation is important to support an organization's competence (Veil, et al., 2005) and competence is the aspect of the model of reputational crisis that determines the degree of the company's reputation (Zyglidopoulos, 1999). To gain a positive interpretation, the company must satisfy the expectation of its public.

In terms of the company's reputation, the SCCT describes three factors in a crisis situation that potentially threaten the reputation of the company. These three factors are an initial crisis responsibility, a crisis history, and a prior relational reputation. The initial crisis responsibility is the level of the public's attribution toward the company's responsibility of the crisis: whether the company is perceived to have caused the crisis or not (Claeys, Cauberghe, & Vyncke, 2010; Coombs, 2007). Public attribution can be categorized into three clusters of crisis, called crisis types: a victim cluster, an accidental cluster, and an intentional cluster (Coombs, 2007). The company is categorized as the victim cluster when the public considers that the company is not the cause of the event. The accidental cluster emerges if the public considers that the event is accidentally caused by the company. An intentional cluster occurs when the public attributes that the event happened because of the company's mistakes.

Furthermore, the crisis history occurs when the public perceives that the company has experienced the same situation previously. The prior relational reputation is the public's perception of how the company has cared for the public in previous situations (Coombs, 2007).

The SCCT has often been overlooked. However, most research has focused on an organization centered approach rather than a public approach (Choi & Lin, 2009). In addition, most of the research applied a quantitative method. There appears to be little qualitative research that centered on the public approach (Moffitt, 1992), therefore this theory was applied in a qualitative methodology in order to obtain more detailed information.

For instance, Sisco, Collins, and Zoch (2010) undertook content analysis to examine the response strategy of the American Red Cross in dealing with the crisis and compared it with this theory. Hence, this research focuses on the public's perspective of the mudflow crisis.

3. Research Question

“How did the victims perceive about the company's action to deal with crisis?; How was the company's reputation regarding the variables of Situational Crisis Communication Theory? ”

4. Research Method

This research used an ethnography approach that allowed the researcher to ask questions of the respondents in more detail, with flexibility, and freely about all aspects regarding the mudflow crisis. Ethnography aims to describe how people use their culture to give meaning to the reality, and construe social interaction between people and groups (Ellingson, 2009; Gobo, 2008; Wimmer & Dominick, 2006). This research applied an ethnography method for reason that this research did not aim to statistically generalize the data, but it investigated the victims' construction of the crisis in-depth in a natural setting that was limited by their particular context. It will let them construct the reality in their own mind, as influenced by their cultures or knowledge.

Furthermore, the research consisted of two focus group discussions (12 persons) and depth-interviews with the victims (10 respondents) (primary data). The researcher applied saturation principle in data collecting. It means that the researcher felt that there was no new information available in the field, the researcher finished collecting data (Hesse-Biber & Leavy, 2006). To make data more detailed, the researcher classified other members of the public (such as press, academics, geologists, non-government activists, and public relations practitioners) as secondary data sources (Code “SR”).

5. The controversy of the case

The crisis created controversy about the compensation. To deal with the compensation issues, Lapindo built a new company, Minarak Lapindo. The victims received money for two years rental from Lapindo after waiting for 3-4 months in the temporary shelter. However, they did not know whether they gained compensation for losing their land and houses or not.

To date, the victims are still living in an uncertain situation because of a circuitous payment. The circuitous payment happened because of the dispute of the cause and the actor who should be responsible to deal with the crisis. Lapindo argued that the mud eruption was a natural disaster; the public argued that it was a drilling mistake so the company should be responsible to pay compensation. Finally, the Indonesian courts decided it was a natural phenomenon that has been creating the dispute between the company and the Indonesian community.

The cause of the mudflow was also considered at an International Conference in South Africa, October, 2008. Most of the participants (42 scientists) voted that the gas exploration well which was being drilled by Lapindo Inc was the cause (Batubara, 2009). However, there was an issue that some geologists and academics had received money from Lapindo in order to support the company's stance by publishing the idea that the earthquake was a source of the eruption (Utomo, 2009). SR7, an academic, said that Lapindo needed experts and academics to legitimize its views. When being interviewed, SR1, a public relations officer from Lapindo, suggested that it was not true. SR1 stated that what experts said was neutral.

In a high political context, some of the public officers' statements tended to blame Lapindo as the main actor of the eruption. For example, the President stated that Lapindo was a party that must take responsibility for solving the eruption (Prastyo, 2006a)

In addition to oral statements, the written records also tended to blame Lapindo as the main actor of the disaster. For instance, the Presidential Regulation 13/2006 stated that all the expense for occlusion of the mudflow, handling the mudflow and the social problems will be the burden of Lapindo.

In legal form, the researcher found that there were two cases: a civil case and a criminal case. Some NGOs brought the civil case to the court and they prosecuted Lapindo and the government. However, the Appellate Court (27/12/2007), the High Court (13/06/2008) and the Supreme Court (29/05/2009) decided that the mudflow was a natural disaster. Some NGOs stated that the court only checked the experts' statements that supported the company's view that the mudflow was triggered by the earthquake (Web, 2009).

In terms of the criminal case, the Vice Attorney General stated that the cause of the eruption was not clear among experts (Idr, 2009). On June 27, 2006, the police concluded that there was a miss-procedure: Lapindo did not use a casing (Prastyo, 2006b). However, in August 2009, the police finally dropped the criminal case for the reason that the witnesses could not prove the correlation between the eruption and the drilling activity (Prastyo, 2009).

In addition, the criminal case process seemed to be circuitous and it was difficult to avoid the influence of the political and corporate powers. During the investigation by the police, the chief of the Supreme Court and the Chief of the House of Representatives stated that it was more important to ask Lapindo to stop the eruption and to pay compensation than to continue the case. After the compensation was conducted properly, there was no need to seek the culprits (Soetantini, 2006).

5. Results

5.1. The company's action

Throughout the data collection, the company and the centre government were perceived to not taking an immediate appropriate action. The systematic response had been established three months after disaster by issuing the Presidential Regulation no 13/2006, when several villages were submerged. Before receiving money for two years of rental from Lapindo, the victims waited for 3 months in the temporary shelter. Even when they received the money for two years rental, some of them had difficulty renting houses because the rent price was expensive. The house owners doubled the price after they realized that the victims received money for rental. As a result, some of the victims still insisted on staying at the temporary shelter after receiving the money for a house rent and social assurance.

In general, many of the company's actions were not as expected by the victims in spite of the fact that the company had provided aid and facilities for the victims in the temporary shelter. Although they received money in installment, the respondents admitted that the payments frequently were not conducted on time. The respondents were disappointed to wait in uncertain situation. They thought that the compensation was not equal to the sorrow they should live with. It was not only about money, but it was more of living in peace so the compensation was something they obliged to receive.

5.2. Communication Strategies from the Company

The researcher found that the company's Public relations had communication strategies to disseminate their views regarding this crisis. On all occasions, including seminars, press-conferences, news-interviews, and its media publications, Lapindo attributed *Sidoarjo Mud*. It can be argued that through these communication strategies, Public Relations Officers tried to construct the event as a natural disaster therefore the company was not responsible. From interviewing SR1, it is important to note that the construction of *Sidoarjo Mud* was the priority program of the Public Relations Officers. This is what he said: "First of all, we must have the same point of view about this mudflow. It is important to note that the event is *Sidoarjo Mud*, not *Lapindo Mud*. It is natural disaster happening in *Sidoarjo*. It is not true that the mudflow was caused by Lapindo's drilling activity."

On its communication strategies, in terms of the instigator of the eruption, Lapindo stated that it was not the actor who caused the eruption. Lapindo was also the victim because it was not able to conduct its daily operation because of the mud eruption. As a result, the government was obligated to protect, fulfill and respect the company's basic rights because the community tended to blame the company as the main actor. Conversely, in its magazine, *SoLusi*, Lapindo argued that it has tried to solve the problems although there was no decision about the cause of the eruption. However, any efforts to solve the problems were not done properly because other people, such as the geologists, the oil scientists, and the politicians were involved in it.

With regard to the actor of the crisis, *SoLusi* consistently constructed that the government was the main actor who was expected to take responsibility for the mudflow crisis. Quoting the academics' statements, *SoLusi* seemed to blame the government, for such as not taking immediate action to solve the problem, not protecting the victims' and company's basic rights, and failing to either unite the victims' interests or give clear information to the victims.

The researcher found Lapindo's efforts to deal with the social problems: giving resettlement into a modern residence, conducting workshops, treating the victims well and the victims became rich people after receiving compensation.

In the last edition (35th), SoLusi constructed that all the efforts were evidence that Bakrie Group has a high commitment to help the society in dealing with the crisis. SoLusi also described that the crisis did not influence the economic activities, such as investment increased and the industry in Sidoarjo turned over rapidly. Conversely, the crisis created new job opportunities for the people, such as guiding the visitors to the mud, selling food and drink to the visitors, and selling the VCDs. However, from field interviews and focus group discussions, participants said that they lost jobs after the mudflow submerged the rice field and the factories. As a result, they earn money by conducting other activities, such as guiding people who want to know the situation at the embankment, managing the traffic, selling accessories, selling food and drinks, selling VCDs, and riding a motorcycle taxi.

The results of content analysis on SoLusi appear to be linked to two academics' statements that this magazine aims to create the company's image. SR6, an academic, said:

Alternative media would be good if it is functioned properly. Moreover, the definition of alternative media is actually an alternative grassroots media to bridge the voice of citizens and Lapindo who never covered by mainstream media. If in fact, the alternative media was just a PR tool of Lapindo to build only its positive image, then what it is for?

Meanwhile, SR7 gave a statement:

I assume that Lapindo need a legitimation from scientists or academics to disseminate alternative discourse about the Lapindo case. There was an agenda setting to move the issue from the cause of the eruption to the efforts of dealing with the crisis.

Throughout the data collection, it appears that the crisis management failed to ensure reliable and regular information, causing uncertainty. The research revealed that the basic problem was closed communication. The victims felt that the company did not give clear explanations about what had happened and what people should do. Regarding communication strategies, the researcher found that closed communication involved three aspects: *Firstly*, social warning and compensation as the important information that the victims needed. The information about compensation was relayed to the victims after they conducted demonstrations.

The victims perceived that the information was relayed from the head of neighbors, residents, the Alliance of Lapindo Mud Victims, and Village Officers. The victims relied more on them to seek information. Although they admitted that mass media provided the important information, they thought some of media were under control to relay misleading information.

The second aspect of communication strategies was the information about the drilling activity. When the researcher asked the victims about the drilling activity, it is interesting that most respondents said they knew about the company, the oil and gas exploration after the incident. Throughout the field observations, there were many versions about the activity, such as a breeding farm and a fabric.

It seems that the respondents' statements about the quality of information above are closely linked with one of academics' (SR6) and PR practitioners' (SR8) statements. When the researcher asked SR6 about the dearth of information during crisis, she said that she did not even know or realize if Lapindo had its own communication strategy. Even if there was an integrated communication strategy, she argued that it might not have been determined to public. She was sure that there was no any well-planned communication strategy. It was more like incidental response sporadically. Similarly, SR8 said that Lapindo apparently conducted a silence strategy, no one taking responsible for the action and no appointed spoke persons about the incident, more than one person appear in media to give statement. Regarding reputation management, she added that the company did not well organized, some action were taken but they were not sustained and just half done. It is interesting to link these statements to the statements from the public relations officers from Lapindo. When the researcher asked PR Manager via email about this communication strategy, she said: "In terms of managing the mudflow crisis, Lapindo actually does not have a PR contingency plan. The reason is this [the mudflow] is a natural disaster."

Meanwhile, when the researcher asked SR1 why Lapindo did not provide information, he answered that providing information was the government's duty. It was not the company's responsibility to relay information because the cause of the eruption was not the company's mistake.

Thirdly, the research found that the crisis management focused more on maintaining the company's reputation than on the victims' fate.

Some evidence supported this statement, such as the victims was living in the temporary shelters, waiting for months without clear information about the compensation, and the company was more busy to persuade public that the mudflow was not caused by drilling error.

In order to maintain its reputation, this research found that Lapindo spent a large sum of money for advertising (media buying) in order to disseminate the key-message of a natural disaster. Two of the biggest printed media in Indonesia published the advertorial from Lapindo. A full page advertorial was appeared for six months in a row on local newspapers. Lapindo advertised that “two events (the earthquake and the mud eruption) were facts that happened in a row as causal relations. Most of the experts concluded that the eruption is a natural phenomenon which is called the mud volcano. Regarding the social problems, Lapindo has given aid to the victims, including the house rental, the living allowance, healthy water, and transportation for the students”. These key-messages also disseminated through mass media owned by Bakrie Group (two national televisions, one national newspaper and online news agency). This situation was linked to SR8’s statement that no key messages have been brought except that it was caused by earthquake.

In addition to advertising programs, the company published several publications, such as magazines, flyers and books to describe the company efforts to deal with social problems. According to these publications, most the victims become rich because they received large money from the company. What were the respondents’ perceptions about this company’s communication efforts? Respondent 3 said that the information presented in the flyers was only delivering some so-called good news. For example, it was true that Lapindo held workshops but most the victims were not involved in because there was no socialization.”

Similarly, when the researcher showed the publications to other respondents, they admitted that the publications focused to describe the victims who had already obtained the compensation. In fact, most the victims have not received the compensation. For example, Participant 1 in FGD 2 stated that the information provided is only a formality. The information about the victims who have received benefit is actually only one or two persons. There are actually still more suffering people who are left behind.

6. The Company’s Reputation

Could the communication efforts persuade the victims’ perception? Could the company’s efforts to give aids and compensation shape a positive attribution to the company? The research, hence, investigated the attribution in regard to three variables of the Situational Crisis Communication Theory (SCCT):

6.1. The Initial Crisis Responsibility

Most respondents and the participants in FGDs attributed the mudflow crisis to the intentional cluster because they decided that the company’s mistakes caused the eruption. As a result, the company was decided as the actor that should take responsibility to solve any problems. The respondents and participants admitted that they still constructed the crisis as “the Lapindo Mud” rather than “the Sidoarjo Mud”, even though they received all payment of compensation. Respondent 2 said that Lapindo is deliberately leaked in order to extend the drilling area. Respondent 3 stated that he was sure [about the cause] after I read newspapers and heard from other people. Even though Lapindo is determined to being not guilty, I will always call it Lapindo mudflow.

From the data above, it is apparent that the victims’ perceptions about the cause of the mud eruption were influenced by two sources: interpersonal communication and the mass media reports. The role of these source of information is important because actually all respondents admitted that they did not know the company and its drilling activity. From the mass media reports and interpersonal communication, the victims concluded that the drilling mistake caused the disaster. When conducting focus group discussions and interviews, the researcher found that some respondents admitted that the media was quite open in reporting information to society, but not all mass media dare to provide openly news coverage and not accurate. Some respondents said that it was because of the fact that several media belonged to Bakrie Group, the owner of Lapindo.

The construction about the cause of the eruption was appeared in some communication media such as t-shirts, posters, vcd, and street banners. These media were produced and used by group of victims to express their feelings and opinions. The reasons of producing these media were the difficulty gaining the mass media attention about the victims’ fate and obtaining reliable information.

6.2. The Crisis History

In terms of the crisis history, there was a lack of confidence in the company. The respondents construed that the agreement and regulations were not obeyed many times. The agreement stated that the payment would be cash in a lump sum, but the victims were paid in installments. Instead of giving fresh money, Lapindo offered a new residence in the relocation scheme. The issues of relocation and cash money revived into a critical stage because this situation led to disagreement among the group of the victims. However, during this crisis, the victims admitted that the company provided some corporate social responsibility (CSR) programs, although these programs were not conducted properly. From their responses, it is interesting that the victims perceived CSR as any programs excluded the compensation payments for the houses and land. Participant 3 in FGD 2 argued that there was CSR program, but not quite optimal and integrated. The intention to support small business is just formality and not totally integrated.

6.3. The Prior Relational Reputation

The last variable is a prior relational reputation. I explored the victims' perception of how the company has cared for them in previous situations. When the data collections were conducted, the mudflow crisis had been occurring for more than three years. At that time, some respondents had received 20% of the payments and been receiving for the 80%. However, other respondents admitted that they did not know the time for the payment of 80% of the compensation. When I asked them about how the company treated them, most respondents and participants related this treatment to compensation process. For example, as stated by Respondent 9 that he defined a good treat as paying the compensation. Lapindo would show good care, if it paid the compensation completely within the due date.

Some respondents admitted that they were happy to receive a large sum of money from the company. Respondent 3 added that he met some people saying that they were satisfied. While in Siring, they had a small house without a motorcycle. But now, they have a car, a house, and still receiving the compensation paid in installments each month. The price of house and land are higher than average. However, he also said: "But, not all of the company actions have fulfilled our hope. I think that Lapindo has not handled this crisis properly. The payments are not on time and only few people have received payments completely, and the efforts to stop the eruption have been stopped."

Even though some Respondents admitted that they have a reasonably comfortable life after receiving compensation, they felt that the company did not take care of them well. The reasons were: they felt that they lived in hardship and waited for months unsure about their fate; the compensation was an inherent responsibility of the company as the source the crisis; they still lost social-culture aspects which cannot be replaced by money.

The research also revealed that closed communication led to emerge rumors among the victims about close relationship between the company and the government. They tried to understand why this event happened. Respondent 2, for example, said that Lapindo was deliberately leaked in order to extend its drilling exploration. However, she admitted that she did not know whether the company and government have collaborated in this disaster. It seems that Indonesian law is still unfair to marginal society. Justice is only meant to those who have money to pay. Respondent 4 argued that as a big corporation, Lapindo must have special relation with the government either before or after the crisis. I thought that it was a bit difficult to up hold the law in this crisis. We fought against a big corporation with bad reputation in controlling the courts. Furthermore, Respondent 6 argued that there was a mutual collusion between government and the company. Information was less transparent as many things were covered up.

7. Discussions and Conclusions

In conclusion, this research reinforces the Situational Crisis Communication Theory. It should be emphasized that the company should deal more properly with the impact of the crisis on the victims. The company should be sure that no one outside the company will suffer physically and psychologically. The company should quickly relay information about what people should do and give compensation rather than spend time to prove that the company is not guilty. Even though the cause of the eruption had not been determined, the public perceived and attributed it to a drilling mistake. Perception is able to influence a reality and create a reality. The crisis can be constructed as bad or good, as it depends on how people perceive it because perception is intangible in the minds of people involved in the crisis.

At present, what the company should do is complete the compensation properly in an agreed time as a form of the social responsibility program because the court stated it was a natural disaster.

Furthermore, public relations officers failed to ensure reliable and regular information, causing uncertainty. The failure to provide and control the flow of information accurately and efficiently made the crisis worse. Adopting Duhe's (2005) idea, it was one of the biggest mistakes during a crisis situation. The victims felt that the company did not give clear explanations about what had happened and what people should do. On the other hand, the crisis management focused more on maintaining the company's reputation than on the victims' fate. Public relations tended to focus on constructing the frame about the source of the eruption. It can be argued that the aim of the communication strategy was to convince the public that the company was not guilty. It is reasonable because Public relations officers act as an advocate for or defender of the organization. However, Public Relations activity should be relied on different realities rather than on the company's construction as one dominant ideology (Toth, 2002) as well as applying the function of boundary-spanning to facilitate and to monitor the environment. It can be said that public relations practice should not focus only on the organization advocacy but also accommodate the public (Reber & Cameron, 2003).

It should be noted that individuals have their own attribution in regard to the mudflow crisis that is constructed from their experiences and information about it. Adopting the principles of social constructionist from Berger & Luckman, it can be stated that plurality of attribution of the mudflow event is shaped and constructed socially (Hearit & Courtright, 2003). Individuals have their own educational backgrounds, experiences, family norms, preferences, particular social environment, interests, interaction patterns so that they interpret the crisis as their own construction. Through externalization process, individuals absorb particular information about the mudflow that has been constructed by the government, Public Relations Officers from Lapindo, mass media, academics or their relatives. In this point, the mudflow event becomes an objective reality. Which construction will be an objective reality depends on how the construction is shaped and the power to communicate that the construction itself is about something that people believe as a social reality. By spending a large sum of money for an advertising strategy on local and national media, take over several mass media and a political position of the owner, Lapindo had the power to communicate the construction of "Sidoarjo Mud", particularly in a high political context. However, the company failed to shape the victims' construction of reality because of ineffective crisis management.

In fact, the consequences of not responding to the crisis promptly, the victims, as members of the external public, have been living in hardship. As a results, the victims perceived the mudflow crisis as the intentional cluster, the company was the actor that should take responsibility to solve any problems, including giving complete compensation. In terms of the crisis history, the respondents also construed that the agreement and regulations were not obeyed many times. Finally, the company had bad reputation because the victims felt that the company did not take care of them well, even though some Respondents admitted that they have a reasonably comfortable life after receiving compensation. The reasons were: they felt that they lived in hardship and waited for months unsure about their fate; the compensation was an inherent responsibility of the company as the source the crisis; they still lost social-culture aspects which cannot be replaced by money. According to the SCCT, the company should have emphasized protecting the public from damage, rather than protecting the company's reputation. This is the first priority to warrant safety and survival when facing a crisis situation.

It seems that Lapindo viewed the victims based on the strategic approach when defining its public. In this approach, the victims are assumed to be passive when receiving organizational messages rather than being active and equal participants (Leitch & Neilson, 1997). The victims were directed only to understand the company's construction about the crisis, such as the company was a victim too and the construction of the crisis that it was a natural disaster. Many demonstrations indicated that the victims did not have a chance to express and to argue their feelings. It is a duty of public relations officers to ensure that the public will be served well by the company by assisting to devise communication strategies that will allow the company to adapt their environment. Public relations officers must be responsible for helping management to deal with this crisis. Several studies, such as Grunig & Repper (2008) and Medere (2008), have given evidence that the public relations officers have the main obligation to create messages and communicate these in order to obtain a positive image toward their company. Furthermore, these strategies will help to manage issues which emerge during the crisis.

8. Limitations and Recommendations

The limitation of this research is that it did not aim to generalize the data, but it investigated the victims' construction of the crisis in-depth in a natural setting that limited by their particular context. Therefore the results cannot be extrapolated to other context and it depends, for instance, on the political and social context within the case. The aim of the paper is not to judge Lapindo's responsibility but to show how the different actors interact and the consequences of those interactions for real people. For future research, quantitative methods, such as an experimental and a survey research, can be conducted to investigate the correlation between public relations programs and the public perception regarding the variables of the SCCT.

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