

Раздел 6. INTERNATIONAL COMMUNICATIONS: PROBLEMS, EFFICIENT TECHNOLOGIES, DEVELOPMENT PROSPECTS

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THE CHALLENGES OF COMMUNICATION IN THE BRAZILIAN MINERAL SECTOR: GOING BEYOND THE NARRATIVE TO ENHANCE REPUTATION

Abstract

The article considers the problem of formation of positive reputation of mining companies. The authors reveal effective approaches to communication with various stakeholders, demonstrate the characteristic problems that arise in the course of this communication and possible ways to solve it. The article also analyzes the specifics of the development of communication strategy and implementation of the concept of socially responsible business in the mining sector.

Keywords: mining sector, communication strategy, communications with stakeholders, socially responsible business.

Introduction.

Organizations need to communicate and relate to all stakeholders in a strategic and planned way. In an interconnected and networked society, organizations are no longer able to move forward if they do not maintain an open, close and constant relationship. Dialogue is key in any relationship. Dialogue presupposes more than issuing speeches, messages and papers. The focus should be on listening, creating empathy and building trust. However, in a world thirsty for transparency and genuine relationships, organizations are losing the confidence of the population in recent years according to studies conducted and indications of Trust Barometer [1].

Looking at the mineral sector, the context seems to be even more complex. Once it is an industry characterized by locational rigidity. In other words, the companies do not choose where they will develop its projects. Investments are limited to where mineral deposits are found, often far from urban centers, sometimes very near big cities or very close to protected landscapes, usually causing a lot of discussion and disputes around impacts and benefits. Minerals are present in all regions of the world, so the challenges can be considered a global issue. This rigidity reinforces the bond of mining with the territories where they are located and being developed.

In addition to the locational rigidity, historical factors also impact the reputation of mining and how the industry is perceived in certain countries. The culture also influences in a decisive way the relation of the society with the mining companies. The sector needs to understand these characteristics and seek to structure an assertive communication plan, aligned with the needs of the sector, but always taking into consideration the expectations and demands (real demands) of the stakeholders involved with the mineral activities. Reputation is a factor of competitiveness, determining the attractiveness and retention of talent, facilitates business besides impacting the financial results of organizations [4].

So, how to develop a communication and relationship strategy for companies in this industry? What should be the premises when developing this plan? How to face and minimize all the issues that impact mining? What are the impacts of each relationship group on the industry's reputation? How to prioritize actions and structure project with a return to society and all groups involved. Is it possible to develop mining in synergy with society, a responsible mining?

This article proposes to evaluate the main reputational challenges of the sector and how the communication processes could evolve to enhance reputation.

Recent studies in the reputation area indicate a loss in the overall industry index. This loss is influenced by the conduct of the mining companies and also by a change in the posture of the stakeholders. A greater demand on transparency, openness, relationship and coping [6].

After analyzing the mining scenario in a specific country, Brazil, and the posture of the mineral sector, we intend to present ways to be conducted and proposals for actions in the scope of communication and relationships.

New paths will also be possible, in future investigations, to extend this analysis and research in the global scope, including comparing the mineral sector in different regions, countries and cultures.

The challenges of Brazilian Mining.

The Brazilian mineral industry recorded revenues of US \$ 32 billion in 2017. This figure is 33 % higher than that of 2016 (US \$ 24 billion). It is expected that in 2018 the value of mineral production will reach US \$ 34 billion, according to the Brazilian Mining Institute (IBRAM). Besides the economic importance, the mineral industry has a very big impact in the territory where it operates.

Approximately 30 % of the Brazilian municipalities have mineral activity, since they collect the royalties on the mineral, which represents approximately 1,700 cities. On the other hand, there is a great concentration of collected values. 27 of these municipalities represent 80 % of the collection of these royalties [2].

According to Enríquez [2], the studies developed on the impact of the mineral sector on territorial development have three alternatives, two of which are totally antagonistic: mining is an activity that contributes nothing to the growth of a region when compared to other non-mining regions; mining as a springboard for development; mining as a generator of development possibilities. The author confirms her hypotheses after comparative research studies between regions of Brazil and Canada. The three hypotheses confirmed and presented in her studies are: the environmental dimension is not the main problem that mining cities face; the main issue faced by municipalities is socioeconomic due to the lack of structured actions for leverage and the development of the region; and mining royalties are an instrument of great potential to offset the impacts caused by mining.

Both for economic potential and for the historical and social dimension, mining has been structured as a vital sector for Brazil. However, in spite of its essentiality for the nation, being often a great vector of regional development and resource leverage for the country, since minerals are an important exported commodity, mining has been harshly criticized by different sectors of Brazilian society.

The industry has also been discussing a review of its legal and regulatory framework, which may have significant impacts on profitability by hundreds of companies operating in the country. In this scenario, adopting strategies that strengthen the reputation of organizations and the industry seems crucial to the future of this business in the country.

Reputation of the Brazilian Mining Sector.

Considering reputation as the collective perception we make about an organization's ability to generate value for different audiences based on their past experiences [4]. We evaluate the results for the Brazilian Mineral Sector in the face of a research conducted by the Brazilian Mining Association (IBRAM) in August 2017 where it was used the RepTrak methodology of the Reputation Institute.

In this study, three levels of analysis were performed: the emotional bond, that is, the evaluation to what extent audiences trust, admire, esteem and believe that the sector has a good overall reputation; the rational perceptions with seven dimensions: production, innovation, workplace, governance & ethics, citizenship, leadership & management and performance & results; and indicators deep dive where the attributes were evaluated to deepened perception. There were 26 attributes distributed into each dimension.

In figure 1 it is possible to identify the result of the research, where the mineral sector has a reputation of 55.6, considered, according to the methodology as weak. In August 2017 it was the first time the industry measured its reputation. An analysis of the average reputation of companies in the mineral sector was carried out. We can identify that this industry average reputation (55.7) is similar to the reputation of the mineral sector (55.6) in August 2017.

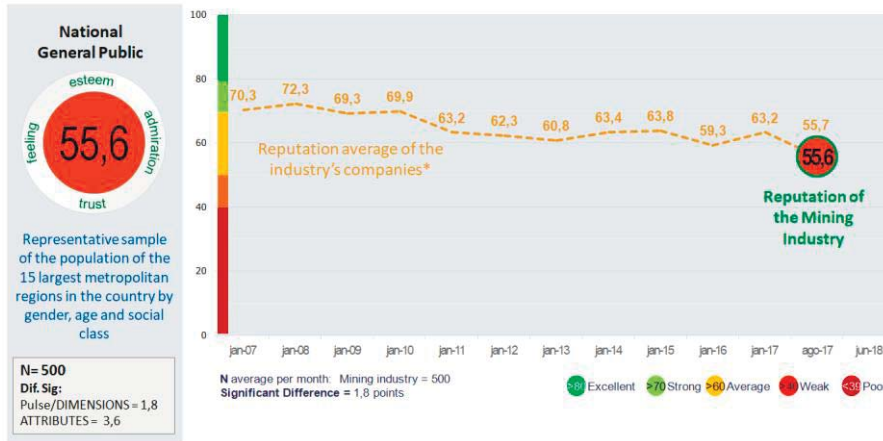


Figure 1

A sample cut of the population surveyed was segmented according to their degree of knowledge of the sector, which revealed that there is a trend towards greater favorability for the group with the highest level of information and familiarity about the mining performance. Even though there is no cause and effect relation, the people that feel most familiar with the industry evaluate reputation better - in an average level.

It is possible to notice an increase of 15,2 points between the groups "very familiar" and "little familiarity". 37.6 % that have little familiarity with the mining sector assess the industry's reputation at 51.1. Already 20.55 % of the public surveyed that consider themselves very familiar with the sector has a much more positive evaluation of the reputation, with 66.3%. We can then indicate that raising the level of knowledge in the industry can contribute to the improvement of reputation.

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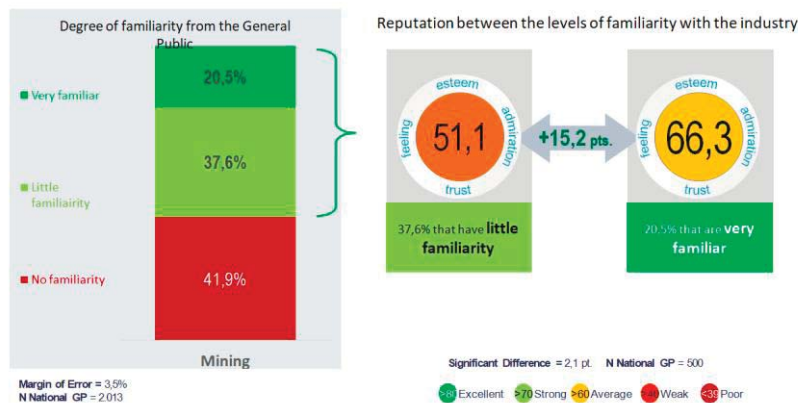


Figure 2

The sector is perceived with a medium favorability when participants in the research questioned their confidence in the mining companies in making the right decisions in the face of a crisis. In this sense, 40.6 % evaluated the performance of the sector as a positive, compared to 14.6 % negative and 41.4 % were neutral. This may also indicate an ignorance of the mineral activity, since only a very small part of the Brazilian population has or has had any contact with mining.

Much is studied in schools of the country, but with a historical look where the extraction of mineral goods (especially gold and precious stones) had an importance in the colonial period and the cultural formation in Brazil. Many cities and regions of the country were founded and grew from the extraction of these mining goods in the Portuguese colonial period. On the other hand, industrial mining is not studied in its essence in the school environment.

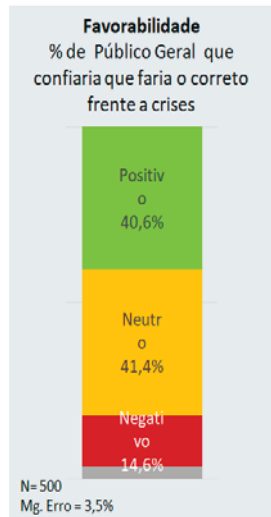


Figure 3

When we observed the evaluation of each attribute and its weight, we identified that the attributes most relevant to the population receive the most criticism. Citizenship is the dimension that has the most influence on the industry's reputation and is also the dimension in which the industry receives its worst evaluation. Already the best evaluated attribute, performance, has the lowest weight for the interviewees.

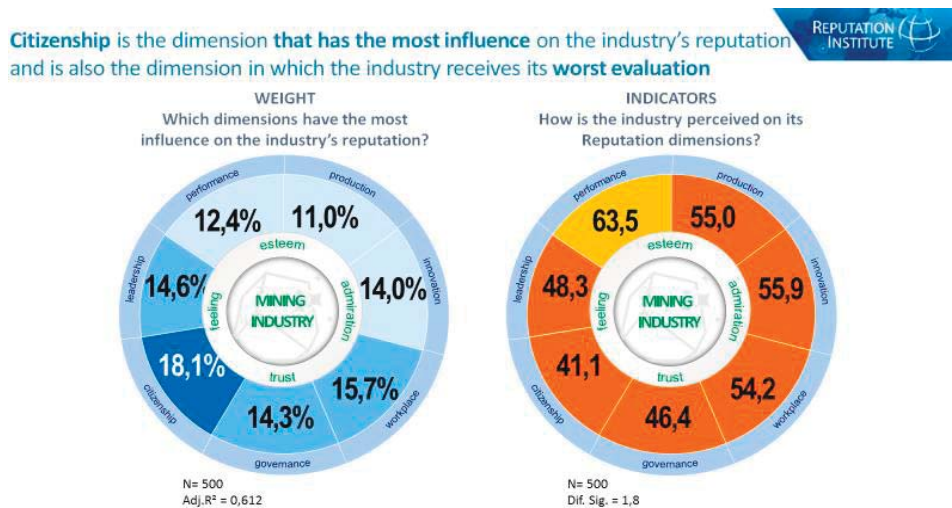


Figure 4

Conclusions.

The mining industry in Brazil still has a long way to build positive meanings that can generate a strong reputation. In the last years the sector has been criticized and lost defenders and increased the detractors. That may be related to recent accidents with mining companies. Research conducted by the Brazilian Mining Institute (IBRAM) also indicates that the absence of communication with society and the clarification about its activities can diminish individuals' perception of the real contribution of mining to the country. While we see an opportunity to broaden your relationship with stakeholder groups and with society in general, we also see an opportunity for the industry to rethink its operations and mindset.

In our view, a thorough evaluation of the sector's operations and their socio-environmental and economic impacts at local, regional and national levels will be required. Structural changes in operations need to be taken as priorities by mining companies with the goal of improving their relationships and industry reputation. Reputation can not improved only with a discursive change. New narratives may contribute to improve momentary perception, but we understand that a change of attitude and innovation in business could have more effective and consistent impacts for the indus-

try. For example, by promoting discussions on more contemporary principles such as circular economics, in which the entire productive cycle is rethought in order to potentiate positive impacts and eliminate the generation of negative impacts such as waste, or even by investing more in technology and processes to increase reliability of operations. Those could be ways to change the way mining companies operate.

Some mining companies have positioned themselves in a structured way in Brazil since the beginning of the year 2000. An effort of individual communication of the companies contributes to increase the awareness of brand and performance of these companies. On the other hand, expectations were also raised. As reputation is directly linked to the ability to deliver promises, in face of the expectations presented to each individual, it is important to manage the expectation and try to keep it as close as possible to reality.

As result of operational issues and business decisions, the industry suffered significant losses in their reputation, especially with stakeholder groups such as academics, the press, and political leadership.

An articulated sectorial work needs to be done to improve reputation. Resigning an activity or even a sector is a long-term job that needs to be aware of the key stakeholders, including public power, society and business, a work that goes far beyond just changing the narrative of the mineral sector.

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ПРОБЛЕМЫ КОММУНИКАЦИИ В БРАЗИЛЬСКОМ МИНЕРАЛЬНОМ СЕКТОРЕ: ФОРМИРУЕМ ПОЛОЖИТЕЛЬНУЮ РЕПУТАЦИЮ ЗА РАМКАМИ НАРРАТИВА

Аннотация

В статье рассматривается проблема формирования положительной репутации компаний горнодобывающего сектора. Авторы раскрывают эффективные подходы к коммуникации с различными стейкхолдерами, демонстрируют характерные проблемы, возникающие в ходе данной коммуникации и возможные пути их решения. Также статье анализируются особенности разработки коммуникационной стратегии и реализации концепции социально ответственного бизнеса в горнодобывающем секторе.

Ключевые слова: горнодобывающий сектор, коммуникационная стратегия, коммуникации со стейкхолдерами, социально ответственный бизнес.