

# Learning about reputational risk in the era of Covid-19: disinformation as corporate risk

## *Aprendizajes sobre el riesgo reputacional en época de Covid-19: la desinformación como riesgo corporativo*



**Magdalena Mut Camacho.** PhD in Business and Institutional Communication from *Universitat Jaume I*. She is also a graduate in Information Science from *Universitat Autònoma de Barcelona*. Lecturer in the department of Communication Sciences and in the official Master's Degree in New Trends and Processes of Innovation in Communication at *Universitat Jaume I de Castelló*. In addition, Professor Mut Camacho is co-director, together with Professor Joan Costa, of the International Master's Degree in Communication Management for the Latin American public. Her teaching and research activity are focused on the management of intangibles of an organisation and corporate communication. She has been a winner of the 1st Prat Gaballi Award of the Catalan Association of Advertisers and Public Relations, as well as a researcher with ENCOM –Engagement and Communication research group. Professor Mut Camacho also works as a researcher at the Cotec Foundation for Innovation and is a founding member of the Forum for Knowledge and Communication Research.

Universitat Jaume I, Spain

mcamacho@uji.es

ORCID: 0000-0002-1456-8567

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### **Abstract:**

When communication professionals were still asking themselves how companies could survive and prosper in the era of hyper-transparency while keeping all reputational risks under control, an unexpected situation appeared that is now generating two problems that were still in the process of being addressed in terms of how to integrate such risks into corporate reputation management. One difficulty is incorporating reputational risk into the corporate risk architecture; the other involves addressing the risks induced by disinformation, which is a new setback for corporate reputation. This study investigates the planning that takes place in Spanish companies regarding the effects of media disinformation on corporate reputation and the perception of such disinformation as a corporate risk to be included among all other reputational risks. As such, our intention is to confirm the extent to which Spanish companies accept the danger of disinformation, and the degree to which they consider the latter to be a new reputational risk that may be more urgent and serious when a situation such as the current worldwide pandemic occurs without warning. The main conclusion is that the risks related to disinformation reinforce the gap between professional perception and organisational priorities.

### **Keywords:**

Corporate reputation; reputation risk; fake news; disinformation; Covid-19.

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### **Resumen:**

*Cuando los profesionales de la comunicación aún se preguntaban cómo deben las empresas sobrevivir y prosperar en la era de la hipertransparencia, teniendo controlados todos los riesgos reputacionales, ahora sobreviene una situación inesperada que alienta dos problemas que todavía se estaba dirimiendo cómo integrarlos en la gestión de la reputación corporativa. Por un lado, lograr recoger el riesgo reputacional en la arquitectura de riesgos corporativos; y por otro, enfrentarse a los riesgos que genera la desinformación, como nuevo contratiempo para la reputación corporativa. Este trabajo indaga sobre la planificación en la empresa española de los efectos de la desinformación mediática en la reputación corporativa, y su concepción como un riesgo corporativo a incluir con el resto de riesgos reputacionales. De forma que, comprobaremos hasta qué punto la empresa española asume el peligro de la desinformación y lo considera un nuevo riesgo reputacional que puede ser más urgente y grave cuando sobreviene una situación como la alerta por pandemia mundial. La principal conclusión es que los riesgos derivados de la desinformación confirman la brecha entre la percepción profesional y las prioridades de la organización.*

### **Palabras clave:**

*Reputación corporativa; riesgo reputacional; fake news; desinformación; Covid-19*

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## 1. Introduction

As pointed out by Xifra (2020), in these times of uncertainty and instability, efficient management of reputational risk has become an opportunity to add intangible value to the organisation and maintain public trust.

Risk is the effect of uncertainty on objectives. As stated by Bauman, “if there is not a good solution to a dilemma, and if none of the sensible and effective attitudes bring us closer to a solution, people tend to behave irrationally, making the problem more complex and its resolution less plausible” (*La Vanguardia*, 2017). These circumstances are defining the new trend in society in which emotion rather than fact is determining behaviour and attitudes toward a situation, resulting in a new reality. Thus, we find ourselves in the post-truth era characterised by the exponential increase of digital technologies that have allowed information channels to thrive. Moreover, fake news (false news spread under the guise of real news) circulates through such channels, thereby undermining the principles of honesty and truth. This situation is creating a new perspective of current affairs and is establishing new standards of relationships between the different actors with whom a company interacts.

Reputation is one of the most promising assets in business management. Organisations with a good reputation have the trust of their public. The theory of corporate reputation has reached a level of understanding and management that is thoroughly consolidated in the business and academic worlds. However, we have observed that the concept of reputation is so dynamic that it must be continuously monitored and improved, as it shifts and changes as society fluctuates and transforms itself. Reputation is adapting itself to a reality that has arisen suddenly in the form of a global pandemic, which is sinking the economies of many countries. Reputation does not reflect a monolithic, unalterable theoretical concept; it must be approached with a multi-faceted, strategic vision, while considering the organisation and its context (Mut-Camacho, 2011).

An important aspect of the public perception of a company’s reputation depends on the work the business carries out regarding its communication. Recent research reveals an inability of companies to adapt to technological progress. Companies trail behind society in their use of social media for talking to their public and generating positive links with their environment (Aced-Toledano and Lalueza-Bosch, 2016; Costa-Sánchez and Túnuez-López, 2019).

In this sense, the digital era has changed the way of understanding organisations and the relations with their respective audiences. The business world is gradually adapting to the new communication channels, yet it is not exempt from the new risks involved in the digital communications realm. The types of media disinformation are diverse: fake news, hoaxes, half-truths, shallowfakes, astroturfing, fake follower networks, deepfakes, targeted advertising, trolling, visual memes, and cyber-censorship. Companies are exposed to all of these forms of disinformation, which can become reputational risks that must be considered in managing the company’s intangible assets.

For this reason, this study seeks to address the point at which uncertainty, disinformation and corporate reputation intersect, and to analyse whether considering this junction to be a reputational risk will help companies reduce uncertainty in an increasingly disruptive post-pandemic world, thereby inducing these organisations to participate in proper corporate reputation planning, since relations with customers, society, administration, opinion leaders, shareholders and

employees are some of the factors that can be damaged by a reputational crisis resulting from fake news or misleading information.

## 2. Reputational risk and its implications

During the current health crisis and the pandemic lockdown, businesses were forced to deal with new scenarios. It is interesting to look at the Global Risk Management Survey of 2019 in which the risk of a pandemic or health crisis was ranked as 60th. The top global risks until just very recently were as follows: firstly, suffering cyber-attacks and data breaches; secondly, the risk of disruptive technologies; and thirdly, not knowing how to innovate or meet the customer's needs (AON, 2019). Indeed, these possible risks are still at the top of the list, but they now seem to have a different perspective, and their latent risk has increased. This is due to reputational risk having an expanding nature that overlaps others, or is added to them, especially those related to environmental, social, and governance risks, and there are negative implications in terms of the occurrence, duration or expansion of these other risks that can affect the organisation, as well as people, products and services (Llorente & Cuenca, 2019).

Before the global pandemic, the AON consulting firm's study was considering reputational risks such as the Volkswagen emissions scandal, Petrobras' subornation, Wal-Mart's bribery, the Continental Group's link to drug trafficking, BP's environmental impact, Trump's claims about Huawei, fashion companies' social commitment, and so on. Nowadays, the current crisis is traversing all social, political, economic and scientific strata, as the world questions what life will be like after Covid-19.

The aftermath of this global crisis will affect the functioning of businesses as they face an impact on the global economy and financial markets comparable to the crisis of 2008 (McKinsey & Company, 2020), if not worse (Portillo, 2020). In this regard, the economic impact will be unparalleled in Spain, which is highly dependent on the services sector and has an overwhelming number of SMEs, which will make its recovery more difficult (Corporate Excellence, 2020).

In the meantime, we can observe what is happening and learn from it in order to increase our knowledge related to the corporate reputation of organisations and companies.

Organisations have generally been dealing with corporate risk management through their Boards of Directors, Chairpersons of those boards, and other managers involved. Risk Management involves a strategic effort from the entire company as well as the design of a plan to identify potential events that may affect the organisation, formalisation of possible risks within the accepted level of risk, and a reasonable assurance of achieving the objectives (COSO, 2017). One of the most important yet most ambiguous risks for companies is that of reputation. For years, organisations have been encouraged to prepare for turbulent times in which traditional risk and crisis management have been adjusted to new types of reputational risk (Bonime-Blanc, 2018), especially those related to the digital world (KPMG, 2019).

The importance of good risk management is related to other risks of the organisation, in addition to the resulting media impact. It is essential to have a programme that covers all of the probabilities of occurrence as well as the process of

reputational risk in order to prevent the situation from becoming a complex, perilous phenomenon. If such a programme is not in place, the effects of a poorly resolved reputation crisis are as follows (Vizcaíno-González, 2010):

- Loss of trust and loyalty of employees
- Reduction of consumer satisfaction
- Higher capital costs
- Increased volatility of company results
- Greater difficulty in dealing with the crisis
- Inability to capitalise on opportunities for sound management of intangible assets.

It is clear that the impact of a crisis on reputation is long-term, both on a quantitative and qualitative level. Bonime-Blanc talks about three possible outcomes of a situation of reputational risk in which the effects will vary depending on the level of prior preparation of the organisation and its leaders:

- ‘A death blow’: this occurs when the consequences of a poorly managed risk situation are devastating for people, products, profits and/or performance. No recovery is possible. In these situations we find firms such as Lehman Brothers or WordCom.
- ‘Rectifiable blow’: in this situation, it is possible to recover and regenerate. As one example, this type of outcome has been experienced by Siemens, which overcame a corruption case and is an example of a company that has implemented a global corporate anti-corruption programme.
- ‘A case of reputation enhancement’: this occurs when a situation suddenly leads to a crisis from which it is necessary to emerge masterfully, quickly, responsibly and systematically.

Managing reputational risk is not the same as working on reputation. Risk requires comprehensive, long-term, integrated uncertainty planning. As stated by Bonime-Blanc (2017), we are facing key strategic risks that all Boards of Directors should supervise, yet most do not. This is where much of the disconnection with the public and related problems arise when an organisation is hit by a crisis.

Reputational risk is considered to imply an expanding aspect because it joins with other risks, especially environmental, social and management risks, adding new problems to the one that already exists. Thus, reputational risk merges with others, which magnify and accelerate it, especially when the organisation is not well prepared or does not manage its underlying risks, and is not ready to deal with them when the inevitable crisis occurs.

In other words, during the confinement that resulted from Covid-19, the World Health Organization (WHO, 2020) warned of a major threat that has accompanied the pandemic, which has been an *infodemic*, or overabundance of information, rumours, hoaxes and false data that have spread disinformation among society.

However, good communication is not enough. Companies must anticipate the demands that might be posed by regulators, customers, employees and society. The flow of information is the key, but success depends on the way in which each organisation views itself (PWC, 2017), and on having a plan involving an interdisciplinary team that is transversal to

the entire organization (AON, 2019). The management of reputational risk will be successful if it is coordinated with other corporate risks, as they all have an impact on reputation, brand, profit and capital (Vizcaíno-González, 2010). For organisations, measuring their own corporate reputation was already a complicated task (Xifra, 2020), and consequently, trying to calculate their reputation risk is even more complex.

### 3. Disinformation in the digital environment as reputational risk

The rise of the disinformation phenomenon and media manipulation started just a few years ago, when in November of 2016 the Oxford dictionary named *post-truth* as its word of the year, or when Time magazine devoted its April 2017 cover to post-truth with the title, “Is truth dead?” Or the Washington Post’s gesture when it changed its headline to, “Democracy Dies in Darkness”.

Communication technology has facilitated the spread of untruths and manipulated information. Moreover, the visibility of falsehoods is greater than ever they expand exponentially (McIntyre, 2018). Their power to attack lies in virality, thanks to the communication channels available and the type of content inherent in false discourse. According to a study by the Massachusetts Institute of Technology, falsehoods on Twitter are 70% more likely to be retweeted. The propagation of untruths is faster, more powerful and more extensive. The reason for the success of the virality of falsehoods, as opposed to telling the truth, is its novel and emotional content (Vosoughi, Roy and Aral, 2018).

Companies are exposed to this hyper-connected environment that consumes an overwhelming amount of information, where people not only produce and access content immediately, but also consume and disseminate information instantaneously. Moreover, use of the internet for accessing information during the pandemic increased with regard to connection time with devices in all categories (IACM, 2020).

Image 1. Percentage of increase in internet connection during the confinement in Spain



Source: AIMC (Association for Research on Communication Media)

The steady increase in reputational risk prompted by hyper-connection and fake news were openly discussed at the World Economic Forum in Davos (2020a), where the need to observe reputational risk resulting from disinformation and fake news was endorsed as a requirement that cannot be postponed. Furthermore, representatives of the world economic and

political system announced that the next wave of technologies from the 4th Industrial Revolution will drastically change economies and societies with negative consequences. Cyber-attacks have become a common danger to individuals and businesses, ranking seventh as the most probable risk, eighth as the most striking risk, and second as the most worrying risk in carrying out business activity globally over the next 10 years (World Economic Forum, 2020b: 60).

The Eurobarometer examined the extent to which fake news is perceived by European Union citizens as a problem for their country and for democracy in general, and concluded that there is a widespread view across Europe that we are facing a major threat. In Spain, 51% of those surveyed consider it a very serious problem, above the European average of 44%. If one adds this percentage to another 37% who consider it a serious problem, an aggregate total of 88% of the Spanish population are concerned about the level of danger of disinformation and manipulation (European Commission, 2018).

Fake news grew by 365% in 2017, generating serious reputational damage to institutions and companies (Canvas, 2018). The solutions proposed have been aimed at two of the main actors involved: firstly, the owners of social networks, who have been asked to abandon their position as mediators and take responsibility for the content published and shared by their users, as well as for their security and privacy. The second possible solution places the focus on companies and their managers in leading the change (Corporate Excellence, 2018). The European Commission has encouraged companies to sign a Code of Best Practice on Disinformation (2018). The purpose of the code is to unify actions that signatories can implement for the purpose of addressing challenges related to disinformation. The measures proposed in the document include withholding advertising revenue from those who adulterate information, closing false accounts, clearly identifying political propaganda, ensuring transparency and verification of content, and so on.

#### **4. Disinformation, a challenge to corporate reputation**

One should bear in mind that corporate reputation means trust in the organisation. The Edelman Trust Barometer (2019a) has warned that society has a decreasing level of trust in organisations. The report also warns of a social problem we are facing by revealing that 73% of citizens are concerned that disinformation, fake news, and digital bots are a modern weapon of negative propaganda. There is no clear way to conduct fact-checking that would allow us to quickly discern what is true and what is false, and as a result, trust in business worldwide is only around 56%. Consequently, companies must struggle to find the best way to deal with fake news and disinformation campaigns due to their complexity and invasiveness (Edelman, 2019b).

Communication analysts and consultants, as well as consulting firms specialising in corporate risk, have long been meticulously analysing a possible disinformation crisis. These companies have approached the subject and its consequences from a professional point of view, aware that new types of relationships with public opinion have emerged and that alternative means of information have been consolidated. Meanwhile, traditional channels have lost influence due to the rise of new communication channels such as YouTube, WhatsApp, Telegram, Facebook Chat, Twitter, and Instagram, which are among the most heavily used media. This new way of communicating implies an opportunity and

a risk: “A simple tweet can mobilise masses and produce results that were unthinkable just a few years ago” (Llorente & Cuenca, 2018a).

The professional realm recognises the danger of fake news in the business world and intends to develop digital identity programmes that promote the involvement of company managers and collaborators in the area of social networks (Llorente & Cuenca, 2018b). The logic of this approach is to confront the falsehoods promoted by fake profiles that use factual information promoted by real, informed people. Fake news is created to lure audiences, damage reputations, and defend ideological positions. The foundation of the solution lies in listening and reacting diligently, as well as having a proactive attitude in the digital space in order to expand the company’s version (Goldhammer, 2017; Chang y Olson, 2017; Pwc, 2018; Deloitte, 2019; Llorente & Cuenca, 2020: 81).

It has been suggested that the company should formulate a risk prevention programme that includes the identification of potential vulnerabilities along with the development of an action programme to mitigate the effects of the spread of false information. The researchers cited immediately above recommend increasing the use of social networks in order to have a strong voice, as well as a reliance on innovative monitoring technologies, and having a response plan in place in order to be effective in addressing reputational risk.

## 5. Objectives

After having noted that disinformation is becoming a trend that is detrimental to organisations, and that the increase in disinformation has been exponential during the Covid-19 crisis, it seems appropriate to analyse whether Spanish companies recognise that the reputational crisis resulting from disinformation disseminated in the entire digital universe is in fact a crisis of reputation, and therefore, whether they include it among their corporate risks. The general objective of this research is to delve into the danger of disinformation for corporate reputation and to determine whether this peril is part of the company’s priorities according to the reality analysed.

The ultimate goal is to provide relevant information in order to adapt theory to reality by gathering the knowledge that has been gained during this extraordinary period.

## 6. Methodology

An analysis methodology based on online surveys has been used for this research. The study began in February of 2020 and was completed in May of 2020. The questionnaire is composed of 10 questions that correspond to the research objectives. We have used a census list from a database of the foundation owner. The representativeness of the universe is notably high, as the interviewees are all executives of companies responsible for corporate reputation and experts in the field. The research universe is the 578 members of the think tank known as Corporate Excellence - Centre for Reputation Leadership, which is a business foundation that specialises in reputation with Ibex 35 companies on its board of trustees. The sample was composed of 261 professionals who specialise in corporate reputation from among the members of the think tank.

The data obtained through the questionnaire have been stored and processed using Excel software. The answers obtained represent 48% of the universe, reaching an acceptable degree of representativeness. The sampling error margin is  $\pm 4.5\%$  with a confidence level of  $2=95\%$ . The distribution of the sample by gender is as follows: 61% men and 39% women.

The participants have university degrees; those most frequently mentioned are Journalism (43%), Advertising and Public Relations (23%), Economics and Business Studies (18%), and Law (11%). Other participants have MBAs as well as Master's Degrees in Marketing and Corporate Communication.

## 7. Results

### 7.1. Company profile of the sample

The selection of the sample has allowed us to observe the way in which Spanish companies face this type of reputation crisis, both from the perspective of the professional and from the inner vision of the organisation.

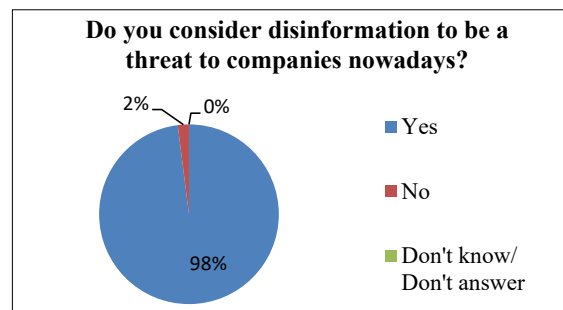
The initial data obtained refer to the characteristics of the sample. Most of the selected professionals who are experts in reputation work in large companies (87%), many of which belong to the Ibx35, and consequently, the opinions obtained are from informed professionals with extensive experience and a large number of tasks with regard to the management of their organisations' intangible assets.

The sectors of activity of the participating companies are finance and insurance 35%, industry and construction 23%, the energy sector 13%. The remaining sectors, which have smaller percentages (between 7% and 9%), are divided among distribution/logistics, health and public services. These percentages are representative of the Spanish economic sectors.

### 7.2. The perception of reputational risk caused by disinformation

It is important to point out that before the survey, it was agreed that the term *disinformation* can be defined as various forms of media manipulation, as mentioned above.

Chart 1. Contemplating disinformation as a threat to an organisation

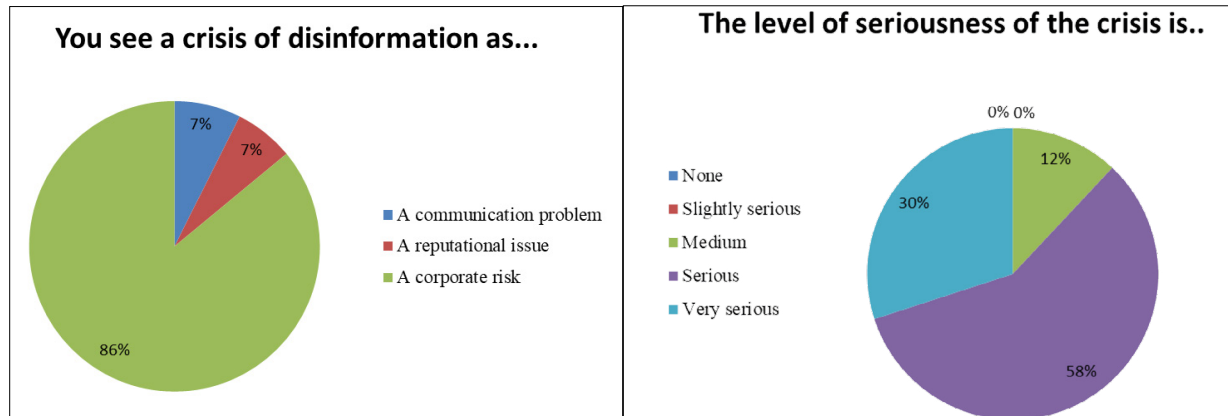


Source: Prepared by the author



This question is the most indicative of the extent to which those responsible for reputation in Spanish companies are aware of the problem of falsehoods and disinformation, and the level of damage to brands due to their virality. It is important to point out that no one shows any degree of doubt, as all of the interviewees had a clear, categorical opinion because no one selected the option of “Don’t know/ Don’t answer” (Chart 1).

Chart 2. Definition and severity of the problem

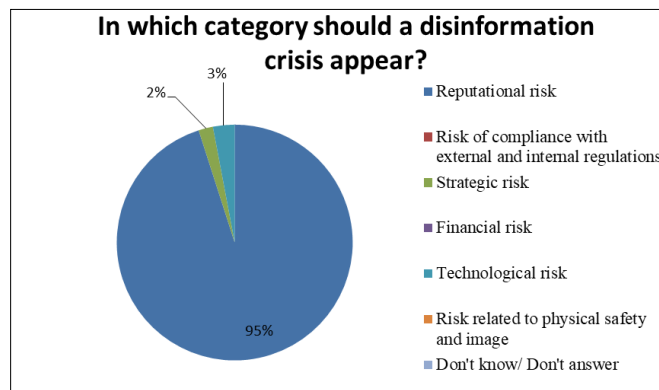


Source: Prepared by the author

It is important to note that the appearance of a falsehood is considered to be an attack at the heart of the organization, a corporate risk that should be viewed as worrisome and perilous for the business. The answer to this question is important for reaching conclusions, as the vast majority choose to define a crisis as a corporate risk (Chart 2), which implies a larger task and a more preminent role. In the opinion of the respondents, it constitutes a serious threat to an organisation. When asked about the level of seriousness of this type of crisis, the answers were divided among very serious (30%), serious (58%), and average seriousness (12%).

If added together, the percentages of *very serious* and *serious* comprise 88% of the answers given by the respondents. It is interesting to note that no one responded with *none* or *slightly serious*.

Chart 3. Risk category within the risk architecture

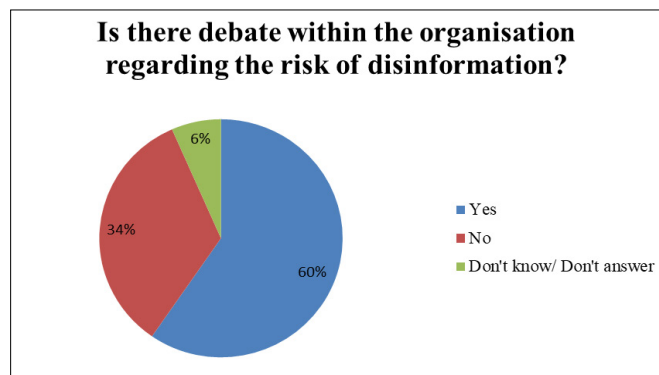


Source: Prepared by the author

Regarding the categorisation of risk, the most frequently mentioned classification among the professionals is reputation risk (Chart 3), which thereby affects the foundations on which the trust of all audiences is established.

### 7.3. Spanish companies faced with a disinformation crisis

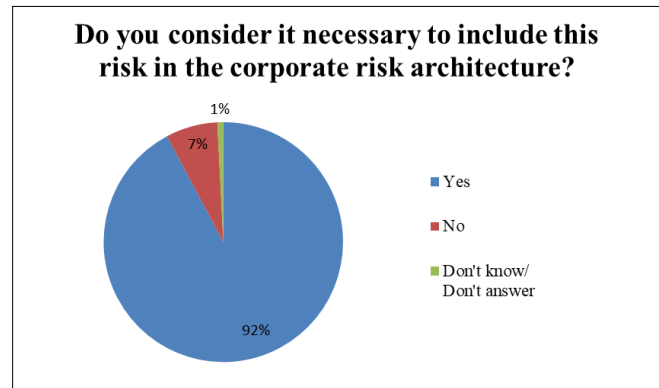
Chart 4. Importance of this risk within the company



Source: Prepared by the author

With regard to the level of debate within the organization, we find that 60% of the companies talk about the danger that a disinformation crisis might pose for the reputation of the business (Chart 4). Oddly enough, this result contrasts with the prevailing perception of professionals, 98% of whom warn that this is a clear and present danger. However, a significant percentage of companies still do not see this as a priority issue.

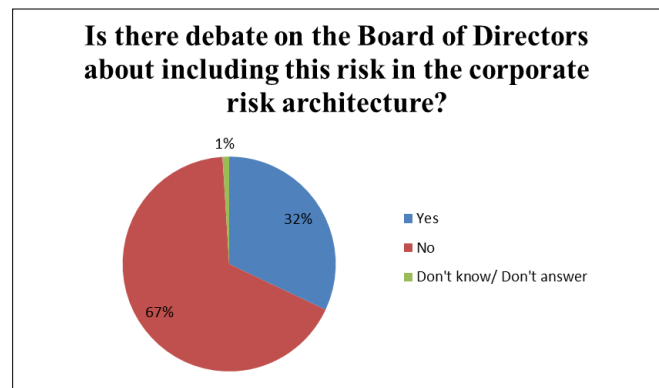
Chart 5. Level of risk formality in the company



Source: Prepared by the author

The data clearly show urgency in officially including this type of crisis among corporate risks (Chart 5). It should be defined and developed at the highest levels of the organisation by including it as part of reputational risk.

Chart 6. The internal debate on risk within the organisation

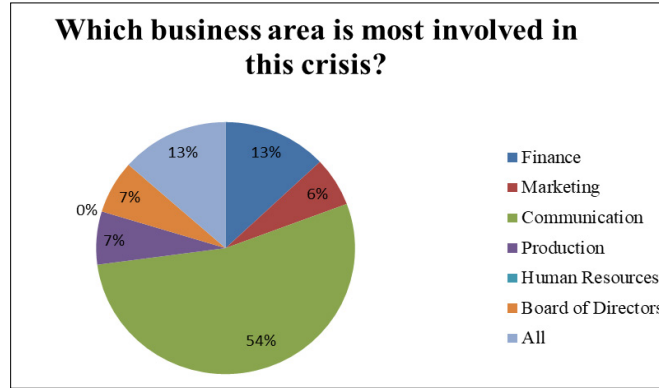


Source: Prepared by the author

Analysis of the data makes it possible to compare the opinion of corporate reputation professionals with management's interest in this risk. In our opinion, the level of priority for the organisation regarding the high reputational impact of an attack on the company cannot be compared to the alertness level of a professional with regard to a falsehood spread through social networks.

7.4. The vulnerability of an organisation

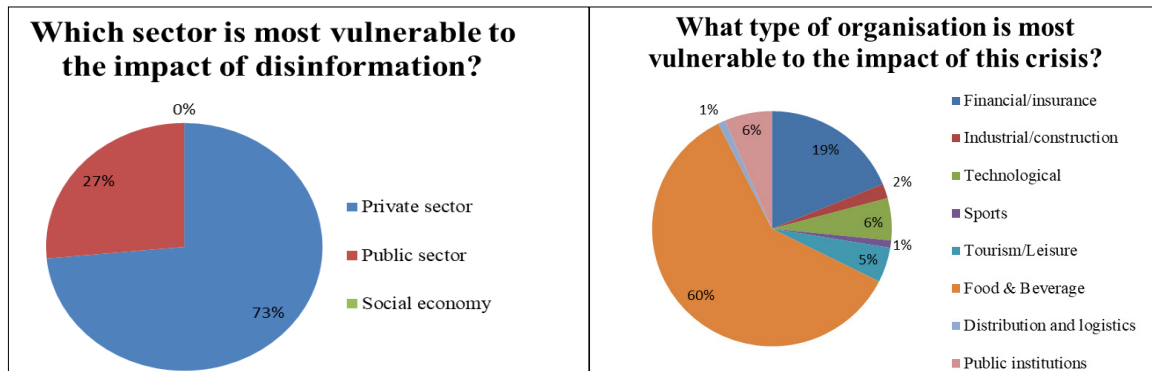
Chart 7. The most exposed area of a company



Source: Prepared by the author

These percentages confirm that more than half of the professionals believe that the area most closely related to a reputational crisis associated with a hoax is the area of communication (Chart 6). This involves verifying that the professionals acknowledge that their area of competence is the most appropriate, which is an area that undertook the management of reputation and intangible assets years ago.

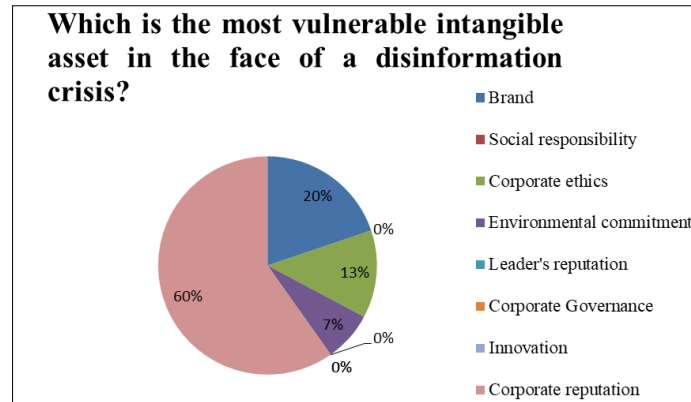
Graph 8. Sectors and activities at risk



Source: Prepared by the author

The perception of vulnerability and threat is mainly related to the private sector, which is the most likely to be attacked (Graph 7). This sector is where the effects of risks are generally more dangerous and permanent, as has been demonstrated so far. However, in the realm of private companies, the food sector is considered to be the area that is most exposed and vulnerable to an attack through hoaxes and falsehoods in the digital world.

Chart 9. The most vulnerable intangible asset

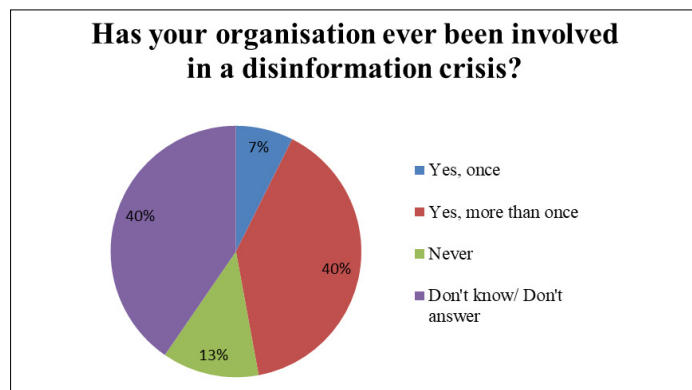


Source: Prepared by the author

The data indicate that the two intangible assets that must be protected the most are corporate reputation and brand (Graph 8). Ethical and environmental attitudes are organisational issues that can be damaged in the opinion of the professionals. However, when planning for crisis mitigation, consideration is given to deepening the long-term effects on an organisation's intangible assets. The reputation of the leader, as well as its corporate governance and innovation, are not considered to be intangibles that are vulnerable to this type of crisis.

### 7.5. True experiences when faced with a post-truth crisis and the lessons learned

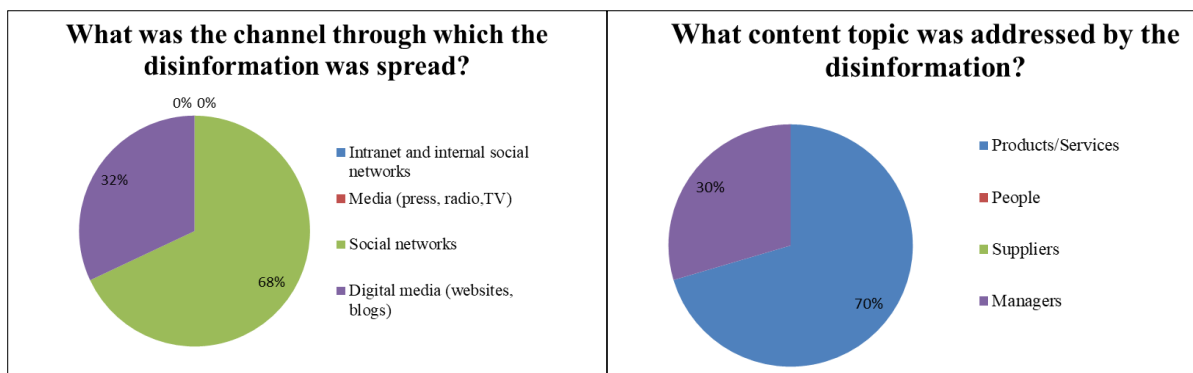
**Chart 10. Number of times (in percentages) that a disinformation crisis has occurred**



Source: Prepared by the author

When asked about this issue, it is curious to note that a sizeable percentage (40%) say they do not know if this has happened in their organisation (Chart 9), and consequently, a series of questions have arisen for which we can offer no answer. On the one hand, we believe this situation may result from the fact that reputational risk is not among the responsibilities of the professionals, a matter that would be very serious if he or she were an expert in the field. On the other hand, the possibility exists that the organisation considers this critical issue to be one that is merely technical and related to digital communication, and is therefore not handled strategically, but rather technically. In our opinion, there are a number of unanswered questions that should be resolved in another study.

**Chart 11. Learning from experience**

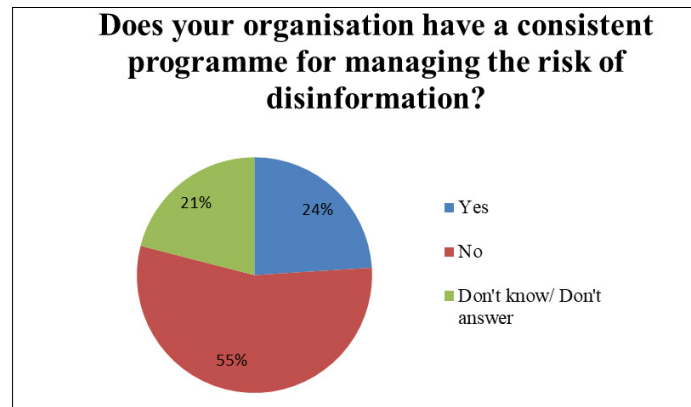


Source: Prepared by the author

These responses have been gathered from the 47% of the sample who said they had suffered a disinformation crisis in their organisation. We have observed that the most common channel for spreading falsehoods was through social networks or digital media, which confirms the fact that we are truly living in a digital world. The aforementioned experience confirms that products and services are the preferred targets of hoaxes and falsehoods generated in the digital universe (Chart 10).

## 7.6. Preparing for a crisis

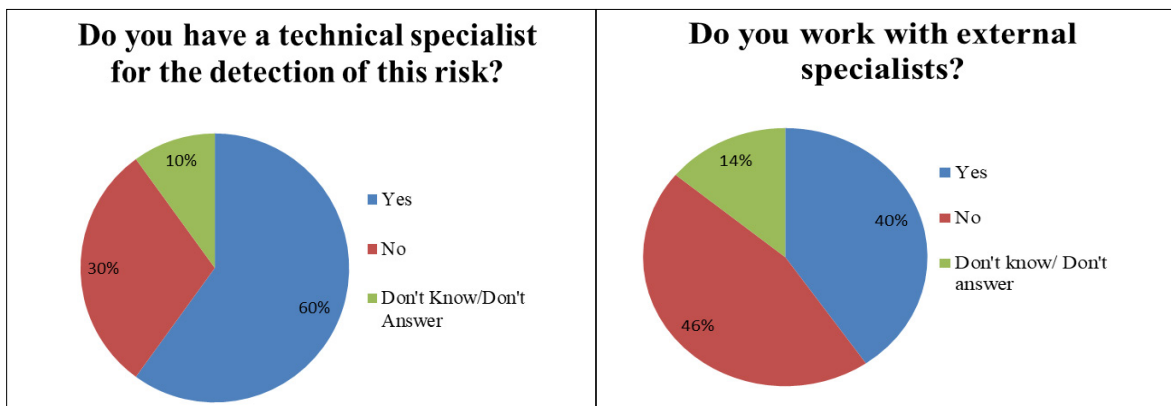
Chart 12. The existence of a structured crisis plan



Source: Prepared by the author

By analysing the data, the high number of negative responses leads us to believe that there is no preparation for this risk (Chart 11). It is somewhat surprising that 21% do not know if they have a formal plan, so once again, we have the same doubts that originated with Chart 9.

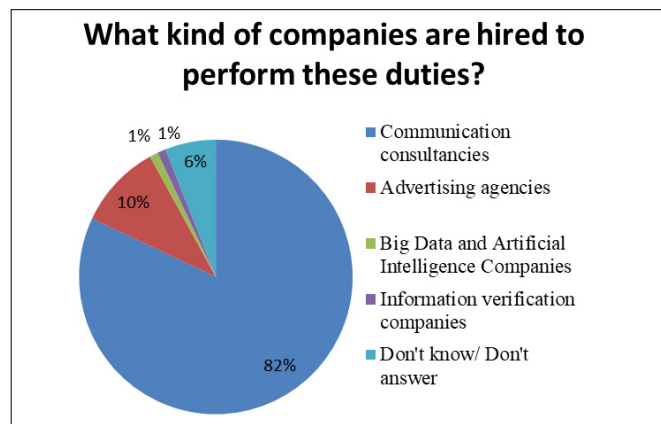
Chart 13. Crisis forecasts at the technical level



Source: Prepared by the author

The presence of experienced digital employee profiles in companies is a fact. However, 30% say they do not have risk detection specialists, and 10% do not know if anyone is doing this type of work (Chart 12). On the other hand, the percentage that rely on external assistance is equally divided between those that hire consultancy firms and those that do not.

Chart 14. Type of external assessment

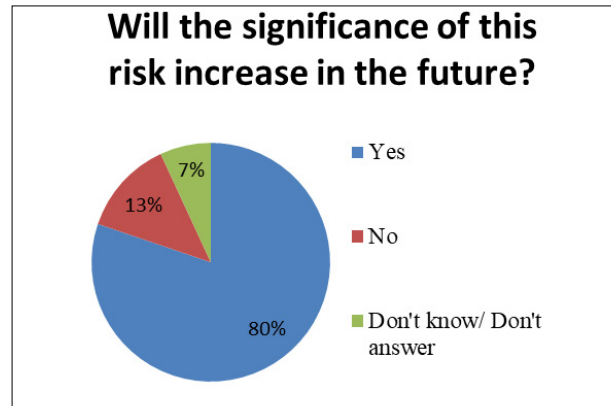


Source: Prepared by the author



At this point, we can see that companies traditionally entrust the management of issues related to corporate reputation and communication to communications consultancy firms. At the present time, companies that offer Fact-checking or Artificial Intelligence services are not yet being used for managing risks related to disinformation and media manipulation.

### 7.7. *The evolution of risk in the future*



Source: Prepared by the author

For the reputational professional, this risk will be magnified both in itself and as a risk that may be linked to other risks that the company might be dealing with at the same time.

## 8. Conclusions and discussion

The results of this study confirm that reputation professionals believe there is a real threat from disinformation disseminated through social networks and the internet. They also believe we are facing a widely known and perilous problem, which they identify as a risk that is real, serious, and urgent. Moreover, this risk has been exacerbated by the current situation of the pandemic, which is full of uncertainty and doubt about the present and future. In fact, the perception of the professionals surveyed is in line with reports revealed by strategy consultancy firms for some years now. However, we have not found the same level of priority among the top management of the companies, as this reputational factor does not have the same exceptional nature and impact by comparison. However, 92% of the participants believe it is essential to measure and assess this risk, yet conversely, senior management does not see this option as a priority. Thus, only 32% of the companies have this type of evaluation in their risk architecture, and very few enterprises (21%) have this kind of assessment in one of their work programmes.

Therefore, we have found that the people in charge of the reputation of Spanish companies are aware that a disinformation crisis in the networks represents a clear reputational risk, and this view is shared by virtually all of the professionals (98%). This figure is a relevant indicator if we take into account that a significant part of the sample includes large companies, which are considered more vulnerable by those who want to undermine brands. We have confirmed that this risk should be avoided and aggregated among the combined set of corporate risks in order to help organisations evaluate and improve their internal control systems for corporate reputation.

Bearing in mind that no brand is immune from a disinformation attack and that the professionals surveyed acknowledge that they must confront serious reputational risks, one assumes that a company dealing with fake news may see its reputation become unbalanced, and it may have to carry out important tasks with uncertain outcomes due to the involvement of various actors in media manipulation, and also due to the novelty of such a crisis and a lack of experience in dealing with these situations.

In view of the fact that people find it difficult to know whether they are facing a story that is true or false, and that customers reject brands with which they have had negative experiences, it is necessary for a company to invigilate its statements as well as comments made by others about the company. Therefore, the control and monitoring of the digital universe of internet is a recommendation of consultancy companies.

As such, foresight is the solution to the reputational risk of disinformation and fake news. The other important factor is the creation of a strong corporate narrative maintained over time based on a solid company reputation and good communication using social media efficiently and creatively in order to achieve a degree of trust that will disable or mitigate disinformation and falsehoods.

The change in citizen behaviour that occurred during the period of confinement involved new demands, values, perceptions and concerns regarding brands. All of these issues resulted from diverse causes that included transformations with technological, social and cultural features, together with the fact that digitisation had empowered the consumer with new tools, which has made reputation management a strategic task that needs to be carried out now more than ever. The most dangerous expression of this change in citizen behaviour is reflected in the so-called *Fake News*, as the WHO has warned. The two faces of falsehoods, which include the ability to discredit those who want to harm a company and the susceptibility of the receiver to fall into the trap, has forced companies to observe the problem as a highly difficult situation, due to the fact that the features of disinformation are out of control. However, there is light at the end of the tunnel, as consumers are gaining awareness and undermining the actions of *haters* by questioning all negative comments made about a company on the networks. However, it should be noted that this usually occurs under normal circumstances. In exceptional and unusual cases, we have seen how any piece of news that goes viral can be believed, and that statements made by the media are often trusted.

The circumstances we are currently confronting demonstrate that the fight against disinformation is urgent and complex. The ease with which fake news is spread is detrimental to companies, as we have found that people prefer to obtain information about a brand from friends and family. In other words, the setting of close relations is the most trustworthy of all and takes precedence over the comments organisations make about themselves. This situation creates a two-

fold problem for organisations, as there is less trust in what the company says about itself, and fake news feeds on the recommendation method for its virality; consequently, the fight against disinformation cannot be postponed, especially due to the fact that the expansion of news, recommendations and miscellaneous issues increased on social networks and the internet during the lockdown.

The results reveal that for companies affected by reputational crises resulting from disinformation, the hoaxes are spread through social networks and the internet, which have become ideal places for fuelling unfounded rumours. The most vulnerable intangible areas are brand and ethics/responsibility.

It is advisable to nurture and maintain a respectable, solid reputation. This can serve as a shield against a reputation crisis, because even in an age of disinformation, honesty is at the top of most people's value scale. The capability of companies for social transformation will depend on their ability to remain faithful to their values, to be transparent, and to adapt to change.

On the other hand, this investigation has revealed some doubts, as well as a glimmer of hope. The doubts arise from the responses of the survey regarding experiences with this type of crisis. Many of the professionals showed a lack of knowledge about this kind of event or its management, and consequently, it seems strange to us that a crisis affecting corporate reputation has not been addressed by these experts.

The glimmer of hope comes from the outsourcing being carried out by companies in order to monitor or resolve such conflicts, on the one hand, and the assessment of the future by the professionals on the other. Thus, we consider that a new and distinct area of professional specialisation is emerging that will require experts to manage these crises.

As such, we can confirm that reputational risk is a definite reality. Reputational professionals in Spanish organisations are concerned about the effects of disinformation on the internet and social networks, and consider this to be a priority in corporate reputation management.

Therefore, we conclude that the concept of corporate reputation implies a new risk. By making this issue a priority, organisations can avoid reputational risk by taking advantage of the knowledge that has been gained regarding this type of risk, thereby strengthening their processes and allowing them to take a holistic approach to their communication endeavours.

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