# Crisis Management

Crisis management is the application of strategies designed to help an organization deal with a sudden and significant negative event. (Crisis Management, 2013)

**Definiton of the crisis**

This topic should be started with explanation what the crisis actually is. There are several approaches to this term. In this work we will be focused on crisis as a part of functioning of organization. For the first step there is a really important to name, define and clasify crises. Then follow definition of instrumentals in managing crisis and determine a response of every employee in organization. Definition also implies both causality and responsibility. What one organization defines as an accident, a primary stakeholder may define as a case of organizational malfeasance. Organizations often define crises strategically to absolve themselves of responsibility or to shift the blame. Competing narratives of responsibility often arise and affect how the crisis is ultimately resolved. The ability to define and clasify crisis is an important firt step in crisis management (Seeger, Sellnow, Ulmer, 2003).

These authors also define crisis in their book as a specific, unexpected, and non-routine events or series of events that create high levels of uncertainty and threat or perceived threat to an organization´s high priority goals.

But there is no uniform definition of crisis. There will be listed several kind of different definition of crisis. For first crisis can be threaten a major product line, business unit. There is also other definition: damage and oganization´s financial performance; harm the health and well being of consumers, employees, surrounding communities, or the environment; destroy the public´s trust in organization, its reputation and image (cpor, 2011).

### What is Crisis?

A sudden and unexpected event leading to major unrest amongst the individuals at the workplace is called as organization crisis. In other words, crisis is defined as any emergency situation which disturbs the employees as well as leads to instability in the organization. Crisis affects an individual, group, organization or society.

### Why Crisis?

Crisis can arise in an organization due to any of the following reasons:

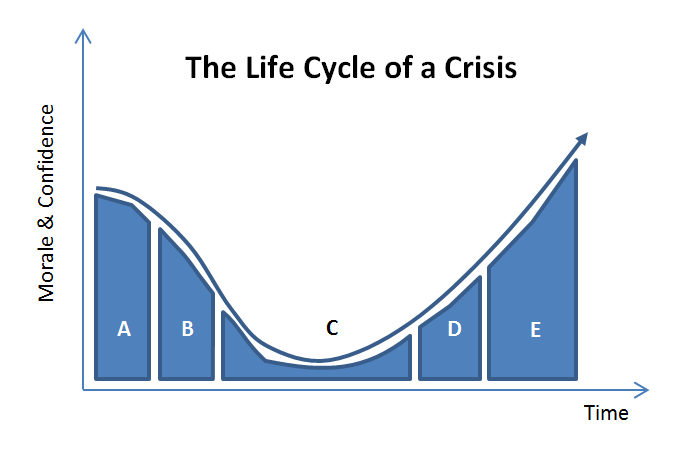
* Technological failure and Breakdown of machines lead to crisis. Problems in internet, corruption in the software, errors in passwords all result in crisis.
* Crisis arises when employees do not agree to each other and fight amongst themselves. Crisis arises as a result of boycott, strikes for indefinite periods, disputes and so on.
* Violence, thefts and terrorism at the workplace result in organization crisis.
* Neglecting minor issues in the beginning can lead to major crisis and a situation of uncertainty at the work place. The management must have complete control on its employees and should not adopt a casual attitude at work.
* Illegal behaviors such as accepting bribes, frauds, data or information tampering all lead to organization crisis.
* Crisis arises when organization fails to pay its creditors and declares itself a bankrupt organization. (Crisis Management - Meaning, Need and its Features, 2018)

A crisis can occur as a result of an unpredictable event or as an unforeseeable consequence of some event that had been considered a potential risk. In either case, crises almost invariably require that decisions be made quickly to limit damage to the organization. For that reason, one of the first actions in crisis management planning is to identify an individual to serve as crisis manager.

Other crisis management best practices include:

* Planning in detail for responses to as many potential crises as possible.
* Establishing monitoring systems and practices to detect early warning signals of any foreseeable crisis.
* Establishing and training a crisis management team or selecting an external crisis management firm with a proven track record in your business area.
* Involving as many stakeholders as possible in all planning and action stages. (Crisis Management, 2013)

Figure 1-The Life Cycle of a Crisis



Source: Challenges in Business: The Lifecycle of Crisis, 2015

**Crisis**

A crisis may occur on a personal or societal level. It may be a traumatic or stressful chase in person´s life, or ran unstable and dangerous social situation, in political, social, economic, military affairs, or a large-scale environmental event, especially one involving an impending abrupt change. More loosely, it is a term meaning „a testing time“, or „emergency event“ (*Harvard business essentials: crisis management*, 2004).

During the crisis management process, it is important to identify types of crises in that different crises necessitate the use of different crisis management strategies. Potential crises are enormous, but crises can be clustered (Coombs, 2012).

Lerbinger categorized eight types of crises

1. Natural disaster
2. Technological crises
3. Confrontation
4. Malevolence
5. Organizational misdeeds
6. Workplace violence
7. Rumors
8. Terrorist attacks/man-made disaster (Lerbinger, 1997).

**Natural disaster**

Natural disaster related crises, typically natural disasters, are such environmental phenomena as earthquakes, volcanic eruptions, tornadoes and hurricanes, floods, landslides, tsunamis, storms, and droughts that threaten life, property and the environment itself (Lerbinger, 1997).

Example of natural disaster: 2004 Indian Ocean earthquake and tsunami

**Technological crisis**

Technological crises are caused by human application of science and technology. Technological accidents inevitably occur when technology becomes complex and coupled and something goes wrong in the system as a whole (Technological breakdowns). Some technological crises occur when human error causes disruptions (Human breakdowns) (Coombs, 2012). People tend to assign blame for a technological disaster because technology is subject to human manipulation whereas they do not hold anyone responsible for natural disaster. When an accident creates significant environmental damage, the crisis is categorized as megadamage. Samples include software failure, industrial accidents, and oil spills (Lerbinger, 1997).

Example of technological crisis: Chernobyl disaster, Exxon Valdez oil spill, Heartbleed security bug

**Confrontation crisis**

Confrontation crisis occur when discontented individuals and/or groups fight businesses, government, and various interest groups to win acceptance of their demands and expectations. The common type of confrontation crisis is boycotts, and other types are picketing, sit-ins, ultimatums to those in authority, blockade or occupation or buildings, and resisting or disobeying police (Lerbinger, 1997).

Example of confrontation crisis: Rainbow/PUSH´s (People United to Serve Humanity) boycott of Nike

**Crisis of malevolence**

An organization faces a crisis of malevolence when opponents or miscreants individuals use criminal means or other extreme tactics for the purpose of expressing hostility or anger toward, or seeking gain from, a company, country, or economic system, perhaps with the aim of destabilizing or destroying it. Sample crisis include product tampering, kidnapping, malicious rumors, terrorism, cybercrime and espionage (Coombs, 2012).

Example of crisis of malevolence: 1982 Chicago Tylenol murders

**Crisis of organizational misdeeds**

Crises occur when management takes actions it knows will harm or place stakeholders at risk for harm without adequate precautions (Coombs, 2012). Lerbinger specified three different types of crises of organizational misdeeds: crises of skewed management values, crises of deception, and crises of management misconduct (Lerbinger, 1997).

*Crises of skewed management values*

Crises of skewed management values are caused when managers favor short-term economic gain and neglect broader social values and stakeholders other than investors. This state of lopsided values is rooted in the classical business creed that focuses on the interests of stockholders and tends to disregard the interests of its other stakeholders such as customers, employees, and the community (Lerbinger, 1997).

*Crises of deception*

Crises of deception occur when management conceals or misrepresents information about itself and its product in its dealing with consumers and others (Lerbinger, 1997).

*Crisis of management misconduct*

Some crises are caused not only by skewed values and deception but deliberate amorality and illegality (Lerbinger, 1997).

**Workplace violence**

Crises occur when an employee or former employee commits violence against other employees on organizational grounds (Lerbinger, 1997).

**Rumors**

False information about an organization or its product creates crises hurting organization´s reputation. Sample is linking the organization to radical groups or stories that their products are contaminated (Coombs, 2012).

**Stages of crisis**

There are three stages of normal crises

1. Pre-Crisis stage, when the “critical situation” starts and the organization become aware of it.
2. Acute-Crisis stage, when the “critical situation” is not being controlled during the Pre-Crisis stage and it becomes visible outside the organization
3. Post-Crisis stage, which occurs when the crisis is contained and the organization is trying to recoup its reputation and/or losses (Devlin, 2007).

*Pre-Crisis stage*

When someone in an organization discovers a “critical situation”, they usually bring it to the attention of their executives. This is known as the Pre-crisis warning. At this point in time, the critical situation in known only inside the organization and is not yet visible outside the organization (Devlin, 2007). In fact, Pre-Crisis stage in the warning stage, which in some cases only becomes apparent after the actual crisis have occurred (Ray, 1999). When the executives are told of the “critical situation”, their job is to analyze it to determine if it has the potential to become serious – that is, an acute crisis. If the executives are comfortable with it and feel it will go away without any action on their part, they will not take an action. If, on the other hand, they see the critical situation as a serious problem, they will take action on mitigate it.

*Acute-Crisis stage*

A crisis moves to the acute stage, from the pre-crisis stage, when it becomes visible outside the organization. At this point in time, the executives have no choice but to address it. It is too late to take preventative actions. The actions taken are more of a “damage control”. Once the problem moves to the “acute” stage, the Crisis Management Team (CMT) should be activated. The actions members of the Crisis Management Team take at this point are designed to minimize the damage. The steps include taking charge quickly, establishing the facts, telling your story, and fixing the problems (Devlin, 2007).

*Post-Crises stage*

A crisis moves from the acute-crisis stage to the post-crisis stage after it is contained. This is when the organization will try to recoup their losses. The executives must show the customer, the shareholder, and the community that the organization cares about the problems the crisis had caused them (Devlin, 2007).

**Crisis management**

The term management usually describes the leadership of an organizational unit. It is possible to differentiate between an institutional and functional way of thinking. With regard to the former management is a description of those groups of people who carry out management tasks, their activities and functions. As far as functional thinking is concerned, management is a term for all tasks and processes connected with the running of a working organization. In particular, these are planning organization, implementation and control. The functional perspective of management can be extended to include a person-or material-related consideration.

The first use of the term crisis management is normally attributed to the political sphere. Accordingly, it is said the U.S. President J.F. Kennedy used the expression during the Cuban Crisis of 1962 to describe the handling of a serious, extraordinary situation. The term crisis management must be disassociated from risk management. The latter is focusing also on those events, which for the organization or destination are not causing serious or lasting damage. However, after risk management was originally limited to risk which were insurable, a steady tendency can be observed which intends to cover with risk management all different kinds of risk (Glaesser, 2006).

As in management, there is also a differentiation between crisis management as a function and as an institution. Crisis management as an institution refers to group of person who are responsible for crisis management activities. They are the dominant bearer of the functional crisis management. Middle- and lower-level employees and external forces join with members of upper management levels as actors in a crisis. Crisis management as a function refers to change of tasks and processes when a crisis occurs. Different types of crisis management and corresponding activities are distinguished with regard to the process character of the crisis and differentiation between its various phases (Glaesser, 2006).

**The 4 phases of crisis management**

No company is safe from crisis. Unwanted incidents can strike at any time, often with little or no warning. Proper preparation is essential, because it can help to lessen the damage caused. Every organization should have a crisis communication team in place, composed of key members of the company, who use the four phases of crisis management to create a plan to combat and manage crises, working to get operations back to normal in a quick and efficient manner (“The 4 Phases of Crisis Management”, 2018).

**Crisis prevention**

Many unfavorable situations can be prevented with forward thinking. The crisis communications team should brainstorm a comprehensive list of all possible crises that could impact the organization. This includes taking past incidents into consideration and ensuring that proper resources are in place to avoid repeat situations. Reviewing this list can help to identify situations that are preventable by modifying existing processes and procedures (“The 4 Phases of Crisis Management”, 2018).

**Incident preparation**

Companies with an advanced plan for handling crises know exactly what to do when disaster strikes. This includes generating a list of possible responses and best- and worst-case scenarios. Designating a company spokesperson, a list of available resources and a step-by-step plan to combat crises helps the situation to be handled in a professional, unified manner, avoiding the onset of additional chaos. The entire crisis communication team should be included when developing the plan and should be aware of all final processes and procedures (“The 4 Phases of Crisis Management”, 2018).

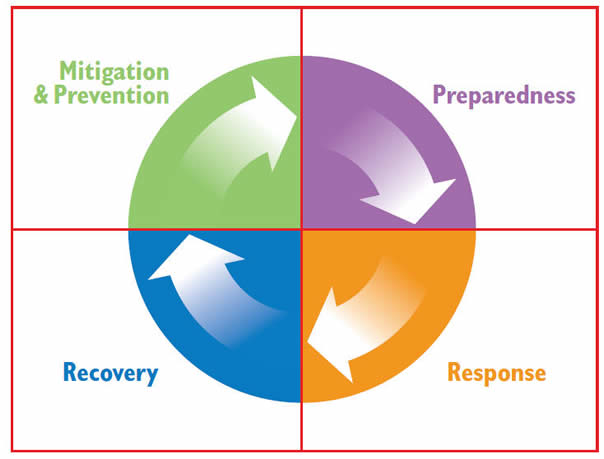
**Response generation**

In preparing a response to the situation, company officials must determine if the issue should be addressed or if it will resolve itself. The issue is deemed as threatening if it could negatively impact profits, be detrimental to the company’s reputation, generate undesirable media attention or result in close government scrutiny. Recognizing the seriousness of the problem is essential in generating an appropriate response (“The 4 Phases of Crisis Management”, 2018).

**Recovery efforts**

The final stage of crisis management is when things begin to return to normal. Effective resolutions for the situation are put into practice, and if they go as planned, the incident begins to fade from the spotlight. For example, in a situation where a restaurant was temporarily shut down by the health department, it would reopen after a subsequent inspection reveals a sparkling clean kitchen (“The 4 Phases of Crisis Management”, 2018).

Picture 1: Phases of crisis management



Resource: Using Social Media for Crisis Management, 2018

**The Crisis Management Team**

Because there is variety of crisis situations, it is literally impossible for one person to handle all of the tasks necessary to bring a crisis to a close effectively. No matter what the size or scope of the crisis, it will require a variety of people with different areas of expertise to ensure that all facets of the problem are covered. Therefore, a team approach to crisis management is essential. Whether there is owner/developer, program manager, construction manager, engineer, architect, general contractor or subcontractor, Crisis Management Team should be a permanent unit that can draw on internal and external resources. The objective is to have a knowledgeable group that works effectively and quickly in a crisis at both the corporate and the project level (Reid, 2000).

**The members of the core crisis management team**

In is recommended to select core of crisis management team based on the largest potential crisis that could befall on the company. The team should be built envisioning the most catastrophic crisis that could happen on the company. It should consist of employees and/or outside consultants who not only possess their respective areas of knowledge but who also are willing to work on the team. The selection of core team members is based on two important factors:

1. Each member should possess an area of expertise that is useful to the team. For example, each member must have good organizational capabilities, have the trust and confidence of upper management, possess solid communications skills, and have the respect of company´s employees.
2. The team members should work well together in normal day-to-day situations. If they do not, whatever problems exist among them will be exacerbated in a crisis (Reid, 2000).

**Crisis**

A crisis is a synonymous with an event which disrupts the pre-existing state of affairs. It is a serious event that can have many causes including natural, political, financial or technical. Whatever the cause, there is a widely held expectation that after appropriate steps have been taken the situation will return to normality, with the various people and organizations resuming theri previous ways of working together. However, increasingly, it is recognized that after a serious crisis, a new set of business relationships and ways of doing things becomes established as the new normality (Laws & Prideaux & Chon, 2007).

A crisis is a change – either sudden or evolving – that results in an urgent problem that must be addressed immediately. For a business, a crisis is anything with the potential to cause sudden and serious damage to its employees, reputation, or bottom line (Harvard business essentials: crisis management, 2004).

Crisis is a part of life. It will visit every person, relationship, family, community, and business. In addition to the event itself, crisis brings chaos, confusion, and emotion. Business owners and leaders will be tested in times of crisis and their followers will either benefit or suffer from the leader’s management skills (Morrison, 2015).

**Stages of Crisis**

Incidents occur unpredictably, causing organizations to shift their focus and attention immediately to deal with the situation. The effectiveness of your crisis management largely depends on having a precise understanding of the phases (D4H Technologies Limited, 2018).

**1) Prodomal Stage**

When someone in a an organisation discovers a critical situation, they usually bring it to the attention of their supervisors. This is known as either the pre-crisis warning or precursor. At this point in time, the critical situation is known only inside the organisation and is not yet visible to the general public (D4H Technologies Limited, 2018).

**2) Acute Stage**

A crisis moves from the pre-crisis to the acute stage, when it becomes visible outside the organisation. At this point in time, managers have no choice but to address it. It is too late to také preventative actions as any action taken now is more associated with damage control (D4H Technologies Limited, 2018).

**3) Chronic Stage**

The chronic stage, usually the longest of the four, is where litigation occurs, media exposes are aired, internal investigations are launched, government oversight investigations commence and so on. This can go on for years on in some cases never ends (D4H Technologies Limited, 2018).

**4) Resolution Stage**

The final stage of crisis management is when things begin to return to normal. Effective resolutions for the situation are put into practice, and if they go as planned, the incident begins to fade from the spotlight (D4H Technologies Limited, 2018).

***Picture 1: Stages of Crisis***

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*Source: Gilbert, 2016*

**Crisis management**

Crisis management is the art of avoiding trouble when you can, and reacting appropriately when you can’t (Bernstein & Bonafede, 2011).

Crisis management is not just a one-time response to an unfortunate event. It is much broader than that. It is strategic process that must occur far before the first crisis ever takes place in the life of the organization. It is a process that must be planned both before and after the crisis occurs (Crandal & Parnell & Spillan, 2014).

Crisis management involves planning, organizing, leading, and controlling assets and activities in the critical period immediately before, during, and after an actual or impending catastrophe to reduce the loss of resources essential to the organization's eventual full recovery (NyBlom, 2003).

There are numerous ways crisis management can help an organization facing a crisis (Bernstein & Bonafede, 2011):

* Retain goodwil, that intangible asset necessary to the functioning of every organization;

➢ Shore up employee morale;

➢ Minimize the impacts of negative media coverage;

➢ Stave off governmental actions that can cause further challenges;

➢ Protect business operations;

➢ Retain investor confidence

There is a differentiation between crisis management as a function and as an institution. Crisis management as an institution refers to group of persons who are responsible for crisis

management activities. They are the dominant bearer of the functional crisis management. Middle - and lower-level employees and external forces join with members of upper management levels as actors in a crisis. Crisis management as a function refers to change of tasks and processes when a crisis occurs. Different types of crisis management and corresponding activities are distinguished with regard to the process character of the crisis and differentiation between its various phases (Glaesser, 2006).

**Phases of Crisis Management**

No company is safe from crisis. Unwanted incidents can strike at any time, often with little or no warning. Proper preparation is essential, because it can help to lessen the damage caused. Every organization should have a crisis communication team in place, composed of key members of the company, who use the four phases of crisis management to create a plan to combat and manage crises, working to get operations back to normal in a quick and efficient manner (Woods, 2018).

The Crisis Management is divided into four phases – Prevention, Preparedness, Response and Recovery. The relationship of phases can be seen in the picture 2.

***Picture 2: Phases of Crisis Management***

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*Source: Umatilla Country, 2018*

**1) Prevention**

Planning is a very important part of crisis management. This stage is also called the prevention stage, because a well-laid-out plan helps the management or government minimize any damage that may occur. It is important to foresee the different kinds of crises that may occur and reduce the risks that are known to create these crises. However, this does not work in some situations - for example, natural disasters (Anderson, 2017). Many unfavourable situations can be prevented with forward thinking. The crisis communications team should brainstorm a comprehensive list of all possible crises that could impact the organization. This includes taking past incidents into consideration and ensuring that proper resources are in place to avoid repeat situations. Reviewing this list can help to identify situations that are preventable by modifying existing processes and procedures (Woods, 2018).

What is most important is to create the crisis management plan when everything is running smoothly and everyone involved can think clearly. By planning in advance, all parties will have time to seriously think about the ideal ways to manage different types of crises (Condit, 2014)

**2) Preparedness**

Companies with an advanced plan for handling crises know exactly what to do when disaster strikes. This includes generating a list of possible responses and best- and worst-case scenarios. Designating a company spokesperson, a list of available resources and a step-by-step plan to combat crises helps the situation to be handled in a professional, unified manner, avoiding the onset of additional chaos. The entire crisis communication team should be included when developing the plan and should be aware of all final processes and procedures (Woods, 2018).

The crisis management plan must be in writing and must address each issue identified during the identification and assessment phases (NyBlom, 2003). Plan documents are key to success. Clear, well-indexed and consistently formatted documents all help, but the following must be included (The Department of Trade and Industry, 2004):

➢ people involved and their tasks

➢ methods for identifying crises

➢ methods for involving management

➢ lines of communication

➢ mechanisms for reporting

➢ process for decision making

➢ equipment, facilities and occupation of crisis management centre

➢ levels of control and authority limits.

Once an effective crisis management plan is in place, it should be reviewed and updated on an annual basis. Test the crisis management team by creating mock crises or drills and get a clearer picture of the team's ability to practice plans into operations effectively. This gives the team an idea of any loopholes or important aspects that have been overlooked and provides a chance to correct them (Anderson, 2017).

**3) Response**

Response includes a set of actions taken immediately before, during, or directly after a crisis to reduce impacts and improve recovery for the next crisis. Response measures are important parts of crisis as one part of a more comprehensive strategy (Zekâi Şen, 2015).

In preparing a response to the situation, company officials must determine if the issue should be addressed or if it will resolve itself. The issue is deemed as threatening if it could negatively impact profits, be detrimental to the company’s reputation, generate undesirable media attention

or result in close government scrutiny. Recognizing the seriousness of the problem is essential in generating an appropriate response (Woods, 2018)

The crisis response phase is that in which the actual crisis occurs. Having a dedicated crisis management plan and team allows an entity to tackle a crisis or disaster in a calm way, thereby minimizing loss of life, property or reputation. Each person on the disaster management team must carry out the duties assigned to her. This team must swing into action the moment there is a threat of an actual crisis. For instance, if there is threat of a tsunami, the team must immediately evacuate all the areas that are under threat, have emergency services on standby and prepare to treat those who are injured (Anderson, 2017).

**4) Recovery**

The final stage of crisis management is when things begin to return to normal. Effective resolutions for the situation are put into practice, and if they go as planned, the incident begins to fade from the spotlight (Woods, 2018).

The process of recovery from any crisis can take a long time. When the crisis is over, the focus has to shift on rebuilding, which can be time-consuming and expensive. So the government or organization has to make adequate financial arrangements beforehand, should there be a threat of any such crisis occurring. All damages and losses should be accounted for in detail, with photographs and/or video proof maintained along with them. Having an effective crisis management plan helps the organization or the entity get back to normal without losing too much time or money. Once the crisis has passed, it is very important to review the effectiveness of the crisis management plan to correct any shortcomings (Anderson, 2017).

After a crisis, organizations need to continue their operations. The availability of critical disaster plan information is key to the continuation of business operations. Records managers need to ensure that all responsible managers and staff are familiar with the records crisis mitigation and recovery program. They should document the policies, procedures, roles and responsibilities governing the records disaster mitigation and recovery program in disaster recovery procedure manuals. These should clearly assign responsibility for coordinating disaster recovery plans and activities for specific job functions and record series. Managers should also be authorized to designate other members of the disaster recovery team in a time of need (Iron Mountain, 2018).

**Conclusion**

The best way to handle a crisis is to prevent it. A company that has planned for security and trained staff to recognize security and crisis warning signs and red flags is in a good position to avert disaster before it happens or minimize it when it starts. Security and crisis management experts recommend regular review of security plans and systems and continuing professional training for security staff. Additionally, training all staff on emergency preparedness, business security awareness and risk mitigation supports overall business security and reduces vulnerability (Cardenas, 2018).

# Goals of Crisis Management

**Three Goals of Crisis**

Crisis management is key to damage control when an organization is in trouble Being prepared to act in a crisis situation will help the company to meet its goals of:

* 1. Identifying the real problem and limiting harm to people, property, profits and the environment

The first objective of crisis management is to identify the problem that created the crisis -- something not always straightforward to do. In fact, it might be a mystery as to how it all started. Therefore, it’s crucial to investigate and dig deeper into understanding the problem, so that all sides have a better understanding of how chaos occurred as a result of the conflict.

* 1. Managing the flow of information

The second objective objective of crisis management is to manage the flow of information. Always anticipate that news of the crisis will come out, especially in the age of the Internet and social media websites. If the harmful event is something that affects the public, then it’s always best to prepare a press release or hold a press conference as a preliminary step to cool the panic that they might have as a result of the conflict. Inform the public, or whomever is affected, what steps the company is taking to alleviate the problem. Keep things transparent.

* 1. Minimize impact

Facilitating overall management of a crisis to minimize adverse impact on (ENTER COMPANY), maintaining corporate and individual credibility, and controlling and strengthening (ENTER COMPANY)’s reputation with the public, our customers, our employees, our communities and our shareholders. (Three Objectives of Crisis Management, 2017), (Crisis Management Goals, Policy and Definitions, 2018)

# Principles of Crisis Management

A company’s reputation is most vulnerable during bankruptcies, product recalls, lawsuits and other headline-grabbing crises. The news media—the filter through which the public perceives the world—has the power to shape and alter perceptions of a company. Therefore, developing solid companywide media policies and plans before a crisis occurs is imperative.

“The savviest chief executive in the world often falls victim to a kind of paralysis when a crisis strikes,” says Steven Fink, author of Crisis Management: Planning for the Inevitable. “Executives often bury their heads in the sand and refuse to communicate. But adopting a bunker mentality is always to their own detriment.” (10 Principles of Effective Crisis Communications, 2008)

**The principles of crisis management can be divided into:**

I. Pre-Crisis principles:

1. Have a plan. Crisis manager has to implement a disaster plan before a disaster happens, and also to communicate that plan to employees.

II. Crisis principles:

2. Hold a „de-escalation meeting" as soon as possible. The moment when crisis hits will be the most important moment for company. The sooner managers can get everyone together when disaster strikes, the better. It’s essential to communicate with employees before they go home, if it’s at all possible. Next, set the stage for how managers are going to lead their people through the crisis. People really need leadership in these moments. Take advantage of this meeting to communicate expectations, and to give direction.

3. Open communication is critical. In the aftermath of a crisis, let employees know that it’s OK to talk about what’s going on and provide them with the means to do so. Set aside time for conversation. It can be as a large group, or in smaller meetings.

4. Bring in the professionals. In the aftermath of a crisis, managers should provide help for people who need it. That means bringing crisis experts on site to work with them and their staff. Managers and owners participate in these conversations to demonstrate to the rest of the staff that communication about the event is OK, that it’s expected, safe, and encouraged.

5. Stop to reflect. The instinct for a lot of companies is to return to „business as usual" as quickly as possible. But that’s not always the best way to lead through a crisis. Ignoring it by staying busy will just postpone the time when they’ll have to deal with it - and the problems will only escalate in that time. Stop and reflect. Give employees time to pause and reflect. There’s not a lot of support in a lot of organizations for this. In general, managers should expect that less attention will go directly toward work for a period of time. There isn't an across-theboard solution for everyone, some people may need time off, some people may need a break from the normal routine at work, some people may just need more time with peers or managers to talk about what’s going on. Sure, business has to continue, and company needs to stay solvent, but if it does not stop to reflect, productivity can drop, making business suffer even more.

6. Have a plan for dealing with the media. Managers have to tell employees how to respond if the media contacts them. List the do’s and don'ts. Tell employees to whom they should forward media requests. Tell them what kinds of requests and calls they might expect. For the people who will be speaking with media, be clear about what’s OK to discuss, and what’s out of bounds.

III. Post-crisis principles:

7. Keep your eyes open for displaced anger and other employee productivity problems. When crisis strikes, people are going to displace their anger about it often on the company. Be prepared for outrage, this can happen especially in the case of industrial accidents, or other situations where employees can find a way that may very well seem irrational to you, to place blame for an incident onto the company itself. Also, keep your eye out for signs of other problems. Problems like alcoholism and drug abuse commonly rise in the wake of stressful events and disasters. What kinds of warning signs should they be on the lookout for? If someone who is always punctual starts coming in to work later and later, with no explanation why, that could signal a problem. Or maybe someone who has always been a strict nine-tofiver starts working very long hours, without a significant increase in workload. Perhaps someone starts having a lot of trouble with criticism, when criticism never bothered them much before. Maybe it's a sudden difficulty in recalling instructions, or suddenly missing more deadlines than usual. In short, keep an eye out for anything that seems to demonstrate a significant deviation from what was formerly "normal" behavior for that particular employee.

8. Anniversaries are stressful. Be ready. The effects of a major disaster on managers and employees can be long-lasting. Keep in mind that it’s not just in the few weeks after a crisis that employees can be affected emotionally, health-wise, and from a productivity standpoint. Sometimes you can see the effects years later. In particular, anniversaries are high-risk and stressful periods.

9. Don’t expect productivity to get back to normal for a while. It' s common for companies affected by a crisis to see a pattern in productivity levels: first, a dramatic drop in productivity, followed by a spike back to close-to-normal levels, and then another drop-off that takes a long time to creep back up to nearly-normal levels again. Sure, company needs to keep its business running, and cash coming in the door. But the experts say that it can actually be detrimental to company and employees if it push too hard to get back to normal.

# Crisis Manager

As a central hub, the Crisis Manager (CM) and the CM's support staff or Managerial Link Office (MLO) sits astride all four components. The CM is the central person managing the crisis and has ultimate authority and responsibility for the management of the crisis. Should there be a number of crises happening at the same time then a Chief Coordinating Crisis Manager may run a separate coordinating CMSS allowing each CM to operate a tighter CMSS Team. The CM makes all decisions and may delegate operational authority to a deputy should the crisis continue into shift-work settings (that is, longer than 8 hours).

Centralised authority enables faster decision making and a more comprehensive grasp of the crisis event (and the recovery operation). By using an advisory group (the PAG), specialised information management units (INCO, Scouts, PUMO) and by delegating powers to on-site tactical operations (the ICS structure), the CMSS allows consensual decision making and simultaneous operations to take place while retaining overall direction of the response effort. This may ensure higher levels of motivation and commitment and help generate more time and information for decision making—both of which were requirements outlined earlier.

The CM needs to be able to operate in confusing situations which are hampered by missing and uncertain information. They seem to have almost no time in which to decide and act, and demand for resources often exceeds the availability. The job has high levels of stress and performance expectations. The CM needs to have the skills and training necessary to manage the crisis and to provide an effective balance between command and coordination. Most organisations tend to choose a senior executive as crisis manager, although some place crisis management at the field manager level. If the CM is a middle or junior manager (as can arise in the field manager situation) higher management need to accept the authority vested in the CM for the duration of the crisis. As the CM can be absent attending meetings or may be pre-occupied with the needs of a specific CMSS unit, a small support staff that maintain links with the other units in the CMSS needs to be established where staff availability exists. (Dealing with the complete crisis—the crisis management shell structure, 1998)

## Seven Characteristics of a Great Crisis Manager

If a crisis disrupts your business mission, the response should be supported by leadership who would assess and decide what actions should be taken from an overall organizational standpoint.  As leadership would convene to discuss and manage the response, this group of leaders would still require to be managed. Just like an orchestra, this group of leaders needs a conductor, this conductor is your crisis manager who should have some unique characteristics.

Let’s look at the key characteristics that make an effective crisis manager:

**1. First-rate communication skills and trusted partnerships**

It’s impossible to manage a crisis without outstanding communication skills and trust. The ability to communicate well with every part of the business, and at every level, is essential to ensure everyone understands what needs to happen and when. As such, your crisis manager should build trust with every leader and manager, working with them to understand what is important to them to help support the overall business mission.

**2. Deep understanding of the business**

To respond appropriately in a crisis, and in order to understand its financial and reputational implications, your crisis manager must fully understand the business and all its components. This also involves cultivating strong relationships with all the key, critical players in the business, ensuring they are on board with the crisis management plan and that it is effectively carried out.

**3. Ability to make decisions and prioritize actions**

When a crisis occurs, it’s essential that some areas of the business are instantly up and running again while others are not so urgent. A great crisis manager needs to know which is which. They must act swiftly and decisively in order to prioritize and restore systems and key business functions.

**4. Confident and calm demeanor**

A cool, calm demeanor is essential for making sure all the essential actions are carried out.  A crisis manager running around like a headless chicken will only serve to create panic. Confidence is critical, the crisis manager must have the ability to confidently deal with people at every level in the organization including the top executives.

**5. Creative thinking and problem-solving skills**

Great crisis management is about much more than following a playbook. Because each crisis is unique, a crisis manager needs to be able to respond creatively to each unique set of circumstances. Often this comes from having a wealth of experience in managing a number of different crises.

**6. Proactive awareness of outside events**

A great crisis manager will also look outside the organization by staying up-to-date on national and international events that could potentially impact the organization. For example, heavy winter storms and flooding at the opposite end of the country may still impact the supply chain. It’s the crisis manager’s job to keep key players in the business informed and develop strategies for minimizing the impact of outside events

**7. Passion for the organization**

As well as knowing the business inside out, an excellent crisis manager feels a sense of passion, loyalty and personal responsibility for the business. After all, their role is likely to involve responding to events at any time of the day or night.

Every organization should have a crisis manager who has the ability to support and coordinate leadership in response to a crisis. (7 Characteristics of a Great Crisis Manager, 2015)

**Crisis planning**

The word crisis has a variety of definitions. Reid (2000) defines a crisis as any incident that can focus negative attention on a company and have an adverse effect on its overall financial condition, its relationships with its audiences or its reputation in the marketplace. A crisis is an event that has a low probability of occurring, but when it occurs, it can have a vastly negative impact on any organization. The causes of the crisis, as well as the means to resolve it, may not be readily clear. Nonetheless, its resolution should be approached as quickly as possible. Finally, the crisis impact may not be initially obvious to all relevant stakeholders of an organization (Crandall, Parnell, & Spillan, 2012). Although the definitions can vary greatly, three elements are common to most definitions of crisis: a threat to an organisation, the element of surprise, and a short decision time (Goel, 2009). Crisis can also be defined according to cause. This approach was taken by Lerbinger who organized his examination of crisis around seven different types which are: natural, technological, crisis of confrontation, crisis of malevolence, skewed management values, deception, and management misconduct (Gilpin & Murphy, 2008).

An organization can face a number of different types of crises. The list below contains some of the incidents that can evolve into a crisis:

* • A product issue: for example, a product does not work as promised (credibility), is injuring people (safety), has been tampered with; a market shift (sudden change, or over a long period of time).
* • A negative public perception of an organization (e.g., the organization has a problem, and it appears it does not care about the problem).
* • A financial problem (cash problem, fraud, or fuzzy accounting).
* • An industrial relations problem (e.g., worker strike problem, employee lawsuits).
* • An adverse international event (e.g., disaster at their location has jeopardized your product or service).
* • Workplace violence (e.g., employees have been violently attacked while working on your organization's property).
* • Senior executives have died or been killed (i.e., executive succession problem).

It is by no means an all-inclusive list. There are other incidents that are not identified here, yet could be considered a crisis situation by a particular company (Devlin, 2007). There are also nine types of business crises: public perception, sudden market shift, product failure, top management succession, cash, industrial relations, hostile takeover, adverse international events and regulation and deregulation (Gilpin & Murphy, 2008). In economics we can recognize also banking crisis or currency crisis.

In most of cases of all these mentioned types of crises, the organizations can prevent crises by applying an increased awareness. The only exception may be a natural disaster however, advanced technology can forewarn us of such imminent dangers and allow us to plan for them and the subsequent harm they create (Reid, 2000). So, organizations can face the crises successfully, but they must recognize their vulnerability to crisis, establish an effective communication infrastructure, apply stakeholder theory to develop relationships and be sensitive to diverse cultural orientations. They have to proactively plan crises and prepare for them, because planning can reduce the chances of crisis, in the event a crisis does occur, make communicating during and after the crisis easier and limit the damage to the organization that might otherwise be caused by crisis conditions. Unfortunately, many organizations do not heed the advice to plan ahead. Elizabeth More reports results of studies indicating that only a small percentage of companies are prepared for crisis. She refers to a 1989 study that proved that less than half companies had any type of crisis management plan in place, only about 15 percent of companies had a plan. In addition, she reports that most organizations do not believe a crisis can happen to them and two-thirds of companies surveyed believed that their

organization would have to be in the throes of a crisis for them to initiate crisis planning. Also in 2006, Cloudman and Hallahan reported that 25 percent of the companies that they examined did not have a written crisis communication plan. The proportion of prepared companies has risen somewhat, but a good many organizations are still unprepared for crisis (Zaremba, 2015). But any company can find itself thrown into a crisis at any time, usually without warning and it can have an enormous impact on the reputation, brands, and long-term profitability of the company. That is the reason why every organization should deal with crisis planning.

Successfully diffusing a crisis requires an understanding of how to handle a crisis – before it occurs. Gonzalez-Herrero and Pratt created a four-phase crisis management model process that includes: issues management, planning-prevention, the crisis and post-crisis. The art is to define what the crisis specifically is or could be and what has caused it or could cause it (Goel, 2009). Of the various strategic activities organizations can undertake to deal with crisis, planning is the most critical. Planning, as a management activity, involves projections of future conditions and strategic allocation of resources to attain goals. Crisis planning involves projecting the condition of a crisis and identifying the resources, structures, and strategies necessary to resolve the crisis with as little disruption, cost, and harm as possible. Planning helps to ensure that necessary resources and capacities are available. It also reduces decision time, uncertainty, and stress; reduces the probability that important contingencies or stakeholders will be overlooked; and reduces the time interval of response and recovery. In many contexts, crisis planning is a highly developed set of professional activities with a body of well-established principles, structures, procedures, and resources (Seeger, Sellnow, & Ulmer, 2003).

In order to deal with the unknown, a two phased planning approach is necessary. Phase one is pre-planning, which consists of risk assessment and mitigation. Phase two is crisis assessment and management planning (Goel, 2009). Part of the crisis management planning process is to evaluate if a crisis could occur in an organization and the type of crisis with which the organization could be faced. Then the organization needs to develop a strategy on how it will handle the crisis, or each of the crises if there is more than one (there is always more than one type of crisis that can threaten most organizations). Every organization should perform a risk analysis that will identify the most likely types of crises that could occur to their organization. This allows them to concentrate initially on building a plan to respond to the more probable crisis. Three major elements of crisis planning are prevention plan, emergency response plan and business resumption plan. The prevention plan is developed to minimize the potential for a disaster (or crisis) to occur. The plan consists of policies and procedures that employees should adhere to before a disaster (or crisis) strikes. It consists of planning elements such as the risk analyses, security plans and facility (building engineering) plans. The emergency response plan is developed to ensure employees know how to respond when they discover a potential disaster, or when and how to evacuate the building if necessary and who and how to assess the damage. The plan consists of policies and procedures for employees to follow during a disaster (or crisis). It consists of planning elements such as incident response, life safety and damage assessment. The business resumption plan is developed to minimize the impact on the organization – by minimizing the length of time a business interruption lasts and providing procedures to use in resuming business operations. This plan consists of policies and procedures for employees to follow after a disaster (or crisis) is contained. It consists of planning elements such as the information technology plan, the business units (throughout the organization) plans and the crisis management plan (Devlin, 2007).

Observers of crises and crisis managers universally advocate developing and maintaining crisis plans (Seeger, Sellnow, & Ulmer, 2003). Crisis management methods of a business or an organisation are called Crisis Management Plan. It is a business plan

of action that is implemented quickly when a negative situation occurs. The fundamental function of a crisis plan is to reduce risk and help an organization respond to crisis in a timely and effective manner. In the table below, you can see main characteristics of a Crisis Management Plan.

|  |  |  |
| --- | --- | --- |
| Table 1 – Fifteen characteristics of a Crisis Management Plan 1 | Cover page | Basic information, revision dates, assurances of confidentiality, and document number. |
| 2 | Introduction | Introduces plan; highlights importance of crisis plan. |
| 3 | Acknowledgment | Removable page requiring employee signature, ensuring that they have read and understand the plan. |
| 4 | Rehearsal dates | Indicates when plan has been practiced. |
| 5 | Crisis management team (CMT) | Identifies the incident commander, team members, how to activate the plan. |
| 6 | Contact sheet | Contact information (phone numbers, e-mails, addresses for all persons and agencies involved in the plan, including outside groups such as fire, police, hospitals, regulatory agencies). |
| 7 | Crisis risk assessment | Overview of types of crisis assumed to be possible, including primary features and level of risk assessment. |
| 8 | Incident report | Sheets to record important features of crisis, decisions, who was contacted (when and how). |
| 9 | Proprietary information | Identification of parameters of disclosure (i.e., types of information that cannot be disclosed without top management approval). |
| 10 | CMT strategy worksheet | Provides prompts and guidelines for message construction (i.e., audiences, message goals, specific contingencies, background, etc.). |
| 11 | Secondary contact sheets | List of secondary audiences who may need to be contacted, along with contact information. |
| 12 | Stakeholder contact worksheet | Lists of procedures to be used when responding to a stakeholder contact (such as media inquiry) and details regarding nature of the contact. |
| 13 | Business resumption plan | Details regarding how business will resume under specific contingencies (i.e., equipment destroyed, facilities closed, employees harmed, etc.). |
| 14 | Crisis control centre | Identification of locations/facilities for management of the crisis (both off-site and on-site). |
| 15 | Postcrisis evaluation | Details regarding how crisis management plan will be evaluated. |

Lukaszewski (2015) says, that successful crisis plans are scenario based. Organizations can use scenarios throughout the research and planning process, and after the plan is complete, they can use scenarios as part of keeping the plan current and all their processes in a state of readiness. Organizations will want to retain all these scenarios, whatever their original purpose, gather them together along with annotations and notes to be filed, reviewed, and updated regularly.

Preparing contingency plans in advance, as part of a crisis management plan, is the first step to ensuring an organization is appropriately prepared for a crisis. Crisis management teams can rehearse a crisis plan by developing a simulated scenario to use as a drill. The plan should

clearly stipulate that the only people to speak publicly about the crisis are the designated persons, such as the company spokesperson or crisis team members. The first hours after a crisis breaks are the most crucial, so working with speed and efficiency is important, and the plan should indicate how quickly each function should be performed. When preparing to offer a statement externally as well as internally, information should be accurate. Providing incorrect or manipulated information has a tendency to backfire and will greatly exacerbate the situation. The contingency plan should contain information and guidance that will help decision makers to consider not only the short-term consequences, but the long-term effect of every decision (Goel, 2009). A contingency plan is a comprehensive plan, developed during a rational and calm period that deals with how to manage the various aspects of a crisis. The plan serves as a tool or guideline for dealing with various aspects of the crisis. Routine decisions are determined prior to the event so managers can deal more affectively with the unique aspects of the crisis. A crisis plan is not only a tool which enables the organization to manage the crisis but further communicates a general mood and set of actions by management. While a contingency plan assists an organization in effectively handling a crisis, organizations should never falsely assume that it will take care of every problem. In fact, a crisis plan rarely covers every contingency. However, pre-planning allows the organization to respond to a crisis in a timely and appropriate manner (Ray, 1999).

Crisis often overwhelms an organization’s normal decisional and response capacity. Without planning, the urgency and confusion of a crisis often results in inconsistent and delayed responses, maladaptive reactions, failure to contain and reduce the harm, an extension of the crisis stage, adversarial relations with stakeholders, and a protracted and damaging postcrisis stage. In short, crisis plans help to offset the potential for harm by enabling organizations to craft timely, accurate, and strategic crisis responses. In addition, however, crisis plans serve other, more specific functions. First, planning helps companies fulfill their moral responsibility to protect employees, the community, and the environment. For example, organizations have obligations to keep employees and customers safe, and crisis planning and risk mitigation may help fulfill that goal. Second, crisis planning facilitates compliance with regulatory requirements. A complex network of regulations governs issues of safety, including hazardous materials, fires, building codes, transportation regulations, and requirements for worker safety. A third function of crisis planning is to enhance an organization’s recovery ability by reducing the time interval of disruption and the level of harm. Careful planning may allow an organization to reduce the damage, and thus the liability, and to demonstrate its overall risk vigilance. Fourth, planning enhances an organization’s reputation, image, and credibility with stakeholders. Planning has many other useful functions, but organizations must have also the necessary resources for crisis planning (Seeger, Sellnow, & Ulmer, 2003).

Two kinds of resources are required: expertise and slack resources. Crisis planning requires specialized knowledge and, in some fields, technical expertise. While these skills and areas of expertise are not always available within the organization, a wide variety of public and private agencies are available to help in crisis planning. The American Red Cross, for example, offers several kinds of crisis training to assist in preparedness and offers lists of resources for various kinds of disasters such as floods, hurricanes, blizzards and earthquakes. Specialized training in emergency-response vehicles, establishing emergency shelters, disaster service and control centres, dealing with mental health issues, and responding to the media is also offered (Seeger, Sellnow, & Ulmer, 2003).

We talked about crisis plans a lot, the next part focuses on a crisis planning as an activity. Crisis planning is a way to maximize performance during a critical period. A systematic and orderly response to a crisis enables the organization to maintain its daily and routine activities while simultaneously managing the crises. Planning seems a logical response to the threat

of crisis, but certain barriers prevent some organizations from planning effectively. An onion model of management identifies four key factors which influence whether an organization is prepared for crisis: individual defense mechanism, organizational culture, organizational structure and organizational strategies. Individual defense mechanism, considered the innermost layer of the model, refer to the attitudes and character of the organization´s membership. An organization´s culture determines how seriously managers approach preparing for crisis. The organization´s operating structure can be a potential barrier which can contribute to or inhibit crisis. Organizational strategies refer to the effectiveness of existing plans, mechanisms and procedures for crisis management (Ray, 1999).

Graph 1 – The onion model



Source: Brent (2010)

It was already explained why the crisis planning is important, what are its benefits and what should the plan contain. But how can organizations be really proactive? Smith (2018) describes main steps in proactive crisis planning. They are described below.

**1) Get a Plan** – The underpinning principle of proactive crisis planning is having a plan in the first place. It sets out the actions your company will take when faced with a crisis and ensuring business continuity is the key goal. The plan must pay particular attention to what drives the business and what needs to be protected when threatened for any reason. When the organization has fully developed this plan, it must make sure that managers communicate it to everyone concerned and prepare staff for using it should it become necessary.

**2) Line Up Your Staff** – Proactive crisis management depends on well-trained employees knowing their roles and responsibilities. Organization must make sure key staff members know how to act when required and understand how their role fits in with the overall plan. People also must know when and how to escalate any issues quickly and efficiently to nominated colleagues, including during unsocial hours. To provide focus, organization should pull together a crisis team of key employees to analyse the issues and identify suitable solutions.

**3) Clarify the Issue –** Identifying and verifying the issue is essential in a crisis. The plan must include determining where the problem has arisen, who is involved and the level of impact externally and internally. Organization should also check whether the problem is in the public domain; for example, a company that sells electrical goods may be made aware of a fault that could lead to an appliance catching fire. If it is, organization has a plan to inform customers. When communicating the issue, everyone always sticks to the facts. There is no room for spin during a crisis.

**4) Identify Spokesperson –** Organization should nominate one key staff member as a spokesperson on the issue. The point of a single voice is to avoid the potential for confusing or conflicting messages about how the problem is being addressed.

**5) Enter Quarantine –** Getting the issue away from other operations helps contain the problem. As far as it is possible, organization should have a plan to make sure the ongoing issue does not interfere with other business activities. If the crisis involves a major product, for example, ensure all potentially affected items can be isolated and subsequently cannot enter the market chain in any way.

**6) Make the Fix** – Getting customers back is easier if the organization can prove that whatever went wrong cannot happen again. If the crisis concerns business systems or operations, organization must be prepared to show that it has new procedures in place, illustrating the steps it has taken to redesign and test any changes.

**7) Follow Through** – Crisis management and planning is not a finite cycle. A business owner must continually train employees in the fundamentals of the crisis plan. After a crisis, remember to congratulate team for a job well done in handling any issues and helping the company back on to its feet. Management must make sure they learn from mistakes and implement change in the plan where required.

Zaremba (2015) talks about the importance of creating a crisis communication team during the crisis planning. It should be a cross-functional group. The value of diversity on this team is that persons from different units of the organization provide varied perspectives on solutions. People from different units can also anticipate crises that members from other units may not be as likely to consider. There are some variations regarding precisely who should be on the team. The central core of the team should consist of a chief executive, the chief financial officer, the head of corporate communications, general counsel, safety officer and someone from human resources. The team should have information technology specialists, emergency-response professionals, medical liaison professionals and family liaison personnel. The composition of the team may be unique to every business and the type of crises. The team has to be small enough to be manageable.

As well Condit (2014) adds some advices for organizations and their crisis planning. He says that advanced planning is the key to survival. What is most important according to him is that the organization creates the crisis management plan when everything is running smoothly, and everyone involved can think clearly. By planning in advance, all parties will have time to seriously think about the ideal ways to manage different types of crises. As the organization develops the crisis management plan, it should seek advice from the experts that include leadership team, employees, customers, communications experts, investment bankers, exit planners, lawyers and financial managers. Each of these individuals can provide valuable insight that could be critical if a crisis strike the company. Condit describes seven critical steps that every company should have in place regardless of its size.

**1) Have a plan** – Every plan begins with clear objectives. The objectives during any crisis are to protect any individual (employee or public) who may be endangered by the crisis, ensure the key audiences are kept informed, and the organization survives. This written plan should include specific actions that will be taken in the event of a crisis.

**2) Identify a spokesperson** – If the crisis could potentially impact the health or well-being of customers, the general public or employees, it may attract media attention. To ensure the company speaks with one voice and delivers a clear consistent message, a spokesperson must be identified as well as prepared to answer media questions and participate in interviews.

**3) Be honest and open** – Nothing generates more negative media coverage than a lack of honesty and transparency. Therefore, being as open and transparent as possible can help stop rumours and defuse a potential media frenzy. This transparency must be projected through all communications channels: news interviews, social media, internal announcements, etc.

**4) Keep employees informed** – Maintaining an informed workforce helps ensure that business continues to flow as smoothly as possible. It also minimizes the internal rumour mill that may lead to employees posting false reports on social media.

**5) Communicate with customers and suppliers** – Companies do not want customers and suppliers to learn about their crisis through the media. Information on any crisis pertaining to the organization should come from itself first. Part of the crisis communications plan must include customers and suppliers and how they will be regularly updated during the event.

**6) Update early and often** – It is better to over-communicate than to allow rumours to fill the void. Issue summary statements, updated action plans and new developments as early and as often as possible. Remember that with today's social media and cable news outlets, we live in a time of the 24/7 news cycle. The crisis plan must do the same.

**7) Don't forget social media** – Social media is one of the most important channels of communications. Be sure to establish a social media team to monitor, post and react to social media activity throughout the crisis.

Of course, even if the company develops a plan, it can fail sometimes. Zaremba (2015) mentions the most common reasons identified by practitioners and researchers for the failure of crisis plans. They are: not testing the plan, not anticipating reactions to the messages generated, nurturing and nourishing a culture that does not prize transparency, lack of resources, no real plan or failure to follow the plan, not learning from the past. Anyway, the plan cannot limit itself to disasters, or to one or two types of crises (non-physical crises). Organizations are exposed to more than one type of crisis, so the plan must identify actions to be taken based on a number of different crisis scenarios. The plan will identify these actions based on the specific "type" of crisis. The actions needed for a product safety problem will probably differ from the actions that need to be taken when the organization experiences an incident that is threatening the organization’s reputation, or a financial crisis. A thoroughly developed plan is very useful tool of crisis planning (Devlin, 2007). Except from the plan, the organizations can use other tools of crisis planning. Cardenas (2018) states for example crisis management consultants, identifying risks and threats and planning and training for prevention. All of these are the parts of crisis planning, which can help organizations to deal with a crisis – an event that can seriously harm the people, reputation or financial conditions of any organization.

**Risk communication x crisis communication**

Walaski (2011) states in his book that risk and crisis communication is o process of communicating information by a public or private organization to an audiance. The information is typically communicated following a formal or informal risk assesment process that delineates hazards that may occur the oranization and require some level of knowledge imparted to the audience on how the hazard will impact them and how they can prepare for the hazard. The process most often occurs when hazards are already occurring, are about to occur, or being planned for as part of and overal emergency response preparedness process. In most literature, terms „*risk communications*“ and „*crisis communications*“ are used to describe both the process of developing a relationship with key audiences in which information is communicated about the hazard, as well as the specific messages that are crafted and delivered by various organizational representatives.

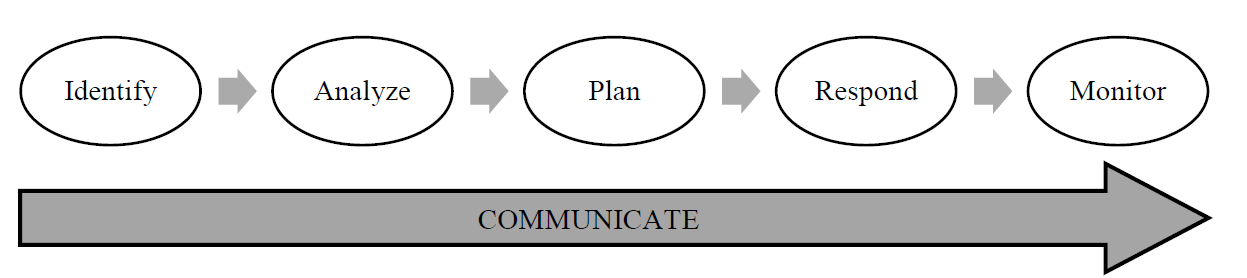
*Risk communications* is most often the process and the messages that occur prior to the occurence of a hazard. Risk communiations help audiences understand their risk as well as what activities they can undertake to prepare for the hazard situation.

*Crisis communications* is the process and messages that are delivered at times of high stress, either because the hazard is already occuring or is imminent.

**Crisis management x crisis communication**

We have to realise that there is a difference between crises management and crises communication. *Crisis management* deals with the reality of the crisis. It is the actual management of the precarious situation that is rapidly unfolding. It is making swift and vigilant decisions, gathering resources, marshaling troops, and so on, sometimes under great stress and enormous time constraints, to resolve a pressing problem. It is (hopefully) gaining the upper hand over an event that could potentionally cause great or greater harm to a company, its various publics, its employees, its stakeholders, and its bottom line. It is preventing the situation from escalating. It is, in short, reality of what´s going on – the actual management of the drama – oftem behind the scenes and far from public view. It is the steps taken by the crisis management team that will determine the ultimate outcome of the crisis. *Crisis communication* is managing perception of the same reality. It is telling the public what is going on (or what you want the public to know about what is going on). It is shaping public opinion (Fink, 2013).

Picture 1: Crisis management



Source: Gautam, A., How to Communicate in Crisis, 2015

So in the figure above we can noticed that communication intermingles all process of crisis management. It is neccessary to pay attention for this crisis communication because it can affect the success of crisis management.

**Definition of the crisis communication**

Crisis communication can be defined broadly as the collection, processing, and dissemation of information required to adress a crisis situation. In **pre-crisis**, crisis communication revolves around collecting information about crisis risks, making decisions about how to manage potential crisis, and training people who will be involved in the crisis management process. The training includes crisis team members, crisis spokesperson, and any individuals who will help with the response. **Crisis communication** includes the collection and processing of information for crisis team decision making along with the creation and dissemination of crisis messages to people outside of the team (the traditional definition of crisis communication). **Post-crisis** involves dissecting the crisis management effort, communicating necessary changes to individuals, and providing follow-up crisis messages as needed (Coombs, Holladay, 2012).

**Stages of the crisis communication**

As we can see crisis communication has a several basic stages. Organizations have ethical responsibilities before, during and after a crisis. Every of these stages has a several steps which can be performed by organizations.

***Pre-crisis communication***

 Monitor crisis risks.

 Make a decision about how manage potential crises.

 Train people who will be involved in the crisis management process.

***Crisis***

 Collect and process information for crisis team decision making.

 Create and disseminate crisis messages.

***Post-crisis***

 Asses the crisis management effort.

 Provide follow-up crises messages as needed (pagecentertraining, 2015).

Koerber (2017) introduce a different called stages of crisis communication. He states in his book that crisis communication has three genneraly accepted stages: **prevention**, **response** and **recovery**. These stages help us to see the various parts of the crisis communication process, to organize and clasify crisis communication. These stages reflect goals for the crisis communicator: if possible, prevent the crisis; if the crisis occurs, respond effectively to end the crisis; and then recuperate images and reputations.

Litwin (2009) introduces in his book Bernstein´s **10 steps of crisis communication**:

1. Identify your crisis communication team.

2. Identify spokeperson.

3. Train spokesperson.

4. Establish communication protocol (notification systems).

5. Identify and know your stakeholders.

6. Anticipate crises.

7. Develop holding statements (quick response).

8. Assess the crisis situation.

9. Identify key messages.

10. Riding out of storm.

**Meaning and importance of the crisis communication**

Crises and other disasters and accidents have made both companies and governments realize that the must be prepared for a crisis at all times. No one is assured that he or she will be shapered. A permanent state of crisis awareness is therefore a fundamental requirement for every company or organization; but that is not enough. In the event of a crisis, effective and efficient communication can be a matter of life and death: what has really happened and what meassures have been taken to deal with the crisis? If a company fails to follow the fundamental principles of crisis communication, the consequences can be far-reaching and disastrous (Anthonissen, 2008).

**The role of the communication in crisis**

Communication´s role in the examination of organizational crisis roughly parallels the development of traditional approaches to crisis management and the relatively recent emergence of theoretically grounded views. Traditionally, communication (largely public relations) is associated with postcrisis management and response. This includes disseminating risk mitigation information, such as warnings, to limit harm; communicating with various agencies so that logistics are coordinated; providing clarification of cause, extent of harm, and blame; responding to accusations of wrongdoing; and generally managing the unified public response to the crisis. In many organizations, communication practioniers, along with legal affairs and operations departments, are given the responsibility of creating, maintaining, and communicating the crisis-management plan. This include media training for crisis spokesperson, establishing and maintaining both internal and external crisis communication channels, and developing contingent responses and messages for anticipated crisis scenarios (Seeger, Sellnow, Ulmer, 2003).

**Effects of the crisis communication**

It´s obvious that communication during crises can and often does have a significant effect on a organization´s health. So in every organization there is very important to learn people how to be an effective commmunicator. We have to realise that we talk about spoken and of course, also written form of communication. Effective crisis communication requires skill, training, practic, and simulation. Organizations that have plannes for crises, are determined to be transparent, intend to follow the compass of the „golden rule“, and operate within a culture that is consistent with the communication plan.

Fundamental principles of succesfull managing the crisis can be describe with using of acronyms to help remind:

 **S**kill in crisis communication,

 **T**ransparency,

 **I**nevitability of crises and therefore the imperative of prescrisis preparation,

 **C**ulture an organizational that will not undermine the crisis plan, and

 **K**nowledfe of the value of the „golden rule“ principle for crisis communication.

Crisis communication involves identyfying internal and external receivers who must recieve information during times of crisis. Crisis communicators conceive, create, and disseminate messages to these internal and external recievers, and prepare to receive and respond to feedback from these audiences. *Crisis communicators have to*: be prepared for crises, identify audiences, conceive and construct messages, select the media or medium to be used to relay information etc. (Zaremba, 2010).

**Komponents of the crisis communication**

There are three basic kinds of komponents of crisis communication:

 ***Technical*** which includes these technicalities: visible leadership, face-to-face/social media, integrated communication and across mediums.

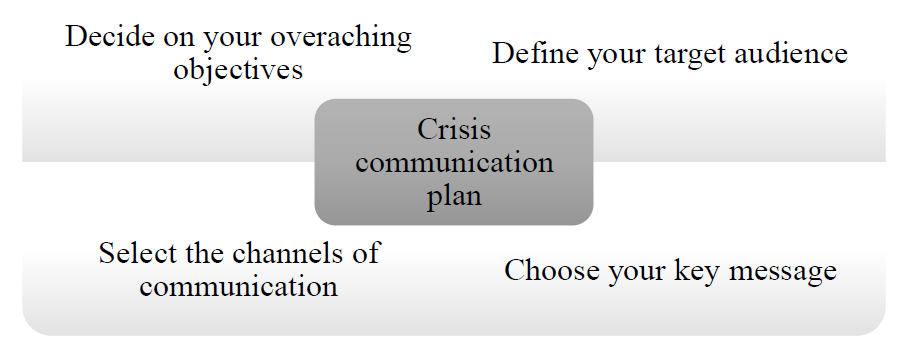
 ***Audience*** which prioritize this audience: employee, shareholder, suppliers, customer, government, law, makers and media.

 ***Message*** which always have to include these components: cause of crisis, brief description, future plans and timelines (Gautam, 2015).

**Crisis communication plan**

A good crisis management practise is to develop a communication plan in advance. The plan should anticipate crises that the organization may encounter during the course of business and develop appropriate responses. Specific circumstances notwithstanding, the tenets of crisis communication stipulate that organizations acknowledge the situation, express concern for those affected, commit to a fair investigation and regular updates.

Picture 2: Crisis communication plan



Source: Carriappa, S., The Role of Social Media in Crisis, 2016

The crisis communication plan must outline roles and responsibilities. Key personnel such as organizational spokespeople, social media managers and customer service staff, should be appraised of the information they can legitimately share. They should be briefed on the organization’s communication strategy and messaging plan during a crisis.

A well-designed communication plan should provide answers to these questions: What could go wrong? Who´s in charge? What´s the strategy? Who are the spokespeole?

**1. Audience**

Rudawsky (2011) defines 9 audiences to target during a crisis:

 ***Corporate executives*** – this includes all bossess in organization.

 ***Employees*** – this group of people is the most important on the list.

 ***Board of directors*** – though this group may not be involved in the day-today operations of the company, they wield influence with internal and external audiences.

 ***Customers*** – as with employees, this group is really important, and an honest stream of information can take the sting out of bad news.

 ***Vendors*** – this group is important because of their often contact with a client.

 ***Industry analysts*** – this group is more important with publicly traded companies, and keeping them informed may be required anyway because of disclosure rules.

 ***Financial institutions***.

 ***Trade associations*** – having this group with the proper messaging will help the company.

 ***Regulators***.

**2. Key message**

Very important for every organization is choosing their key message. The foundation of any crisis response is the message you are communicating. When a crisis hits, the first thing you do is figure out what the facts are (or if you can't find the answers quick enough, identify a process for getting the facts). Then, you have to decide how much of those facts that you can communicate publicly (based on legal and other restraints).

Among the messages that are invariably part of any good crisis response:

 A succinct explanation of what went wrong,

 An expression of concern for the impact that the situation has on customers, employees, the general public, etc.,

 A sincere apology, if warranted (and don't let the lawyers talk you out of it!) and a sense that the company takes responsibilities for any missteps it may have made,

 A commitment to identifying the underlying factors that caused this situation to happen and addressing them,

 An expression of confidence that this situation does not reflect poorly on the company overall – but only if it's true; nothing's worse then many new shoes dropping.

It should go without saying that honesty is always the best policy, transparency creates trust, acting defensively won't win you any admirers and leaders earn respect when they are willing to publicly take their lumps. Most importantly, don't stonewall or refuse to provide information--earning yourself a lot of ill will. Almost always the public pressure becomes so intense companies eventually break down and offer some sort of response, but by that point the damage is done and even the best crafted public message rings hollow and appears forced (Pisciotta, 2014).

**3. Channels of communication**

Fronz (2011) introduces a several channels which can be used by organization in case of crisis communication: personal telepohone contact, social media statement, blog message, newspapers, magazines, mobile phone text messagge, press statement, radio broadcast, (pre - booked) advertising space, press konference, e-mail, home-page statement, fax, briefing meeting (e.g. investors), telephone helpline, television broadcast, responsible staff contacts, + 24-hour telephone line.

Every organization have to consider using a different channels of communication for different stakeholder an any other recipient of the messages.

**4. Objectives of the crisis communication**

Crisis communication is strategic because it is designed to achieve certain outcomes. Objectives are critical to evaluating the success of failure of a crisis communication effort. Specifying what the crisis team hopes to achieve will provide a standard for evaluating its result (Coombs, 2014).

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