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Abstract

It is too easy, according to business consultant Laurence Barton, Ph.D., for businesses to operate on cruise control, sure of the familiarity of the road and without the protection of a current crisis response plan that could offer some protection for the bumps and hazards to come. Numerous researchers, however, are sounding the alarm. Without the sense of urgency of a 9/11-scale crisis, the number of organizations without current crisis plans in place is slowly decreasing, according to a 2005 American Management Association study. Yet the warning signs of uncharted territory ahead are everywhere. Organizations must prepare for new crises that may develop with the deepening interconnectedness of our global society. The test for new leadership may be the degree to which managers can step forward to identify and plan for new and emerging crises that may not have been considered in the previous century. This article highlights current best practices in crisis management and crisis communication. It also offers strategies organizational leaders can consider in order to adapt effectively to the new reality of a crisis-rich environment, which exists along with the challenges posed by 24/7 news coverage and the ever-present social media.

Introduction

In this post-September 11 and post-Virginia Tech era, it may seem foolish to ask if crisis planning is something in which organizations should engage, spending precious time, financial, and personnel

resources. Burying one's collective head in the sand and saying "it can't happen here" hasn't inoculated organizations from crisis situations in the past. On the contrary, the realities of a 24/7 news cycle can make any organization's crisis headline news, enhancing a sense of vulnerability among stakeholders. Varying demographics, interests, and diversions have fragmented traditional "mass audiences" and communities. As researchers observed some 20 years ago, "The sense of community that existed a century ago is no longer common," (Kruckeberg and Starck, 1988, p. 37). This "disconnectedness" among a diverse population creates a need to engage with each other to address the demands of a seemingly more fragile existence in communities small and large. The new demands and pressures faced by today's organizations underline the need for planning and preparation for the unknown ahead.

Need for Crisis Planning

Why is formal crisis management important for today's organizations, private and public sector alike? What are the challenges that may confront business leaders just around the bend? According to Coombs, the need to protect organizational reputations, respond to stakeholder activism and advances in communication technologies, take a broader view of crises that have a ripple effect, and concerns about charges of negligence if companies fail to plan are driving many organizations to make crisis preparations (2007). Today's crises pose geographic, social and political threats of increasing complexity, according to Devitt and Borodzicz (2008). Crises ahead may be increasingly "transboundary" in nature, Boin proposes, due in part to new technologies, international terrorism, climate change, demographic shifts, and shifts in global power arrangements that offer threats as well as opportunities (2009). Buckle (2003) warns of trans-national (across borders or outside of jurisdiction, such as in space, in the ocean or the Antarctic) and trans-generational issues that extend far into the future. More immediately, business leaders must respond to the decline in trust and relationships between organizations and stakeholders—employees and customers—that have hit significant bumps in the road with the recent economic recession (Quirke, 2010). Trust is an essential ingredient in crisis situations; stakeholders will adapt more confidently if they have a trusted source of communication in a crisis (Longstaff and Yang, 2008).

Multiples voices echo the need for ongoing crisis planning. The reality is business may be moving slowly in another direction. Without

the sense of urgency of a 9/11-scale event, the number of organizations without current crisis plans in place is slowly decreasing, according to a 2005 American Management Association study. The AMA study in August and September of 2005 found that, while more than half of the United States companies surveyed had crisis management plans, the percentage with crisis plans had dipped from 64 percent in 2003 to 60 percent in 2005. Only 38 percent of AMA respondents had provided crisis management training for key personnel ("AMA 2005 Crisis Management & Security Issues Survey"). Seventy-nine percent of American small businesses indicate they do not have a disaster-recovery plan in place (*The Central New York Business Journal,* 2005). At the same time, the private sector passed a crisis milestone. The so-called discipline of crisis management (Rudolph, 1986; Burnett, 1998) marked its 25th anniversary in 2007. Business has moved from the Johnson & Johnson first crisis of product tampering to environmental disasters of the Gulf oil spill, from natural disasters such as Hurricane Katrina to the more recent concerns of an influenza pandemic, from financial upheaval to threats of terrorism within the United States and abroad. Leaders are needed who recognize the threats and opportunities ahead, rather than just are driven by the dictates of the moment. We must acknowledge today's inclination to live only in the moment and push our creative and intuitive abilities to project and imagine the challenges ahead.

Best Practices

Crisis events facing the corporate sector have the capability to:
- Affect and disrupt the entire organization.
- Negatively affect the organization's publics, products, and services.
- Jeopardize the organization's reputation, future profitability, and even its survival.
- Dramatically redefine an organization, affecting its business and culture.
- Violate the vision of what the organization is set up to accomplish.
- Inflict long-term damage on the organization and its relationships with its stakeholders. (Coombs, 2007; Fearn-Banks, 2007; Coombs & Holladay, 1996; Lerbinger, 1997; Silva & McGann, 1995; Murphy, 1996).

On the other hand, crisis management and crisis communication propose strategies and processes for preparing for, preventing, responding

to, managing, recovering from, and learning from crisis events. A number of best-practice models have been proposed. Most address activities that should take place: (1) in a pre-crisis environment, when day-to-day business is conducted in a normal climate; (2) during a crisis situation or as a crisis is unfolding; and (3) in a post-crisis environment (Coombs, 2007) as the crisis cycle comes to a close. To be crisis ready in a communication sense, organizations should (a) evaluate the organization's communications climate, whether the organization is open or closed to sharing information; (b) identify stakeholders crucial to the organization's success; (c) create a written communication map or network of stakeholders that could be relied on in a crisis (d) develop ongoing, two-way communication between the organization and these key stakeholders; (e) incorporate a mix of traditional and new media in an established communication program; (f) develop new ways of meaningfully engaging stakeholders in areas of shared interest and concern; (g) anticipate the demands that users of traditional and new media will place on the organization in times of crisis (Gainey, 2007, p. 414).

Before a Crisis Hits

Many steps should be considered before hints of a crisis appear on the horizon. The first is to develop a signal detection or early warning system to identify issues that may develop into a crisis in the future. Coombs recommends focusing on threats or vulnerabilities that have the greatest likelihood of occurring and would cause the most damaging impact (2007). According to Weiner, "Research shows that the vast majority of crises arise when companies fail to identify a potentially contentious issue at an earlier, more benign, stage, and to develop a plan of action to manage the issue before the issue manages them" (2006, p. 1). An issues management program, for example, can assist an organization in identifying emerging issues early. Organization should track media articles, industry reports and legislative actions on these potential issues and conduct a vulnerability audit to identify internal weaknesses (Weiner, 2006; Heath, 1998). Some researchers even reference organizations that have proactive cultures of "looking for problems" in their respective environments (Boin, 2009, p. 372).

Gaining top management support for the integration of crisis management into corporate planning is also a key pre-crisis step (Pauchant and Mitroff, 1992; Dodd, 2006). Making crisis planning a priority and embedding the crisis management process into organizational policies

and processes must be supported and championed from the top. Dodd, in addressing crisis planning in higher education, notes that crisis preparedness must be "owned" by someone, with direct responsibility and accountability; the resources of time and money must be committed to maintain crisis preparedness (2006, p. 7).

Other pre-crisis activities should include:

- Create and maintain a formal (written) crisis management plan to serve as a framework for the organization's response in a crisis and a trained crisis team to lead the response effort (Lee, Woeste & Heath, 2007). Even when companies have crisis plans and crisis teams identified, they tend to fall short on crisis planning. In one study, the most frequent crisis team training activity involved review of the crisis management plan. Training lagged far beyond other planning activities and was used by much less than half of the study's responding companies (2007).
- Develop and maintain an ongoing media relations program. Seeger advocates engaging the traditional mass media "as a strategic resource to aid in managing the crisis" (2006, p. 240). Crisis spokespersons should be identified and trained in this pre-crisis environment. Organizations may wish to consider using diverse spokespersons to enhance credibility with diverse stakeholder audiences and to reflect differing types of expertise, which may be called on in an actual crisis (Duhe', 2005). Commit to being the first and best source of information (Heath, 2006); remember that silence is often perceived as guilt or arrogance and that an information vacuum is likely to be filled by others, often your critics.
- Expand your organization's online presence by emphasizing content and interactivity with stakeholders (Kent, Taylor, & White, 2003). Telsa Motors used the CEO's blog to explain employee layoffs; the organization found the blog "helped frame the story for the media, minimizing the chance for inaccurate articles" (Kolek, 2009).
- Develop a pre-crisis network of strategic partnerships that can provide expertise and support in a crisis and assist with the dissemination of consistent messages (Seeger, 2006). These partners may include subject-area experts, grassroots

organizations, or others that have relationships with stakeholders at various levels.

- Take proactive steps to develop a regular and systemic two-way process of communication with key stakeholders in a pre-crisis environment to enhance relationships between the organization and its stakeholders. "It is nearly impossible to build a relationship and credibility with stakeholders in the middle of a crisis" (Stocker, 1997, p. 197). Establishing good relationships and goodwill before a crisis can be important to successful management of a crisis (Seeger, 2006). Key messages should reinforce (1) competency, accessibility, openness, transparency, and honesty (Quirke, 2010; Seeger, 2006); (2) a willingness to listen and engage stakeholders with a goal of mutually beneficial outcomes (Covello, 2003); and (3) compassion, concern, and empathy (Seeger, 2006; Covello, 2003). Finally, consider messages of self-efficacy when appropriate. These message may instruct people on what they can do to protect themselves, help others, or take actions that may be meaningful in more abstract or social contexts (Seeger, 2006; Heath, 2006).

Responding to the Crisis

Activities that should be taken in a crisis environment, where the crisis is unfolding, include:

- Take action quickly after the crisis event (Lerbinger, 1997; Burnett, 1998; Sen & Egelhoff, 1991). With traditional media, organizations were expected to have a window of 45 minutes to 12 hours to communicate (Small, 1991). That window is much smaller today because of the new media. Cell phones, digital cameras, and personal digital devices can be used to capture a breaking crisis and post video or photos online as the crisis happens. Cell phone images after the London bombings or from the U.S. Airways Flight 1549 landing on the Hudson River in New York were captured by citizens, posted online, and then used in traditional media outlets (Owen, 2005; Noguchi, 2005; Hannah, 2009). This adds pressure for organizations to be prepared to respond almost immediately in a crisis.

- Implement the crisis plan, and engage the crisis team. Recognize that a crisis exhibits the characteristics of time pressure, control issues, threat level concerns that vary in magnitude, and constraints regarding response options (Burnett, 1998). Having a well-constructed crisis management plan that includes training and simulations will help your organization manage these crisis characteristics.
- Be prepared to rely on a mix of media to communicate with internal (primarily employees) and external audiences. Face-to-face meetings may be appropriate in some situations, while in others, reliance on Web page updates, RSS feeds, e-mail, Twitter, and interactive Web features may be more beneficial. Take note of where your stakeholders go for information; for example, Millenials spend more time with e-mail, texting, and on social media networks than on the telephone, watching television, or reading magazines, according to one study (*Research Brief*, 10/28/2009). Identify the key messages that should be communicated to your key stakeholders (Fearn-Banks, 2007). Those key messages should include statements of concern for those injured or killed and what your organization is doing to manage the crisis (Boin, 2009). Don't assume your stakeholders know what you are doing—always tell them and keep reminding them what your plans are to prevent a similar crisis in the future.

Post-Crisis Activities

The primary actions to take as a crisis is resolved are to continue the communication efforts with internal and external stakeholders (including media), evaluate the effectiveness of the crisis response, update the crisis management plan and perhaps the crisis team based on the evaluation, and incorporate what the organization has learned into organizational processes and policies. Your organization will want to return to business-as-usual, in the pre-crisis environment again, as soon as possible (Dodd, 2006).

Leadership Challenges

Caponigro said "Effective crisis management is a process not an event. It is an ongoing, systematic, and disciplined process that a business should follow to help identify vulnerabilities, prevent crises from occurring, plan

for those most likely to occur, communicate effectively during and after a crisis, monitor and evaluate the situation, and make adjustments as necessary" (2000, p. 29).

"The problem actually begins," Caponigro said, "when they [executives] think of *crises* only as the high-profile, spectacular ones that cause catastrophic results, and they forget about the ones that—like termites—weaken and gnaw away at the foundation that underlies the company's success. Then the damage is finally identified and confirmed as something to be taken seriously, it's often much too late to fix the problem without lengthy, costly repairs to the cornerstone of the foundation—it's credibility, reputation, loyalty, and trust" (2000, p. xii).

Today's crisis-laden environment creates challenges for organizations and their leaders. Quirke recommends leaders get "out and about," seeking visibility among employees. "Contact equals familiarity, familiarity builds trust" (2010, p. 26). Messages should be clear and consistent, engaging to connect with people emotionally, and focused on what they need to communicate and how the business plans to move forward. Champy said, "Real leadership requires relationships and personal engagement. Nothing I see in technology has yet to replace these qualities. I believe that technology will enable new business models, but not 'new leadership'" (2010, pg. 2).

Threats on the road ahead vary, depending on the researcher, politician, consultant, or person on the street. Potential catastrophes include explosion of a nuclear weapon in a major city, natural disasters such as hurricanes, floods, earthquakes or tsunamis, health threats such as viruses and influenza pandemics, financial crises, technology attacks in cyberspace, unrest that transcends political and geographic boundaries, terrorism, workplace violence, infrastructural and organizational decline, sabotage, and industrial and environmental disasters (Barton, 2008; *Harvard International Review,* 2006; Boin, 't Hart, Stern & Sundelius, 2005). Buckle suggests that "perhaps we need to be more imaginative and more resourceful in looking at the hazards we face…This may well require us to develop a much longer temporal perspective for risk management—looking at generations rather than a few years into the future; looking more broadly at regional and global consequences rather than national consequences; and examining ways in which we can share knowledge—vertically from governments with communities; across different disciplines; and from formal disciplines to traditional knowledge" (2003, p. 121).

The test for new leadership may be the degree to which managers can step forward to identify and plan for new and emerging crises that may not have been considered in the previous century. We are indeed a global society, with deep and numerous connections. A localized crisis in a rural community in one corner of the world can become the next breaking story, generating headlines around the globe and affecting us in ways we are still learning to understand. Some crisis incidents will "cause disruption and enormous pain," while others will have legal and ethical implications, causing a different kind of trauma (Barton, 2008). Some will have limited effects on specific locations, while other crisis incidents will cause destruction and upheaval for months or years to come. Whether the next crisis affects our oceans, our economy, or the well-being of our children's children, we need businesses with leaders who can adapt to the challenges ahead. Only some crises create a sense of urgency; threats that don't appear to pose immediate problems don't tend to induce a sense of crisis (Boin, 't Hart, Stern & Sundelius, 2005). However, the warning signs are clearly present. Leaders can prepare for crises, but they must be willing to learn from their own experiences and the crisis experiences of others. Boin et al maintain that developing lessons learned is one of the most underdeveloped aspects of crisis management (2005).

As consultant Barton notes, there are no safety gear for organizations. The safety belts that prevent severe injuries or death for individuals offer no comfort for organizations. Businesses and their leaders must rely on crisis management plans to prepare for the hazards that lie ahead. Preparation and planning—and learning from our own experiences—will help equip organizations to respond to future threats. We will look to leaders who can use creativity and the resources at hand to manage new and emerging threats in the reality ahead.

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