Second Face to Face (PJJ)

KOM5327 Crisis Communication

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Content:

1. Steps in crisis management
2. Training for crisis communication preparation
1: Steps/Stages in Crisis Management

1. Precrisis
2. Crisis prevention
3. Crisis preparation

Stage 1: Pre-crisis

- Prevention and preparing for crisis
- Organizational members must be proactive
- Actions perform before crisis occur
- Involves three substages: signal detection, prevention, and crisis preparation
Signal detection

- Scanning: active search for information
- Scanned a variety of information sources – environmental and internal
- Analysis of information
- Three part:
  1. identify sources of information
  2. collect the information
  3. information evaluated for potential crisis

Scanning resources

1. Issues management:
   - a systematic approach intended to shape how issues developed
   - identification of and action taken to affect issue
   - contributes to crisis scanning
2. Risk assessment:
   - attempts to identify risks factors and assess the probability that it will developed into crises.
   - personnel, product, production process, facilities, competition, regulations, customers
   - provide important information for crisis

3. Stakeholder relationships
   - stakeholders: any person or group with an interest, right, claim, ownership in organization
   - primary stakeholders: employees, investors, customers, suppliers, government
   - secondary stakeholders: media, activist group, competitors
Sources – Issues management

- Traditional:
  - News media
  - Trade journals
  - Newsletters
  - Public opinion polls
  - Medical and science journals
  - Government publications
  - Public opinion experts

Issues management sources

- Online:
  - News and business wires
  - Online newspapers, magazines, trade publications
  - Archives for professional association,
    special interest group, government agencies
  - Newsgroup
  - Webpages
Risk assessment sources

- TQM
- Environmental crisis exposure
- Legal compliance audits
- Financial audits
- Workers compensation exposure
- Liability exposure
- Criminal exposure
- Product tampering
- Safety/accident record

Relationship sources

- Shareholders resolution
- Corporate social performance
- Stakeholder complaints/inquiries, public criticism
Collecting Information

- Content analysis – systematic coding and classification of written materials e.g. customer complaints
- Interviews, surveys, focus groups, key contacts to collect info from stakeholders

Information analysis

- The process of understanding if and how a warning sign might affect the organization
- How to evaluate information about issues, risks, and stakeholder relations
- Evaluation of issue – likelihood and impact:
  - Likelihood: the probability of an issue gaining momentum (probability)
  - Impact: potential effect on organization (damage)
Information analysis – risk evaluation

- Separate minor risk from crisis-producing risks
- Likelihood and impact
- Risk should be rated on a scale of 1-10 for likelihood and impact

Information analysis – stakeholder evaluation

- Three criteria to evaluate – power, legitimacy, and willingness
- Power - the ability of the stakeholder to get the organization to do something that it would not do otherwise (ability to disrupt organization)
- Legitimacy - actions considered desirable, proper, or appropriate according to some system.
- Willingness - stakeholders desire to confront the organization about the problem
- Separate minor risk from crisis-producing risks
- Likelihood and impact
- Risk should be rated on a scale of 1-10 for likelihood and impact
Monitoring

- Following the development of the prodromes
- Continuously collects and analyses information about the prodromes
- Search for a more detailed information and continuous application of the search process
- Look for indication if prodromes is likely to develop into crisis
- Use information sources, collection tools, analytical criteria during scanning

Stage 2: Crisis Prevention

- Members act on warning signs or prodromes and try to curtail crisis event
- Crisis prevention: program to defuse crisis by attending to the warning signs and risks
- Actions taken to eliminate potential crisis identified during signal detection stage
Components of crisis prevention:
1. Change: eliminate/reduce the likelihood of warning sign becoming crisis
2. Monitoring: regular review of changes designed to reduce warning signs
- Consists of two step process designed to reduce or eliminate possibility of warning sign becoming a crisis

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Issues Management

- Systematic procedure to influence issue resolution in favor of the organization
- Issues management model: Jones and Chase Model (1979)
- Provides directions on actions to take to prevent issue becoming a crisis and to evaluate crisis management efforts
Issues Management Process

- Communication is used to influence issue resolution
- Jones & Chase Model:
  - issue identification
  - issue analysis
  - issue change strategy option
  - issue action program
  - evaluation model

- Issue action focus on:
  - communicating organizations position on the issue to the stakeholders
  - develop goals and objective of communication program
  - selection of means and resources to achieve goals and objectives
  - Deciding on specific messages to be communicated, when to communicate, channels to be used
- Improve organization’s operating standards and plans rather than change stakeholders opinions
- Issue management tools: advocacy advertising, direct lobbying, grass roots lobbying, letters, email, web-pages, publicity
Issues Management Evaluation

- Examine resolution of issue
- Compare actual resolution to intended resolution of issue
- Success: actual=desired resolution
- Issues are cyclical in nature, issue needs to be evaluated at least annually

Risk Management Aversion process

- Risk management – attempts to reduce the risks faced by an organization
- Strategies to reduce crisis potential
- Factors in risk management strategy – costs and technical
- Compare costs of risks (deaths, injuries, litigation) to costs of reducing risks (equipment or actual work to reduce risks) e.g. Ford Pinto)
Relationship building

- Quality of organization-stakeholder relationships determine the effectiveness and success of organization
- Guidelines for managing favorable organization-stakeholder relationship – staying close, credibility, meeting expectations

Relationship building – staying close

- Dialogue to create mutual understanding
- Two-way communication to enhance the reputation of organization
- Staying close allows organization to identify problems early and prevent problems from developing into issues
- Eg. Nike logo resembling Allah (1997)
Relationship building – organizational credibility

- Credibility – receivers attitude towards the communicator
- Effect on persuasive messages
- Credibility – expertise and trustworthiness
- Expertise – knowledge about subject
- Trustworthiness – communicator’s goodwill toward the receivers

organizational credibility

- Initial, derived, terminal credibility
- If organization lacked initial credibility it must developed derived credibility
- Building credibility during crisis is difficult
- How to build derived credibility – get experts to support position, Gerber baby food get support of FDA and health department
- Credibility increases believability
- More credible more likely that stakeholders believe the organization story
Meeting expectations

- Meeting expectations/conforms to the expectations of stakeholders – legitimate
- Legitimacy implies favorable relationship
- Favorable precrisis organization-stakeholder crucial for crisis management

2: Training for crisis communication preparation
Components

1. Diagnosing vulnerabilities
2. Assessing crisis types
3. Selecting and training crisis management team (CMT)
4. Selecting and training the spokesperson
5. Developing crisis management plan (CMP)
6. Reviewing the communication system

Diagnosing crisis vulnerabilities

- Vulnerabilities vary according to type of business, size, location, operations, personnel, and risk factors
- Different types of organization are prone to different types of crisis
- Crisis managers must identify the crises for which the organizations are most vulnerable
- Vulnerabilities affect the development of CMP
- Vulnerabilities are assessed using likelihood of occurrence and severity of damage
- CM lists of possible crises that can affect organization
- List can be result of brainstorming of CMT or assessment by consultant (audit)
- Assess each crisis in terms of likelihood and impact
- Multiply likelihood and impact to get crisis vulnerability score
- Higher score denote greater potential
- CM should focus on crises with highest score

2. Crisis types

- Natural disaster – due to weather or act of God such as earthquakes, floods, hurricanes, bad storms
- Malevolence – extreme tactics use by opponents to express anger towards organization such as product tempering, kidnapping, malicious rumours, terrorism, espionage
- Technical breakdowns – technical breakdown such as industrial accidents, software failures, product recall due to technical problem
• Human breakdown – human error resulting in disruptions such as industrial accidents, product recall from human error
• Challenges – stakeholder challenges the organization due to operation not meeting expectations such as boycotts, strikes, lawsuits, government penalties, protest
• Megadamage – accidents create environmental damage such as oil spills, radioactive contamination. Maybe due to human or technical error

• Organizational misdeeds – mg takes actions that they know will harm/risks stakeholders such as favoring short-term gain over social values, deliberate deception of stakeholders, amoral or illegal acts by the mg
• Workplace violence – employee/former employee commits violence against other employees on organizational grounds such as killing or injuring of coworkers
• Rumors – false information about organization or products is spread by irresponsible parties to hurt the organization’s reputation such as linking organizations to radical groups or stories of product contamination

• **Strategies facing a crisis**
• Create a Crisis Management Team (CMT) - Cross functional group of people

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**Crisis Communication Plan**

• CMP must contain information needed to manage a crisis but not too long
• CMP helps to reduce response time by pre-collecting needed background info, pre-identifying responsibilities, assigning actions to specific individuals
• CMP creates systems that can save lives, reduce organization exposure to risks, permit remedial actions to be taken without embarrassment and scrutiny
Components of CMP

- A communication document
  - identify who to contact and how
  - Means for documenting what was said or not said during a crisis
  - Some experts refer to CMP as CCP
  - CCP is a part of CMP

1. Cover page: identifies document as CMP, notes that it is confidential, contains revision dates, records number of copies
2. Introduction: message from the CEO to highlight the importance of CMP and remind employees to take it seriously
3. Acknowledgements: removable page that employees sign and return to organization for record, signed affidavit that they have read and understand CMP
4. Rehearsal dates: record when the plan has been practiced; a check on how up-to-date the plans and teams are

5. Crisis management team (CMT): lists team leaders and contact nos; how to activate the CMP; when CMP should be activated (crisis situation)

6. CMT contact sheet: lists of names of all team members, areas of expertise, outside consultant (if any) outside agents (if required). Indicates who to contact/crisis directory

7. Crisis risk assessment: identifies possible crises, evaluates the probability and impact. Provides overview of all possible crises

8. Incident report: accurate records of what was done during a crisis. Incident report sheet to record important incident. Required when evaluating crisis
9. Proprietary information: - reminds managers that certain information is confidential and cannot be reveal. Reminds that certain information may be released to with CEO authorization

10. CMT strategy worksheet: reminds CMT members the meaning of strategic and document crisis actions; consider who they are talking to, record specific audience, consider what they are trying to achieve with the communication (goals) record the specific goal, and attach copy of actual message sent. Guide actual communication

11. Secondary contact sheet: identifies stakeholders to be contacted and the person responsible
- info about type of stakeholders, name of contact person (s) for that stakeholder, organizational affiliation, title, contact info, documentation for the contact (when made by whom)
- an extension of stakeholder communication network
12. Stakeholder contact worksheet:
   - specific procedure to use when a call is received (identify a spokesperson to respond to media)
   - Identify other stakeholders such as community leaders, employees, families of employees, investors etc.
   - Record information, copies of contact sheet

13. Business resumption plan – details what the organization will do if crisis damage the facility or equipment needed to conduct business

14. Crisis control center (command center) – where crisis team members should meet when contacted

15. Post-crisis evaluation – CMT must assess efforts; must evaluate information collection and dissemination during crisis; contains information on notification systems used by CMT
Preparing crisis communication system

- Crisis control center – purpose:
  - place for CMT to meet and discuss crisis
  - information collection center
  - place for media briefing
- Ideally should be a separate area of the organization
- Have multiple crisis control center for backups
- Consists of:
  - scenario planning room (CMT meets)
  - communication center for monitoring information
  - press room for briefings
  - with internet and intranet facilities

See you next face-to-face ...