



Dr. Ibrahim Alhejji

futurecity.vision

A bright vision to life in optimistic place

Crisis Response System



Prepared by
futurecity team



Sponsored by



INDEX

Introduction	3
Chapter 1- Crisis management	4
Chapter 2- Crisis leadership	1
Chapter 3- Models and theories associated with crisis management	1
Chapter 4- Google Crisis Response	1

Introduction

Crisis management is the process by which an organization deals with a disruptive and unexpected event that threatens to harm the organization, its stakeholders, or the general public. This book will talk about the meaning of crisis management and how to be done effectively then we will talk about the different strategies used in crisis management

Crisis management strategy (CMS) is corporate development strategy designed primarily to prevent crisis for follow-up company advancement.

And at last we will talk about Google crisis response system
Google Crisis Response is a team within Google.org that “seeks to make critical information more accessible around natural disasters and humanitarian crises”.

Chapter 1- Crisis management

Crisis management is the process by which an organization deals with a disruptive and unexpected event that threatens to harm the organization, its stakeholders, or the general public. The study of crisis management originated with the large-scale industrial and environmental disasters in the 1980s. It is considered to be the most important process in public relations.

Three elements are common to a crisis: (a) a threat to the organization, (b) the element of surprise, and (c) a short decision time. Venette argues that “crisis is a process of transformation where the old system can no longer be maintained.” Therefore, the fourth defining quality is the need for change. If change is not needed, the event could more accurately be described as a failure or incident.

In contrast to risk management, which involves assessing potential threats and finding the best ways to avoid those threats, crisis management involves dealing with threats before, during, and after they have occurred. It is a discipline within the broader context of management consisting of skills and techniques required to identify, assess, understand, and cope with a serious situation, especially from the moment it first occurs to the point that recovery procedures start.

Crisis management is a situation-based management system that includes clear roles and responsibilities and process related organizational requirements company-wide. The response shall include action in the following areas: Crisis prevention, crisis assessment, crisis handling and crisis termination. The aim of crisis management is to be well prepared for crisis, ensure a rapid and adequate response to the crisis, maintaining clear lines of reporting and communication in the event of crisis and agreeing rules for crisis termination.

The techniques of crisis management include a number of consequent steps from the understanding of the influence of the crisis on the corporation to preventing, alleviating, and overcoming the different types of crisis. Crisis management consists of different aspects including:

- Methods used to respond to both the reality and perception of crisis.
- Establishing metrics to define what scenarios constitute a crisis and should consequently trigger the necessary response mechanisms.
- Communication that occurs within the response phase of emergency-management scenarios.

Crisis-management methods of a business or an organization are called a crisis-management plan. A British Standard BS11200:2014 provides a useful foundation for understanding terminology and frameworks relating to crisis, in this document the focus is on the corporate exposure to risks in particular to the black swan events that result in significant strategic threats to organisations. Currently there is work on-going to develop an International standard.

Crisis management is occasionally referred to as incident management, although several industry specialists such as Peter Power argue that the term “crisis management” is more accurate.

A crisis mindset requires the ability to think of the worst-case scenario while simultaneously suggesting numerous solutions. Trial and error is an accepted discipline, as the first line of defense might not work. It is necessary to maintain a list of contingency plans and to be always on alert. Organizations and individuals should always be prepared with a rapid response plan to emergencies which would require analysis, drills and exercises.

The credibility and reputation of organizations is heavily influenced by the perception of their responses during crisis situations. The organization and communication involved in responding to a crisis in a timely fashion makes for a challenge in businesses. There must be open and consistent communication throughout the hierarchy to contribute to a successful crisis-communication process. The related terms emergency management and business continuity management focus respectively on the prompt but short lived "first aid" type of response (e.g. putting the fire out) and the longer-term recovery and restoration phases (e.g. moving operations to another site). Crisis is also a facet of risk management, although it is probably untrue to say that crisis management represents a failure of risk management, since it will never be possible to totally mitigate the chances of catastrophes' occurring.

Types of crises

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.

Lerbinger categorized eight types of crises

1. Natural disaster
2. Technological crises
3. Confrontation
4. Malevolence
5. Organizational Misdeeds
6. Workplace Violence
7. Rumours
8. Terrorist attacks/man-made disasters

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.

Example: 2004 Indian Ocean earthquake (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). 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 mega damage. Samples include software failures, industrial accidents, and oil spills.

Examples: 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 of buildings, and resisting or disobeying police.

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

Crisis of malevolence

An organization faces a crisis of malevolence when opponents or miscreant 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, and espionage.

Example: 1982 Chicago Tylenol murders

Crisis of organizational misdeeds

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

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

Example: Sears sacrifices customer trust

It has 3 stages -precrisis -acute -chronic and -conflict resolution

Crisis of deception

Crisis of deception occur when management conceals or misrepresents information about itself and its products in its dealing with consumers and others.

Example: Dow Corning's silicone-gel breast implant

Crisis of management misconduct

Some crises are caused not only by skewed values and deception but deliberate amorality and illegality.

Workplace violence

Crises occur when an employee or former employee commits violence against other employees on organizational grounds.

Example: DuPont's Lycra

Rumors

False information about an organization or its products creates crises hurting the organization's reputation. Sample is linking the organization to radical groups or stories that their products are contaminated.

Example: Procter & Gamble's Logo controversy

Chapter 2- Crisis leadership

Alan Hilburg, a pioneer in crisis management, defines organizational crises as categorized as either acute crises or chronic crises. Erika Hayes James, an organizational psychologist at the University of Virginia's Darden Graduate School of Business, identifies two primary types of organizational crisis. James defines organizational crisis as "any emotionally charged situation that, once it becomes public, invites negative stakeholder reaction and thereby has the potential to threaten the financial well-being, reputation, or survival of the firm or some portion thereof."

1. Sudden crisis
2. Smoldering crises

Sudden crisis

Sudden crises are circumstances that occur without warning and beyond an institution's control. Consequently, sudden crises are most often situations for which the institution and its leadership are not blamed.

Smoldering crisis

Smoldering crises differ from sudden crises in that they begin as minor internal issues that, due to manager's negligence, develop to crisis status. These are situations when leaders are blamed for the crisis and its subsequent effect on the institution in question.

1. James categorizes five phases of crisis that require specific crisis leadership competencies. Each phase contains an obstacle that a leader must overcome to improve the structure and operations of an organization. James's case study on crisis in the financial services sector, for example, explores why crisis events erode public trust in leadership. James's research demonstrates how leadership competencies of integrity, positive intent, capability, mutual respect, and transparency impact the trust-building process. Signal detection
2. Preparation and prevention
3. Containment and damage control
4. Business recovery
5. Learning

Signal detection

Si Sense-making: represents an attempt to create order and make sense, retrospectively, of what occurs. Perspective-taking: the ability to consider another person's or group's point of view.

Preparation and prevention

It is during this stage that crisis handlers begin preparing for or averting the crisis that had been foreshadowed in the signal detection stage. Hilburg has demonstrated that using an impact/probability model allows organizations to fairly accurately predict crisis scenarios. He's recognized the greatest organizational challenge is 'speaking truth to power' to predict truly worst-case scenarios. Organizations such as the Red Cross's primary mission is to prepare for and prevent the escalation of crisis events. Walmart has been described as an emergency-relief standard bearer after having witnessed the incredibly speedy and well-coordinated effort to get supplies to the Gulf Coast of the United States in anticipation of Hurricane Katrina

Containment and damage control

Usually the most vivid stage, the goal of crisis containment and damage control is to limit the reputational, financial, safety, and other threats to firm survival. Crisis handlers work diligently during this stage to bring the crisis to an end as quickly as possible to limit the negative publicity to the organization, and move into the business recovery phase.

Business recovery

When crisis hits, organizations must be able to carry on with their business in the midst of the crisis while simultaneously planning for how they will recover from the damage the crisis caused. Crisis handlers not only engage in continuity planning (determining the people, financial, and technology resources needed to keep the organization running), but will also actively pursue organizational resilience.

Learning

In the wake of a crisis, organizational decision makers adopt a learning orientation and use prior experience to develop new routines and behaviors that ultimately change the way the organization operates. The best leaders recognize this and are purposeful and skillful in finding the learning opportunities inherent in every crisis situation.

Crisis communication

The effort taken by an organization to communicate with the public and stakeholders when an unexpected event occurs that could have a negative impact on the organization's reputation. This can also refer to the efforts to inform employees or the public of a potential hazard which could have a catastrophic impact. There are 3 essential steps that an organization can take to prepare for and withstand a communications crisis: 1) Define your philosophy; 2) Assess your vulnerabilities; 3) Develop a protocol.

Chapter 3- Models and theories associated with crisis management

Crisis Management Strategy

Crisis management strategy (CMS) is corporate development strategy designed primarily to prevent crisis for follow-up company advancement. Thus, CMS is synthesis of strategic management. It includes projection of the future based on ongoing monitoring of business internal and external environment, as well as selection and implementation of crisis prevention strategy and operating management. This is including current status control based on ongoing monitoring of the internal and external environment, as well as crisis-coping strategy selection and implementation.

Crisis Management Model

Successfully managing a crisis requires an understanding of how to handle a crisis – beginning with before they occur. Alan Hilburg speaks about a crisis arc. The arc consists of crisis avoidance, crisis mitigation and crisis recovery. Gonzalez-Herrero and Pratt found the different phases of Crisis Management.

There are 3 phases in any Crisis Management as shown below

1. The diagnosis of the impending trouble or the danger signals.
2. Choosing appropriate Turnaround Strategy.
3. Implementation of the change process and its monitoring

Crisis Management Planning

No corporation looks forward to facing a situation that causes a significant disruption to their business, especially one that stimulates extensive media coverage. Public scrutiny can result in a negative financial, political, legal and government impact. Crisis management planning deals with providing the best response to a crisis.

Contingency planning

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 to publicly about the crisis are the designated persons, such as the company spokesperson or crisis team members. Ideally it should be one spokesperson who can be available on call at any time. Cooperation with media is crucial in crisis situation, assure that all questions are answered on time and information on what was done to resolve the situation is provided. 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 and transparent. 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 effects of every decision.

Business continuity planning

When a crisis will undoubtedly cause a significant disruption to an organization, a business continuity plan can help minimize the disruption. First, one must identify the critical functions and processes that are necessary to keep the organization running. This part of the planning should be conducted in the earliest stages, and is part of a business impact analysis phase that will signpost “How much does the organization stand to lose?” (Osborne, A. (2007). *Practical Business Continuity Management*. Business Management: Top tips for effective, real-world Business Continuity Management).

Each critical function and or/process must have its own contingency plan in the event that one of the functions/processes ceases or fails, then the business/organization is more resilient, which in itself provides a mechanism to lessen the possibility of having to invoke recovery plans (Osborne, 2007). Testing these contingency plans by rehearsing the required actions in a simulation will allow those involved to become more acutely aware of the possibility of a crisis. As a result, and in the event of an actual crisis, the team members will act more quickly and effectively.

A note of caution when planning training scenarios, all too often simulations can lack ingenuity, an appropriate level of realism and as a consequence potentially lose their training value. This part can be improved by employing external exercise designers who are not part of the organizational culture and are able to test an organizations response to crisis, in order to bring about a crisis of confidence for those who manage vital systems (Borodzicz, Edward P. (2005). *Risk, Crisis & Security Management*).

Following a simulation exercise, a thorough and systematic debriefing must be conducted as a key component of any crisis simulation. The purpose of this is to create a link and draw lessons from the reality of the simulated representation and the reality of the real world. (Borodzicz, 2005).

The whole process relating to business continuity planning should be periodically reviewed to identify any number of changes that may invalidate the current plan. (Osborne, 2007).

Structural-functional systems theory

Providing information to an organization in a time of crisis is critical to effective crisis management. Structural-functional systems theory addresses the intricacies of information networks and levels of command making up organizational communication. The structural-functional theory identifies information flow in organizations as “networks” made up of members “. Information in organizations flow in patterns called networks.

Diffusion of innovation theory

Another theory that can be applied to the sharing of information is Diffusion of Innovation Theory. Developed by Everett Rogers, the theory describes how innovation is disseminated and communicated through certain channels over a period of time. Diffusion of innovation in communication occurs when an individual communicates a new idea to one or several others. At its most elementary form, the process involves: (1) an innovation, (2) an individual or other unit of adoption that has knowledge of or experience with using the innovation, (3) another individual or other unit that does not yet have knowledge of the innovation, and (4) a communication channel connecting the two units. A communication channel is the means by which messages get from one individual to another.

Role of apologies in crisis management

There has been debate about the role of apologies in crisis management, and some argue that apology opens an organization up for possible legal consequences. “However some evidence indicates that compensation and sympathy, two less expensive strategies, are as effective as an apology in shaping people’s perceptions of the organization taking responsibility for the crisis because these strategies focus on the victims’ needs. The sympathy response expresses concern for victims while compensation offers victims something to offset the suffering.”

Crisis leadership

James identifies five leadership competencies which facilitate organizational restructuring during and after a crisis.

1. Building an environment of trust
2. Reforming the organization’s mindset
3. Identifying obvious and obscure vulnerabilities of the organization
4. Making wise and rapid decisions as well as taking courageous action
5. Learning from crisis to effect change.

Crisis leadership research concludes that leadership action in crisis reflects the competency of an organization, because the test of crisis demonstrates how well the institution’s leadership structure serves the organization’s goals and withstands crisis. Developing effective human resources is vital when building organizational capabilities through crisis management executive leadership.

Unequal human capital theory

James postulates that organizational crisis can result from discrimination lawsuits. James’s theory of unequal human capital and social position derives from economic theories of human and social capital concluding that minority employees receive fewer organizational rewards than those with access to executive management. In a recent study of managers in a Fortune 500 company, race was found to be a predictor of promotion opportunity or lack thereof. Thus, discrimination lawsuits can invite negative stakeholder reaction, damage the company’s reputation, and threaten corporate survival.

Social media and crisis management

Social media has accelerated the speed that information about a crisis can spread. The viral effect of social networks such as Twitter means that stakeholders can break news faster than traditional media - making managing a crisis harder. This can be mitigated by having the right training and policy in place as well as the right social media monitoring tools to detect signs of a crisis breaking. Social media also gives crisis management team’s access to real-time information about how a crisis is impacting stakeholder sentiment and the issues that are of most concern to them.

The crisis management mantra of Lanny Davis, former counsellor to Bill Clinton is to “Tell it Early, Tell it All, Tell it yourself”. A strategy employed at the Clinton White House 1996 – 1998, to any breaking Organisations should have a planned approach to releasing information to the media in the event of a crisis. A media reaction plan should include a company media representative as part of the Crisis Management Team (CMT). Since there is always a degree of unpredictability during a crisis, it is best that all CMT members understand how to deal with the media and be prepared to do so, should they be thrust into such a situation.

In 2010 Procter & Gamble Co called reports that its new Pampers with Dry Max caused rashes and other skin irritations “completely false” as it aimed to contain a public relations threat to its biggest diaper innovation in 25 years. A Facebook group called “Pampers bring back the OLD CRUISERS/SWADDLERS” rose to over 4,500 members. Pampers denied the allegation and stated that only two complaints had been received for every one million diapers sold. Pampers quickly reached out to people expressing their concerns via social media, Pampers even held a summit with four influential “mommy bloggers,” to help dispel the rumour. Pampers acted quickly and decisively to an emerging crisis, before competitors and critics alike could fuel the fire further.

Examples of successful crisis management

Tylenol (Johnson and Johnson)

In the fall of 1982, a murderer added 65 milligrams of cyanide to some Tylenol capsules on store shelves, killing seven people, including three in one family. Johnson & Johnson recalled and destroyed 31 million capsules at a cost of \$100 million. The affable CEO, James Burke, appeared in television ads and at news conferences informing consumers of the company’s actions. Tamper-resistant packaging was rapidly introduced, and Tylenol sales swiftly bounced back to near pre-crisis levels.

When another bottle of tainted Tylenol was discovered in a store, it took only a matter of minutes for the manufacturer to issue a nationwide warning that people should not use the medication in its capsule form.

Odwalla Foods

When Odwalla’s apple juice was thought to be the cause of an outbreak of E. coli infection, the company lost a third of its market value. In October 1996, an outbreak of E. coli bacteria in Washington State, California, Colorado and British Columbia was traced to unpasteurized apple juice manufactured by natural juice maker Odwalla Inc. Forty-nine cases were reported, including the death of a small child. Within 24 hours, Odwalla conferred with the FDA and Washington state health officials; established a schedule of daily press briefings; sent out press releases which announced the recall; expressed remorse, concern and apology, and took responsibility for anyone harmed by their products; detailed symptoms of E. coli poisoning; and explained what consumers should do with any affected products. Odwalla then developed - through the help of consultants - effective thermal processes that would not harm the products’ flavors when production resumed. All of these steps were communicated through close relations with the media and through full-page newspaper ads.

Mattel

Mattel Inc., the toy maker, has been plagued with more than 28 product recalls and in summer of 2007, among problems with exports from China, faced two product recalls in two weeks. The company “did everything it could to get its message out, earning high marks from consumers and retailers. Though upset by the situation, they were appreciative of the company’s response. At Mattel, just after the 7 a.m. recall announcement by federal officials, a public relations staff of 16 was set to call reporters at the 40 biggest media outlets. They told each to check their e-mail for a news release outlining the recalls, invited them to a teleconference call with executives and scheduled TV appearances or phone conversations with Mattel’s chief executive. The Mattel CEO Robert Eckert did 14 TV interviews on a Tuesday in August and about 20 calls with individual reporters. By the week’s end, Mattel had responded to more than 300 media inquiries in the U.S. alone.”

Pepsi

The Pepsi Corporation faced a crisis in 1993 which started with claims of syringes being found in cans of diet Pepsi. Pepsi urged stores not to remove the product from shelves while it had the cans and the situation investigated. This led to an arrest, which Pepsi made public and then followed with their first video news release, showing the production process to demonstrate that such tampering was impossible within their factories. A second video news release displayed the man arrested. A third video showed surveillance from a convenience store where a woman was caught inserting a syringe into a can. The company simultaneously publicly worked with the FDA during the crisis. This made public communications effective throughout the crisis. After the crisis had been resolved, the corporation ran a series of special campaigns designed to thank the public for standing by the corporation, along with coupons for further compensation. This case served as a design for how to handle other crisis situations

Chapter 4- Google Crisis Response

Google Crisis Response is a team within Google.org that “seeks to make critical information more accessible around natural disasters and humanitarian crises”. The team has responded in the past to the 2010 Haiti earthquake, 2010 Pakistan floods, 2010–2011 Queensland floods, February 2011 Christchurch earthquake, and the 2011 Tōhoku earthquake and tsunami among other events, using Google resources and tools such as Google Maps, Google Earth, Google Person Finder, and Google Fusion Tables.

About

Google Crisis Response organizes emergency alerts and news updates relating to a crisis and publishes the information on its web properties or dedicated landing pages. It also provides opportunities for donation in collaboration with agencies like UNICEF, Save the Children, International Medical Corps, and local relief-providing bodies. Google also builds and provides tools to help crisis responders and affected people communicate and stay informed, such as Google Person Finder, Google Crisis Map, Google Public Alerts, Google Maps, Google Earth, Google Fusion Tables, Google Docs, and Google Sites.

Tools

Google Person Finder

Google Person Finder helps in locating missing persons. It acts as a message board for survivors, families and friends of those affected in a natural disaster by putting in live updates about missing persons. During the 2011 Tōhoku earthquake and tsunami, several Japanese family members were able to locate each other using Google Person Finder.

Google Maps

Google Maps supplies critical crisis information to the public through search engines. It is used to provide crisis information such as road closure, areas covered in debris, roads which are passable, and resources such as for emergency medical stations. Using the My Map feature, KPBS, a broadcast station, created a map which provided real-time updates on the San Diego wildfires in 2007. The map received more than two million views within a couple of days. Google Maps was used to track the path of Hurricane Irene which hit the US eastern coast in August 2011. Besides mapping, Google Maps also displayed 3-5 day forecasts for Hurricane Irene, showed evacuation routes, and marked out the coastal areas of the were in the danger of the impending storm surge.

Google Earth

Google Earth is a virtual globe that allows extensive customization with editing tools to draw shapes, add text, and integrate live feeds for information on earthquakes, cyclones, landslides, and oil spills as they occur. During the 2010 Haiti earthquake, International Medical Corps and Doctors without Borders used the Google Earth application to track response efforts and visualize cholera case origins.

Google Fusion Tables

Google Fusion Tables is an application which gathers, visualizes, and shares data online with response organisations and constituents. It instantly visualizes the data ranging from shelter lists to power outages in the form of maps and charts. It also helps in playing a crucial role in crisis decision making by identifying data patterns. During the 2011 riots in London, this application was used in creating maps which showed indices of deprivation and riot locations.

Google Sites

Google Sites facilitates creation and updates of a website with critical response information available from anywhere in the globe at any point of time. Its highlight being that it can be created or updated without the help of web developers or any knowledge of HTML programming making it easier to use. A variety of information can be put up like forms to collect information, videos of the crisis, and photos of the devastation, and maps that protect important natural resources and that help in search and rescue operations. Save the Children, an independent organization involved in rescue of children in case of natural calamities, has been regularly using this application.