

# 10 TIPS TO BE EMOTIONALLY STABLE IN ORGANIZATIONAL CRISIS!

Which companies have a clear view of crisis— and which are ready to handle it?

The next crisis that could threaten an organization may already be taking shape, putting the organization's reputation and business at risk. What began as slow drips, quickly becomes a torrent of interest, testing the determination of even the most experienced leaders. According to Deloitte's global survey report: More than three-quarters (76%) of the surveyed board members believe their companies would respond effectively, if a crisis struck tomorrow. But less than half (49%) of their companies have taken steps to be truly crisis-ready. Awareness of threats is not the same as preparation to deal with them.

Crisis management is the application of strategies designed to help an organization deal with a sudden and significant negative event. A crisis can strike an organization at anytime, anywhere. Before it happens, leaders should think about how a disaster would impact employees, customers, suppliers, the general public and their company's value. It is not pleasant to deal with crisis, but the way an organization deals with it determines whether it becomes a crippling disaster or an obstacle that it overcomes... TTM associates has been in the field of Leadership for more than 20 years and have met and interviewed many CEOs, Business Leaders and Managers from various levels, and put together 10 tips for leaders in order to be emotionally stable during an organizational crisis.

## 1 Nurturing a prepared Organisation through strategic Risk assessment

Organizations can orient themselves—via changes in culture, design, and structure—to prevent system breakdowns that may lead to crises. While risk assessment is often studied in volatile industries or environments it must also be applied to any organization interested in managing complexity and seeking to avoid crises.

Prevention involves seeking to reduce known risks that could lead to a crisis. This is part of an organization's risk management program. Preparation involves creating the crisis management plan, selecting and training the crisis management team and conducting exercises to test the crisis management plan and crisis management team. One mining company representative expanded on the need to put people and plans through their paces in a controlled environment, before a real crisis hits by doing regular training exercises for a variety of scenarios at both work sites and the corporate office. These exercises give the opportunity to interact with emergency response personnel and provide a good understanding of how and when to respond under certain circumstances. While many companies may look at these activities as time consuming, there is great value in ensuring that employees are prepared to address unplanned or disruptive events.

## 2 Building mindful Relationships with all Stakeholders

Pre-crisis research from the external perspective highlights the role of stakeholder relationships. Research from the external perspective argues that maintaining positive relationships with stakeholders can reduce the likelihood of a crisis.

Stakeholders should be part of the prevention thinking and process as they can help in both identifying and mitigating the risks that may lead to a crisis.

Proper Stakeholder mapping also known as the Power/Interest Matrix, is an important tool to map different types of stakeholders as it emphasizes the importance of being mindful of stakeholders' relationship expectations and obligations. (Please see below chart)



## 3 Eliminating the fear of crisis while maintaining trust

While the market's reaction to a corporate crisis may initially centre on concern over lost revenues, the costs of fixing the problem, and other measurable commodities, reputation is intrinsically linked to trust. A reputational crisis is one in which that trust—whether it is with customers, suppliers, shareholders, or regulators—is broken. The people charged with managing such a crisis must focus from the outset on rebuilding that trust, and should accept that it may take some time to do so.

For example, when a data breach happens—which is among the top three types of incidents that affect brand reputation—there is nothing worse than trying to figure out how to manage the crisis on the fly as it is still happening. That's why every strategic marketing plan and every company should have a strategic risk solution such as adequate ransomware education and prevention for employees at all levels and a responsible action plan that can be followed without confusion if and when the company's systems are attacked.

## 4 Translating plans into decisive actions

Dealing with a crisis is not the same as dealing with daily operations. Up and down the line and across the many silos inherent in most organizations, the "organization within the organization" that will swing into action has to be ready. A plan won't work if people don't know about it. A key player can't play a role if no one has defined that role.

The field of crisis management is generally considered to have originated with Johnson & Johnson's handling of a situation in 1982, when cyanide-laced Tylenol killed seven people in the Chicago area. The company immediately recalled all Tylenol capsules in the country and offered free product in tamper-proof packaging. As a result of the company's swift and effective response, the effect to shareholders was minimized and the brand recovered and flourished.

## 5 Valuing the crisis experience

Perhaps the ultimate measure of experience is to ask, "What would you do differently next time?" To assess the state of crisis readiness in large organizations, Forbes Insights, conducted a survey of more than 300 board members from companies representing every major industry and geographic region, posed exactly this question. The most common answer was to identify more crisis scenarios ahead of time.

To make sure post-crisis lessons aren't lost, the audit committee should see that independent investigations and reviews post-event are undertaken where appropriate. JetBlue's operations collapsed after an ice storm hit the East Coast of the U.S., leading to 1,000 cancelled flights in just five days. CEO David Neeleman never blamed the weather. He wrote a public letter of apology to JetBlue customers, introduced a customer's bill of rights, and presented a detailed list -- which included monetary compensation -- of what the company would do to help all the affected passengers.

## 6 Accepting various emotional outbursts:

People react to organizational crisis the same way they react to grief: First responses tend to be emotional – disbelief, denial and anger. There is also a desire to find someone or something to blame. Considering the Kubler-Ross cycle helps leaders understand that this is human nature and figure how to deal with employees during each stage of the "grief cycle".

## 7 Communicating /Responding in a Whole Brain Way to Influence the Stakeholders;

If the crisis could potentially impact the health or well-being of customers, the general public or employees, it may attract media attention. The organization must identify a spokesperson to speak with one voice and deliver a clear consistent message. A spokesperson must be identified as well as prepared to answer media questions and participate in interviews. Responding by using the whole brain model helps communicating efficiently and responding empathetically to different types of questions that arise from different thinking preferences.

After a test flight of Virgin Galactic went incredibly wrong, killing one pilot and seriously injuring the other, Virgin was able to rely on its spokesperson, Richard Branson, to immediately fly over to the crash site in California where he tweeted his deepest condolences on the way and wrote a longer, emotional blog later that evening. PR experts were unanimous in praise for the Virgin owner, crediting the way he addressed the deceased pilot as 'brave', influencing the media's narrative. Branson remains one of the few people in business who holds a quality of empathy.

## 8 Sustaining Transparency throughout the organization;

For any organization, crisis is a matter of when, not if. Management objectives and actions must be clear to all the members of an organization if they are to be prepared to confront and cope with crises successfully. They need a common viewpoint and frame of reference. Therefore, it is more important than ever that managers keep a regular check when their organization is facing critical concerns and whether all of the key personnel recognize this concern and most importantly to ask themselves how can they resolve this crisis in a way that creates a sound base when dealing with future crises. As a result, being as open and transparent as possible can help stop rumours and fake news, as nothing generates more negative media coverage than a lack of honesty and transparency.

The Southwest Flight 345 that landed nose first at LaGuardia is the most recent example of a big brand who knew exactly how to handle a crisis through social media. Quick response time and open, honest communication on Facebook and Twitter were key in helping the brand control the story and maintain good faith with its customers.

## 9 Establish a social media team

All companies now operate in a world that's closely watching their policies, actions and how they handle themselves when things go wrong. When literally anyone can simultaneously act as a customer, a protester, a critic and a reporter with a video camera, executives have zero room for error. Social media is one of the most important channels of communications. A social media team can monitor, post and react to social media activity throughout the crisis, project it through all communications channels.

It is wise to have a PR plan in place, including social media response, with clear roles and scripts for those who need to respond immediately to a crisis

## 10 Maintain Buoyancy

In order for an organization to remain afloat post-crisis, it needs to quickly get over the crisis and move on. In spite of Samsung's Note 7 Crisis in 2016, with an estimated product recall cost exceeding \$6 billion; it didn't hurt its Brand in the long term. The same applies to Toyota, in 2009 and 2010. Toyota recalled over 8 million vehicles globally after defects led to dozens of driver fatalities and serious injuries. But surveys show that despite the recall, the owners were highly satisfied with their vehicles, they indicated they would have no problem buying another Toyota in the future, and considered it one of the most reliable automotive brands. This phenomena is called the "brand insulation effect" arguing that a large, loyal customer base insulated Toyota from rapid loss of market share.

## Final Thoughts

Despite its implications for organizations and stakeholders, research on crises and crisis management remains fragmented. Advanced planning is the key to survival, 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. Crisis managers need to consider utilizing accommodative crisis response strategies, as it is evident that crisis awareness, preparation and resilience needs to be a more prominent topic in the boardroom. Whether the crisis misfortune was towards a product or tragedy, reputation is one of the key elements to business success and companies must work hard to retain one thing from their customers – trust.

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