



# UNIT-1

## What is Crisis Management

### Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Understand what is crisis management
- ✓ Discuss how to develop crisis management team in your organization

## Unit 1

### What is Crisis Management?

#### Defining Terms

In his book *Manager's Guide to Crisis Management*, Jonathan Bernstein offers a very concise definition of crisis management as “the art of avoiding trouble when you can, and reacting appropriately when you can't.” Organizationally, we can say that crisis management is about “preventing loss when possible and minimizing loss when it's not” (also a quote from Bernstein).

**Crises happen all around us**, in every aspect of our lives, and they are not neatly compartmentalized. Things that happen in the workplace overflow in our personal lives, just as things that happen at home influence what happens at work. Storms, riots, strikes, power outages, road closures, and food poisoning don't differentiate between work and home either.

**We must devote a lot of effort to prevention**, which, while not glamorous, is the important first step to minimizing, or mitigating, damage. Bernstein explains that although our firefighters put fires out, the real benefit to people and things are the outcomes of fire prevention. Likewise, the power of inspection and identifying potential hazards before a problem starts is one of the key elements of crisis management.

**Crisis management is not a straightforward or scientific topic.** It deals with human beings in stressful times, and different companies in different places. As a result, there is no straightforward policy or procedure that will work for everyone. Each aspect of what we discuss in this course has to be modified to fit the specific circumstances of where you are and what you do.

#### What Makes a Crisis?

There are different types of crises that we face. (We could probably add more categories, but we like the simplicity of this list that Bernstein writes about.)

#### Creeping Crises

In hindsight, we can often see these kinds of crises quite easily. In the hectic nature of everyday life, however, we may ignore (or try to ignore) the signs of something slowly deteriorating. A leaky tap, a door that won't close, or a window that has a crack in the corner, are all things that get fixed as needed. However, if they are a sign that the building is settling, or even sinking, then the crisis is creeping up.

#### Slow-Burn Crises

These situations give some advance notice, but there has been no real damage, so we delay responding. This can be the case when a group of unionized workers continues to work for a period of time after

their contract expires, but when the employer and union are not making efforts to negotiate a new contract.

### Sudden Crises

This is when something serious is already underway and we are in response mode to try to lessen the damage.

When you think of what became a sudden crisis, can you also pinpoint the time when it was simply creeping or at a slow-burn? Catching things early means that you can prevent them from becoming big, bad, and ugly.

## The Crisis Management Team

**Each of your staff will have a role in crisis management, and that includes your senior executive.** Often, a member of the leadership team is assigned the role of spokesperson with the public, but you must commit to having someone who is a good speaker in that role, and the best person for that role may simply not be the boss. You need someone who is articulate, can answer questions honestly and believably, and who likes to be in the public eye. After all, if the crisis underway is something that can also harm the reputation of your company, you will want the best person possible to stand for you. If you think of most governments, and many large companies, they will have someone who is a spokesperson assigned to answer questions from the media, provide press releases, and arrange information sessions with the media.

**We acknowledge that everyone from the owner or CEO to frontline staff are very busy.** It's going to be an inconvenience for people to be trained in crisis management and to become effective at proactively managing and responding to incidents. However, the importance of being ready cannot be underemphasized. From the massively destructive events in recent years, as well as pandemic preparation, companies should understand at some level that they need to be ready. Your job is to convince them that the time to get ready is now. Ignoring the opportunities to plan and prepare means you are taking a very big risk.

## Creating the Team

### Test Your Knowledge

**List the key people in your organization who need to be part of the crisis management team. We have included ideas below, categorized by organization size.**

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**Small Company (20 or fewer employees)**

- Owner/CEO
- Spokesperson
- Chief Financial Officer/Controller
- Security Officer
- Office Manager
- Product Manager
- One or two Employee Representatives

**Medium Sized Company (20-50 employees)**

- Sales/Production Managers
- IT Department Manager
- Human Resources Consultant
- Maintenance/Facilities Leader
- Payroll Officer
- Safety Consultant
- Up to six Employee Representatives (drawn from different frontline areas)

**Large Company (50+ employees)**

- Organizational Development Manager
- Buildings and Facilities Manager
- Training and Development Manager
- Union Representation (at least one person)
- Up to 10 Employee Representatives (drawn from different frontline areas)

**Steering Committees**

Depending on the size and complexity of your organization, you can consider a steering committee. A steering committee should be made up mostly of executives and managers. There should be a liaison member on both the crisis committee and the steering committee.

The steering committee can also act as a mentor for the safety committee, providing guidance and resources. The steering committee may also have more executive power, enabling the safety committee to do more.

## Training Leaders and Staff

### Training Essentials

**Having a terrific crisis plan is only part of the work.** People also need to be trained so that they understand what their responsibilities are and how they are expected to act in the face of a crisis. With luck, no one will ever have to apply their training in an actual event. In reality, if everyone is trained, practices their crisis role, and is well prepared, then the company's losses to people, profit, or reputation are minimized.

**If there is a crisis, every employee has a role to fulfill** whether they want to be there or not. Depending on their skills and what they do, their role may simply be to find a place to get right back to work and minimize interruption to customers and clients. They might also have to locate the spokesperson and direct media inquiries to the right place, or be a part of emergency response and rescue operations. In other cases, they may be required to make phone calls to locate employees and ask them to report to work.

**In some crisis management planning,** it's not uncommon for the upper management to take training and know who is responsible for what, but front-line or junior management have no idea (perhaps because they were never trained, or perhaps because of staff turnover they have not been trained yet). Don't let your senior management have to spend crisis management time trying to find someone to do something in the middle of an incident.

**Training, practice drills, refresher training, and reminders** about who does what through newsletter updates, staff meetings, and regular communication are all essential. Members of specific teams, like fire wardens, floor monitors, first aid, phone tree coordination, and emergency operations center management and teams, have to be an ongoing part of the process.

Jonathan Bernstein, the author of *Manager's Guide to Crisis Management*, recommends a three pronged approach to crisis training.

#### **Part One: Training in Preparation to Enact the Plan**

This can be accomplished by the core crisis management team scrutinizing each step of the plan, and making adjustments to fit the organization, its location, and the level of threat. This does not just provide training for the staff, but also allows a quality control type of check about the appropriateness of the plan.



## Further Reading:

