

Session No. 20

Course Title: Business and Industry Crisis Management, Disaster Recovery, and Organizational Continuity

Session 20: Crisis Communication

Time: 1 hr

Objectives:

- 20.1 Discuss the importance of crisis communication and the general requirements and content of a crisis communication plan.
 - 20.2 Discuss the goals, principles, priorities, and guidelines for crisis communication as set forth in Weber McGinn, Inc.'s "Twelve Principles of Crisis Leadership," James Lukaszewski's 1997 article "Establishing Individual and Corporate Communication Standards: The Principles and Protocols," and chapter 3 of Otto Lerbinger's text *The Crisis Manager*.
 - 20.3 Apply the crisis communication planning questions, activities, principles, goals, priorities, and guidelines discussed in session 20 to a case study – "Talk about Fireworks" (pages 28–29 from Barton).
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Scope:

This session starts with a discussion of the importance of crisis communication before, during, and after a crisis. Several different authors/sources are referred to for their prescriptions/models of crisis communication planning requirements and activities and the goals, priorities, principles, and guidelines associated with effective crisis communications. The students are asked to apply these prescriptions/models to a case study taken from Barton's text as homework for the next session.

Readings:

Student Reading:

Barton, Laurence. 1993. *Crisis in Organizations: Managing and Communicating in the Heat of Chaos*. Cincinnati, OH: South-Western Publishing Co. Pages 14–29.

Lerbinger, Otto. 1997. *The Crisis Manager – Facing Risk and Responsibility*. Mahwah, NJ: Lawrence Erlbaum Associates. Pages 31–51.

Instructor Reading:

Barton, Laurence. 1993. *Crisis in Organizations: Managing and Communicating in the Heat of Chaos*. Cincinnati, OH: South-Western Publishing Co. Pages 14–29.

Dyer, Samuel C. 1995. “Getting People into the Crisis Communication Plan.” *Public Relations Quarterly*. Vol. 40, No. 3. Pages 38–41.

Lerbinger, Otto. 1997. *The Crisis Manager – Facing Risk and Responsibility*. Mahwah, NJ: Lawrence Erlbaum Associates. Pages 31–51.

Lukaszewski, James E. 1997. “Establishing Individual and Corporate Crisis Communication Standards: The Principles and Protocols.” *Public Relations Quarterly*. Vol. 42, No. 3. Pages 7–14.

Mallozzi, Cos. 1994. “Facing the Danger Zone in Crisis Communications.” *Risk Management* [on-line]. Vol. 41, No. 1. Start page 34. Electronic version 5 pages.

Taylor, Bob. 1996. “Crisis!” *Business and Economic Review* [on-line]. Vol. 43, No. 1. Columbia, SC: University of South Carolina. Start page 12. Electronic version 5 pages.

Traverso, Debra K. 1993. “How to Develop a Crisis Communication Plan.” *Occupational Hazards* [on-line]. Vol. 55, No. 3. Cleveland. Start page 58. Electronic version 4 pages.

General Requirements:

Complete the modified experiential learning cycle for objectives 20.1, 2, and 3 following the small-group work in the next session.

Objective 20.1 Discuss the importance of crisis communication and the general requirements and content of a crisis communication plan.

Requirements:

Present the material with lecture and discussion as necessary.

Overheads/student handouts are provided for the instructor’s use if desired. It will be necessary to provide copies of overheads 20-2 and 3, and 20-4 and 5 to the students for them to complete the written assignment for the next session.

Complete the modified experiential learning cycle for this objective following completion of the small group work in the next session.

Remarks:

- I. As shown in the “**Crisis Management and Business Continuity Model**” (overhead 20-1), the crisis communication function occurs during and after the crisis event.
 - A. Since the entire “Crisis Management and Business Continuity” process is continuous and repetitive, crisis communication is also **required before a crisis** as part of the overall planning and management effort.
 1. **Proactive (pre-) crisis communication efforts** to develop a positive image and trust within and external to the organization can mitigate adverse publicity and reaction in time of actual crisis.
 2. Establishing and maintaining **positive relations with the media** is essential to shaping public perception as part of the overall crisis management and business continuity strategy.
 - a. Steven Fink in *Crisis Management* makes the general statement that “there often is, and probably always will be, a natural **adversarial relationship** between the media and the subjects they cover” (emphasis added).¹
 - b. This statement is supported by a survey of newspaper reporters by the American Society of Newspaper Editors that found “81 per cent of reporters and editors surveyed agreed that it is important for reporters to be **adversaries of businesses**, always skeptical of their actions. About the same percentage said journalists should also be skeptical adversaries of politicians. This means reporters hold business people in the same regard as politicians” (Taylor p. 12).
 - c. Given this general adversarial relationship (and low regard), which can only be exacerbated in the heat of a crisis, the time to attempt to **develop a positive relationship** and to build trust with the media and the public is before a crisis occurs and during normal operational liaison.
 - B. Several different models/prescriptions for effective crisis communication will be presented in this session. Each emphasizes particular points, but they are common in their emphasis that effective communication is essential for **maintaining and repairing damage to an organization’s reputation**: an essential objective supporting the overall strategic goal of organizational survival and profitability.
 - C. Crisis communication as a function should therefore be **thoroughly integrated** and linked with the other crisis management and business continuity functions, and a crisis communication plan should be developed, tested, maintained, and integrated

with the same rigor, emphasis, and level of commitment as other operational and functional contingency plans.

II. Developing a **crisis communication plan**.

- A. Like all other **contingency plans**, the crisis communication plan should be based upon the precrisis event functions of risk assessment, BAIA, risk management, and safety and security management and be verified and refined through training and exercises and experience from use in actual events.
- B. The plan will contain both **content of response** (based upon the range of possible crisis events facing the organization – what should we be prepared to say about each?) and **administrative and logistic matters** that specify how, when, where, by whom, and to whom, content will be delivered. Some of the questions that should be answered in developing the plan include (overhead 20–2 and 3):
1. Under whose **authority** will the plan be prepared and carried out?
 2. How will the **emergency team organization** [crisis management team] chart look?
 3. Who will best fit each **role**?
 4. Whose **authority** do you need for each team member selected?
 5. Who are the **various audiences** that will need to be notified?
 6. What is the most **appropriate way to address** each of these audiences?
 7. Who else should be **notified as a courtesy**?
 8. Who will need to **review and approve** news statements?
 9. Are **written fact sheets** available that discuss various aspects of the organization?
 10. What **third-party support** will be useful as a reference during a crisis? (These unattached spokespersons will lend credibility to the subject since they have no vested interest.)
 11. Have you prepared media with **background information**, photographs, and video footage of the facility or organization?
 12. How will you **inform employees**?
 13. What involvement will the company **legal department** have in your response?

14. Who are the **public information officers** for the various agencies and companies with which your company deals who may be called upon to respond to the media?
15. Where will **visitors** be taken and how are they cared for during an emergency?

(Questions taken from Traverso; emphasis added.)

C. Truitt and Kelley's 1989 article, "Battling a Crisis in Advance," from *Public Relations Quarterly*, provides an alternate and supplementary list of activities that "**must be addressed for effective crisis communication planning**" (emphasis added; Dyer p. 39): Specific activities, as expanded by the course author, include (overhead 20-4 and 5):²

1. Identify a **spokesperson(s)** and provide materials, training, and a backup.
2. Arrange for **specialists** who can provide expert testimony concerning the situation and the technology.
3. Designate a **crisis management team** with a leader, communications plan, and access to necessary consultants.
4. Develop and maintain **information flow** about the event and its related effects to and from corporate headquarters, including statements and approvals (decisions) associated with the event.
5. Have accessible, and be aware of, information covering **historical events** of a similar nature and **potentially embarrassing information**.
6. Develop a method for **making decisions** that reflect the company's culture, provide for adequate corporate involvement and follow an established process.
7. Assess the **potential effects** on the parent company, on sales, on employee morale, and on the community.
8. Determine from the **media their contacts**, phone numbers, deadlines, and reporting history, and their potential bias.
9. Determine how to **pass information** (warning and bulletins) to employees and the community, determine their perspectives and the demographics of their health, economic, and social situation and monitor these demographics throughout the crisis.
10. Determine the **administrative, legislative, and regulatory agenda** of the local, state, and federal government.
11. Keep **distributors and retailers** informed of warnings, consumer information, and explanations of what is happening.

12. Determine any **opposition** (adversaries) and know their composition, tactics, funding, and primary appeal.

III. **Maintaining control** before, during, and after a crisis event.

- A. As stated by **Robert Heath** in his 1997 article “Dealing with the Complete Crisis – The Crisis Management Shell Structures,” “A fundamental mission for crisis managers is to prevent loss of control before a crisis happens, prevent further loss of control when a crisis arises, and when and where possible, regain control when loss of control happens. Regaining control of a crisis situation becomes a central principle of crisis management” (overhead 20-6).³
- B. **Establishing this control** is very important to the planning, exercising, and conduct of crisis communications. In addition to the above stated questions and activities associated with crisis communication planning, there are certain rules/principles expressed by experienced practitioners that are discussed in the next objective.

Supplemental Considerations:

Dyer’s 1995 article repeats the “Crisis Planning Activities” from Truitt and Kelley’s 1989 article and is easier to obtain and more complete as a reference for this course. It is not necessary to read the article by Robert Heath since very similar coverage is provided in the other references.

Objective 20.2 Discuss the goals, principles, priorities, and guidelines for crisis communication as set forth in Weber McGinn, Inc.’s “Twelve Principles of Crisis Leadership,” James Lukaszewski’s 1997 article “Establishing Individual and Corporate Communication Standards: The Principles and Protocols,” and chapter 3 of Otto Lerbinger’s text *The Crisis Manager*.

Requirements:

Present the material with lecture and discussion as necessary.

Overheads/student handouts are provided for the instructor’s use if desired. It will be necessary to provide copies of overheads 20-7 and 8, 20-9, 10, and 11, and 20-12 to the students for them to complete the written assignment for the next session.

Three questions are provided to stimulate discussion.

- I. B. What does each of these principles mean to you?
- II. B. What does these goals, priorities, and principles mean to you?
- III. B. From your reading of chapter 3, what does each of these guidelines mean to you?

Complete the modified experiential learning cycle for this objective following completion of the small group work in the next session.

Remarks:

- I. The “**Twelve Principles of Crisis Leadership**,” from Weber McGinn, Inc.
 - A. Weber McGinn (formally Ryan McGinn) is an Arlington, Virginia, public relations firm that provides “targeted, strategic communications services that help organizations **establish, enhance, restore and protect their reputations.**”⁴
 - B. Although listed as “Principles of Crisis Leadership,” the following twelve principles (printed on a laminated card and distributed to their clients as guiding principles) focus primarily on crisis communication⁵ (overhead 20-7 and 8). **Ask the students,** What does each of these principles mean to you? Some ideas are included after each principle.
 1. Put **people issues first**.
 - a. Initial response and communication create the **first impression** that is generally lasting.
 - b. Consequently, initial response and communication should express **genuine concern for the safety and well being of all affected**.
 - c. Showing this concern is **not an admission of anything**, regardless of what lawyers may caution.
 - d. A classic example was **Union Carbide’s response to the Bhopal** disaster. At no time did DuPont simply apologize for the disaster that resulted in thousands of deaths and injuries. “As a result, it appeared that DuPont simply didn’t care about the people it killed and injured” (Mallozzi p. 3).
 2. **Timely, accurate information** is the lifeblood for managing a crisis – and very difficult to obtain.
 - a. This topic was covered in the previous session on **crisis decision making**.
 - b. To the descriptors “timely” and “accurate” one could add **valid, organized, and prioritized**.
 3. Rapid response is essential, but **media pressure** must not skew decisions.
 - a. The affected stakeholders (constituents) will want to know what is happening and will **seek immediate assurance** that steps are being taken to protect them, their property, the environment, and, in the case of owners, the business.

- b. The media will be there and will be **looking and pressuring** for a story.
 - c. **Don't be pressured** to make unsubstantiated statements or conjectures to appease the media. It is OK to say that you don't know if in fact you actually don't know – but then you better find out and advise the media as soon as possible.
 - d. **Preplanning** increases the probability that you will have something to tell the media so that you can maintain some control over what they will say in their initial reports.
4. Crisis management requires a **team approach**.
- a. This point is a **central theme** of the entire course.
 - b. The CMT requires the **support of professional public relations personnel** (internal and/or external to the organization) to assist in conducting crisis communication.
5. People are usually very forgiving, but they will **not tolerate** arrogance, indifference, lying, or gross incompetence.
- a. We covered this partially in the session on risk communication (session 9) – people demand **respectful communication** that is, above all else, **truthful**.
 - b. Even if the spokesperson has little factual information to pass, she/he should **appear composed** – you do not want to give the impression of incompetence and lack of control of the situation. If the spokesperson is to pass information, it should be presented in a respectful manner and must be correct.
6. To emerge from a crisis with its business base and reputation intact, an organization must respond in a manner that is **100% consistent** with its image.
- a. An organization **should have an image** of how it wants to be perceived in a crisis, make every effort to establish that image before a crisis occurs, and maintain the image during and after the crisis.
 - b. If an organization has a **poor image** before a crisis, it can do little or nothing to improve that image during an actual crisis.
7. **The magnitude of the crisis** dictates the level of the executive who responds.
- a. Often, for a major crisis (e.g., Exxon *Valdez*, Bhopal, TWA 800, businesses sustaining major damage from a natural disaster), it is expected and

appropriate for the **CEO** to serve as a spokesperson, “provided he or she is media savvy and comfortable with dealing with the media” (Lerbinger p. 42).

- b. If the CEO is not comfortable in this role, an alternate spokesperson is necessary, but it probably is a good idea to have the CEO present and visible to demonstrate the organization’s concern.
 - c. For lesser crises, it may be **most appropriate** to have a lower-level spokesperson such as a facilities manager, store owner, etc. Involving the CEO in a minor crisis may give the incorrect impression that the crisis is worse than it actually is.
8. It is not enough to be **legally or scientifically correct**; the public insists on and is entitled to more.
- a. Again, refer to session 9 and the discussion of **risk communication**. In the developmental stages of risk communication, the early stages – all we have to do is get the numbers right; all we have to do is tell them the numbers; and all we have to do is explain what we mean by the numbers – are not enough for the public. Understanding their perceptions and concerns is essential to effective communication and they need to become partners in the communication process.
 - b. The ***Brent Spar*** case study provides an example of inappropriately using a scientific argument to counter highly emotional environmental concerns.
9. Government and media will **expand their roles** in a crisis if there is a public perception that the organization is not doing all it should do.
- a. In the **absence of the perception** that the organization experiencing the crisis has the situation under control, some level of government will step in to protect people, property, and the environment.
 - b. In the **absence of a credible spokesperson**, the media will find someone to tell their version of the story.
10. All key audiences **revise their image** of an organization after it experiences a crisis.
- a. Organizations such as Union Carbide and Exxon suffered **considerable damage** to their image due to their poor handling of their crises.
 - b. Johnson and Johnson maintained and even **enhanced its image** due to its handling of the Tylenol crisis.

11. A major crisis will have a profound and **long-term impact** on an organization and its leaders.
 - a. A major crisis can **alter the future of an entire industry**. For example: the effects of the Three Mile Island crisis on the nuclear power industry; the Exxon *Valdez* disaster and crisis on the oil transportation industry; and Union Carbide's Bhopal disaster and crisis on the chemical industry.
 - b. Resulting **legislation, regulation, and litigation** impact organizations for years following the actual crisis event.

12. Remember the **Chaos Theory**: Unusual events tend to cluster.
 - a. The fact that one crisis event has already occurred is no reason to lessen the **vigil and preparation** for other related or unrelated crisis events.
 - b. At the **same time** that Exxon was in the middle of the *Valdez* crisis, an Exxon refinery in New Jersey experienced a major oil pipeline spill.

II. James Lukaszewski in his 1997 article "Establishing Individual and Corporate Communication Standards: The Principles and Protocols," establishes **standards of crisis communication behavior**.

- A. The authority to establish these standards is "derived from the expectations of constituents – usually those most directly affected by the problem an organization has caused or is causing" (p. 7).

- B. Standards include: **communication goals, communication priorities, and fundamental communication principles** (overheads 20-9, 10, and 11). Ask the students, What do these goals, priorities, and principles mean to you?
 1. Communication **goals** focused on meeting the expectations of constituents:
 - a. **Openness and accessibility** – availability and willingness to respond.
 - b. **Truthfulness** – unconditional honesty is the only policy.
 - c. **Responsiveness** – recognition that any and all constituent concerns are legitimate and must be addressed.
 - c. **No secrets** – decisions and behaviors are unchangeable, unassailable, and positive.

 2. Communication **priorities** for containing, controlling, and reducing the visibility and impact of emergent situations and the resulting damage to reputation.

- a. Those **directly affected** (victims).
 - b. **Employees.**
 - c. Those **indirectly affected** such as neighbors, friends, families, customers, suppliers, and the government.
 - d. The **news media** and other channels of external communication.
3. Fundamental **principles** of crisis communication.
- a. Communicate **first with those most directly affected**. The first obligation is to the health and safety of those people directly affected, to employees, and to the protection, resumption, recovery, and restoration of business operations.
 - b. **Local communication is best**. Handle communication as close to the site of the impact or emergency as possible. Local facility managers and operational personnel are generally part of the community and make credible and effective spokespersons for localized events. When widespread (businesswide) effects are anticipated, a corporate spokesperson is probably most appropriate.
 - c. Speak with **one voice but not necessarily with a single spokesperson**. Accuracy, consistency, and promptness are the keys to successful crisis communication.
 - d. **Act quickly** in communicating news of any adverse incident. Convey the facts as you believe them to be to establish control and the impression that you are on top of the crisis.
 - e. **Cooperate with the media**. Attempt to respond promptly to press inquiries consistent with the priorities stated earlier.
 - f. Make fundamentally **sound decisions** based upon defensible criteria.
 - g. If the crisis involves questions of **integrity or moral or ethical dilemmas**, do the moral questioning quickly and take appropriate action promptly.
 - h. Use **methodical problem-solving/decision-making processes**.
4. Taken together, these goals, priorities, and principles provide a means of **taking control** of the situation to maintain, to the maximum extent possible, and regain public credibility and reputation.

III. **Guidelines for managing communications** during the crisis event from chapter 3 of Lerbinger’s text (Lerbinger 39–49).

- A. In addition to achieving the primary objective of controlling damage to an organization’s reputation, Lerbinger recognizes that crises also provide the opportunity for the **organization to tell its side of the story** regarding its operations, missions, and values to the public (remember Augustine’s point from session 18 – making lemonade from the abundance of available lemons).
- B. Lerbinger lays out a series of guidelines (steps) necessary for managing (taking control of) crisis communication (overhead 20-12). **Ask the students**, From your reading of chapter 3, what does each of these guidelines mean to you?
1. Ascertain and **face up** to the reality of the crisis.
 2. Activate the **crisis management team** and alert top management.
 3. Designate **crisis media center**.
 4. Conduct necessary **fact-finding**.
 5. Speak with a **single voice**.
 6. Quickly hold **news conference** and make disclosures to the media openly, honestly, and accurately.
 7. **Communicate directly** with government, employees, customers, stockholders, and other key publics.
 8. Take appropriate **remedial action**.
 9. **Keep a log**.

Supplemental Considerations:

Some possible responses to the student’s reactions to the Weber McGinn, Inc., “Principles of Crisis Leadership” are provided due to the lack of an available reference. The principles and permission for their use in this course were obtained from Mr. Kent Jarrell, a senior vice president of Weber McGinn, Inc., and the added comments reflect the course author’s own thoughts and discussion with Mr. Jarrell.

Objective 20.3 Apply the crisis communication planning questions, activities, principles, goals, priorities, and guidelines discussed in session 20 to a case study – “Talk about Fireworks” (pages 28–29 from Barton).

Requirements:

Reestablish the small groups and assign each group one of the five sets of questions, activities, principles, goals, priorities and principles, guidelines covered in the class discussions and included on the overheads.

Direct each student to prepare a short (two pages) written paper on the application of the content of their assigned overheads to the case study, “Talk about fireworks!” from pages 28 and 29 of Barton. They will turn their individual written assignment in at the start of the next session and should prepare a second copy to use in their small group work.

Complete the modified experiential learning cycle for objectives 20.1, 2, and 3 at the conclusion of the small group work.

Remarks:

- I. **Assign each of the small groups** one of the five sets of questions, activities, principles, goals, priorities and principles and guidelines contained in overheads 20-2 and 3 (Traverso – crisis communication planning questions), overheads 20-4 and 5 (Truitt and Kelley – crisis planning activities), overheads 20-7 and 8 (Weber McGinn – guiding principles), 20-9, 10, and 11 (Lukaszewski – crisis communication goals, priorities and principles), and overhead 20-12 (Lerbinger – guideline for managing crisis communication).
- II. Using the case study “Talk about Fireworks!” (pages 28 and 29 of Barton), each individual member of the group is to write a short (two pages) paper applying the content of its assigned overheads to the case study. Students will turn in their **individual written assignments** at the beginning of the next session; so they should prepare a second copy to refer to in the small group work.
- III. At the start of the next session, the **small groups** will be given 25 minutes to discuss their individual work and to prepare a short (three to five minute) group oral report on their group work.

Supplemental Considerations:

None.

¹ Fink, Steven. 1986. *Crisis Management: Planning for the Inevitable*. New York: Amacom. Page 96.

² Dyer p. 39. Cited in “Battling a Crisis in Advance,” *Public Relations Quarterly*, by R.H. Truitt and S.S. Kelley (Vol. 34, No. 1. 1989. Page 8).

³ Heath, Robert. 1997. "Dealing with the Complete Crisis – Management Shell Structure." Proceedings of the 1997 International Emergency Management Society Conference. Roskilde, Denmark: Risø National Lab. Page 76.

⁴ Weber McGinn Web Site: <http://www.webermcginn.com>. Arlington, VA. April 6, 1999.

⁵ Copyright by Ryan McGinn, 1995. From the Weber McGinn Web site. Arlington, VA: Weber McGinn, Inc. Permission granted to reproduce and use this list of principles in this course from Ryan McGinn (now Weber McGinn, Inc.).