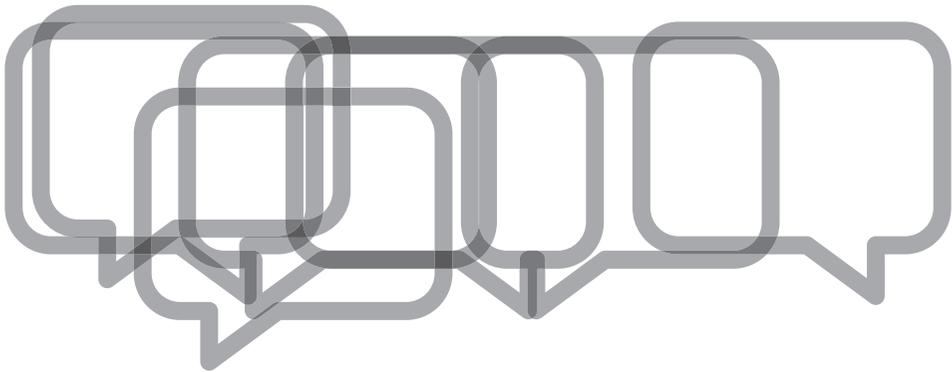


Finn Frandsen & Winni Johansen

ORGANIZATIONAL CRISIS COMMUNICATION



With a Preface by W. Timothy Coombs

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CRISIS MANAGEMENT (II): STAGED APPROACHES – BEFORE, DURING, AND AFTER CRISIS

4

CHAPTER OVERVIEW

This chapter introduces the reader to the staged approaches that constitute the core of the strategic, proactive, and process-oriented perspective on crisis management. These staged approaches are based on the conceptualization of crises as a life cycle encompassing three stages: a pre-crisis, a crisis, and a post-crisis stage. The chapter also includes a brief presentation of the most important disciplines and tools, such as signal detection, risk management, issues management, crisis management plans and teams, and organizational learning, applied in one or more of the three stages.

INTRODUCTION

Within the broad strategic perspective on crisis management, researchers as well as practitioners apply a *staged* approach: that is, they view a crisis as having a life cycle and divide the crisis management process into a number of stages or phases. Each of these has a range of disciplines and tools. The more disciplines and tools, the more finely meshed the individual stages or phases of the models, and this makes it necessary to introduce a certain number of substages.

Fink (1986) made an early distinction between four stages in what he called the ‘anatomy of the crisis’, namely (1) *the prodromal stage*, (2) *the acute stage*, (3) *the chronic stage*, and (4) *the crisis resolution stage*. As it appears, Fink’s distinction is very much based on the metaphor of a disease. First there are only a few symptoms, then the disease breaks out and develops, and finally it reaches a climax, in which the

patient either dies or recovers. Following this metaphor's logic, Fink defined a crisis as 'a turning point for better or for worse' (p. 15).¹

Almost 10 years later, Mitroff (1994) expanded the model to include five stages: (1) *signal detection*, (2) *probing and prevention*, (3) *damage containment*, (4) *recovery*, and (5) *learning*. In this model, the stages no longer represent stages in the life cycle of a crisis, but are different types of crisis management interventions. In his efforts to provide an integrative framework for the study and practice of crisis management and crisis communication, Coombs (1999) established a three-staged approach where each macro-stage is divided into three micro-stages: (1) the pre-crisis stage (*signal detection*, *prevention*, and *preparation*), (2) the crisis stage (*recognition*, *containment*, and *restitution*), and (3) the post-crisis stage (*evaluation*, *institutional memory*, and *post-crisis actions*).

In the following three sections, we will provide a detailed introduction to the three macro-stages, as we understand them, including some of the most important disciplines and tools in the crisis management process. Along the way, we will also discuss the theoretical and practical value of crisis management plans, life cycle models, and anticipation.

THE PRE-CRISIS STAGE

With a perspective on crisis management that is both proactive and process oriented, the focus will naturally be on the pre-crisis stage. If an organization has decided to establish crisis preparedness for the first time, the conceptualization and implementation of this practice or function will take place during this stage. Which type of crisis preparedness will be the best? How comprehensive must it be? How must it be organized and implemented to be as effective and efficient as possible? If the organization already has it, then it is also during this stage that the existing preparedness is maintained – for example, by means of crisis simulations held at regular, fixed intervals. Unfortunately, crisis management researchers have rarely taken a holistic perspective on the pre-crisis stage. Instead, they have devoted most of their time to the study of specific components, such as the crisis management team or the crisis management plan. Olaniran, Williams and Coombs (2012) and Portal and Roux-Dufort (2013) are the first books to provide a systematic introduction to the management of the pre-crisis stage.

'The best way to manage a crisis is to prevent one' goes an old saying that cannot be repeated too often. 'The second best way to manage a crisis is to prepare for one' is another saying that cannot be repeated too often either. In the pre-crisis

¹ In their 2012 article 'Tracking the evolution of the disaster management cycle: A general system approach', Christo Coetzee and Dewald van Niekerk demonstrate that the idea of disaster phases – what we in this chapter call a staged approach – is not a new conceptual invention. These concepts have been around since the early 1920s, first within sociology (e.g., Prince, 1920, who distinguished three phases: the emergency period, the transition period, and the rehabilitation period), then within psychology (e.g., Stoddard, 1968, who also distinguished three phases: the pre-emergency, emergency, and post-emergency phases). However, it was not until the 1970s that the disaster management cycle became a general framework in disaster and emergency management.

Table 4.1 Overview of the pre-crisis stage

The pre-crisis stage	
Focus	To prevent crises from breaking out To prepare the organization for handling the crises that have become manifest anyway
Challenge	To identify as <i>early</i> as possible weak signals revealing that a crisis is building up To activate the crisis preparedness of the organization at the <i>right</i> time
Disciplines	Risk management, issues management, stakeholder management
Tools	Signal detection including media/social media monitoring, reporting on near misses, early warning systems, whistleblower arrangements, etc., crisis management team, crisis management plan, media training, simulations

stage (see Table 4.1), the focus is on preventing crises from breaking out, but also on preparing for handling crises that have become manifest.

Regarding prevention, the biggest challenge is to identify signals as early as possible that reveal a crisis is building up. This is called signal detection. At first, it sounds like an easy task. Is it not just a question of keeping an eye on the organization and its environment? That is correct. But it is not as easy as it sounds. First, *when* and *where* do you have to be vigilant? Both the organization and its environment are complex and dynamic phenomena over which neither the CEO nor the crisis management team can have a complete overview. Second, on *what* do you have to keep an eye? In the literature on the subject, it is often stated that it is a question of identifying ‘weak signals’. The earlier you discover these signals, the greater the chance that you will prevent the crisis from entering the crisis stage. But the earlier you are looking out for weak signals, the weaker the signals are and the easier they are to miss. Finally, *how* can you keep an eye on the organization and its environment?

SIGNAL DETECTION

Most crisis management researchers recommend that organizations practise signal detection, or have early warning systems. ‘If anything is at the heart of Crisis Leadership, it is Signal Detection’, Mitroff (2004) claims. Signal detection is about anticipating the future from a vantage point in the present and is inspired and/or applied by disciplines such as strategic management, scenario planning, futurology, information science, and semiotics.

Within signal detection, there is a distinction between two types of signals: strong and weak signals. It is easy to identify strong signals, because they are located within what futurologists define as a trend (e.g., a decrease in turnover over a number of years, as reflected in sales figures, annual reports, etc.). It is less easy to identify weak signals because they either are not located within a trend or constitute by themselves the starting point of a new trend.

Signal detection in crisis management is about identifying weak signals, revealing that something is not as it should be, that something is developing in the wrong way. But perhaps we should replace the concept of signal with the concept of sign (or cue)? Signals are characterized by a tight conventional relationship between their expression and content level. It makes them easy to interpret, or decode. Signs, on the contrary, are characterized by a much looser relationship between the two levels. In other words, they are less easy to interpret and there is more space for ‘reading something’ into the situation that is not there (cf. Weick’s criticism of crisis management plans later in this section).

BOX 4.1

TEN PRINCIPLES OF SIGNAL DETECTION

Ian Mitroff and the USC Center for Crisis Management have established ten principles for signal detection:

Principle (1): All crises are preceded by early warning signals.

Principle (2): Signals are not self-amplifying or self-blocking.

Principle (3): Signals do not exist by themselves. They are part of, and a reflection of, the overall structure of an organization.

Principle (4): Signal detection is a direct reflection of our priorities.

Principle (5): Signal detection necessitates signal detectors.

Principle (6): Different crises require different detectors.

Principle (7): Not all signals are alike.

Principle (8): Every signal detector needs a signal monitor.

Principle (9): Signals have to be transmitted to the right people.

Principle (10): Individual signal detection is not enough.

Source: Mitroff (2004).

Signal detection can be practised in different ways. Most of the tools are information collection and analysis systems. Some examples of these include: early warning systems (EWSs) developed within disaster or emergency management, or the near-miss and near-accident reporting systems that aim for organizational self-improvement and which have become popular in for example the transportation and health-care industries. Media monitoring can also be defined as a kind of signal detection. Despite the fact that everybody studying and/or working within this field seems to agree on how important signal detection is, very little research has actually concentrated on this component of the pre-crisis stage.

Risk management

Risk management is a popular tool in private as well as public organizations when it comes to crisis prevention. As formulated by Beck (1992), a risk is a ‘not yet event’ that may transform into a real crisis event. Or as Heath (2006) defines it: ‘A risk is an occurrence that can have positive or negative consequences of varying magnitudes, the occurrence of which and the effects of which can be variously predicted, controlled, and harmful or beneficial. In this context, *a crisis is a risk manifested*’ (p. 245).

The purpose of risk management is to describe one or more key activities performed by an organization, to identify the risks associated with these activities, to assess how serious these risks are, and, finally, to decide what must be done about them. Are the risks acceptable when considering the costs to alleviate them? Must they be reduced? Must they be transmitted to or shared with other actors (e.g., an insurance company)? Or must the activities be stopped because they are too dangerous? Risk management is divided into a series of iterative processes, including the following:

- *Definition* of the object or context of risk management (cf. the key activities mentioned above).
- *Risk analysis* consisting of (1) *risk identification* and (2) *risk assessment*. Risk identification consists of the identification of all credible events or failure scenarios related to the activities that may harm people and the environment or lead to loss of material or immaterial values. Techniques such as bottom-up analysis (e.g., failure modes and effects analysis) or top-down analysis (e.g., fault tree analysis) can be used to solve this task. Risk assessment consists of the quantification of all the risks associated with the activities (estimation of probabilities and magnitude of consequences applying probabilistic models).
- *Risk treatment* is the process of selecting and implementing measures to modify risk. Risk treatment can include avoiding, reducing, sharing (transfer of risk), or retaining risk (accept of risk).
- *Risk management planning* consisting of (1) *risk decision making* and (2) *risk implementation*. These last two processes consist of formulating a strategy or action plan, including making cost–benefit calculations of the consequences of the decisions made by the organization.

The risk understanding represented by this approach to risk management is based on the natural scientific or technical idea of the *objective risk*, which can be calculated by using probability theory. The risk of an unwanted scenario is calculated by multiplying the expected frequency by the expected consequences. However, it must be emphasized that there are alternative risk understandings, such as the psychological theory of the *experienced risk*, the anthropological theory of the *selected risk*, and the sociological theory of the *constructed risk* (cf. Chapter 1).

Issues management

Another widespread way to prevent crises from breaking out is issues management. Just as a risk may develop into a crisis, an issue may also develop into a crisis.

However, this takes place in a different context. While risk management traditionally has a strong focus on managing *internal* organizational phenomena, issues management has a strong focus on *external* organizational phenomena, that is phenomena related to the legal, political, economic, and social environment of the organization. Further, risks are often considered objective while issues are viewed as subjective or linked to certain social actors and their interpretations.

An issue has been defined as ‘an unsettled matter which is ready for decision’ (Chase, 1984, p. 38) and as ‘a contestable point, a difference of opinion regarding fact, value, or policy, the resolution of which has consequences for the organization’s strategic plan’ (Heath, 1997, p. 44). The most important difference between these two definitions is that while Chase emphasizes that an issue is ready for decision, Heath is more interested in the content of the issue.

Behind the definitions is a common set of ideas that are rooted in the concept of *legitimacy gap* (Sethi, 1977). Private and public organizations are social institutions dependent upon society’s acceptance of their role and activities in order to survive and grow. Businesspeople call it their ‘license to operate’. If an organization, let’s say a private company, starts manufacturing its products in a way that is seen as problematic, a gap between business performance and societal expectations will open up and the company risks losing its legitimacy. In such a case, the whole situation would have turned into an issue.

The most popular approach to issues management is the Jones-Chase issues management process model (1979; see also Chase, 1984). It consists of five steps: (1) issue identification, (2) issue analysis, (3) issue change strategy options (a reactive, adaptive, or dynamic change strategy?), (4) issue action programming, and (5) evaluation of results. This model was originally created for the management of public policy issues. It considers communication a tactical resource and is inspired by the ‘Lasswell formula’ (Lasswell, 1948) in its approach to issues communication.

Robert L. Heath and Tony Jaques have developed two alternative approaches to the Jones–Chase model. The former author introduced a strategic issues management (SIM) approach based on rhetoric (meaning), resource dependence theory, and corporate social responsibility (Heath, 1997; Heath & Palenchar, 2009). The latter has contributed an integrated model of issues management and crisis management (Jaques, 2014). The four issues management experts mentioned here have different viewpoints when it comes to the relationship between issues (management) and crisis (management). Jones and Chase do not address this relationship at all. Heath defines crisis as a ‘risk manifested’, but also reminds us about preventing a ‘crisis from becoming an issue’ (Heath & Palenchar, 2009, p. 285).

Stakeholder management

Issues do not just circulate by themselves in the ‘issues arena’ (Luoma-aho & Vos, 2010; Vos et al., 2013; see also Chapter 8). They are ‘carried’ around by individuals, groups of individuals, or organizations that provide them with names and speak in favor of or against them. We call these ‘carriers’ *stakeholders*. Put a little differently, issues management first becomes an effective discipline when the organization is

able to ‘put a name and face’ to those issues that are of strategic importance; this is the intersection of issues management and stakeholder management.

One element that crises have in common is that they can harm the external and/or internal stakeholders of an organization (e.g., customers, the local community, employees, suppliers, competitors, investors, politicians, governmental stakeholders, the media). It is therefore no surprise to find stakeholders included in many of the most popular crisis definitions (see, for example, Pearson & Clair, 1998, and Chapter 2).

The most widespread definition of stakeholders, including the field of crisis management, is Freeman’s (1984) definition: ‘Organizations have stakeholders. That is, there are groups and individuals, who can affect, or are affected by, the achievement of an organization’s mission’ (p. 52). However, there is another definition which seems to fit better within a crisis context, namely that by Gray et al. (1996). According to their definition, a stakeholder is any human agency that can be influenced by, or can itself influence, ‘the activities of the organization in question’ (p. 45). The difference between the two definitions amounts to the difference between the *mission* of an organization and its *activities*. A mission is based on an explicit intention. Such an intention can trigger a crisis directly or indirectly, for example if the product or the production processes of the company is viewed as problematic, but activities is a broader category, including *unintended consequences of purposive action* (Merton, 1936).

A simple way to practise stakeholder management in the pre-crisis stage is to draw a generic, organization-centric, stakeholder map where the organization is placed in the middle surrounded by all its stakeholders (the so-called hub and spokes model). In this approach, the key questions are: Who are the stakeholders of the organization? What stakes do they have? And how will they affect the organization in a crisis situation?

A more sophisticated way to practise stakeholder management is to draw a specific stakeholder map where both the organization and its stakeholders are placed in a larger network together with other actors (e.g., *intermediaries*) (Frandsen & Johansen, 2015b). This approach adds a range of new questions: Which actors enact which stakeholder roles in which situations? One and the same person can be an employee, a customer, and an investor in relation to their organization. What relations are there between the individual stakeholder groups? Are there alliances or conflicts that can develop into a crisis (or during a crisis)?

Whether we choose one approach to stakeholder management or the other, we must expect that a crisis will change the stakeholders’ stakes – including the network of relationships of which they are part. This is a challenge for every type of graphical representation that will always appear as static.

Most stakeholders have a direct stake in the organization, and that does not stop when the organization is facing a crisis. However, as we will see in Part 2 of this book, there are stakeholders who have a stake in the crisis *as such*, and not in the organization or in the other stakeholders involved in the crisis. They can be categorized as *third parties*.

Considering how crucial the role of stakeholders is in a crisis situation, it is surprising how under-investigated this topic is. However, there are a few exceptions. Alpaslan et al. (2009) have developed a stakeholder theory of crisis management.

Their research has produced two insights. First, that the stakeholder model of corporate governance will lead a more proactive and accommodative type of crisis management. According to the authors, this means, for example, that a broader set of stakeholders than mandated by law will be involved in crisis preparations, and that stakeholder relations based on mutual trust and cooperation will be developed. Second, that the salience of stakeholders may change in crisis – that is, stakeholders are dynamic. The first of these insights is clearly based on normative stakeholder theory claiming that all stakeholders' interests have intrinsic value (Donaldson & Preston, 1995).

Acquier et al. (2008) have investigated the operational value of stakeholder theory for crisis management. These French researchers apply an analytical approach to stakeholder management. They agree with their American colleagues that stakeholders can behave dynamically in crisis situations, but disagree when it comes to the value of normative stakeholder theory. They conducted a case study of how a large public transportation company in France managed a complicated crisis involving many different sub-crises, issues, and stakeholders, in which a part of the building site of a new metro line belonging to the transportation company collapsed under a school in a dense urban environment. Their research also produced some important insights, including the concept of 'stakeholder': that is, actors that are concerned with multiple issues of a crisis. Instead of managing stakeholders individually, it is better to manage 'stakeholders' and the flow of issues coherently.

The practical value of the research presented above can be summed up as follows: we tend to have an oversimplified view of the relationship between an organization and its stakeholders, and we take the stakeholders' existence, identity, and interests for granted; in reality, however, stakeholders are dynamic actors that may change, especially in ambiguous and complex crisis situations.

From prevention to preparation

In this section, we take a look at two of the most important tools of organizational crisis preparedness: the *crisis management team* (CMT) and the *crisis management plan* (CMP). They are the very incarnation of crisis preparedness. We have put the CMT and CMP in the pre-crisis stage – as part of the preparation for handling different types of crises – but they are not activated until a crisis occurs (or during a crisis simulation). As we shall see, the CMT and CMP even cover part of the post-crisis stage.

What does an effective CMT and an effective CMP look like? There is no definitive answer to this question. Especially not if the answer has to be applicable to all types of crises and all types of organizations. On the one hand, CMTs and CMPs have not yet been researched to a very great extent. On the other hand, the normative templates recommended by the 'how-to' literature are often based on personal experience, which may be fragile ground. However, a *heuristic* approach to problem solving – consisting of asking questions and applied to situations where there is no optimal, but only a satisfactory solution – may serve as a starting point.

What made the organization decide to implement a (new) CMT or CMP? Is the organization a private company? If so, does it operate in foreign markets?

Is the organization a public organization? If so, does it have a political dimension? How many members will the CMT have? What tasks will it have? Will it be permanent or will it be flexible and change from crisis to crisis? Which organizational functions must be represented in the CMT? How long will the CMP be? Will it be divided into subplans? Who is in charge of the CMT or CMP? How will the CMT or CMP be implemented? And so forth.

By answering these preliminary questions, you will get a platform for continuing with the establishment of a CMT and CMP that are specific to your organization.

Crisis management team (CMT)

A CMT can be defined as a group of people, designated by the CEO or another top manager, who are responsible for the crisis management practice or function of an organization. Thus, in a crisis situation, it will typically be the members of the CMT who make the important decisions, such as when to activate the crisis preparedness and how to coordinate the response activities. Before and after the crisis situation, it is also the members of the CMT who will be in charge of evaluating and updating the crisis preparedness on the basis of what the organization may have learned from a crisis.

The size, structure, and modus operandi of a CMT varies from organization to organization. Some CMTs are small (less than five members) while others are big (more than five members). Some CMTs are permanent while others are organized in a more flexible way. According to Jaques (2014), it is common practice today to designate a core team which assembles during a crisis regardless of its severity. Specialists are then added depending on the skills and knowledge needed to handle the crisis. In terms of organizational design, the CMT can be described as a horizontal project structure.

In most cases, the CMT is a cross-functional group consisting mainly of middle managers representing the key functions of the organization: corporate communication, security, finance, production, marketing, and human resource management. The CMT often also includes the CEO, a lawyer or legal advisor, a representative of the board, and in some cases an external communication consultant (cf. the lists in Pauchant & Mitroff, 1992, and Frandsen & Johansen, 2004). However, the CMT must never be the executive team under another label. The CMT is responsible for:

1. Conceptualizing and implementing the CMP(s) as part of the organizational crisis preparedness.
2. Activating and enacting the CMP in crisis situations (including selecting an appropriate spokesperson).
3. Evaluating and updating the CMP after a crisis (simulation).
4. Taking care of problems not covered by the CMP (e.g., providing counsel).

The members of the CMT risk running into problems in the following two extreme situations: if they *agree* too much, and if they *disagree* too much. If they agree too much about what will happen in a crisis situation, they end up with the psychological phenomenon described by Janis (1972) as *groupthink*. Groupthink occurs within a group of people in which the desire for consensus is so strong that it leads

to dysfunctional decision making. If the opposite happens, that is if the members of the CMT disagree too much about what will happen in crisis situations, they end up with an internal conflict. Bergeron and Cooren (2012) conducted a study of how the participants in three crisis management teams interacted and had difficulties in creating a collective framing of the crisis situation, mainly due to differences in professional and organizational background.

Crisis management plan (CMP)

A CMP can be defined as a *document* representing the text genre that we call *plans*. It consists of a selection of *components* depending on the type of organization, its history, and its culture.

The CMP is a document or text. This has two important implications. First, as every other document or text, the CMP will be part of a communicative process involving senders, receivers, points in time and space, etc. This process begins when the CMP is introduced for the first time (implementation), and the process is repeated every time it is necessary to activate the CMP (in real crisis situations, during drills, and simulations). Second, in order to facilitate this communicative process, the CMP must have a cover page and an introduction informing the receiver about the aim and purpose of the CMP. It must also be written in an accessible style so that the receivers can read and understand the content. The CMP is not ‘just another’ document. It is what Lammers (2011) calls an *institutional message*, that is a message that carries institutional logics and that is characterized by endurance, reach, incumbency, and intentionality.

The CMP is a plan. By plan we understand a set of instructions telling members of the organization how they should think, behave, and communicate in future crisis situations of a certain type. The CMP consists of *components*. These components can be combined in different ways according to the approach to crisis management. The structure of the components often follows the life cycle of crises. Some of the most important components are listed in Table 4.2.

How useful are CMPs? They are the hallmark of the strategic, proactive, and process-oriented approach to crisis management. The adoption of a CMP by an organization is often considered a sign of institutionalization of the idea of crisis preparedness (cf. the general introduction). Ideally, nobody questions the functional value of a CMP: that it can be used to prevent and handle crises, the individual stages, and the transition from one stage to another.

CMPs also seem to have a symbolic value. A group of Norwegian researchers has examined how crisis preparation among leaders is carried out and communicated to the rest of the organization and what impact this has on the risk perception and psychological well-being of the employees. The results of their survey conducted in five different organizations revealed that crisis preparedness, including CMPs, was associated both with lower perceived risk as well as with increased well-being among employees (Selart et al., 2013). To put it differently, a CMP seems to be ‘effective’ even before it is activated in a crisis situation.

Nevertheless, there are scholars who warn organizations against relying too much on CMPs. Karl E. Weick and Kathleen M. Sutcliffe are two of these scholars. They claim

Table 4.2 Components of crisis management plans

Components of CMP	Including
Introduction	Specification of relationship with other (sub)CMPs
Activated the last time	Date and place of most recent crisis simulation and/or crisis
Crisis management team (CMT)	Activation process List of members (functions) Location (room) Contact sheet Roles and responsibilities
Information input from pre-crisis stage	Crisis portfolio Risk identification and assessment Issues identification and analysis Stakeholder map
Crisis communication plan (CCP)	Integrated with the communication strategy and policy of the organization Prescribed messages (i.e., press releases) Crisis dark sites Q&As External/internal spokesperson(s) Offline/online spokesperson(s)
Scenarios for crisis stage	Integrated with the value statement and CSR policy of the organization
Business continuity management	BCM plan
Information input from post-crisis stage	Logbook Learning outcome Updating of CMP

that plans can do the opposite of what was intended. Instead of guiding and facilitating the crisis management process, plans can make things worse (Weick & Sutcliffe, 2001; 2007). Their arguments are as follows.

Plans create expectations that influence what people see, their perceptions, and reduce the number of things people notice. Plans are based on expectations, and expectations can be so strong that they influence what we see. The argument is that we impose our expectations on the signs we interpret, especially signs that are ambiguous, and if the interpretations do not correspond to our expectations, we will ‘fill in the gaps’ and ‘read between the lines’ (Weick & Sutcliffe, 2001, p. 79).

Plans preclude improvisation. The sequences of actions described in the plans and designed to manage a future crisis restrict attention to what is expected and limit our view of our capabilities to what we have now. Weick and Sutcliffe refer to

Henry Mintzberg's criticism of strategic planning and what he calls the 'fallacy of predetermination'. Planners plan in stable and predictable contexts and therefore they are lulled into thinking that the world will unfold in a predetermined manner.

Plans presume that consistent high-quality outcomes will be produced time after time if people repeat patterns of activity that have worked in the past, that is routines. The problem with this way of thinking, which is often reinforced by crisis simulations, is that routines cannot handle the unexpected. Weick and Sutcliffe suggest that we learn from 'High Reliability Organizations' which have understood that 'reliable outcomes require the capabilities to *sense* the unexpected in a *stable* manner and yet *deal* with the unexpected in a *variable* manner' (2007, p. 67; cf. Chapter 3).

Another scholar who is sceptical about the usefulness of CMPs, at least a certain category of plan, is Clarke (1999). He makes a distinction between two different perspectives on CMPs. The first perspective is functional or rational common-sense planning. From this perspective, the purpose of plans is to tell the members of the organization how to solve a problem – in our case how to prevent and/or handle a crisis. According to Clarke, functional planning is possible under conditions of relatively low uncertainty where information can be gathered and trusted. The second perspective is symbolic planning. Under conditions of high uncertainty rational planning becomes more difficult, and the instrumental utility of plans decreases. In these cases, the plan and the planning process *themselves* become the function. From this perspective, the purpose of plans is not to tell the organization how to solve a problem, but to claim expertise. Clarke calls these plans *fantasy documents*. They are first of all rhetorical instruments used by organizations and experts to convince citizens and employees that they have the necessary expertise, and that they are in control.

Behind the discussion on the usefulness of CMPs lies a more general discussion about human rationality, context, information, uncertainty, and expectations.

THE CRISIS STAGE

The crisis stage represents what the narrow tactical, reactive, and event-oriented perspective on crisis management would define as the crisis *as such* (cf. Chapter 3). This is the moment when the organization becomes aware of the crisis, when the damage control starts, when the organization runs out of resources, and when the overview vanishes into the air. In the 'how-to' literature this is the moment when the situation gets 'hot', the 'shit hits the fan', the 'perfect storm' materializes. The focus is on coordination and damage containment. The biggest challenge is to activate the organizational crisis preparedness at the right time and in the right place. The risk of ending up with a double crisis is high (cf. Chapter 2). In this section, we will briefly look at two important aspects of the crisis stage: *crisis decision making* and the *crisis communication plan* (Table 4.3).

Decision making in crisis situations

There are people who claim that the crisis stage begins with a decision ('We are in crisis!') and that it also ends with a decision ('Now the crisis is over!'). However, none

Table 4.3 Overview of the crisis stage

The crisis stage	
Focus	To coordinate the crisis preparedness systems To mitigate the negative consequences of the crisis
Challenge	To activate crisis preparedness in the most appropriate way, at the most appropriate place and time, to manage the crisis
Disciplines	Crisis communication, crisis decision making, reputation management, business continuity management
Tools	Crisis communication plan, crisis dark site, holding statements, hotline, logbook, spokesperson

of these decisions are necessarily one-off, clear-cut, final decisions made at the right time and in the right place. The first decision is typically made after the crisis has become manifest – that is, too late to be of any help. The second decision is typically made before the crisis is over – that is, too early to be of any help. Put simply, timing is a challenge. When, for example, did the top management of Volkswagen decide that the ‘Dieselgate’ scandal was manifest, and that the German automobile manufacturer was in crisis? On September 18, 2015, when the US Environmental Protection Agency announced that Volkswagen had cheated on emissions tests by means of an illegal software? Or on September 23, 2015, when the CEO of Volkswagen, Dr. Martin Winterkorn, resigned? Or later?

A crisis is a time when important decisions must be made by the CMT in order to respond as quickly and effectively as possible. It is also a time when the conditions for decision making are unusual. The decisions have to be made by a team of people who may agree or disagree about the crisis (cf. the previous section on groupthink and collective framing). The members of the CMP are only partly informed about the situation, and it is difficult to collect more information. They only have limited time to make the decisions, and they feel stressed.

Most crisis decision-making theories are based on a rational–analytical approach to decision making and belong to the same tradition as the prescriptive perspective on crisis management that we referred to in the previous chapter. According to these theories, decision making is a purely cognitive activity where a rational human being first identifies all the alternative solutions to a problem, then calculates all the consequences of each of these solutions, and finally makes his or her decision by selecting what seems to be the most appropriate solution. A primary interest within this approach is how to prevent ‘irrational’ factors such as stress and emotions from having an impact on the decision-making process.

However, since the late 1980s, crisis management researchers have become increasingly interested in the tradition of naturalistic decision-making theory (Lipshitz et al., 2001). Instead of beginning with formal models of decision making, the researchers began by conducting field research to try to discover the strategies people used in natural settings. Gary Klein is one of the pioneers in the field of naturalistic

decision making. His recognition primed decision (RPD) model is a model of how people make quick, effective decisions when faced with complex situations. In this model, the decision maker is assumed to generate a possible course of action, compare it to the constraints imposed by the situation, and then select the first course of action that is not rejected. RPD has been described in diverse groups including ICU nurses, fire commanders, chess players, and stock market traders. It functions well when there is time pressure and when information is incomplete and goals poorly defined.

Crisis communication plan

The crisis communication plan is sometimes used as a synonym for the CMP as such, but in our case the term refers to a specific ‘plan in the plan’ activated at the very beginning of the crisis stage. Like the CMP it consists of a series of components linked to each other by what you may call a simple ‘communication model’: (1) What is the overall communication strategy? (2) Who is the sender? (3) Who is the receiver? (4) What is the key message? (5) Which channels will be used? The answers to these questions will normally be formulated in terms of:

- Crisis communication strategy (integrated with CMP)
 - For example, to ‘over-communicate’ (a strategy applied by Scandinavian Airlines during the Dash 8-Q400 crisis, cf. case study 6.1).
- Spokesperson(s)
 - External/internal
 - Online/offline
 - Source credibility
 - Spokespersons hierarchy.
- Stakeholder list
 - Primary/secondary stakeholders
 - External/internal stakeholders
 - Intermediaries.
- Prescribed messages
 - Press releases
 - Blogs
 - Fact sheets
 - Q&As.
- Media list
 - Legacy media
 - Internet and social media.

It is important for an organization to have a crisis communication plan and to be able to activate it when the crisis breaks out. However, it is also important to keep in mind that such a plan will often be based on a simplified understanding of communication as transmission of messages or distribution of information.

In this book, we follow the principle: *no crisis management without crisis communication, and no crisis communication without crisis management* (cf. the general introduction). Communication cannot be reduced to an activity that takes place after the management issues have been sorted out. The members of the CMT do not first make their decisions and then communicate these decisions to the other members of the organization. Decision making is a communication activity from the beginning. We shall return to this principle in Chapter 5 (cf. terminological control theory).

THE POST-CRISIS STAGE

Unfortunately, the post-crisis stage has not yet been subjected to the same amount of research as the pre-crisis stage. It seems as if both researchers and practitioners find this part of the crisis life cycle less attractive. However, this does not mean that this stage is without importance. If the disciplines and tools applied in the pre-crisis stage will help you manage the individual organizational crises, those applied in the post-crisis stage, especially organizational learning, will perhaps help you get rid of organizational crises as such. In this section, we will concentrate on three important aspects of the post-crisis stage: (1) evaluation, (2) learning, and (3) implementing change after crisis (Table 4.4).

Evaluation of the crisis management process

It is difficult to evaluate anything until you know what happened during the crisis. Therefore, any kind of evaluation must start with the collection of relevant information. This is not a problem if the CMT has used a logbook, registering all important events that took place during the crisis, including contacts from the news media.

Two types of evaluations are relevant before the information collected can be transformed into knowledge that the organization and its members can learn from: (1) evaluation of the consequences of the crisis, and (2) evaluation of the crisis management process. The first type includes the economic, human, material, and symbolic consequences of the crisis. These consequences can be measured in different ways, from the measurement of investors' reaction to the crisis, or decrease in stock price, and reputational damage, to media monitoring. The second type of

Table 4.4 Overview of the post-crisis stage

The post-crisis stage	
Focus	To learn, to change, to start again
Challenge	To learn from and remember the experience that the organization and its members have gained
Disciplines	Organizational learning, opportunity management, change management
Tools	Incident report, logbook, evaluation (media coverage, crisis management process)

evaluation concerns the performance of the organization. Did the CMT succeed in coordinating efforts and resources? Did the CMP work as expected? How was the reaction among external and internal stakeholders?

Organizational learning

Organizational learning is, without doubt, the most important aspect of the post-crisis stage. Larsson (2010) defines organizational learning as follows: ‘Organizational learning applies to efforts where individuals and collectives in organizations ... gain knowledge from the past to deal with the present, or use knowledge from an earlier crisis when managing a new crisis, especially to correct previous shortcomings and mistakes’ (p. 714).

There are several sources for learning from a crisis: (1) the most recent crisis that your organization has experienced; (2) past crises involving organizations from the same industry; (3) past crises involving organizations from different industries; (4) near misses; and (5) crisis simulations. The more you go down this list, the less the learning potential. The first source has the biggest learning potential: a recent crisis that involves yourself as a member of the organization. Sources (1) to (3) all represent real, full-blown crises; (4) represents real, but not full-blown crises; and (5) represents full-blown, but not real (only realistic) crises.

Argyris and Schön’s (1978) theory of organizational learning is often brought into play to understand how, and to what extent, organizations can learn from crises. Argyris and Schön take a psychological perspective on learning, introducing a distinction between two basic types of learning:

- *Simple-loop learning* is defined as the simple process in which a mistake is detected and corrected by using a different approach, but without changing the initial goal. This is the most superficial type of learning process. The organization has learned something, but the process has not changed its self-understanding or the reference frame inside which it is reflecting, acting, and communicating.

As an example (inspired by case study 11.1), a Danish children’s clothing manufacturer is accused by the media of badly handling a product recall. The company has forgotten to inform the public authorities about the discovery of traces of cancer-causing chemicals in T-shirts produced in Asia – which is required by Danish law. Information given to customers who have purchased the T-shirts is also limited. The company detects the error, corrects it, and continues to sell children’s clothes produced in Asia.

- *Double-loop learning* is defined as the more complicated process in which a mistake is detected and corrected but where the process leads to a rethinking of the initial goal.

Continuing the example (inspired by case study 11.1), the Danish children’s clothing manufacturer understands that the problem is not to improve the company’s product recall procedures in accordance with Danish law, but to avoid product recalls as such, that is to improve the supply chain system.

French crisis management researcher Christophe Roux-Dufort is a pioneer when it comes to crisis and learning. He has criticized the widespread idea that organizational crises offer an opportunity for change, an idea that has also become popular among crisis communication researchers (see, for example, the brief introduction to renewal discourse theory in Chapter 6, and the epilogue). However, the fact that the same types of crises keep repeating themselves over and over again reveals that crises instead offer an opportunity for the consolidation of existing management beliefs and practices (Roux-Dufort, 1999).

One vital aspect of learning from crises centers on the barriers to learning. Two other pioneers within this sub-field, Denis Smith and Dominic Elliott, have listed the following barriers: rigidity of core beliefs, values, and assumptions; ineffective communication and information difficulties; focus on single-loop learning; centrality of expertise; and disregard of outsiders (Smith & Elliott, 2007; see also Pergel & Psychogios, 2013).

CRISIS SIMULATIONS

Many private and public organizations make use of crisis simulations or exercises in order to test the quality of their crisis preparedness. In addition to organizing training exercises under conditions resembling the conditions of a real crisis, crisis simulations also make it possible to discover structural, procedural, and/or resource-related weaknesses of crisis preparedness – and help to develop it further.

However, there are experienced consultants such as the Argillos consultants who warn against believing too firmly in the benefits of crisis simulations. Robert and Lajtha (2007) have identified three drawbacks to the traditional approach to crisis management training, including the periodic ‘day out’ to participate in a crisis simulation. First, these kind of exercises may provoke adverse psychological reactions – feelings of dissatisfaction, doubt, and distrust – *on the part of the participants*. They do not benefit very much from spending a day away from a tight work schedule in order to participate in a scenario that does not unfold realistically. Second, there may be doubts about the learning value of such exercises. Most of them follow a predictable annual cycle and are emergency evacuation drills. In short, they quickly become ‘routine exercises’ without any real learning potential. Finally, such exercises are often based on flawed assumptions about the nature of crisis and the practical implications for effective response. An example of flawed thinking is the impression, generated by the concentration of training into single ‘D-Day’ exercises, that crisis management skills are devoted only to sudden and immediate responses.

CRITICISMS OF STAGED APPROACHES

As already mentioned, the strategic, proactive, and process-oriented perspective in general, and the staged approaches in particular, are based on the understanding of crises as a life cycle, which is linear and sequential. This understanding is manifest in

Herbane (2010a) when he defines business continuity management as an approach covering ‘the entire chronology and timeline of a crisis, which comprises of three key stages – pre-crisis, trans-crisis and post-crisis’ (p. 46).

The definition of crises as a life cycle has recently been subject to criticism. First, it is not always possible to determine the time and place for each of the three stages, and they may well be dislocated. Drennan and McConnell (2007) conclude their criticism by emphasizing that what might be a crisis stage for some at this moment does not become a crisis stage for others until later. They point to the September 11, 2001, terror attacks on the United States as an example. For citizens, first responders, and the fire and police departments who responded, the crisis began immediately. But for organizations like the CIA, which had difficulties explaining intelligence failures and defending its own legitimacy in the months following, the crisis evolved more slowly. The same thing happened during the financial crisis of 2008–2009, when many companies held warehoused goods that could sit on the shelves for two years and therefore did not feel the consequences of the crisis until other companies were already on the way out of it. This created different kinds of challenges for the crisis planners. After all, how do you explain that your organization has just entered a crisis stage because of a financial crisis that many consider to be already over?

Second, several crises can easily occur at the same time and must be handled in parallel. This creates a situation in which a company can find itself in both a pre-crisis stage and a crisis stage at the same time. Scandinavian Airlines, for example, was hit by a number of crises in 2001 – from a price-fixing case to an accident at Linate Airport in Italy to the 9/11 attacks – all of which had to be handled at the same time.

Third, it is not only stages but also disciplines and tools that may overlap. Tony Jaques, consultant and former issues manager at Dow Chemicals in Australia, is one of the practitioners who have criticized crisis life cycle models. Inspired by disaster management where the elements of the management process form tightly related processes rather than isolated disciplines and tools, he has developed an *issue and crisis management relational model*. This model is characterized by having a non-linear structure: ‘the relationship between different activities is not a stepwise, linear process ... It comprises clusters of related and integrated disciplines that may be undertaken in sequential fashion but equally may operate simultaneously’ (Jaques, 2014, pp. 13–14; see also Jaques, 2007). He emphasizes that two of the most important substages of the pre-crisis stage – prevention and preparation – *should* in fact most often happen at the same time. Like Gilpin and Murphy (2008), he also reminds us of the fact that organizational learning is not a process which takes place exclusively during the post-crisis stage. There are learning loops related to every activity within the entire crisis management process.

CHAPTER SUMMARY

This chapter has introduced the reader to the staged approaches to crisis management, which is based on the idea of a crisis life cycle encompassing three stages: a pre-crisis stage, a crisis stage, and a post-crisis stage. To be more specific, we have looked at

some of the most important disciplines and tools applied by crisis managers in private and public organizations, from signal detection to organizational learning. Finally, we have also taken a critical stance on some of these elements (i.e., the crisis management plan or CMP). Thus, together with the previous chapter, this more practically oriented chapter provides the reader with an advanced, up-to-date introduction to crisis management.



Further reading

Robert, B., & Lajtha, C. (2002). A new approach to crisis management. *Journal of Contingencies and Crisis Management*, 10(4), 181–191.

Wicks, D. (2001). Institutionalized mindsets of invulnerability: Differentiated institutional fields and the antecedents of organizational crisis. *Organization Studies*, 22(4), 659–692.