

**PALNS Kalyani**

St. Mary's Centenary Degree College, Telangana, India

*Corresponding Author's Email: satyakalyani.999@gmail.com***ABSTRACT**

Organizations implement and design crisis management as the frequency and impact of crises continue to increase and the organizations should consider many insights regarding the crisis management process. Organizations should investigate past crises first for missed signs and find out the ways to improve its crisis management. It is very essential that organizational leaders should have knowledge about crisis management policies and procedures and develop related soft skills. To bridge a gap between crisis preparedness actually and confidence of crisis preparedness, a comprehensively well designed and properly implemented crisis simulations play a vital role. Organizations need to understand how the third parties may cause or be affected by crises and collaborate with them for effectively managing the risk. The present article looks to the future by discussing emerging trends in the field of crisis management.

**Keywords:** *Crisis Management, Solutions Team, Crisis Management Teams, Third Parties*

**INTRODUCTION**

Crisis Management is the process by which an organization deals with an unpredictable and major event that threatens to harm the organization and its stakeholders. The three common elements which define a crisis are:

- A threat to the organization
- An element of surprise
- A short decision times

Thus, Crisis Management is the systematic attempt to avoid or eliminate organizational crisis, or to manage those crisis events that do occur. The organizations around the world are becoming increasingly focused on crisis management and emphasis should be laid down on globally held perception about the frequency and impact of crises which are growing. About 80% of the organizations worldwide need to mobilize their crisis management teams at least once in two years.

**Trends in Crisis Management**

Many organizations have utilized their crisis management teams in response to the crisis during last few years and the major types of crises identified in order of the frequency are:

- Cyber Incidents
- Safety Incident
- Security Incidents
- Performance Issues
- Government and Environmental Issues. (t Hart, Heyse & Boin, 2001)

Many crises are arising out of simple incidents which are being exacerbated by social media coverage of organization's failure. When the information continues to spread at incredible speed around the world, the organization's reputation can be shattered incredibly. Organizations need to be able to mitigate the risks of crises as well as maneuver through a crisis which should occur when the impact and frequency of crises are increasing. There are 5 key insights the crisis management teams should consider:

- How to avoid crises will be learnt by the organizations after experiencing a crisis
- Developing the knowledge related to crisis management by organizational leaders
- The actual level of preparedness is not indicative of an organization's confidence in its crisis management capabilities.
- Impact of a crisis can be reduced when the organizations are proactive about crisis management
- Third party consultants are the part of problem and solution. (Dynes, 2003)

**12 Step Approach of Crisis Management Strategies**

A flurry of minor obstacles will be faced by every organization with a significant crisis once or twice a year. Hence, crisis management strategy is crucial and inevitable. Consider the cases i.e., skyrocket of supply costs, shut down of factor for 2 weeks by a storm, hiring of a major executive by a competitor, delay in the implementation of ERP by 3 months, law suit, data breach etc., Any or all these problems will put the

organizational strategy at risk. By emphasizing on crises, the challenge is to know how to keep the organization on track for which crisis on track for which crisis management strategy is important (Moore & Seymour, 2005).

The following are the 12 steps in crisis management strategy to get back the teams on track effectively:

1. **Create a Solutions Team:** Identify the most effective team members of your organization and assign them to a small team to manage the situation when crisis hits the organization. Such teams need to have a clear authority from the management. Continuous communication with those who are on team, clarify the purpose and their role in assessing the problems is required.
2. **Facts are the Friends:** The small teams need to gather facts as well as understand the emotional impact of those on the working of organization. The team needs to search for truth with empathy and compassion. The root cause of the problem should not drive away by the emotion.
3. **Clear the Table:** In order to get the root cause, in case if the crisis is big enough, the management needs to clear other responsibilities from solutions team.
4. **Resolve as early as possible:** The teams are paralyzed by fears and confidence is destroyed by rumours. 86% of organizational gossips are related to creation of obstacles as per the data of teamworks-works.com. In order to allow the leadership team to take up the next step, it is very critical that our organization's solutions team need to get information and thus the problem can be resolved easily.
5. **Be Positive and Poised:** As how the leader reacts to the situation, the organization will feed off, and while these events occur, it is incredibly important to stay positive and show courage.
6. **Over-communication:** There is the need for repeated and clear communication with customers, employees, suppliers etc. The important things need to be repeated and as per the observation only one-third of the people listen when others talk. An acknowledgement to the communication sent via email or by other means need to be verified and acknowledged.
7. **Ownership:** The true leader needs to take an absolute ownership for what actually went wrong. Great leaders do not point fingers at others.
8. **Be Present:** The leaders need to postpone business trips and personal events if the crisis is very big. It

is very important that a leader should be available when big challenge arises and this how a real leader is born.

9. **Stay Focused:** Everyone else need to stay focused when the solutions team is identifying the root cause of the crisis and recommending various solutions. Even when the ship is damaged it needs to continue and move forward. While focusing on the metrics of success, all the other leaders need to identify on what can and cannot be done. As per records, 70% of the employees feel distracted.
10. **Evaluate Solutions Team:** Whenever solutions team successfully identify new path to overcome the obstacles, it is also important to evaluate how a team manages the crisis and implements the crisis management strategy. For every situation, make sure to keep people off when they are unable to keep with the principles above and make sure to bring the right people on board.
11. **Real Crisis:** It is very essential and proper care need to be taken to create an environment where everything feels like a crisis and everyone wanted to become a fire fighter. The organizations need to distinguish whenever the solutions team is needed. Even when the existing teams are opposed, they need to provide an opportunity to overcome routine obstacles themselves.
12. **Refresh the Goals:** The existing goals should not be behind due to the issue. After resolution, the solutions team need to get back to their routine work. It is also important that the goal expectations of the employees in the solutions team are handled properly (Bertrand & Lajtha, 2002).

#### Lessons are Learned through Crises

Organizations will look more closely at its crisis prevention and detection methods, when going through a crisis. Various areas to improve crisis management are identified and the top 5 includes:

- Optimization of early warning systems and detection
- Investment of more efforts in prevention
- Doing more to better identification of potential crisis scenarios
- Better identification of chain of command for specific scenarios
- Communicating effectively with employees

The overall lesson is to start managing the crises before it occurs (Murphy, 1996; Grossman, 2002).

### Crisis Management Cycle

- Identification and assessment of risks of organizations
- Prevention of crises when it is possible, managing the emerging issues and preparing for the worst scenarios
- Response to and recover from crisis while maintaining the business operations
- Learning lessons from crisis
- Rebuilding the organization after crisis and later on emerging from a crisis stronger ('t Hart, Heyse & Boin, 2001; Bertrand & Lajtha, 2002).

### Crisis Management Should Start at the Top

Whenever crises arise, it is important that the leaders need to remain calm during pressure. They need to seek input from others and need to have a good situational awareness. One of the problems during identification of good leaders in crisis management is that it is very important to know how a leader will react until the crisis is over. Identification of effectiveness of leadership and decision making is one of the top challenges in crisis management (Olshansky, 2006). In order to help the leaders or the organizations at the time of a crisis the following steps should be followed:

- To design and communicate a proper leadership structure for crisis management
- To provide techniques and tools to assist the leaders in the times of crises
- To understand, counterbalance and improve for leadership styles and tendencies (Pearson & Clair, 1998).

### Reduction of Crisis Impact through Proactive Crisis Management

Financial fallout due to crises will be significantly reduced by maintaining a crisis management plan. The support of board members in the development of crisis plans and participation in crisis exercises is very beneficial when they are part of crisis management plan. Board's top concerning risks need to be included in crisis management plan. If a board is prepared for crises which makes a significant difference in the terms of business survival and business continuity, several crises also require their intervention (Sellnow, Seeger & Ulmer, 2002).

### Opportunities and Threats of Third Parties in Crisis Management

Actions of third parties viz., business partners and suppliers, are the reason for many crises. The role of third parties is also important in managing crises.

Working with third parties in the way of crisis exercises is useful. The organization is likely to do so if they are operating on a global scale. When the organization's size is small and operating in fewer locations, the percentage of third party in crisis management drops. The following are a few recommendations for the organization who deals with third parties in crisis management:

- The organizations need to decide which outside organizations are necessary for successfully managing crisis
- To involve all those third parties which could be affected or triggered by crisis
- To collaborate with all those third parties and their communication operations in order to respond to risks in a unified manner
- To enable third parties to participate in communication crisis plan and crisis simulations updates (Shrivastava, 1993).

### CONCLUSION

As technology, techniques and tactics continue to evolve, there are many more ways in which detractors can make mischief for individuals and companies as a target of with an axe to grind. Beating back such kind of attacks requires more creativity, flexibility and the means to exploit new opportunities which comes with new risks.

### REFERENCES

- Bertrand, R. & Lajtha, C. (2002). A New Approach to Crisis Management. *Journal of Contingencies and Crisis Management*, 10(4), pp 181-191.
- Dynes, R. (2003). Noah and Disaster Planning: The Cultural Significance of the Flood Story. *Journal of Contingencies and Crisis Management*, 11(4), pp 170-177.
- Grossman, R. (2002). Paying the Price. Events at Rent-A-Center Prove That When Employers Don't Respect HR Today, They'll Pay Tomorrow. *HR Magazine*, 47(8), pp 28-37.
- 't Hart, P., Heyse, L. & Boin, R. (2001). New Trends in Crisis Management Practice and Crisis Management Research: Setting the Agenda. *Journal of Contingencies & Crisis Management*, 9(4), pp 181-188.
- Moore, S. & Seymour, M. (2005). *Global Technology & Corporate Crisis*. Routledge. New York.
- Murphy, P. (1996). Chaos Theory as a Model for Managing Issues and Crises. *Public Relations*

*Review*, 22(2), pp 95-113.

Olshansky, R. (2006). Planning after Hurricane Katrina. *Journal of the American Planning Association*, 72(2), pp 147-153.

Pearson, C. & Clair, J. (1998). Reframing Crisis Management. *Academy of Management Review*, 23(1), pp 59-76.

Sellnow, T., Seeger, M. & Ulmer, R. (2002). Chaos Theory, Informational Needs, and Natural Disasters. *Journal of Applied Communication Research*, 30(4), pp 269-292.

Shrivastava, P. (1993). Crisis Theory/Practice: Towards a Sustainable Future. *Industrial & Environmental Crisis Quarterly*, 7(1), pp 23-42.