



Crisis Management

An Exercise in Leadership



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Definition of a Crisis



A crisis is defined as an inherently abnormal, unstable, and complex situation that represents a threat to the strategic objectives, reputation, or existence of an organization.

UK Cabinet Office PAS200:2011

This leads to the scrutiny by media, regulatory or non-regulatory agencies, employees and/or their relatives, customers and/or their relatives, and the public at large



Opening Poll



Have you managed, or helped manage a crisis event associated with your professional work?



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A Short Video



MH370 video clip plays here



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Characteristics of a Crisis



Chat box input

“In your chat box, please fire off some words that you feel characterize a crisis”



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Characteristics of a Crisis



Involve highly complex problems with severe consequences

Involve fast-changing situations that threaten norms, self-image, or values

Are rife with false perceptions, rumors, and misreporting

Force organizations to review, transform, or defend choices of policies, culture, and strategies

Present too much or too little information, which might be ambiguous or contradictory

Make decision-making difficult based on quality of information

May require trade-offs or least-bad options to make decisions

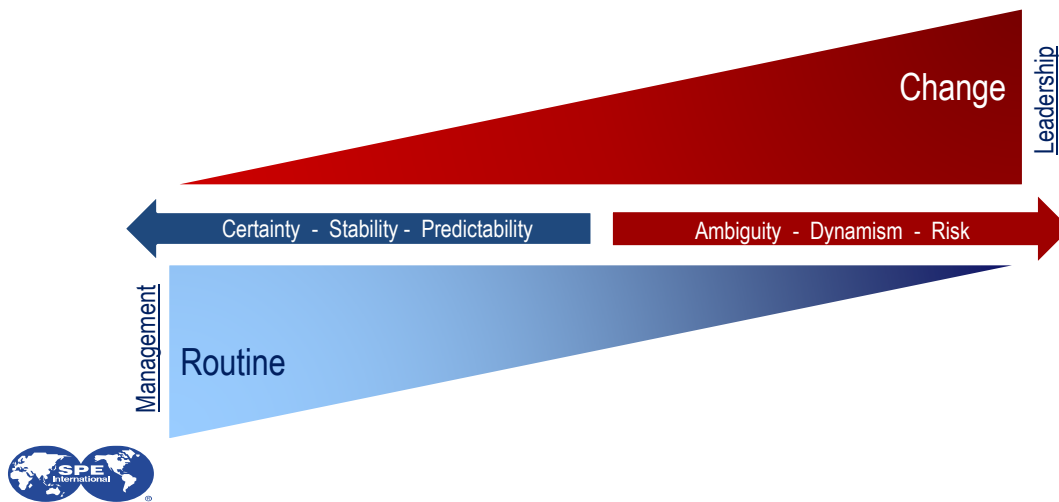
Will involve conflicts of interest

Make exceptional demands on people involved



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Management and Leadership



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Crisis Leaders



- Make decisions rapidly without all the information and resources they would like—the 40/70 rule
- Deal with issues that are difficult to understand and that threaten the organization's existence and quite possibly the safety and welfare of the people within it and around it
- Lead in an uncertain and chaotic environment
- Must impose calmness, authority and confidence, backed up decisiveness – through visible leadership
- Lead in circumstances they may not have experienced
- Must do all this when they and those they rely on are under stress that affects behavior and communication



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Crisis Leadership—The NPLI

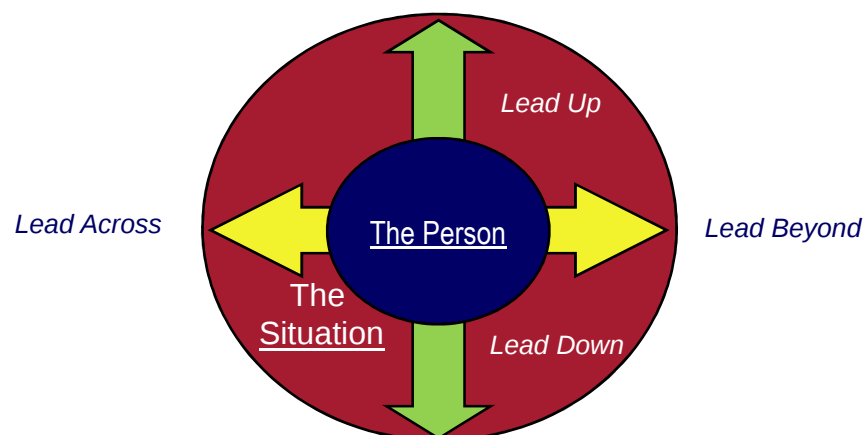


- Field leadership practices to field leadership lessons
- Joint venture of Harvard's T.H. Chan School of Public Health and John F. Kennedy School of Government
- Over 700 alumni from public service, private industry, non-profit organizations



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Dimensions of Meta-Leadership



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Your Response to a Crisis Event

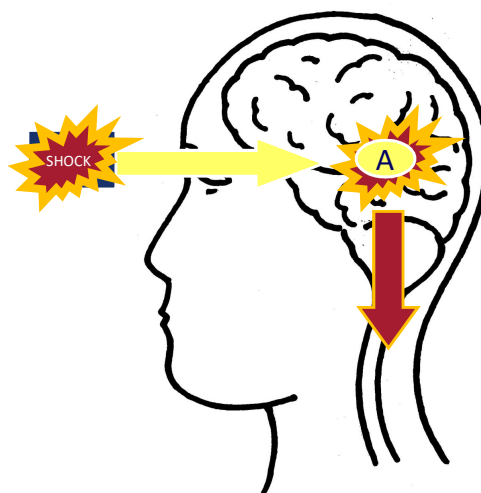


- Your initial reaction is to freeze, followed by the decision to flee or fight
- Emotion affects your decision-making
- You need a strategy to get your brain working



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Your Brain—Amygdala Hijack



Go to the
EMOTIONAL
BASEMENT

TRIPLE "F"
Freeze, Flight, Fight



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When in the Basement...



...Never lead or negotiate

...The speech/decision you make is the one you are most likely to regret

The problem is not going to the basement...

...It's how deep you go, how long you stay, and what you do to get out



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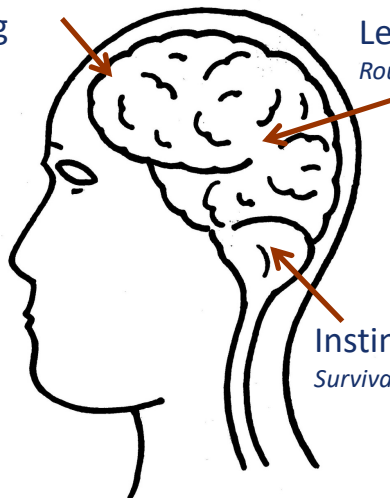
Resetting your Brain



Creative Thinking
Executive Circuits

Learned Behaviors
Routine Circuits

Instinctual Behaviors
Survival Circuits



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Another Short Video



Space Shuttle video plays here



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Resetting the Brain



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Managing a Crisis



- Strategies are needed to get your brain working again—you need a toolbox
- Crisis management is a team sport...
- ...but it's not for everyone
- The more experience you have, the greater your resilience will be



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The Crisis Management Team



Intellectual—ability to analyze, set strategy, determine options, make decisions, and evaluate impact

Organizational—structures and processes needed to translate decisions into action and review impact

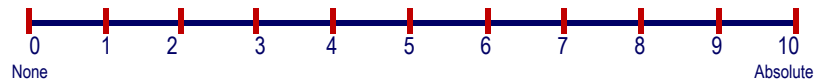
Cultural—reflects the willingness to share and support team leader's intentions and policies

Logistical—ability to applying the right resources, in the right place, at the right time



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Individual Level of Authority



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Authority Poll

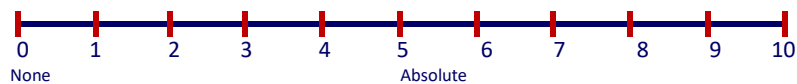


On a scale of one to ten, how much authority do you think you have in your current job?



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Individual Level of Influence



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Influence Poll



On a scale of one to ten, how much authority do you think you have in your current job?

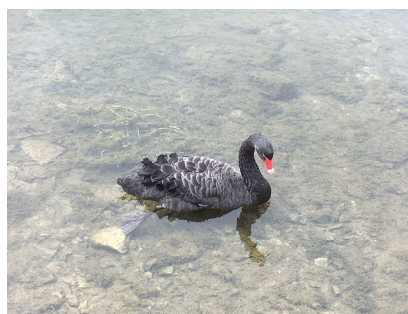


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Crisis Management Toolbox



- The crisis management plan
- Team members roles and responsibilities
- Crisis management checklists
- Crisis management drills
- Prepared crisis scenarios based on identified risks



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Management and Leadership



Chat box input

“How much do you know about the organization and function of your company’s crisis management team?”



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Situational Awareness



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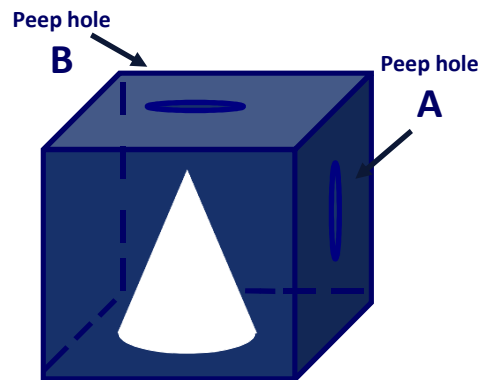
The Situation



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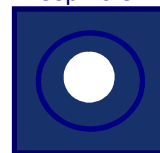
The Cone in the Cube



Peep hole A



Peep hole B



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Crisis Management in Action

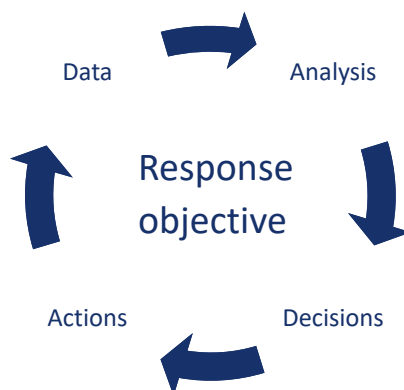


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Rhythm of Crisis Management



- What is happening?
- What is the impact?
- What are the issues?
- What are the risks?
- What might happen?
- What is being done?
- What do we do next?



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Crisis Communications



- Negative stories hit company image and stakeholder confidence
- Crisis communications are an essential to crisis management
- It's all about reputation
- Crises have good guys and bad guys—victims and aggressors
- Crises can be sudden or smoldering
- Narrative is essential, needs planning, and must be complete



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Communicating in a Crisis



Focus on the response, not the incident

Coordinate communications to ensure accurate, timely, consistent messaging that reduces, mitigates and minimizes negative impact

Communicate little, communicate often. Communicate what you know, what you don't know. Communicate and what you're doing to find out what you don't know

Own the story, build your credibility, stay consistent



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Crisis Stakeholders



Employees—stakeholders, ambassadors and reputation managers

Shareholders—you need them on your side, and kept timely informed

Customers—maybe looking elsewhere to fill their needs

Partners/suppliers—will be concerned about their business

Industry experts—will be consulted, they include financial analysts

Government agencies—increasing scrutiny and looking at actions

Local and regional authorities—your business affects jobs

Politicians—will have local and/or specialist interests....



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Working with the Media



Reach wider audiences that include many stakeholder groups

Leverage power and impact to shape opinions, thoughts and actions

Take control of the story to deliver messages to key audiences

Acquire greater credibility through third-party validation



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How to Measure Success



"I'm sorry this happened, but I'm glad these people are dealing with it because they know what they are doing!"

"This company is showing the commitment, talent, concern and compassion that we want."

"This company has told me what I want to know about how they are handling this."

The story should be about the response, not the incident.



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Questions?



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