



A S S O C I A T E S

Articles and publications

Are you Crisis-Prepared?

Mark Braverman, Ph.D.

Managers in crisis-prepared organizations have learned this fundamental lesson; crisis management concerns the totality of their organization... and is an expression of the organization's fundamental purpose or strategic vision... if an organization is not positioned well with regard to crisis management, then it is probably not well positioned to compete successfully in the new global economy.

Paul Shrivastava, Bucknell University

This quote from a prominent writer in the field of organizational crisis management sums up a fundamental leadership and management issue of this decade, and one that will determine the health and survivability of the corporation into the next century. Crises are no longer isolated, episodic events the life of a company. Rather, dealing with crises has become the daily occupation of managers at all levels and functions. Today, a key leadership capability is the capacity to understand the inevitability of crisis and to be prepared for it.

The term *crisis management* was invented by the public relations industry. It referred to the successful management of public and stockholder opinion in the midst of a corporate disaster or scandal such as product contamination, environmental, industrial or transportation disaster, or employer misconduct. Well-known examples include the Bhopal chemical spill, the *Tylenol* tamperings, the recent crashes of ValueJet and TWA flights, the death of Commerce Secretary Ron Brown and twelve American executives in a plane crash last Spring, and, to cite a current example, the racial discrimination suit against Texaco Corporation. These events threatened the very existence of the corporations and agencies that presided over them. The way they were handled (and in some cases, grossly mishandled) by the leadership at the time had profound consequences for the recovery of the organization.

But corporate crises are not limited to disasters that cause mass casualties, widespread environmental damage or two-inch headlines. Crises come to the attention of corporate executives, human resource managers, safety directors, corporate lawyers and risk managers on a weekly, if not daily, basis. What we have learned over the years, and what has taken the field of crisis management beyond the opinion and perception control activities of public relations, is one simple fact: crises have a profound effect on the health and functioning of employees. These effects extend beyond the immediate circle of victims. They involve the health, productivity, loyalty and morale, and even employment longevity of employees from the line level through middle and upper management. Having systems in place to handle the *internal* effects of crisis has become the responsibility of companies large and small, public and private sector, white and blue collar.

The faces of crisis

Crises come in many forms. They emerge from the work situation itself in the form of conflicts between employees that result in harassment, violence, threats or severe breakdown in workgroup functioning. Conflicts emerging from the increasing diversity of the workforce result in sexual harassment allegations and discrimination claims. Crises of morale, productivity and even safety inevitably arise in the midst of a downsizing or restructuring. The relentless pace of change, both inside the workplace and in society at large, continues to create stress and disruption that affects individuals and the work organizations they inhabit. The loss of job security for employees at all levels, together with greatly increased performance pressure, causes stress levels to reach the breaking point for many employees, creating mounting concerns about violence and conflict within the workplace. Furthermore, crises that are not of its own making invade the workplace. Managers and safety and health personnel frequently must confront confusing, complex and often frightening issues involving domestic violence, drug and alcohol abuse, and mental illness. Employees in high-risk industries such as retail, transportation, and health care suffer high rates of fatal and non-fatal assault and threat at the hands of criminals, patients and customers.

Costs of workplace traumas

These crisis are costly. The costs appear in high rates of turnover, lowered productivity, increased health problems and substance abuse, and psychological disorders. A dramatic increase in the costs of Workers Compensation claims -- 100% nationwide between 1986 and 1992 -- has become a major problem for businesses. By 1987, 15% of these claims were for job-related mental injury -- up from 5% in 1980 -- and these figures have continued to climb. Employers have become increasingly subject to lawsuits alleging responsibility for injuries and deaths resulting from workplace conditions, including violence. These lawsuits, which are being brought by company employees as well as by members of the public, are quite costly, even when the company "prevails" and is found not responsible. They are best avoided.

But the actual costs associated with workplace stress are not limited to health care dollars, absenteeism rates or the price of legal battles. Traumatic events can severely impair trust between workers, their peers and their superiors. Mishandled, workplace traumas disrupt lines of communication and smooth teamwork at many levels of an organization. Shocking or frightening events can disrupt normal group processes, interfere with accurate delivery of crucial information, and temporarily impair management effectiveness. All of this creates challenges for managers and leaders. But the news is not all bad. If these realities are not denied, but rather embraced as an opportunity to forge innovative, progressive policies and practices, crisis management can be a positive force and a force for growth.

Beyond the “disaster plan”

Many large companies have developed "disaster plans" for responding to crisis situations. These typically include plans for evacuations and cleanup, policies for public relations, and strategies to protect the company from legal action. The management field is directing increasing attention to crisis response and the importance of planning. Most often, however, what is overlooked in any crisis response plan is the profound effect of the event on the actual survivors and witnesses -- the employees themselves. Even today, few companies have developed plans to address the acute and long-term effects of traumatic events on the health and morale of employees. Like all other aspects of crisis readiness, this is a crucial component of crisis response. And, like other aspects of crisis management, it requires careful planning in order to be truly effective when activated. Managers can be prepared for such opportunities by considering these key components:

- ◆ Understanding the effect of traumatic events on physical and emotional health and general workplace functioning.
- ◆ Rapid response to informational demands and mental health needs.
- ◆ Making the traumatized worksite into a psychological "safe haven" for those directly and indirectly affected by events.
- ◆ Systematic communications to maintain atmosphere of control, safety, and trust throughout the affected workplace.

The example [described on page x] shows how a company dealt successfully with a crisis that threatened to undermine, not only trust in management and general morale, but the morale and functioning of the executive committee itself. Through prompt, appropriate response and the effective use of consultants, this firm “turned around” a potentially destructive event and came out with a stronger sense of trust in management, improved morale -- at all levels -- and better methods for ongoing communication.

The crisis management plan

A crisis response plan allow you to achieve collective support, prevent post-trauma stress reactions, and portray management as wise and caring. It fulfills three primary goals:

1. prevention of posttraumatic stress reactions by reaching affected individuals and groups before they have a chance to seal over
2. communication of crisis-related information in order to contain fears and control rumors
3. fostering of confidence in management as in control of the crisis and demonstrating concern for employees' welfare.

A crisis response plan contains the following components:

Consultation with management

It is essential that top management play a central and visible role in the planning and carrying out of any crisis intervention. A prime risk is that, unsure of what to do, leadership becomes invisible and is perceived as either hiding or ineffective. Bringing in outside counselors or consultants, although important, does little to offset the damage done by leadership that is absent at such a crucial time in the life of a company. Once the decision to initiate an intervention is reached (typically reached within 12 hours following an event), management and consultants should identify a Crisis Response Team (CRT), typically composed of crisis specialists and local and upper management. It may also include representatives from human resources, health services, corporate communications/public relations, employee assistance, security, and union. This group undertakes the planning of the intervention and continues to meet throughout to monitor progress and continue to plan and direct.

Determination of communications procedures

One of the first jobs of the Team is to make decisions about how to bring crisis-specific information to the attention of employees. It is crucial that this information come from management. There must be a coordinated process for deciding the method of communication, whether by usual electronic or written means, or through face-to-face meetings. The outside specialist is often helpful in guiding these decisions. There must be a clear, easily accessible, and consistent means for notifying employees about the intervention, its purpose, and times and places for group and individual meetings. This is also the time for establishing what the facts are, what if any constraints there may be on what information can be shared, including legal issues, issues of confidentiality, and, if necessary, dealing with the media.

Confronting representatives of the media can be stressful for employees as well. Reporters will often approach employees as they enter or leave the workplace or try to reach them over the telephone. Managers can use the initial communication to remind employees of their right not to talk to reporters. Employees should be made aware of the appropriate corporate channels where they can direct reporters.

Meetings with affected groups

Before groups are convened it is important to identify the appropriate natural groupings. These can be organized according to shift, location, work task, and proximity to trauma (either emotionally or physically). Although our model has been used with groups of 50 or more, the optimal size is from ten to twenty five. The smaller number is particularly important for groups who share a closeness to the event and where strong feelings are likely to be present.

Assessment and counseling of individuals at risk

Once employees are informed that counseling services are available, they will often self-refer for such meetings. Those who may need such services but who do not self-refer can be contacted tactfully, confidentially and non-intrusively by counselors. Primary victims and witnesses are always met with, if only for a short "check in" if the employee is unwilling or fearful about such a contact. Typically, employees seek counseling because they are feeling particularly stressed by their closeness to the event (e.g. direct witnesses to an accident or death, close connection with an injured or dead coworker, involvement in a rescue attempt) or because the event evokes another event in their lives (e.g., the suicide of relative or friend, a similar accident, a recent loss, the current illness of a family member). In general, between ten and fifteen percent of employees participating in a crisis intervention will be seen individually. In cases of severe trauma, such as a murder or disaster witnessed by entire groups within a workplace, a company may mandate individual contact with a counselor for everyone in an office or plant. This was accomplished in the accounting office with almost 100% cooperation on the part of the over 125 member office staff. In these cases, mandating counselor contact with all employees removes the "stigma" of counseling that may inhibit some employees from using the service.

Follow-up and recommendations

At the conclusion of the first day of an intervention, and at intervals thereafter for the duration of the intervention, the Crisis Response Team meets to evaluate and to plan for the future. The consultants provide feedback to management about the state of the organization and offer recommendations for possible future action to ensure the most complete recovery. This information can be quite important in the recovery and healing process: it is always important for a work organization or community to use a trauma as an opportunity for productive change. This may come in the form of improved safety regulations, the implementation of improved intragroup or labor-management communications, or the establishment of a fund or activity in memory of a colleague. At the investment firm, in response to overwhelming positive feedback from employees about the response and accessibility of management, the firm instituted frequent brown bag lunches with top management and a new formal meetings structure to improve face to face communication with employees. In the case of the fatal heart attack of a sales manager in another company, managers instituted a health promotion program including a smoke cessation course.

Getting past the resistance: the three most common objections

At times of stress, the existence of interpersonal supports becomes crucial. In times of trouble and danger, people need to talk to one another -- to reach out and express their pain and confusion, offer comfort, and, perhaps most important, to share information. However, the emergence of group support in the aftermath of a worksite crisis is not automatic. In fact, we have found that considerable barriers can arise that block the

mobilization of support at precisely those times when that support is most crucial for the immediate and long-term wellbeing of the workplace. Here are the three most common objections to carrying out post-trauma crisis interventions in the workplace:

"I don't want to stir people up"

The most common concern voiced by management when considering how to respond to a trauma is that their efforts will "stir up" feelings best left alone. This concern is natural and well-meaning, but it must not be allowed to affect policy. Well-planned trauma intervention does not stir people up -- they are already upset and frightened by what they have experienced. In fact, the purpose of an intervention is to *reestablish control* in the midst of an out-of-control event or situation. When trauma strikes or crisis threatens, denial is the enemy. "Stonewalling" or minimizing the effect of the event may create a temporary impression of normalcy, but confronting a crisis directly and promptly is the best policy. For employees, seeing management openly confronting a shocking or unexpected situation creates enormous relief.

"Time is money: I can't afford to prolong the shut-down."

Managers are understandably pressed to return to normal productivity as quickly as possible after the disruption of a traumatic event. It is tempting to restrict the response to a small circle of employees, and, following a brief announcement, return the rest of the workforce to business as usual. However, productivity among the wider circle of affected employees will soon show the effects of untreated trauma, with lack of concentration, lowered morale, and absenteeism. This is as true for management staff as for line employees. We tell managers: give yourselves this brief period in the short run to deal with what has happened to you. Everyone will feel fine about getting back to work once you have taken care of yourselves. A common mistake after a workplace tragedy is to close the plant or office, sending everyone home for a day or two. The expectation is that after this hiatus, employees will return for business as usual. This prevents the healing process. Employees should be invited back to the workplace as soon as this is physically possible, not for work activities, but for meetings and other support activities. The workplace thus is transformed from the site of tragedy or danger into a place of comfort and healing. Employees willingly report for these activities, because it satisfies their need for information and for being together. This small investment pays off handsomely in productivity. When a terminated letter carrier in Michigan murdered 4 postal employees in 1991, office employees spent two days at a nearby public building in trauma recovery activities. On the third day after the murders, workers returned to work and sorted and delivered *three days* of backed-up mail in one afternoon. Take care of your employees, we tell managers, and productivity will take care of itself.

"I'm just not sure this is the right thing to do."

In most companies, a middle level person such as a plant manager will be unwilling or unable to make the decision to bring in an outside expert or otherwise depart from

established procedures. This is why it advance planning from the top is crucial. Going through channels to get agreement and clearance to initiate crisis intervention activities in the midst of a crisis wastes precious time and can lead to bad decisions. A manager reluctant to suggest a departure from established procedures may block any action toward support activities. Similarly, an executive or safety director farther up the line may decide against a proactive move that the CEO might well approve had he or she been aware of its availability. With few exceptions, managers at every level are eager for direction in these unfamiliar and stressful circumstances. "I wish we had known about you last year when we had that employee killed on that loading dock!" is typical of comments we hear continually from foremen, plant vice presidents, and safety directors. If the CEO sees to it that a plan is in place, managers at these levels will have clear guidelines for initiating support procedures.

The relationship between management and outside consultants

Does the presence of experts from outside the company communicate that the group lacks the skills and resources needed for its own recovery? The value of self help and restoring a sense of control to the stricken organization is central to the model of intervention presented here. The ultimate effectiveness of an intervention will depend on the consultant's not compounding the organization's feeling of helplessness by fostering a sense that they lack the ability to recover on their own. The alliance with management is founded on establishing management as in control and as the source of the recovery process. The heart of the group meetings is the normalizing and supportive effect of communal sharing. However, the expertise brought by the consultant is a crucial ingredient in this process. Educating employees and managers alike on the effects of trauma and how to cope successfully with them is crucial for the prevention of stress disorders. Therefore, the consultant should not hold back in the initial alliance setting and education phase. A strong, focused approach to helping the leadership face a crisis aggressively, with an emphasis on full visibility for management early on in the crisis, leads to a more rapid return to normal leadership and a sense that the group is back on its feet. Similarly, full attention to the resolution phase of a crisis should allow the consultant to leave the organization with a sense that the experience has begun to be integrated as a meaningful part of the life and history of the group.

Crisis prepared or crisis prone?

Organizations fall into two groups: crisis prone and crisis prepared. Leaders of crisis prone companies deny the inevitability of crisis and its increasing presence as a part of workplace life. Consequently, these organizations lack the policies, procedures and resources that they will need to respond to crisis effectively and in a timely fashion. In a crisis prepared organization, however, executives and managers learn from each crisis: rather than saying: "that was not our fault," or "nothing like that will ever happen to us again," the leadership of such an organization will ask: "What have we learned

from this experience?” “How can we use it to help us be better to ourselves in the future?” “What needs to be in place that we lacked before?” When crises are properly managed, the company emerges stronger and healthier than before.

Checklist: Are you Crisis Prepared?

- *Has conducted a “crisis audit”*
In order to be crisis prepared, every company should conduct an assessment of its readiness to meet crises. This will include both an audit of what crises they are likely to face, as well as an evaluation of systems. Audit methods may include survey questionnaires, focus groups, interviews with individuals from upper and line management and specialized functions, and review of existing policies, procedures and resources that bear on prevention and response to crisis.
- *Has developed policies, procedures, and available specialists as result of audit.*
Being prepared means following through by training personnel in policies and having meaningful procedures for timely and coordinated response. Too many companies have crisis plans “on the books” but fumble when a real crisis presents itself. Here is where the involvement of top management separates the truly crisis prepared from the crisis prone.
- *Has a cross-functional crisis response team.*
The team, as described above, is a crucial component of crisis readiness. **Don’t** allow managers, however seasoned, to deal with crises alone! Crisis response requires teamwork, and it requires an ongoing process of consultation, information collecting, and decision-making. Only a team can do this right.
- *Has progressive, well designed work-family and preventive health policies.*
Crisis will be a fact of life for companies and the people who work in them. Crisis prepared companies take into account that stress will take its toll in increased accidents, absenteeism, family, mental health and substance abuse problems, poor performance, and faulty judgment. Employees need flexibility in their work schedules to stay healthy, and they need access to good general health and mental health services, including Employee Assistance Programs.
- *Takes charge of disability and Workers Compensation programs.*
Some crises involving poor working conditions or overly stressed employees begin as “standard” occupational health claims. Crisis prepared workplaces have systems in place to detect these situations and, in a proactive, non-punitive fashion, take coordinated action to resolve the problem before it becomes a crisis. Downsizings and restructurings are often accompanied by an uptick in claims. This is not fraud: it is a symptom and a warning signal. Your crisis team can prevent this.