



CRISIS MANAGEMENT

Pertemuan ke-13

What is a Crisis?

- Traditional view:
 - ▣ “An event that can destroy or affect an entire organization.” Mitroff et al. 1996
- Strategic View:
 - ▣ “A decisive moment, a turning point for better or worse”
- Crises are defining moments
 - ▣ present threats and opportunities
 - ▣ define company’s public image (reputation!)
 - e.g. Johnson and Johnson versus Bayer
 - ▣ test management and organization (learning!)

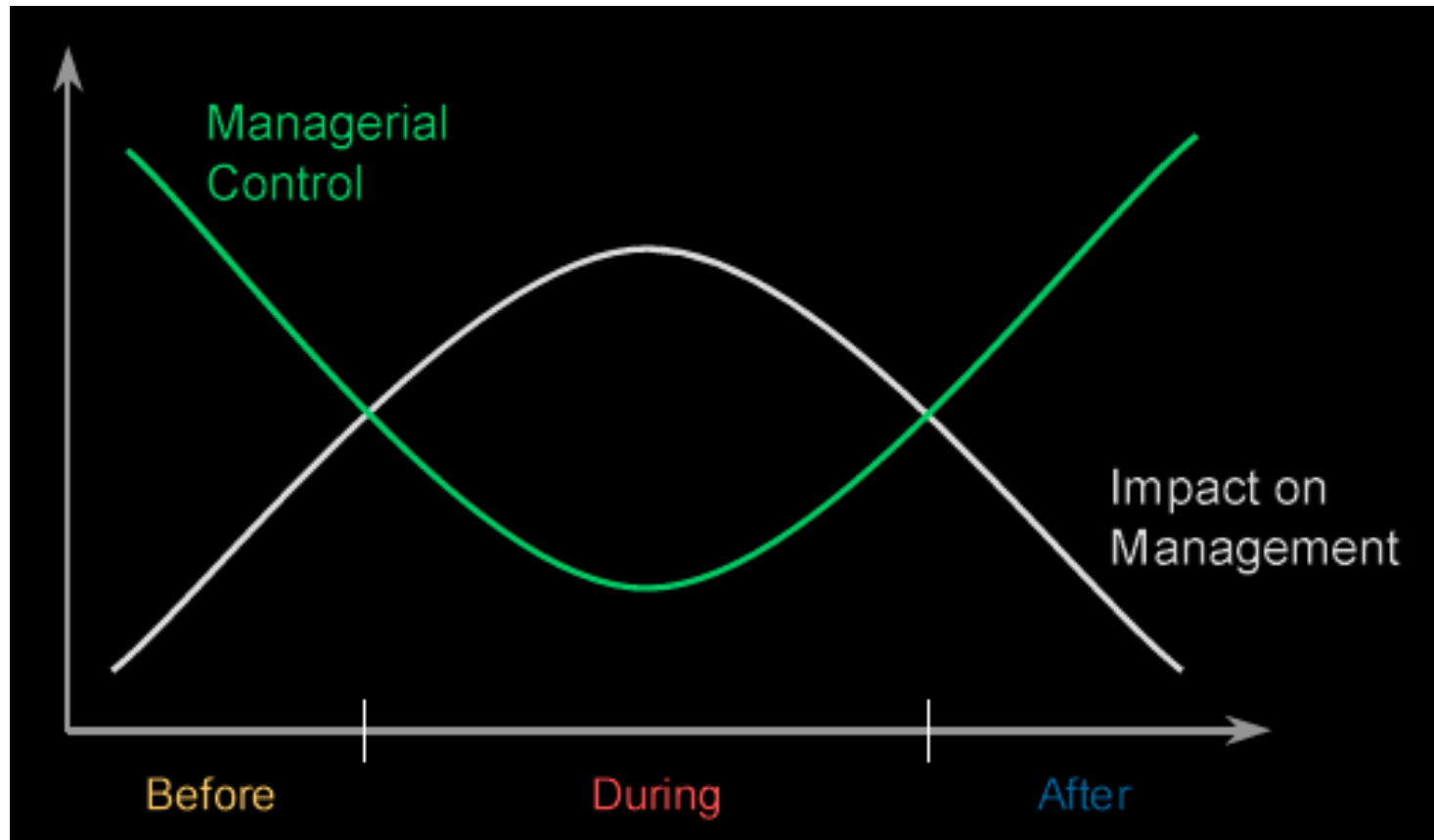
Why “Strategic” ?

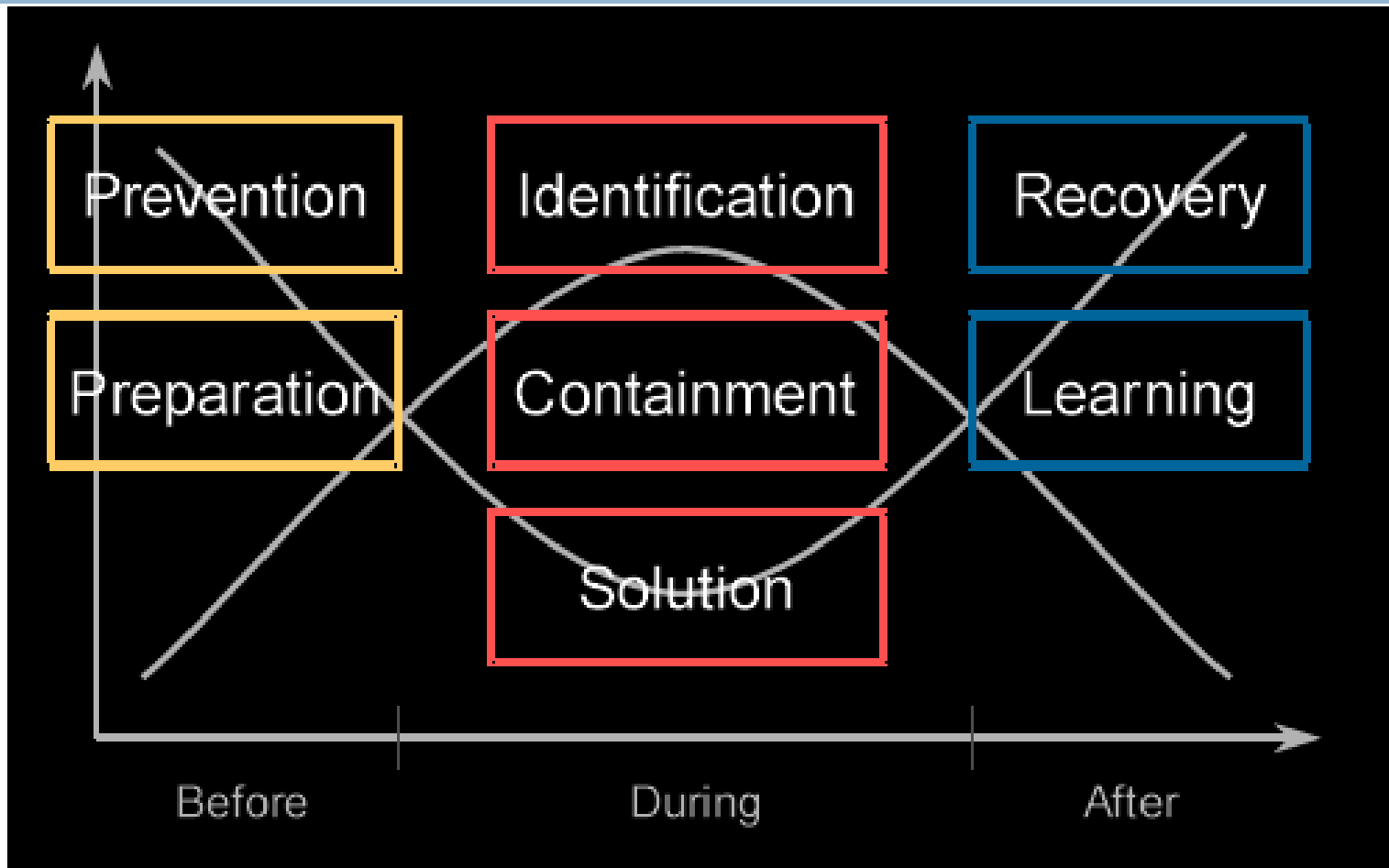
- Crisis management needs to be integrated with company’s strategy
 - affects the whole organization
 - is not primarily a PR or legal issue
- Most crises involve social actors
- Examples:
 - Media
 - Activists
 - Regulators
 - Legislators
 - Competitors
 - investors ...
- Companies need to learn to anticipate and understand their
 - motivations
 - capabilities

Contoh situasi krisis

- Bali setelah Bom 12 Agustus 2003
- Pangandaran setelah Tsunami
- Wabah Flu Burung, dampaknya pada Fried Chicken Restaurant

Crisis Dynamics

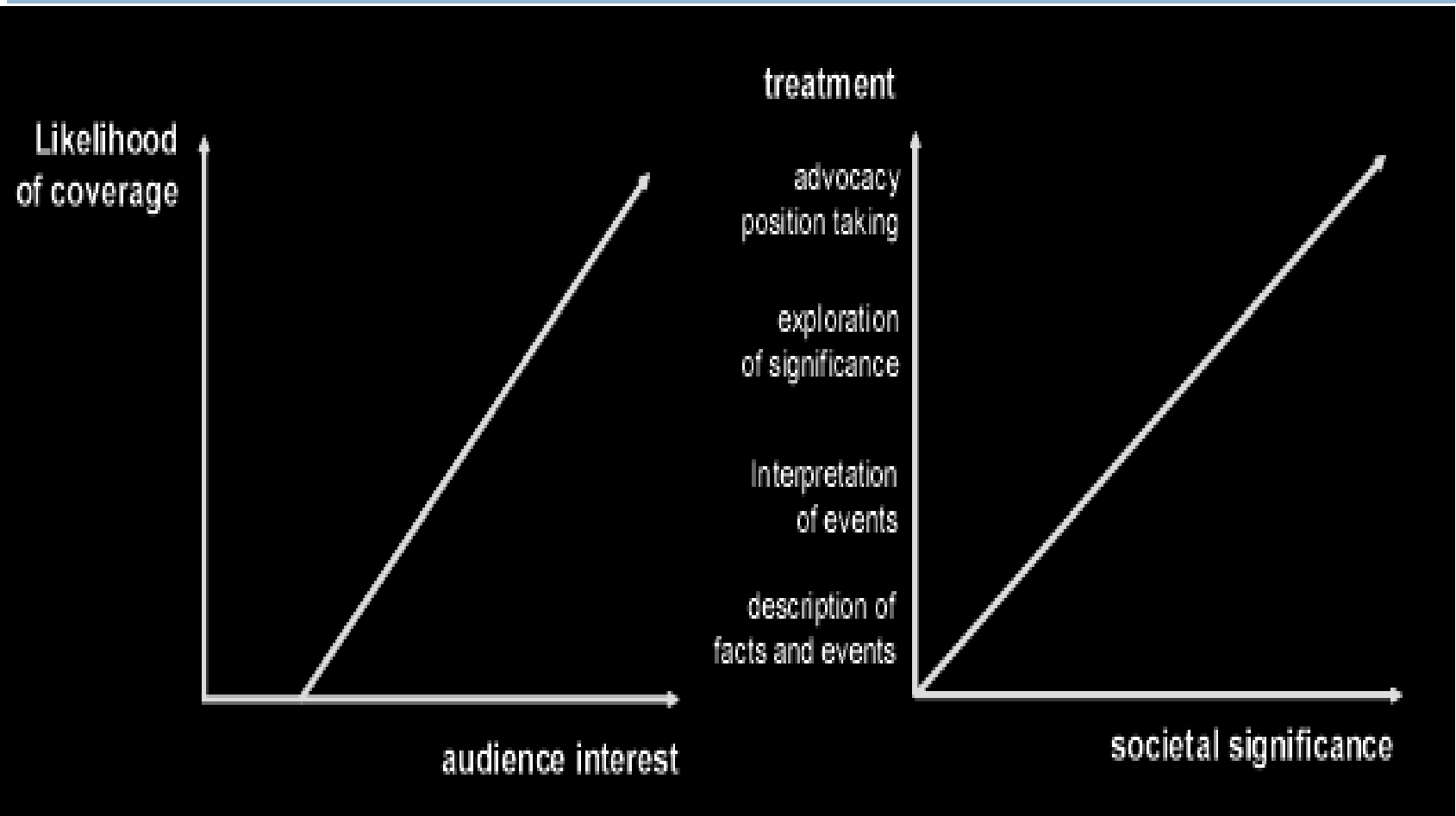




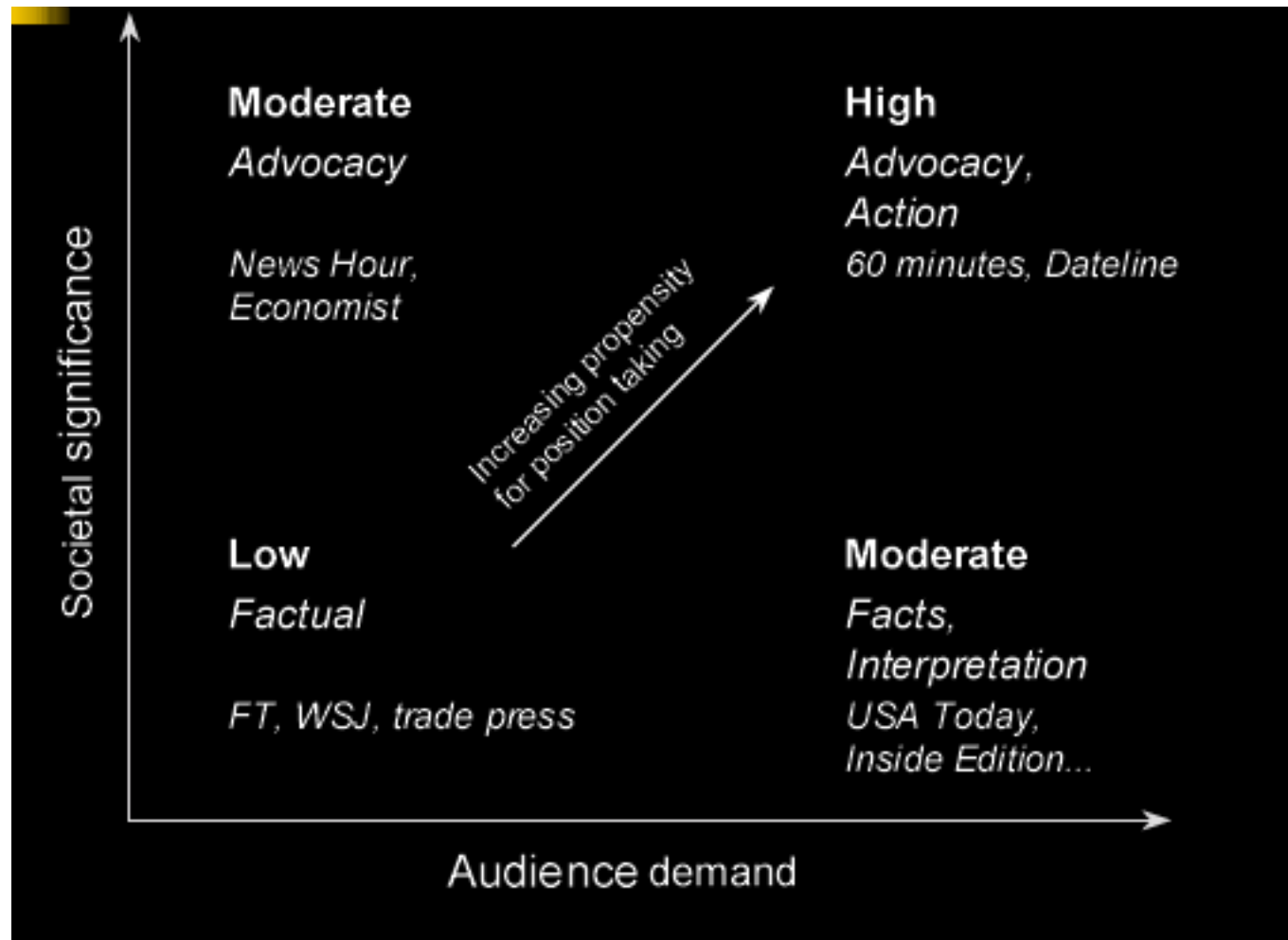
The Media and Public Opinion

- Media as businesses
 - ▣ Demand side
 - ▣ Coverage and production of news is given primarily by audience interest
- Media as social institutions
 - ▣ Supply side
 - ▣ Coverage and production of news is determined primarily by societal significance

Theory of media coverage



Combined theory of media



Bagaimana menangani krisis?

- Pimpinan harus segera mengendalikan situasi
 - ▣ Jangan membuat statement yang sifatnya tergesa-gesa dan belum terbukti kebenarannya.
- Komunikasi internal :
 - ▣ “Don’t Panic, we will get through this stronger.”
 - ▣ “What is the opportunity here? There must be one!”
- Permanent Crisis Task Force
 - ▣ Multi-functional
 - ▣ Top-management involved (but not CEO)
 - ▣ Meets every night at 7:00 (open end) [55 meetings]
- Menemukan solusi dan mengeksekusi segera dengan ahlinya
- Extensive Post-Crisis Audit
 - ▣ Tidak mengulangi kesalahan yang sama di masa datang

Organisation & Culture

- Key problem areas include
 - Decentralization
 - Externalities
 - Coordination
 - Control of information
 - “shredding” versus “full disclosure”
 - Ownership and incentives
 - (global) partner structure
- Once potential problems are recognized they need to be addressed at the level of the organization:
 - Crisis management must not be delegated only to PR-people or lawyers
 - But PR has to be the FIRST who response the situation, then the solution should delegate to the expert
 - Code of conduct or common values are key (as are incentives)
 - Crises present supreme learning opportunities

5 Key Mistake

- Warning signs are ignored
- No preparation for typical scenarios
- The crisis is misunderstood
 - ▣ Sole focus on who is at fault, who is liable
 - ▣ The role of public perception
- Key actors' incentives are not understood
 - ▣ media, regulators, legislators, partners
- Main lessons are not learned

Review Kasus & Tugas

- Review Kasus Johnson & Johnson VS Exxon
- Carilah kasus bagaimana menangani Krisis yang dapat ditangani oleh PR, di bidang industri Pariwisata !