A look to the future: emerging trends in crisis management

William ‘Rick’ Crandall* and John E. Spillan

School of Business,
University of North Carolina at Pembroke,
Pembroke, NC 28372, USA
E-mail: rick.crandall@uncp.edu
E-mail: jspillan@uncp.edu
*Corresponding author

Abstract: This article looks to the future by discussing emerging trends in the field of crisis management. The ideas presented are intended to begin a larger discussion on how top management must be future oriented to make sure that crisis planning is not just a once a year or ad hoc activity. The article discusses traditional and emerging trends in the context of crisis management. It also introduces the social factors that have an impact on crisis management thinking, planning and implementation. Concluding remarks discuss points that managers should focus on in order to sustain a responsive and agile organisation.

Keywords: crisis management; emerging trends; strategic planning.


John E. Spillan serves as Associate Professor of International Business and Marketing at the School of Business, University of North Carolina at Pembroke. His research interests centre on crisis management, international marketing, entrepreneurship, and international business with specific interests in Latin America and Eastern Europe. His articles on crisis management have appeared in the *Journal of Contingencies and Crisis Management*, *The International Journal of Knowledge, Culture and Change Management*, *Journal of Business & Economics Research* and *Southern Business Review*.
1 Introduction

There is little doubt that the field of crisis management has changed significantly since its origins in the early 1980s. Many of the principles that were introduced when crisis management was in its infancy still hold true today. The use of crisis management plans and teams have been advocated in the literature for over twenty years. Basic media relationship principles such as using one spokesperson to talk to the media have been encouraged since the birth of crisis management. In addition, the literature has been strong in its support to maintain an open relationship with the media, as opposed to avoiding all contacts with the press.

Within this exciting management field are emerging trends that will be of interest to both academics and practitioners. This article overviews these emerging trends by examining the changes taking place in crisis management practices, attitudes, and social factors. We will look at each of these three factors in detail, first looking at the traditional practice, then highlighting the emerging crisis management trend.

2 Interest in crisis management is growing

Crisis management focuses on how organisations can cope with low-frequency, yet high-impact events that can confront them. There has been a surge of interest in crisis management during the past eighteen years. One indicator of this flourishing interest is the increase in the number of articles that have been published on the subject. Figure 1 tracks the number of articles that have been published on an annual basis beginning with 1980.

Figure 1  Crisis management article counts (see online version for colours)
The chart depicts a gradual increase in publications from 1980 to 1992. From 1993 until 1998, the number of articles rose steadily. In 1999, interest in Y2K was at a fever pitch, and it showed with the number of articles reaching beyond 200 in that particular year. The following year after the Y2K crisis, there was a noticeable decrease - until the terrorist attacks on the World Trade Center. Since 2001, there has been an explosive growth in the number of articles published.

An interesting trend emerges when investigating the academic articles published compared to the practitioner oriented published articles. From 1980 until 1993, the interest among academic outlets slightly surpassed those of trade publications. From 1994 until 2000, the number of publications in both outlets was approximately equal. Then, starting in 2001, the number of publications in practitioner outlets exceeded those of academic outlets. This trend has continued on even today. From the graph in Figure 1, one can readily observe an increase in crisis management based on these article counts. It is also clear that interest in practitioner journal and magazine outlets, which traditionally reach the management practitioner market, is flourishing. The discussion will now turn to examining various factors associated with crisis management.

### 3 Emerging trends in crisis management

The following discussion examines the various areas of crisis management from the traditional to the emerging viewpoints. Sub-areas relating to crisis management practices, attitudes toward crises & crisis management, and crises/social factors, are presented.

**Table 1**  
Crisis management practices

<table>
<thead>
<tr>
<th>Area of practice</th>
<th>Traditional practices</th>
<th>Emerging trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crisis management plans</td>
<td>• In bound notebooks</td>
<td>• In bound notebooks and posted on the company website</td>
</tr>
<tr>
<td>Crisis management planning process</td>
<td>• Occurred outside of the strategic management process</td>
<td>• Will become part of the strategic planning process</td>
</tr>
<tr>
<td>Crisis management teams</td>
<td>• One team per organisational unit</td>
<td>• Hastily formed networks</td>
</tr>
<tr>
<td></td>
<td>• Multiple teams in multiple locations</td>
<td></td>
</tr>
<tr>
<td>Emphasis stage of crisis management</td>
<td>• Crisis detection and prevention (before the crisis)</td>
<td>• Organisational learning (after the crisis)</td>
</tr>
<tr>
<td></td>
<td>• Managing the actual crisis (during the crisis)</td>
<td></td>
</tr>
<tr>
<td>Focus of crisis management</td>
<td>• Media relations</td>
<td>• Stakeholder relations</td>
</tr>
<tr>
<td>Flexibility in crisis planning</td>
<td>• Standardised and formal procedures</td>
<td>• Flexible crisis management skills</td>
</tr>
<tr>
<td>Crisis management and the use of outside consultants</td>
<td>• Use consultants to formulate the crisis management plan</td>
<td>• More involvement of management in developing the crisis management plan</td>
</tr>
</tbody>
</table>
3.1 Crisis management practices

Crisis management practices focus on steps that an organisation can take to mitigate the impact of a crisis. Traditionally, a crisis has been considered a low probability, high impact occurrence (Pearson and Clair, 1998). Table 1 summarises traditional and emerging perspectives concerning crisis management practices.

3.2 Crisis management plans

Crisis management plans have long been advocated in the literature. A crisis plan typically includes a list of potential organisational vulnerabilities and how management plans to respond to them. Contact information of key stakeholders to the organisation is also included. Before the internet, crisis management plans were documented in bound guidebooks. Such notebooks were similar to other standard operating procedure (SOP) materials that organisations kept on their bookshelves.

An emerging trend in the digital economy is for organisations to post these plans on the organisation’s website. For example, many colleges and universities now post their plans on the institution’s website. This approach makes the plan readily available to all connected stakeholders. The wide distribution also insures the plan can be accessed in a wider geographic context. One caveat of course is if the institution’s computer system is affected by a crisis. Hurricane Katrina disabled many websites, which reminds us that crisis management plans need to be both written and virtual, and distributed over a wide geographic area.

3.3 Crisis management planning

The planning process for a crisis has traditionally been carried out through crisis management teams (Barton, 2008). Team members usually include representatives from the key functional units of the organisation. Planning is usually focused on the development of crisis vulnerabilities and procedures for managing with these potential crises. Unfortunately, such teams have typically operated outside of the strategic management process (Preble, 1997).

A necessary emerging trend is to make crisis management planning an actual part of the strategic planning process (Coombs, 2006). The advantage of this approach is that it makes crisis planning an ongoing process that is implemented in conjunction with the long-range planning of the organisation. Assessing crisis vulnerabilities is thus, incorporated into the organisation’s SWOT analysis (assessing the organisation’s strengths, weaknesses, opportunities and threats). The importance for management is to insure that the entire crisis management process does not occur in a far corner of the organisation, away from the main stakeholders who need to be a part of that process. Crisis management should be part of the ongoing strategic planning process, not a separate activity that occurs only occasionally.

3.4 Crisis management teams

The traditional approach to forming crisis management teams is to organise one team per organisational unit. For example, a large company with several locations may have one crisis team for each manufacturing facility. Typically, there is also an overall team for the
A look to the future: emerging trends in crisis management

entire organisation. This type of arrangement works well when the crisis event is located in a smaller geographic region.

When a crisis covers a large geographical area, the arrangement of crisis management teams becomes more diverse. As a result, an emerging trend will see organisational crisis management units interacting with similar teams from other organisations, as well as with a host of governmental agencies. These arrangements of interlinking crisis teams that form in response to a disaster have been labelled ‘hastily formed networks’ (Denning, 2006). The onslaught of Hurricane Katrina led to the formation of a number of hastily formed networks among aid agencies, crisis management teams, military units, emergency response teams, and local governments.

3.5 Emphasis stage of crisis management

The traditional approach to crisis management has been to focus on the planning for potential crises and to manage those events that do occur. Preventing crises before they occur makes economic sense, and reduces the possibility of human and physical damage to the organisation. Much has also been written on how to manage a crisis, particularly from a public relations point of view. When addressing events such as hurricanes or other types of natural disasters, the traditional crisis management emphasis has been on how to adequately prepare for, and manage the impact of the disaster. Some crises are caused by human error and require different types of management interventions. When a company experiences a product failure or an industrial accident, the emphasis will be on open media relations and extensive human resource efforts. Getting the organisation through the ordeal is the goal during these periods of crisis management. The goal during these times is to manage the crisis and move the organisation through the ordeal.

An emerging trend is to direct more attention to the post crisis stage where learning and evaluation need to take place (Crandall et al., 2010). What is significant about learning is that it represents the feedback loop that is necessary in the strategic management framework. This will require feedback systems that incorporate intelligence generation, intelligence dissemination and responsiveness. Evaluation of these three parts is imperative if proper corrective action and future crises are avoided. As this learning and evaluation takes place, the SWOT analysis is adjusted and new goals and objectives are formulated.

3.6 Focus of crisis management

The traditional focus of crisis management has centred on media relations (Coombs, 2006; Hart et al., 2001). The rationale is that a good relationship with the media will insure that the company is putting its best foot forward when communicating with the public. As such, the media has been considered an especially important stakeholder in the crisis management process. This area of crisis management will remain important in the future as well.

An emerging trend in crisis management is to adopt a multiple stakeholder approach. This approach advocates meeting the needs of the multiple groups that have a vested interest in the organisation. Such groups include employees, owners, customers, the general public, the local community, government agencies, the media, and various activist groups (Carroll and Buchholtz, 2009). Crises that involve the unnecessary
depletion of natural resources are especially capable of impacting a wide variety of stakeholders. Events such as oil spills impact the local community, environmental activists that will draw attention to the crisis, and the direct victims of the accident. Oil spills are especially noteworthy because of the damage they inflict on the environment, as well as the need to manage such resources wisely so they are available to the generations that follow.

3.7 Flexibility in crisis planning

Crisis planning has traditionally followed a standardised format in planning for potential crisis events, and in the management of these incidents. The reliance on crisis management teams and plans have been a good step in moving an organisation towards a firm base in formalised crisis planning.

Paul Shrivastava noted in the early 1990s that moving from ‘procedures’ to broader based crisis skills would be a necessary emerging trend in the crisis management field (Shrivastava, 1993). Included in this skill set is the need for “decentralised decision making” and “managerial autonomy and flexibility” [Shrivastava, (1993), p.28]. While procedures are important in managing a crisis, this skill set recognises that contingencies may have to be created along the way. Bertrand and Lajtha (2002, p.186) refer to this ability as the “breaking of inflexible mindsets” or “training oneself to deal with the unexpected”.

3.8 Crisis management and the use of outside consultants

Crisis management consultants have traditionally helped organisations form their crisis management plans. Many of these consultants focus on the media relations aspect of crisis management. On the positive side, consultants have helped encourage interest in crisis management. On the negative side, relying solely on consultants to develop a crisis plan is a path to failure (Bertrand and Lajtha, 2002; Shrivastava, 1993). One of the reasons for failure is that top management is not actively involved or intricately connected in the planning process. As a result, they do not have ownership of the process. Crisis management is often looked at by executives as a function to be delegated to another party (Sheaffer and Mano-Negrin, 2003).

Even if an in-house team puts the plan together, the chance of failure is high if top management does not take a part in the crisis management process. “The best crisis response plan ever devised will remain ineffective and unused if it has been produced externally or by a lone in-house specialist” [Bertrand and Lajtha, (2002), p.187].

A necessary emerging trend is to rely less on consultants and more on the management of the organisation to put together the plan. This practice will become more prevalent as organisations work to make crisis management a part of their strategic management process, a point previously discussed.

4 Attitudes toward crises and crisis management

Attitudes have changed dramatically concerning crises and its management. Table 2 overviews how perceptions have changed from traditional to emerging viewpoints.
Table 2  Attitudes toward crises and crisis management

<table>
<thead>
<tr>
<th>Attitudes</th>
<th>Traditional practices</th>
<th>Emerging trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enthusiasm for crisis</td>
<td>Low</td>
<td>A regular planning activity</td>
</tr>
<tr>
<td>management planning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vulnerability attitude</td>
<td>“It can’t happen to us”</td>
<td>“It could happen to us”</td>
</tr>
<tr>
<td>Attitude towards crisis</td>
<td>Negative</td>
<td>Both negative and positive</td>
</tr>
<tr>
<td>Crisis and the status quo</td>
<td>Preserve the status quo</td>
<td>Change the status quo</td>
</tr>
<tr>
<td>Company history and crises</td>
<td>Negative part of company</td>
<td>Part of the heritage of the</td>
</tr>
<tr>
<td></td>
<td>history</td>
<td>company</td>
</tr>
</tbody>
</table>

4.1 Enthusiasm for crisis management planning

Historically, there was little interest towards crisis planning and its management prior to 1980. A look back to Figure 1 confirms this observation. Few articles were published on the subject of crisis management from 1980 to the early 1990s. However, as noted earlier, if we use published articles as a proxy for interest in crisis management, we can see that interest has increased dramatically since the beginning of the millennium. Hence, an emerging trend is more enthusiasm on the part of organisations to plan for crisis events.

4.2 Vulnerability attitude

The traditional attitude towards an organisational crisis was simple – “it can’t happen to us” (Barton, 2008; Pearson and Mitroff, 1993). Many managers most likely lived in denial because they felt the probability of a crisis event was small. Even when a negative event occurred in an industry, the prevailing thought was that a crisis only occurred to the other guy (Lockwood, 2005).

Based on the sharp increase in articles published on the subject, the emerging viewpoint appears to be changing to a more cautious “it might happen to us” mentality. Certainly, the September 11th terrorist attacks and Hurricane Katrina showed managers that just one crisis can affect a large number of stakeholders with remarkably high risks in terms of human and property loss. A crisis though, does not have to hit a firm directly. Events such as hurricanes interrupt supply chains and cause deliveries to businesses hundreds of miles away to be interrupted. Thus, strategic planners today need to recognise that a crisis can have an impact, whether the company is directly or indirectly hit by the event.

4.3 Attitude towards crisis

Traditionally, the organisational viewpoint towards a crisis was that it was a negative event. Indeed, most crisis events are detrimental to the organisation’s welfare. However, an emerging viewpoint maintains that crises events are both negative and positive (Moore and Seymour, 2005). Nathan (2000) describes this viewpoint as the paradoxical nature of crisis. A positive outlook stresses that crises can provide opportunities to strengthen an organisation (Bertrand and Lajtha, 2002). For example, in urban situations where natural disasters have occurred, the new municipal system that emerges is generally improved over the previous one (Olshansky, 2006).
Some companies change for the better after a crisis event. The restaurant chain, Denny’s, recovered from racial lawsuit problems and is now a leader in affirmative action (Madura, 2001). The renewal process from a crisis can make an enterprise stronger, but adequate time must be spent learning from the crisis for the reinvention process to take place.

4.4 Crisis management and the status quo

Preserving the status quo is a mindset that can bring on a crisis. There are many organisations today that have gone through discrimination lawsuits because they did not change their thinking on how to treat protected groups. The status quo thinking got them in trouble, and usually in proportion to how bad the status quo was. The infamous Rent-A-Center case illustrates how preserving an outdated cultural attitude landed a company into a major crisis. In 1998, the company hired a new CEO, J. Ernest Talley who proceeded to get rid of the HR department and change the culture of the company to a less than friendly workplace for its female employees. Charges of anti-female bias emerged in an investigation according to depositions from more than 300 company officials over a 47-state region. Talley’s own anti-female policy became well known, including several quotes indicating that women should not be working at Rent-A-Center (Grossman, 2002). Charges of discrimination began to accumulate, resulting in a class action lawsuit on behalf of female employees which eventually resulted in a $47 million verdict against Rent-A-Center.

The emerging viewpoint is that crises offer a manner to change or even abolish the status quo. “Crises are, by their very nature, an invitation to abandon standard ways of doing things. They offer an opportunity to think and work laterally and to decompartmentalised/break down encrusted silos in the company” [Bertrand and Lajtha, (2002), p.186]. Inherent in this mindset is the notion that a crisis can trigger the forces of renewal in an organisation (Dynes, 2003; Olshansky, 2006). Chaos theorists who study organisational crises call this process emergence. Emergence occurs when an organisation passes through a crisis and becomes a different and more adaptable organisation (Murphy, 1996). The Red River Flood of 1997 was analysed through the lens of chaos theory and the positive renewal that takes place after a crisis (Sellnow et al., 2002). The observation of Sellnow and colleagues was that the local government of Fargo, North Dakota, emerged as a new leader in that geographic area, taking over the lead in emergency response management from the county, which formerly carried out this function. The net result was that the crisis created a situation whereby future emergency disaster response in the area would be improved.

4.5 Company history and crises

The traditional viewpoint of crises from an organisation’s reference point is that they are a negative part of company history. It is hard to dispute that the Union Carbide Bhopal gas leak that killed thousands in India in 1984 is one crisis the company wished it could forget completely. However, an emerging viewpoint is that at least some crises can be viewed as a memorable part of the company’s heritage (Olshansky, 2006). The rationale here is that during the crisis, the employees and other key stakeholders rallied together to help pull the company through its ordeal, and ultimately, the organisation survived and emerged as a better entity.
Natural disasters offer a glimpse of this viewpoint. In the municipal government realm, the various agencies and citizens within a town or city often rally together to create a better community after the crisis (Olshansky, 2006). Many towns look back on their history and point with pride on how its citizens came back from a devastating disaster to become an even stronger town. Certainly, as New Orleans rebuilds from Hurricane Katrina, a sense of civic pride will emerge that ultimately strengthens the city and its heritage.

5 Crises and social factors

Social factors can impact the arena of crises and its management. To illustrate, Table 3 summarises four areas of impact.

Table 3 Social factors

<table>
<thead>
<tr>
<th>Area of concern</th>
<th>Traditional practices</th>
<th>Emerging trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact of the internet on crisis management</td>
<td>Little impact</td>
<td>Major impact</td>
</tr>
<tr>
<td>Victims of crises</td>
<td>Forgotten</td>
<td>More visible</td>
</tr>
<tr>
<td>Crisis and organisational trust</td>
<td>Organisation is a victim</td>
<td>Any crisis is an issue of trust</td>
</tr>
<tr>
<td>Ethical overtones of crises</td>
<td>Ethics failures cause many crises</td>
<td>Ethics failures will continue to cause many crises</td>
</tr>
</tbody>
</table>

5.1 Impact of the internet on crisis management

Since the internet was not widely used by the public until the early 1990s, its impact on crisis events was minimal prior to that point. Since the beginning of the millennium however, the internet has been a major factor in crisis management in at least three ways. First, when an organisation’s website is compromised due to a hacker intrusion or virus, an event also labelled as a denial of service (DOS). Second, organisations can be victims of crises when unfavourable publicity is made available on the internet via blogs or hate websites.

Finally, the internet has been a factor in crisis management due to its ability to facilitate communication among groups through social networking tools such as Facebook. Such tools consist of blogs, instant messaging services, photo sites, and interactive maps. Social networking tools were used to communicate among various stakeholder groups during the October 2007 wildfires in Southern California. News such as the progression of the fires, the availability and location of emergency shelters, and the opening or closing of businesses and schools were available in almost real time through these social networking outlets (Palmer, 2008).

5.2 Victims of crises

The traditional outlook on victims of a crisis is that although they are acknowledged to some degree when a crisis occurs, they are eventually forgotten as time passes. Lagadec (2004) noted that one reason victims are often forgotten, particularly in the event of a natural disaster, is that they are poor and considered outcasts in society.
An emerging trend is that victims will become more vocal, visible, and noticed (Hart et al., 2001). Hurricane Katrina illustrates how victims of the storm received a great deal of media attention, both during and after the event. Most of the victims were poor, and seen as victims not only of the Hurricane, but of the government’s inability to respond properly to the disaster.

5.3 Crisis and organisational trust

A long-standing traditional viewpoint of crisis is that the organisation is the victim of the crisis. This mindset would particularly hold true in the event of a natural disaster, but of course, less so if the crisis was human induced by an individual or group of people within the organisation. While events such as hurricanes, fires, earthquakes, or some other accident are thought to be things that ‘happen’ to the organisation, human induced crisis are perceived to be ‘caused’ by the organisation (Crandall et al., 2010).

An emerging perspective is that any crisis can be an issue of trust (Hart et al., 2001) and that the organisation is to be blamed in some way for the crisis, regardless of the source of the crisis. Even if a natural disaster occurs, the organisation can be held liable for not being adequately prepared. Such a viewpoint assumes that organisations get what they deserve, and this, in proportion to the degree of blame. Large, successful organisations are often targets for this blame, and hence the trust issue, simply because they are large and successful (Crandall et al., 2010). The thinking of the part of many is that the organisation is successful because it exploited the poor, or it has been taking advantage of its stakeholders in some way.

While such an attitude does not always seem fair, the onslaught of media attention that accompanies crisis events usually seeks a scapegoat of some kind, because people will feel better if they can find someone ‘at fault’. This faultfinding process is worth noting because it helps add meaning to an otherwise meaningless situation. Without a scapegoat, the media can only report the events as they occur, but with a scapegoat, they can give the viewer a rationale as to why the crisis occurred.

5.4 Ethical overtones of crises

Closely related to the issue of trust are the ethical overtones of a crisis. Ironically, the traditional and emerging viewpoints are in close alignment. Both look at many crisis events as moral failures on the part of one or more stakeholders to the organisation. A moral failure implies that such crises are human induced. The Institute for Crisis Management (ICM), a consulting and think tank organisation in Louisville, KY, notes the majority of organisational crises are human induced with management initiating approximately 51% of all crises, while employees cause 31% (Annual ICM Crisis Report, 2009, May). ICM further classifies crises according to a category called ‘smouldering’. Such crises are characterised by starting out small and internal, and capable of being detected by management. However, these situations can escalate and become a crisis that is discernable to the public. According to ICM, management should address these smouldering crises early so they do not become full-blown crises.

Examples of smouldering crises are legion, and often make it into case study ethics books. Hartley (1993) and Sethi and Steidlmeir (1997) offer many classic crisis cases beginning from the 1960s to the mid 1990s. Classic cases include the insider trading scandal involving Ivan Boesky, Union Carbide’s Bhopal disaster, the Exxon Valdez oil
spill, Dow Corning’s silicone breast implant crisis, and Beech-Nut’s adulterated apple juice scandal, to name just a few. More modern examples include the Catholic Church’s sexual abuse scandal, Enron, Adelphi, and most recently, the Hewlett Packard board scandal. In all of these examples, moral breaches occurred in the organisation. Adequate attention was not focused on remedying the core problem, and the situation emerged into a crisis. Based on the nature of human behaviour and its past record of ethical breaches leading to crisis, these authors believe that such breaches will only continue, despite the best efforts of business schools, religious leaders, and management writers. What does appear to make a difference in reducing such moral shortcomings in a specific organisation is the example set by upper management (Carroll and Buchholtz, 2009).

6 Conclusions

The points woven into this discussion are important for managers to think about. First, is the notion that crisis management is as much a part of strategic planning and plays just as important a role in the operation of the organisation as financial planning, product positioning or any other major strategy effort. As managers prepare their strategies to confront their competition, they must also build strategies to address their organisation’s continuity. We know that a crisis is inevitable in almost any organisation. Consequently, crisis planning should be part of the strategic planning process.

A second point is that organisational cultures need to be deconstructed to accommodate the new and emerging trends in crisis management. Establishing an intellectual infrastructure through continuous employee training is imperative to assure that the organisation is ready for what the future may bring. Crisis training gives employees an awareness of new ideas, emerging trends and most importantly the confidence in the organisation and in the situations that a crisis may present when it appears. Finally, it is important to understand that crisis management is not just a top management function, but it is everybody’s responsibility. The future will bring more hurricanes, earthquakes, financial crises, disasters and uncertainty. Studying the past can be a prologue to the future. Managers need to think about today’s problems but be very cognizant that the future is right in front of them. Studying emerging trends gives them a perspective on how to prepare for the future.

References


