

Week 1.

Introduction to COM5403

9 January 2017

Course objectives

1. Explain what crises are and decide how to **communicate** and **manage** them.
2. Apply **relevant theories and models** in the analysis of crises.
3. Employ strategic public relations to **prevent crises**, and value the importance of strategic communication **during a crisis**.
4. Develop a **crisis communication and management plan**, part of which should reflect the use of new media.

Textbook

- There is no textbook that covers all the content. But there are some highly recommended books.
 - Coombs, W. T. (2015). *Ongoing crisis communication: planning, managing, and responding* (4th ed.). Thousand Oaks: SAGE.
 - Fearn-Banks, K. (2016). *Crisis communications: a casebook approach* (5th ed.). New York: Routledge.
 - Zaremba, A. J. (2010). *Crisis communication: theory and practice*. Armonk: M.E. Sharpe.

Evaluation

- **Final Exam** – 40%
- **Assignments** – 30%
 - Case Study – 15% [Group]
 - Social Media Analysis – 5% [Individual]
 - Spokesperson Simulation – 5% [Group]
 - In-class participation and attendance – 5%
- **Group Project** – 30%
 - Crisis Communication Plan – 25%
 - In-class presentation – 5%

Assignments

- You will work in groups of **4 people** for the group project.
 - **IMPORTANT:** Decide the members of your team by **Week 2** and assign yourself to a group on Canvas.
- If you have not assigned yourself to a group by next week, I will randomly choose your group.

Deadlines

All assignments are due on Saturdays, 8pm (晚上八點). No exceptions.

Submissions

- I am **VERY strict with deadlines**. I provide you a clear calendar for the entire semester. Please keep in it mind.
- All work is to be **submitted on Canvas**. Don't email me soft copies or hand in hard copies.
- Make sure your work is proofread, type-written and **professional-looking**. I will deduct marks for poor presentation.

Case Studies

- We will use Case Studies to learn how to manage crises. **YOU** will be responsible for researching these cases.
 - Each group will prepare a Case Study.
 - You will post a two-page report on Canvas.
 - All students must read the report before class.
 - We will discuss cases on weeks 4, 5, 8, 10, 11 and 12.
 - I may quiz you on the content of Case Studies.

Case Studies

- 2008 – Tainted Milk Scandal
- 2008 – Wenchuan Earthquake
- 2008 – Liu Xiang and Nike (China)
- 2011 – Guo Meimei and the Red Cross
- 2011 – Zhejiang High Speed Train Crash
- 2012 – KFC Food Safety Crisis

Case Studies

- 2012 – Dolce & Gabbana Photo Spat
- 2012 – Lamma Ferry Crash
- 2013 – Apple Warranty Issues
- 2013 – VW Faulty Gearboxes
- 2016 – Tianjin Port Explosions
- 2016 – Qiaobi TV Commercial

Canvas and Mentimeter

- All information related to the course is (or will be) on **Canvas**. Keep an eye on Canvas regularly not to miss important announcements.
- You will need to download the **Mentimeter App** on your phone (available on iOS and Android). If you don't have a cell phone, you can access it from your laptop.

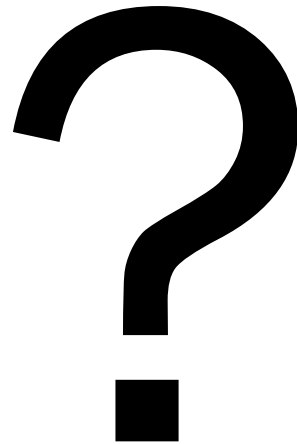
The 8 rules for success

1. Come to class every week, don't be late.
2. Meet the deadlines, no exceptions.
3. Read what is assigned.
4. Do not use your phone, unless I ask you to.
5. Ask questions, please.
6. Contribute to class discussions.
7. Embrace criticism, provide feedback.
8. Be quiet while your classmates speak.

Schedule

Week	Lecture	Case Studies
1	Introduction	
2	Theories I	
3	Theories II	
4	Prevention	2013 Apple & 2013 VW
5	Preparation	2008 Sanlu & 2012 KFC
6	Response	
7		READING WEEK
8	Guest Speaker	2011 Red Cross & 2008 Liu Xiang
9	Postcrisis	
10	Social Media	2012 D&G & 2016 Qiaobi
11	Greater China	2011 Train Crash & 2008 Earthquake
12	Spokesperson	2015 Tianjin Blast & 2012 Ferry Crash
13		GROUP PRESENTATIONS

Questions



Today's learning goals

1. Learn what crises, crisis communication and crisis management are.
2. Be able to explain what are the four factors of crisis management.
3. Understand what we mean by “staged approaches to crisis management”.
4. Assess the importance of proactive strategic communication.
5. Get ideas on how cases can be analysed.

What do they have in common?



SAMSUNG



CityU

香港城市大學
City University of Hong Kong

專業 創新 胸懷全球
Professional · Creative
For The World

TOYOTA

CRISIS

What do they have in common?

1. These events represented a crisis for the organization or an individual representing the organization.
2. The events negatively affected the image the organizations and the individuals had enjoyed with their various publics.
3. The incidents compelled organizations to communicate effectively with their various audiences in order to restore the images damaged by the crises.

(Zaremba 2010)

Defining (organisational) crises

“A crisis is the **perception** of an **unpredictable** event that threatens important **expectancies** of stakeholders related to health, safety, environmental, and economic issues, and can **seriously impact** an organisation's performance and generate **negative outcomes.**”

(Coombs, 2015, p. 3)

Defining crises: core elements

Perceptual

- Whenever a stakeholder perceives (believes) there is a crisis, then there is one. Even if a company does not see it the same way.

→ Think of Samsung and the Galaxy Note 7

Defining crises: core elements

Unpredictable

- A crisis is always unpredictable, because an organisation cannot know when it will strike, but it should not be unexpected.
- Any organisation needs to know how to react to a crisis.

→ Think of City University of Hong Kong

Defining crises: core elements

Violates expectations

- Any crisis violates the expectations that stakeholders have: we expect planes to land safely and products not to be harmful.
- During a crisis expectations are disturbed and reputations are affected.

→ Think of Malaysian Airlines

Defining crises: core elements

Seriously impact

- For an event to turn to crisis, it must disrupt and affect the entire organisation.
- Events with a limited impact are not crises, but incidents.

→ Think of City University of Hong Kong

Defining crises: core elements

Undesired outcomes

- A crisis will lead to undesired outcomes: financial losses, injuries, deaths, structural damage, tarnishing of a reputation, damage to a brand, environmental harm.
- The outcomes can be restricted or they can extend industry wide.

→ Think of Toyota's recalls

Possible crises

acquisition	drug abuse	kidnapping	sexual discrimination
age discrimination	drug trafficking	lawsuits	sexual harassment
alcohol abuse	earthquake	layoffs	strikes
bankruptcy	embezzlement	merger	suicide
boycott	explosion	murder	takeover
bribery	fatality	negative legislation	tax problems
chemical spill	fire	plant closing	terrorism
computer failure	flood	product failure	toxic waste
computer hacking	hacking	demonstrations	transportation accident
contamination	hurricane	racial issues	transportation failure
data loss/theft	kickbacks	robbery	workplace violence

(Fearn-Banks, 2016, ch. 1)

Defining crisis management

- Crisis management is a process of **strategic planning**, that **removes some of the risk** from crises and allows organizations to be in **greater control** of its destiny.
- Effective crisis management is one in which
 - Plans are not just ran once on the day of a crisis.
 - Organisations are constantly aware of possible crises.
 - It is a core part of an organisations' activities.

Defining Crisis Communication

“Crisis communications is the dialog between the organization and its public(s) prior to, during, and after the negative occurrence. (...) Effective crisis management includes crisis communications that not only can alleviate or eliminate the crisis but also bring the organisation a more positive reputation than it had before the crisis.”

(Fearn-Banks, 2016, ch. 1)

Crisis management (Coombs)

- Crisis management represents a set of factors designed to combat crises and to lessen the actual damage inflicted.
 - We take measures in order to minimise the negative outcomes on the organisation, the stakeholders and the industry.
- There are four factors in crisis management: prevention, preparation, response and revision (think of **PPRR**).

Crisis management factors

- **Prevention (mitigation)** are the steps taken to avoid crises. Prevention is largely unseen by publics.
- **Preparation** includes the creation of a crisis management plan (CMP). It is the best-known factor.
 - It also includes diagnosing vulnerabilities, training a crisis management team and a crisis portfolio.

Crisis management factors

- **Response** is the application of the preparation components to a crisis (simulated or real). A response to a crisis is very public and scrutinised by the media.
- **Revision** involves evaluation of the organisation's response in simulated and real crises, determining what it did right and what it did wrong.

Staged approaches to CCM

- Crises have a clear life cycle and managers need to understand this life cycle, because each stage requires different responses.
- This life cycle has been transformed into what “staged approaches to crisis management” (Coombs 2016).
 - This means that researchers have come up with an ordered list of functions that need to be executed in times of crises.

Staged Approaches to CM

Fink	Mitroff	Three-Staged
Prodromal	Signal detection	Precrisis
	Probing & prevention	
Crisis breakout	Damage containment	Crisis
Chronic	Recovery	
Resolution	Learning	Postcrisis

Fink's four stages

- 1. Prodromal:** clues or hints of a potential crisis begin to emerge
- 2. Crisis breakout or acute:** a triggering event occurs along with the attendant damage;
- 3. Chronic:** the effects of the crisis linger as efforts to clean up the crisis progress;
- 4. Resolution:** there is some clear signal that the crisis is no longer a concern to stakeholders-it is over.

Mitroff's five stages

- 1. Signal detection:** crisis warning signs should be identified and acted upon to prevent a crisis
- 2. Probing and prevention:** organisations search and work to reduce harm of known crisis risk factors
- 3. Damage containment:** a crisis hits and organisation members prevent damage spread.
- 4. Recovery:** organisation members work to return to normal business operations as soon as possible
- 5. Learning:** organisations review and critique their CM efforts, adding to the organisation's memory.

Three Stage Approach

- 1. Precrisis or predisaster phase:** warning signs appear and people try to eliminate the risk
- 2. Crisis impact or rescue phase:** the crisis hits and support is provided for those involved in it
- 3. Recovery or demise phase:** stakeholder confidence is restored.

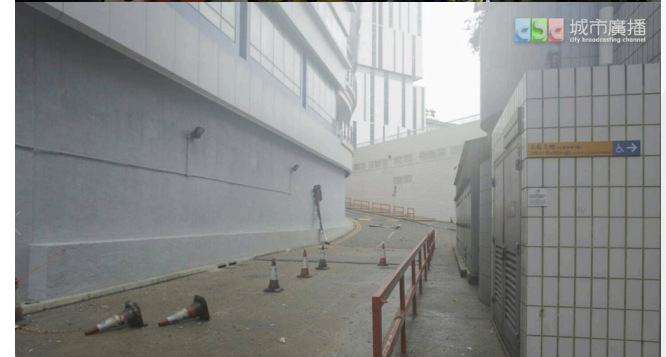
Coomb's three macro stages

Macro stages	Micro stages
Precrisis	Signal detection
	Prevention
	Crisis prevention
Crisis Event	Crisis Recognition
	Crisis Containment
Postcrisis	Evaluation

What would you do?

Roof collapses at City University sports centre, three injured

A roof has collapsed at a sports centre on the campus of the City University of Hong Kong in Kowloon Tong. At least three have been injured and taken to Caritas Hospital. The accident took place at 14:30.



Assessing CityU's response

- You can have a look at the results of the exercise we did in class following the link below

<https://www.mentimeter.com/s/4da979bdef62332e4ebd297837ec7a5d/7adf5a83b105>

Being proactive

- Research shows that organisations with **good reputation** before a crisis, are able to overcome it **faster**.
- Proactive public relations can be used to **build relationships with certain stakeholders**.
- This can **prevent crises** and can also make publics supportive when there is a crisis.

Proactive strategies

- **Media relations**
 - Pitch letters, backgrounders, media advisories, media tours, news conferences...
- **Community relations**
 - Advisory boards, open houses, PSA, CSR activities, exhibits, scholarships...
- **Employee relations**
 - Intranet, newsletters, closed-circuit television, email and social media, contests, awards, gifts...
- **Consumer relations**
 - A returns policy, tours, sales advantages, brochures, posters/flyers, open houses, a complaint system.

Zaremba's Five Principles

1. Crises are **inevitable**. Crisis communicators and managers must accept their inevitability and plan for them before they occur.
2. **Transparent and honest communication** has been proven to be a key to effective crisis communication.
3. Crisis Communication requires **training and skill sets** that even bright executives may not possess.

Zaremba's Five Principles

4. When in doubt follow a **golden-rule approach**: if you were a member of the audience, ask yourself what would you want to know, need to know and how would you like to know it.
5. An **organisation's culture (its DNA)** can determine crisis communication success. You can plan to be transparent during the crisis, but if the culture of your organisation is to put profit before truth, then your plan will fail.