



JWI 505: Business Communications and Executive Presence

Lecture Notes

WEEK 7: CRISIS COMMUNICATION

Communicating in a Crisis

In 1993, somebody in Washington state claimed to have found a syringe in a can of Diet Pepsi. The next week, there were 50 more reports of product tampering involving Pepsi cans... *It was all a hoax!*

According to Kim Bhasin, writing for *Business Insider*, PepsiCo's management responded brilliantly to the crisis (which could have endangered, even *destroyed*, the brand in the United States and around the world). "PepsiCo didn't make vague statements telling the public to simply trust it," Bhasin writes. Instead, PepsiCo responded aggressively in its own defense. It "produced four videos throughout the crisis, such as a comprehensive report on its soda canning process. The most compelling was a surveillance tape of a woman in a Colorado store putting a syringe into a can of Diet Pepsi behind the store clerk's back."

Perhaps most importantly, PepsiCo's North American CEO, Craig Weatherup, took the company's message directly to the news. He appeared on multiple news stations and on *Nightline*, armed with visual evidence of the faked product tampering. The FDA backed PepsiCo, and the product tampering *scandal* was quickly squashed. PepsiCo's sales, which had declined by two percent, recovered in just a month.

Can you imagine addressing a board of directors, or the employees of your company, in the moments after you've been told that someone found a dirty hypodermic needle in your world-famous beverage? That is the essence of *organizational* crisis communication: taking control during a serious problem, relating information during a crisis or in the wake of a tragedy, and steering an organization back on course after something that could threaten the entire company has gone awry.

Thankfully, most of us will never have to manage an organizational crisis situation. If you do, you will probably encounter only one or two of these major issues over the course of your career. All good leaders, however, have at least one or two *workplace crises* in a given year. If you are doing what it takes to win and grow, it is inevitable that you will encounter these situations. We're talking about crises like:

- Mistakenly selecting *Reply All* when your comments are not intended for an entire group
- Filling a non-diesel company car with diesel
- Circulating a report through the whole company that has incorrect information
- Mistakenly sending an internal pricing document to a vendor or customer
- Sending a proposal to a customer with another customer's name in it
- Witnessing an employee get seriously injured or even killed on the job
- Watching an employee be arrested at work
- Managing the aftermath of a facility fire



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None of these issues threatens the long-term health of the entire organization, but they are still serious. When faced with a crisis, you may be tempted to take one of two actions based on an emotional fear response that triggers the *fight or flight* impulse:

1. You may want to *fight*.

We have all seen leaders who gave in to this impulse. Maybe they immediately denied any wrongdoing, loudly denounced their accusers, and played strong defense to shut down the negative inputs. There are many reasons this may not be the most effective response. Passion is important in leadership, but you don't want to have to retract a hasty statement. You also don't want to add fuel to the fire through unfounded claims or emotional outbursts.

2. You may want to take *flight*, or run away from the problem.

Booking meetings all day so you are unavailable for comment, visiting a remote location, or otherwise avoiding a confrontation is not how an effective leader manages a crisis. This is avoidance and nothing more. The problem will still be there when you finally get around to confronting it ... and it may have grown much worse while you ignored or avoided it.

Crisis communication is, at its core, very similar to any other important business communication. All the best practices of clear and consistent messaging, relentless repetition, and listening while accepting feedback are vital to successful crisis communication with your relevant audiences and stakeholders. Communication within the organization and among stakeholder groups, to ensure shared understanding and alignment of efforts, is essential. An effective message strategy is especially important when a crisis poses a threat to your reputation, your career, or your company.

Step-by-Step: Communicating in a Crisis

Speed is critical in all crisis situations. Do not let the situation get ahead of you. When presented with a crisis, proceed according to these general guidelines:

➤ **Assume the worst**

You must prepare for the worst-case scenario. This means assuming the situation is not contained and could impact the organization, your colleagues, and your clients in the worst possible way. By planning for the worst, you stay ahead of the situation.

➤ **Understand that there are no secrets**

You cannot afford to assume you can hide the crisis. Everyone will find out everything eventually.



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➤ **Communicate, communicate, communicate**

Come clean, quickly and honestly, and communicate what has happened with integrity and honesty. Apologize if necessary and offer to make the issue right. Be transparent and share all information. Construct your key messages carefully and, if a crisis is prolonged, be prepared to communicate regularly throughout.

In every crisis, then, to communicate effectively, you must:

- Understand the problem
- Own the problem
- Offer genuine regret
- Offer solutions that demonstrate your employees and your clients come first

Always be honest about what you do not know when communicating in a crisis. You can't make something up, and you can't afford to say something incorrect that you will have to retract later. Never allow your shame, fear, or worry to overshadow your empathy for the audience.

You Will Be Judged During and After a Crisis

Understand that how you handle a crisis will always be judged by both your audience and by those external to the situation. Take, for example, the infamous case in which the pizza company DiGiorno misused a Twitter hashtag related to domestic violence. The hashtag was #WhyIStayed. It came about in reaction to NFL player Ray Rice's much-publicized domestic violence issues with his wife, Janay. Whoever was in charge of DiGiorno's Twitter account used the hashtag to write, "#WhyIStayed: You Had Pizza."

Reaction to this critical gaffe was vehement. The mishap made national news. DiGiorno was made to look either stupid or insensitive. To their credit, however, they immediately deleted the tweet and explained how they made a mistake. Their exact Twitter statement read, "A million apologies. Did not read what the hashtag was about before posting."

This reaction is a good illustration of quickly and honestly getting ahead of a crisis situation. DiGiorno did not claim to have been hacked, did not make weasel-word laden statements filled with bland apologies, and did not blame the employee who made the tweet. They simply and honestly explained that they hadn't bothered to check. Many Twitter users have made this mistake and could easily relate to it.

Because how you handle a crisis will always be judged, however, there were those who were not impressed. Some Twitter users accepted the apology, while others called it too little too late. But the end result was that



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DiGiorno, through fast, honest, direct communication, was able to put the problem behind them relatively quickly.

How you handle a crisis will never satisfy everyone. You will receive positive and negative feedback during and after a crisis. What matters is how you and the organization weather the storm. If you can quickly and honestly put the crisis behind you and resolve the issue, you have communicated effectively.

What You Can and Can't Do in a Crisis

Throughout our discussion of business communication, we have stressed the need to build relationships. This is the one move you cannot make in a crisis. When a crisis occurs, you will value the solid relationship foundations you have already built on presence and integrity with those involved.

Be proactive in a crisis. Understand it, provide solutions, and focus on making sure it never happens again. Every crisis will produce change. How you survive that change determines whether you will learn from, and be stronger for having experienced, that crisis.

Crisis Communication Demands Your Best Self

You must be your best, most authentic, most empathetic self during a crisis. You must listen and communicate at a time when the finances, reputation, and careers of your colleagues and stakeholders are on the line. Candor and commitment to your values – doing what is right, quickly and honestly – are the only appropriate responses to a crisis. This is what your stakeholders will respond to most effectively, and this is what will allow you to weather the storm of a crisis while positioning your organization to *win* in the future.