Issues And Crisis Management

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It takes an organization or company years to build and maintain a reputation and recognize itself as a favorite brand. But the entire struggle goes in vain when reputation is hit by issues or crisis. When issues or crisis envelop a company it becomes hard for them to recover from the bad conditions and heal up soon. It again takes very long to regain the reputation. The second time it becomes even harder. Sometimes an entity hit by crisis can affect others in the same industry. If we have a look at various industries, we can see the examples quite often. When the Lehman Brothers went bankrupt in the year 2008, it enveloped the whole financial industry. The impact of this crisis was so big that it led to a prolonged financial crisis that history remembers. Therefore, managing issues and crisis is very crucial for an organization. Crisis and Issue can have different shapes. It can be minor but can trigger another crisis that could be drastic. Product recall, problem in supply – as it happened in the case of KFC, system failure, employee protests, or embezzlement of the organization's funds are a few types of crises. This paper will discuss both issues and crisis separately and then we will understand the issues and crisis management categorically.

Issues

Issues develop in an organization with the passage of time and typically they occur. They are primarily focused on one subject or situation and they arise, more often, due to the mismatch of expectations and understanding between a company and its stakeholders. Issues at early stage need to be highlighted, evaluated, efficiently management, and resolved before they get worse. A mishandled issue can build momentum and turn into serious crisis for an organisation. There is an old proverb in the PR profession, "an issue ignored is crisis invited". The point at which an issue turns into a crisis is known as tipping point.

Crisis

Ccrisiss is a severe form of an issue or mix of issues. Crisis could be dramatic and an event of large scale which is most likely to have adverse effect on an organisation, brand or person. Crisis can cause damage to a company's resources, reputation, or it can cause a loss to business. Crisis can go to a point where all the odds will be completely against an organisation and things would never be the same again. Such a crisis would need an organisation to start over with new strategy and different plans.

For PR purpose we can define crisis as “when a company or organisation gets into intense situation where an unwelcomed spotlight of media and public will critically expose in result of an issue or incident that could damage the reputation.” Crisis has negative impact of a company it can lead to loss of stakeholder’s trust, dramatic decrease in sales resulting decline of profitability, and no more influence over key decisions.

The Role of PR Professional in Managing Issues and Crisis

Issues and crisis both have negative impact on any organisation there they cannot be taken easy but need to dealt with well on time before they turn into wore. The PR professional play very important role in managing issues crisis. They go on identifying the potential issues and deal with them through their coordination and communication. It is very basic to keep a trustful environment in an organisation where the decision makers feel confident to share issue that could turn into crisis. The leaders if conceal the likelihood of arising an issue it cannot effectively responded later. By making the PR professional involve in matters would help prevent an issue or crisis developing further.

Resolving Issue

Every organisation has diversity and in that diversity we see different people with skill sets, personalities and talents. Problems arise at every level but not all the problems/issues are communicated to the senior management rather they are solved with at the capacity of different employees. All the issues are not the same, some are easy to solve and some are complicated but whatever the issues or problems are the techniques and strategies used to solve such problems should follow a step-by-step approach to avoid any mishandling, rash decision making and continual of crisis management. A decision is always backed by the relevant information for it. Lack of information or overlooking information, while making a decision, will most probably result in wrong decision leaving consequences behind. The process to resolve an issue or make a decision contains the following five steps.

- ## Determine the Issue

In the very first step, the issue or potential is to be determined so that it can be focused and the right efforts will be put together towards resolving the issue. After knowing something which is not properly working in the company, one needs to know and identify what is causing the disruption in the normal operations of the company. Prevent it from occurring again. This phase is important to take right problem for solution instead of solving a low priority and unimportant issue.

- Analysing the Issue

In this phase critically analyse the problem with questions like how often has this issue occurred? Is it a new one? And how severe could it be if not given attention? Does it have the potential to turn into a crisis? And how is this issue connected with other processes or people. If the issue has the potential to turn in to crisis, it needs careful attention, then.

- Developing Potential Solution

In this stage we develop different alternative solutions to the issue. A team of people who are involved to resolve the issue are gathered and through brainstorming different ideas are presented. These solutions, then, are ranked and listed in this phase. Choosing a random solution from the list would not be wise.

- Choose the Best Alternative

All the alternatives need to be evaluated considering the “what-if” question. Each alternative is to be evaluated against the issue. After all possibilities of applying different solutions are evaluated, the best alternative should be chosen and applied.

- Monitor Results

After taking the final decision, the results of the solutions should be monitored. Here we see the issue by asking questions like, is the issue resolved? If yes, can we see change in the operations? If not, what else still needs to be done? This way we can understand whether an issue is resolved and the operations have returned to normal.

Key Issues Management Insights

Issues management, by most of the definitions, has been kept somewhere around strategic planning process which is used to detect, explore and close the gaps between a company and its stakeholders. This subject was emerging in 1960 and it was defined as organisation’s response towards uncertain situations. Issue management was described in defensive terms as a tool that helps an organisation to avoid undesirable future results. In the contemporary world the issue management is more than a

defensive strategy (Bright & Cortes, 2019).

Issues and Crisis management are both processes but not promises. A well-designed issues and crisis management with complete support of management is vital in making a company or organization closer to its strategic goals and objectives. Empowering managers to anticipate and respond to the external environment will help companies more in averting such risks.

Most of the definitions of issues management describe the 5 stages of solving an issue: 1. Determine the issue, 2. Analyse the issue, 3. Developing solutions, 4. deciding the best solution, 5. monitoring the results. Issues and Crisis management has always been vital running the companies more smoothly towards their strategic objectives. The practices of issues and crisis management have made the companies use their best potential and maintain their reputation in the market. In today's competitive global market, every company is trying to find ways to place their brand in the minds of customers and make sustainable relationships. Efficient issues management practices can help an organization gain a reputation in the industry increase their market share. By becoming a favourite brand of customers, a company can enjoy the benefits of brand loyalty good business growth. Issues and Crisis management is vital that helps a company avoid uncertainties (Coombs, 2007).

References

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