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- DEPARTMENT- ECE
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Introduction

- Organizational crises are sudden events that disrupt business operations or harm reputation.
- Proper crisis management ensures continuity and helps rebuild trust.
- Businesses must be prepared to act quickly and effectively.

What is an Organizational Crisis?

❑ **Definition:** A major threat to operations, reputation, or survival.

- Can be internal (fraud, leadership failure) or external (natural disasters, cyberattacks).

❑ **Examples:**

- Data breaches

- Product recalls

- PR disasters

Types of Organizational Crises

- **Financial crisis** - bankruptcy, cash flow problems
- **Technological crisis** - system failure, hacking
- **Workplace violence** - internal safety threats
- **Reputation crisis** - social media backlash
- **Natural disasters** - floods, earthquakes

Stages of Crisis Management

- ▶ **Pre-crisis** - Planning, training, and early warning systems
- ▶ **Crisis response** - Taking action, managing communication
- ▶ **Post-crisis** - Evaluation, learning, and rebuilding

Management Plan Components

- ▶ Risk assessment
- ▶ Crisis communication strategy
- ▶ Roles and responsibilities
- ▶ Response procedure
- ▶ Recovery and continuity plans

Building a Crisis Management Team

- ▶ Appoint team members from key departments
- ▶ Define clear roles (spokesperson, legal, HR, etc.)
- ▶ Ensure quick internal coordination
- ▶ Train regularly with simulated scenarios

Effective Crisis Communication

- ▶ Be transparent, honest, and timely
- ▶ Use multiple channels: press, social media, internal memos
- ▶ Address stakeholders (customers, employees, investors)
- ▶ Avoid speculation; stick to facts

Case Study - Johnson & Johnson Tylenol Crisis (1982)

- ▶ 7 people died after Tylenol capsules were poisoned
- ▶ Immediate nationwide recall (\$100M+ cost)
- ▶ Introduced tamper-proof packaging
- ▶ Rebuilt trust and brand reputation

Common Mistakes to Avoid

- ▶ Delayed or no response
- ▶ Blaming others or denying responsibility
- ▶ Inconsistent messages
- ▶ Ignoring employee and customer concerns

Post-Crisis Recovery

- ▶ Conduct a detailed analysis of the crisis
- ▶ Communicate lessons learned
- ▶ Update policies and crisis plans
- ▶ Rebuild brand reputation and employee morale

Conclusion

- ▶ Crises are unpredictable but manageable with preparation
- ▶ A proactive plan, clear communication, and quick action are key
- ▶ Learn from each crisis to strengthen the organization

References

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THANK YOU

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