

The Importance of Crisis Management for Companies

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Abstract- Companies are aware of how crisis could affect them badly due the unknown timing and size until the time of occurrence. The disasters may come in different forms such as externally due to weather conditions, natural and manmade disasters or terrorist attacks. Additionally, internal crisis such as fire, bad employees' behaviors, and unplanned executives leave. As a result, a plan is necessary to avoid the bad consequences of crisis and be ready for action once it suddenly happens. Also, the efforts of managers can make a big difference especially when these efforts are associated with ethical principles.



Introduction

Crises might happen anytime without prior notice and they could affect corporations so badly. As a result, a lot of virtues are needed to prevent companies from the harmful results of a crisis or at least reduce its effect. Integrity, responsibility, leadership, fairness, courage, prudence, respect, consideration and others are just some examples of different virtues than are vital for crisis management. I will discuss the first four virtues in some details.

Ethical Principles

Integrity in business is about being honest and trustful for both customers and employees. The customers will not buy products from a company with no trust. Also, the company should hire employees who have the same virtues to act in a better way if a crisis arises (Williams, 2014). In addition, responsible businesses take into consideration the needs of their customers and employees. Moreover, environment and society are other dimensions that companies should be aware of (Williams, 2014).

Alexandre Havard, author and leadership expert, defines leadership as "achieving greatness and bringing out greatness in others." If a company wants to lead the market, it should invest in its employees through deep training programs and helps them to be innovative and creative in order to bring great ideas to give the company an edge related to the competitors (Williams, 2014).

Another important virtue is fairness. It is about being fair to customers and employees. The company should respect its customers and employees, treat them fairly and be honest with them. Also, all promotion and compensation structure should be clear for its employees (Williams, 2014).

Preparing For Crisis

For corporations, "Crisis Management Department" is crucial. The main task of such department is to have a contingency plan that the company could apply in order to

manage the crisis efficiently if occurs. This is important due to the fact that the crisis happens surprisingly and it needs a quick reaction to respond. After setting policies and plans to deal with unexpected crisis, companies need to identify a team of employees who acquire superior communication skills to deal with the situation and train them in a regular basis.

This will be reflected positively on how crisis management team responses, deal with the problem internally and externally, and deliver the right message in the right time and be prepared for all reactions by audiences. It is crucial to draw different scenarios to the crisis and set a plan based on the circumstances, so the accuracy rate is higher. Even though it is difficult to expect the timing and size of a crisis, companies can at least lessen the effects of such disasters when it hits instead of doing nothing until that time.

The Role of Managers

The managers should apply the virtues to sustain the company, reach goals and assure benefits for its stakeholders. In his paper, "Virtue Ethics and Management", Wim Vandekerckhove identifies three group of virtues that managers should show to manage the business. First, the manager is required to have a knowledge about the stakeholders' needs and they could be driven by virtues like care, compassion and consideration. Second, after having the knowledge, the manager needs to make decisions, implement policies and allocate resources. Third, from a stakeholder perspective, competition is an important factor that needs to be considered in managing the business properly and maintain cooperation between different stakeholders (Vandekerckhove, 2014).

Conclusion

Summing up, it is the responsibility of all stakeholders to help the company in dealing with crisis professionally

using its contingency plan and apply different virtues to handle the situation properly.

References

Vandekerckhove, W. (2014). Virtue ethics and management. In S. Van Hooft (ed): The Handbook of Virtue Ethics. Acumen, Durham, 341-351.

Williams, O. (2014). Top Virtues a Company Should Have. <http://yourbusiness.azcentral.com/top-virtues-company-should-12743.html>

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