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Corporate crises are disasters that can cause extensive damage to human life, economic well being, and the environment. The number of corporate crisis experiences is increasing at an alarming rate. While planning cannot prevent every crisis, the planning process can teach an organization how to cope more effectively with whatever does occur. No crisis ever happens as it was envisioned or planned for. For this reason, effective crisis management is a never-ending process. It seems a fundamental paradox regarding crisis management may be true. The less vulnerable an organization thinks it is, the fewer crises it prepares for; as a result, the more vulnerable it becomes. The reverse is also true. The more vulnerable an organization thinks it is, the more crises it prepares for; as a result, the less vulnerable it is likely to be.

Data Collection

A crisis management survey was sent to 420 public and private organizations in West Michigan that employ 50 or more individuals. Our overall response rate was 42.2%. The primary objective of this survey was to sample attitudes and perceptions of West Michigan managers toward crisis management and its stages. Responses were requested concerning their definitions of a crisis and crisis management, phases/anatomy of a crisis, plans and communication during a crisis, and crisis management in the respondents' organizations.
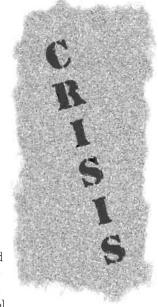
The questionnaire was divided into six parts containing a total of 57 questions. All responses were ranked on a scale of one to five, with 1 being strongly agree; 2 = agree; 3 = neither agree nor disagree; 4 = disagree; and 5 = strongly disagree. The questionnaires were addressed to the Vice-President of Human Resources. Respondents were asked to rate/choose each statement based on the way it best reflects their perceptions and thinking.

Results

In the first section of our survey, our intent was to identify the respondents' definitions of crisis and crisis management. The definition of a crisis accepted by 79% of the respondents was that a crisis is a situation that runs the risk of escalating in intensity, interfering with the normal operations of a business, and damaging the company's bottom line. The smaller the organization, the higher the percentage of managers that chose the definition of a crisis as a situation that runs the risk of escalating in intensity, interfering with the normal operations of a business and damaging the company's bottom line. The definition of crisis chosen by 62% of the respondents is a situation that has reached a critical phase. When cross-indexed with age, we note that the older the respondents, the more likely they were to define a crisis as a situation that has reached a critical phase. The older respondents have most likely had to deal with several more crises than the

managers in the 20–29 age group who might be more likely to view a situation as a crisis if it affects the company's bottom line.

The second question in this section dealt with the respondent's idea of a good definition of "Crisis Management." The definition selected by the most managers (73%) was the art of removing much of the risk and uncertainty to allow you more control over your own destiny or that of the company. More managers at the director level agreed on this as the best definition of crisis management, followed by senior corporate managers. The middle managers and those in the "other" category (which would include lower level managers) had the lowest agreement rate. This may be because they feel they do not possess the authority to remove the risk and uncertainty in order to control their own destinies the way the higher level managers do.

Anatomy of a Crisis

The first phase of a crisis is where the warning signs occur to indicate the company may be heading for a crisis. Our survey asked the respondents what they felt was the most important thing to do in this pre-crisis stage. The answer selected by the highest number of respondents (86%) was to develop a plan to be instituted in the event of a crisis. The managers recognized the need to put together a crisis management plan as soon as the first signs of a crisis occur. Their responses, however, also indicate they do not have a crisis management plan in place, but they would put one together when they notice the first signs of a crisis. The statements with the next highest agreement ratings were to conduct an inventory of the company's strengths and vulnerabilities and to analyze a worst case scenario. These analyses will help the company determine what areas may need attention. However, it appears many respondents do not feel the need to examine the company's weak spots until the signs of a crisis appear.

The second phase of a crisis is when some damage has been done, and how much additional damage occurs depends on how the crisis is managed. Most respondents agreed that the most important thing to do during this stage is to gather the facts and determine the scope of the problem (93%). Once the scope of the crisis has been determined, steps can be taken to control the crisis. Establishing a corporate response ranked second as the most important thing to be done in this stage. Managers realize the importance that public relations can play in the wake of a crisis. How the public hears about and reacts to the company's crisis is one of the few things over which managers have some control. It

is important for a company involved in a crisis to develop a corporate response and to avoid sending mixed signals.

Phase three of a crisis is the clean-up or post-mortem phase—a time of recovery, self-analysis, and healing. Our respondents felt that the best thing to do in this stage was to analyze what went wrong or right and take appropriate actions (91%). This could even be a time for congratulations if the company demonstrated good crisis management skills. Attempting to determine what can be done to speed up resolving the crisis once and for all received the second highest agreement rate. This phase can linger indefinitely if action is not taken to resolve the crisis. A survey taken of the nation's top chief executive officers of the Fortune 500, conducted by Steven Fink, author of *Crisis Management: Planning for the Inevitable,* revealed that for those companies without a crisis management plan, the effects of the chronic crisis stage lasted two and one-half times longer than for companies that were prepared with a crisis management plan.

The final phase of a crisis is when business gets back to normal—until the next crisis. Taking action to be sure a similar crisis does not occur again was identified as the most important thing to do in this stage (89%). The managers may have felt that since they had been through a crisis, they were particularly susceptible to a similar crisis and needed to be better prepared. Writing up procedures for the steps to be taken if the same crisis would arise was the next critical activity identified. Also, 88 percent of the managers agreed that identifying what the "real" crisis was is an important thing to do in the resolution stage. Once the crisis is over, it is important to sit back and analyze which was the "real" crisis and which were the mini-crises resulting from the actual crisis.

Crisis Management Plans
In this section, respondents were asked to identify the best thing to do when using a team approach. The majority (81%) believe you should select a central core for each crisis management team with other departments trained to join the team if the crisis is in their area of expertise (i.e., a financial crisis requires financial people). Depending on the type of business, the central core members of a permanent crisis management team might include either the chief executive officer or someone from senior management, the chief financial officer, the chief internal communicator, and perhaps the head of the legal department. This central core should draw up a list of names to be added to the crisis management team, depending on the type of crisis at hand. Thus, when the crisis hits, the company is prepared to call upon the appropriate people. The response selected the second most often by 76% of our respondents said the best thing to do was to prepare a contingency plan which asks and answers its own "what if" questions. This plan would allow management to look at all the possibilities for a potential crisis and examine various strategies for dealing with the crisis.

An alarming portion of West Michigan companies do not have a crisis management plan. Some organizations have not considered the possibility that a crisis could happen to them.

Crisis Communication
The most important thing to do regarding communication during a crisis is to make certain the company speaks as "one voice" to avoid giving out confusing reports (95%). It is essential for the communicator to have two things. First, the communicator in a crisis must have immediate access to authority. Second, the communicator must have authority. Providing information in a straightforward, honest manner was also agreed on as being important to good crisis communication. This was followed by a need to update frequently and stay on record (give out the necessary facts and tell the truth). Simple, honest communication was viewed as vital during a crisis.

The final section asked respondents whether their organization has a prepared crisis management plan. Only 27% of the respondents indicated their organization has a plan prepared. When compared with the survey results obtained by Steven Fink (author of *Crisis Management: Planning for the Inevitable*), we see that in the Fortune 500 companies, 50% of those who responded said they did not have a prepared crisis management plan. A cross tabulation by type of organization illustrated that service organizations are much more likely to have a prepared crisis management plan than manufacturing facilities. When asked whether their organization would respond well if a crisis should occur, 57% of our respondents felt their organization would respond well. This is much lower than the results obtained by Fink among the Fortune 500 companies, where 97% of the respondents felt confident their organization would respond well to a crisis. Forty-five percent of our respondents felt there was better than a 50% chance that their organization would experience a crisis. This is particularly interesting since only 27% of the respondents reported having a crisis management plan. In addition, only 18% of the respondents indicated that their organization had prepared a crisis management plan after experiencing a serious crisis. This involves some denial on the part of the organization. Even after being involved in a serious crisis, organizations still fail to see the advantages of preparing a crisis management plan.

Discussion
An alarming portion of West Michigan companies do not have a crisis management plan. Some organizations have not considered the possibility that a crisis could happen to them. While those who participated in the survey seem to realize the importance of having a plan, they tend to wait until the first stage of the crisis before they begin planning. West Michigan companies also appear hesitant to learn how other organizations have dealt with a similar crisis. This could be very helpful to a company faced with a crisis. By learning what mistakes have already been made by others, it is hoped that a company could avoid making those same mistakes.