CRISIS MANAGEMENT

Communication Strategies for
Navigating Times of Change & Uncertainty

BIZ LIBRARY

TABLE OF CONTENTS

If you're reading this ebook, it's probably because you find yourself in **circumstances of substantial change.** It could be a merger or acquisition, or perhaps a key client declined to renew a contract, which your organization was heavily dependent on. Maybe your company is facing some negative press or experiencing widespread layoffs, or perhaps it's something else.

This ebook is designed to help you navigate this situation you find yourself in, whatever that situation may be.

There's a well-known phrase we've all heard, one which you probably knew was coming when you read the title of this ebook:

> **"The only certainty is change."**

The reason we've included this cliché is because it's true… but we also think it's important to point out the less obvious truth here that's often overlooked.

The biggest takeaway from this quote is that change is inevitable. That's not exactly groundbreaking, but the quote also suggests that **uncertainty is certain.**

So, we're going to spend the next few pages talking about the only two things that we know are certain: change and uncertainty.

Change and uncertainty often have negative connotations, but that doesn't have to be the case…

Steve Jobs is known for leading one of the most innovative, disruptive, and creative companies of all time:
Pixar.

Bet you thought we were going to say Apple. He did that too.

Jobs' time at Apple cemented his legacy as an innovator in the technology space, but his time as the CEO of Pixar foreshadowed his ability as a skilled business executive.

In 2006, Jobs led his company through a $7.4 billion acquisition.

Since then, Disney-Pixar has produced some of the most iconic and successful children's movies of all time, including Finding Nemo, The Incredibles, Up, Inside Out, and Toy Story (but let's be honest, we grown-ups love them too).

Five years prior to the Pixar acquisition, Time Warner merged with American Online in an incredible $164 billion deal.

Two years later, AOL/Time Warner posted a financial report – the newly formed company posted a $100 billion loss.

We know change is inevitable. We also know that change can lead to positive outcomes, like Disney acquiring Pixar, or it can lead to negative outcomes, like AOL/Time Warner.

A Proactive Approach

When we know that change is certain, it becomes obvious that managing change needs to be a well-established process for any organization. Unfortunately, that's simply not reality – some organizations are equipped for change, while others fall short.

Part of AOL/Time Warner's failure can be attributed to its poor change management, but the company also didn't adapt to market changes.

The same certainly isn't true for Disney-Pixar. This year, they created two of the most successful films of all time in terms of box office numbers, so we can reasonably deduce that they understood how to manage change and act with agility.

Agility can be defined as the capability of a company to rapidly change or adapt in response to changes in the market. For a company to be agile, they must have agile employees – those employees need confidence, poise, and access to knowledge to develop the skills necessary to solve problems.

Access to this knowledge allows for an agile feedback process that gives employees the ability to gain and apply insights derived from this information – this is defined as learning agility.

Learning-agile people aren't perturbed by shifts in direction. They're focused on the end goal and are willing to put themselves out there. When they fall, they get back up. Individuals who have developed this trait can reflect on the past and are driven to learn the skills necessary to solve the problems your company is facing.

In this competency guide, you'll learn:

- Five important behaviors of agile learners
- How to develop learning agility in yourself and others
- Supporting behavior statements and development activities

VIEW GUIDE

During times of uncertainty, it's vital to your organization's growth – and possibly survival – that you support learning agility by continuing to provide easy access to knowledge and skill-building tools.

Leveraging the learning tools your organization has at its disposal to overcome challenges will be invaluable.

If you're not factoring in the impact that on-demand learning can have during tumultuous times, and using these circumstances to actively support and encourage learning agility, then you're doing your organization and employees a disservice.

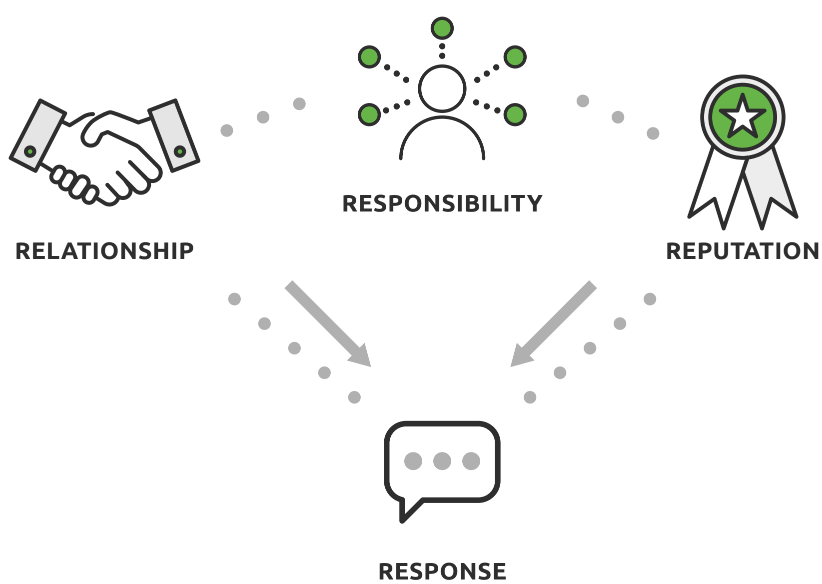
Since circumstances surrounding change never happen the exact same way twice, its important for your employees and leaders to understand how the key principles of change management can be applied to different situations. Strong learning agility allows employees to work through the overarching strategy, leading your organization to the focused outcomes you're looking for.

Understanding the 4 Rs of Change Management

An essential part of applying learning agility in a crisis situation is making sure your employees have access to information and strategic direction, so they know how to communicate with each other and with clients.

An important part of this is considering how to facilitate ideal communication across the various stakeholders engaged with your company.

As you develop these strategies for communicating with your clients, your employees, or the leaders of an organization you are merging with, keep in mind the "4 Rs."



Relationship

The relationship you have with the person or group of people you communicate with during a crisis matters. If you've managed a team for a decade and have a tight-knit, familial bond among your team members, you might consider being more open than you would when you communicate with a client who's been notoriously difficult to deal with.

Understanding how much "slack" your relationships grant you is crucial. Before contacting someone, you might consider writing down important aspects of your relationship that could influence the way you communicate with them. **Don't assume the other person looks at the relationship the same way you do – learning-agile people challenge pre-existing mindsets and look at how things are, rather than how they have been**. This is a good opportunity to take a fresh look at your relationship.

Reputation

While the words we use to explain things to others are extremely important, people subconsciously take stock of other contextual clues – non-verbal cues, changes in tone, pitch, and prior interactions. These interactions can include things on social media about your company or insights derived from personal interactions with your company.

For instance, if a client discovers you offer a lower price to one of their competitors, the first time you may be able to explain it as a mistake. If you do it again, that communication strategy won't work.

You'll need to gauge your reputation before you consider developing a communication strategy.

Responsibility

Here is where you "take ownership" of a situation. You must be honest with yourself and understand your role in communicating a situation – that is the only way to reflect and apply what context you have around the situation to manage it effectively.

For instance, if you find yourself in a situation where layoffs are imminent, do not sugarcoat the situation to yourself.

Assess the exact realities as best you can, and what it means to people who might be affected.

If your company is facing a lawsuit for discriminating hiring practices, be honest as you decide how you need to tweak the way your company selects candidates. Again, challenge pre-existing mindsets.

If you decide you do have some responsibility, consider that responsibility as you develop a communication strategy. At the same time, if you realize you don't have a responsibility – maybe a lawsuit is frivolous, or maybe layoff scares are overblown – factor that into your strategy as well.

Committing to integrity and being humble about your true level of knowledge and skill throughout a time of change or uncertainty will make the process easier.

Response

Most of the time, if you find yourself in a crisis situation, a response of some type is necessary. **You may need to apologize, or prepare employees for a change, or you may decide that no response is the best response.** If you consider the first 3 Rs very carefully, most of the time, you should be able to formulate a strong response.

Once again, a learning-agile individual avoids getting defensive and acknowledges missteps, and then addresses them swiftly and efficiently.

Introducing Risk Communication

Whenever there are times of uncertainty, a level of risk is introduced. For instance, if you're undergoing a merger, you run the risk of increased turnover as employees look for outside positions that are more stable.

The goal of your communication is to mitigate risk. In no circumstance should you set a goal for perfection. A successful campaign is one that reduces the consequences to a negative situation to something more manageable for your company. Before we talk nitty gritty, there's a word we'll be using a lot that we should define now: stakeholder.

When we use stakeholder in this ebook, we're referring to people who are impacted by sudden change and uncertainty. That might mean investor, but not necessarily. Stakeholder can also just refer to a group impacted – they could be investors, managers, individual contributors, clients, or others.

Stakeholders: Groups of people impacted by sudden change or uncertainty in your organization, such as employees, clients, or investors.

Also important to consider is who you should expect to be communicating with. While a key investor might be impacted by sudden change, a middle manager probably isn't going to have the responsibility of communicating with that major investor.

Who you communicate with will depend on your role. If your business is merged with another business, and you're an account manager, you'll probably be communicating with your clients, but you wouldn't want to take on the strategy and responsibility of communicating changes with your colleagues.

The next terms we're going to define here are "hazard" and "outrage."

We often connect the term "hazard" with hazardous materials or danger.
We use "hazard" in this ebook to denote a level of real risk involved.

The level of hazard is based on actual risks to stakeholders' interests, not perceived risks. For instance, if there are fears of layoffs and rumors spreading in your organization, but those fears are unfounded and there are no layoffs looming, the hazard is low.

Another way to think of hazard is "stakes." In a low stakes crisis, there may be little need to formulate a complex communication strategy. In a high stakes crisis, your strategy could determine the success and future of your entire organization.

In this ebook, we'll use "outrage" as a term to measure response. If outrage is high, it means stakeholders are fearful and want answers. If outrage is low, that means stakeholders are not very concerned about a situation or may not even know a situation exists.

Hazard: The level of real risk to the interests of stakeholders.

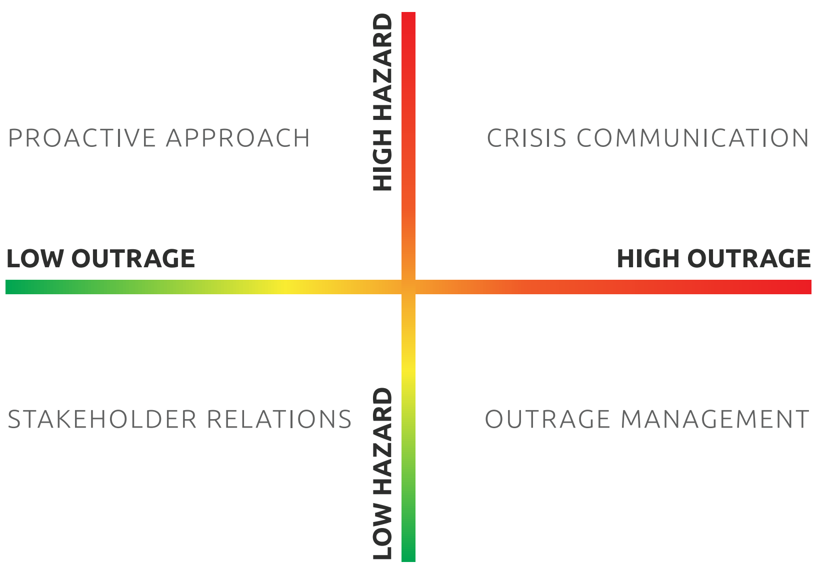
Outrage: The level of stakeholders' response to changes, regardless of whether risks are real or perceived.

Characterizing Your Crisis

This phase is where your strategies begin to take shape. Almost all crises can be characterized by your levels of hazard and outrage.

Luckily, unlike most things in business, finding a metric to measure these variables is not difficult; we can simply characterize outrage and hazard levels as high, moderate, or low.

Here's how we can characterize situations and start formulating a communication strategy.



Outrage Management – Low Hazard, High Outrage

In this situation, stakeholders are upset, but there's truly very little to be upset about. What blocks are getting in the way of communication? At some level, there is a misunderstanding, and **discovering what causes that misunderstanding** can clear up this situation quickly.

Proactive Approach – High Hazard, Low Outrage

If you're in a high-hazard situation, you have circumstances where people should be worried about something.

Perhaps you've lost a key product partnership that will affect your customers, or a new executive is introducing a plan to "shake up the organization."

In this scenario, you have control to shape a narrative. You can identify benefits and influence how people perceive your impending change. Acknowledge and be honest about potential concerns, but stick to the key benefits.

This is a good opportunity to identify not just what you want your stakeholders to know, but how you want them to behave. If those stakeholders are employees, perhaps you need to start emphasizing certain performance outcomes or behaviors you want to see.

Stakeholder Relations – Moderate Hazard, Moderate Outrage

Stakeholders who have moderate outrage due to moderate hazard are typically pretty aware of what's going on. You probably have a good relationship with these stakeholders, and some occurrence is damaging that relationship. Perhaps you missed a shipment and a key client is upset because their business was impacted.

The aim of stakeholder relations is to influence attitudes, decisions, and actions and come up with a way to repair your relationships. That means a lot of listening, a lot of back and forth, and ultimately, to achieve a resolution, a mutually beneficial solution.

As we discussed with the four R's earlier, avoid getting defensive and try to reflect and consider the context your stakeholder's might be seeing the situation through. Be open to considering a new way of approaching the situation.

Crisis Communication – High Hazard, High Outrage

This is it folks, the big leagues. You have a full-blown crisis on your hands. These situations arise when there is legitimate fear spreading around, and for good reason.

A situation where crisis communication is needed in a professional setting is rare, but it is high stakes – such as a merger making half of your workforce redundant. This is the real deal, and your strategy must be unilateral, rehearsed, and carefully crafted.

Okay, so now we know how to characterize our situation, and we have a baseline for establishing a communication strategy. Next, we'll look at some frameworks we can use to form that strategy.

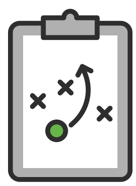
A Framework for Your Crisis Communication Strategy

Communication is going to be the vehicle that drives you through a crisis. If you use it strategically, it can get your organization out of a bad situation and on the road to success.

Our first communication framework is modeled after the Disaster Communication Intervention Framework.

If you have a workforce of managers who are unprepared for this process, that's okay. This is likely a new situation for them, so help them understand how they can take the knowledge they have in other scenarios and apply it here. This is easier with learning-agile individuals, but don't underestimate how quickly someone can pick up the necessary skills.

The disaster communication intervention framework focuses on preparation and is a great strategy to use if you can get ahead of your impending change.



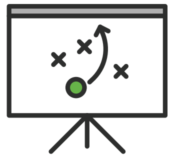
PHASE ONE: PRE-EVENT STRATEGIES

In this phase, you'll want to carefully outline strategies. This will involve anyone who will be overseeing a change. It's important to get this right, because you need messaging to be consistent. That means what the CEO communicates must also be communicated by management.

To achieve this unilateral messaging, allow everyone a voice to influence what and how you will communicate. Involve leaders and develop a strategy to introduce a change. Ultimately, a desired outcome must be established. Everyone involved must buy in to the outcome. Additionally, if you are trying to influence employees, keep in mind that these are the same people you're going to expect to keep operations going during the crisis. The more clarification around desired outcomes you have, the more agile your employees can be to help solve problems.

EXAMPLE

A company is undergoing a merger, and about 20% of the workforce will be impacted. The executives identify objectives – they outline which departments will be redundant, how this might impact clients, investors, and employees, and inform key leaders who will disseminate information.



PHASE TWO: EVENT STRATEGIES

You've communicated a change, and it's starting to take place. Now, it's your responsibility to **identify stakeholder distress and decrease it.**

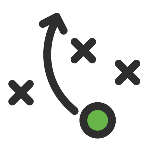
Proactively schedule meetings and hold regular conversations with the stakeholders you're responsible for. If you're a manager of individual contributors, seek feedback from your employees and look for places where you've miscommunicated.

Seeking solid, clear, genuine communication and feedback will help you shape the outcome of your strategy.

EXAMPLE

Management understands how their department will deliver information, and that information is passed on to employees. For instance, account managers are trained on what to say, how to deliver information, and a brain storming session occurs where employees offer thoughts on how clients might react.

The clients are informed, given the chance to ask questions, and employees are prepared because they've anticipated what those questions might be.



PHASE THREE: POST-EVENT STRATEGIES

After your change has been implemented, you have an opportunity to learn from your successes and your mistakes. Maintain open lines of communication in order to help your stakeholders make sense of the new changes in your company.

Let’s see a case study where this framework helps a fictional company called Example Inc. navigate a merger with Hypothetical Inc.

Example Inc. is a major distributor of radio frequency identification readers (RFID readers) for warehouses. They have partnerships with major manufacturers, but their main source of income is through the resale of RFID readers. Hypothetical Inc. is a larger distributor who also manufacturers their own RFID readers. Hypothetical Inc. is impressed by Example Inc.’s large sales volume and makes an offer to purchase the company.

Example Inc. is excited by the offer and accepts. They know the sales team is going to be excited, as they will have a larger brand behind them, and a more direct line to the products they’re selling.

However, some of the staff will be displeased. There are a few redundancies that will exist, for example, in accounting. Example Inc. plans to follow the Disaster Communication Intervention Framework, and decides to meet to discuss pre-event strategies.

First, the executive team meets to discuss the realities of the merger. They acknowledge that there will be redundancies, and some people will not have roles in the new company. They decide to focus on the benefits: the business will move forward in terms of sales growth, and sales management will remain consistent.

There will be more opportunities for the sales team, and the company’s intimate knowledge of the RFID market is going to be a huge asset in the merger. Many people who have this knowledge are going to be able to remain valuable.

Everyone present, including managers, agree to stay honest and open in their communication, while focusing on the new benefits of sales growth.

As the merger takes place, management continues to seek feedback from shareholders. They learn that some account managers are having a tough time communicating changes to their clients. Clients are confused about whether they’ll be able to use licensed products not manufactured by Hypothetical Inc. Example Inc. is able to clear up any misunderstandings by seeking out those points of confusion.

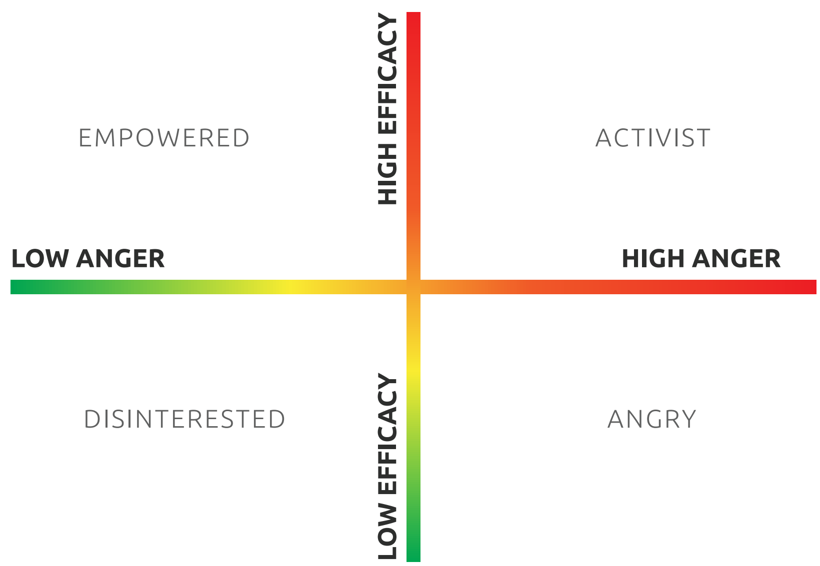
While there are layoffs due to redundancies, the sales team finds they’re now better equipped to make sales following the merger. Although a few cultural hiccups exist, the business runs as usual.

This framework typically works great – after all, the Disaster Communication Intervention Framework is used by various government agencies during disaster situations.

While having a strategy in place is great, understanding who you're communicating with is going to elevate that strategy. Let's look at breaking down populations and how you can communicate with them most effectively.

See Your Stakeholders through the Anger Activism Model

The Anger Activism model is a framework you can use to classify and segment stakeholders. It's simple, yet insightful and easy to measure.



Activist: High Anger - High Efficacy

Some stakeholders are going to be activists. In times of change and uncertainty, that usually means a level of pushback against your change. They are unhappy with change and believe they have a level of control over the outcome.

For instance, if your company is experiencing dramatic growth, an activist may push back as they see your company culture change. They may spread rumors or complain, affecting morale and culture.

Your strategy should be centered around diffusing anger by addressing concerns, acting with transparency, and identifying and anticipating extenuating circumstances.

Empowered: Low Anger - Low Efficacy

An empowered employee buys into your change and can be a valuable asset in change management. They may help evangelize your message in informal conversation.

In the instance we used with Example Inc., an empowered stakeholder would be a member of the sales team. They see how the change will benefit them, and they feel secure in their position with the organization.

Your strategy should be to leverage their enthusiasm to create more empowered stakeholders.

Angry: High Anger - Low Efficacy

An angry employee is one who is upset by change but doesn't believe they can influence it. This will almost always occur during times of change because inevitably situations will arise which will impact certain individuals.

Angry stakeholders are often the people most affected by change. Sometimes, following a change, their role may no longer be necessary. This is an unfortunate reality, but these individuals deserve empathetic communication.

Your strategy here should be to diffuse anger by listening, and then tweaking your communication strategy where it makes sense.

Disinterested: Low Anger - Low Efficacy

Disinterested employees are usually unaffected by change and often uninvolved. They might be nearing retirement, they may be actively job searching, or they could be totally unaffected. While you should maintain open lines of communication with these people, your time is better spent decreasing the distress of other employees.

Practice the Framework

For Instance Inc. is a clothing retailer with several national brick and mortar locations. Although the organization is healthy, they realize they must alter parts of their business model to compete with digital competitors. As a result, the company has decided to restructure, but they aren't sure how to form a strategy to deliver the news.

They send out a memo, which is leaked to the press. Employees, investors, and customers are concerned with the stability of For Instance Inc., fearing that it may go the same way as many other brick and mortar retailers.

The crisis has gotten bigger, and more meaningful. At first, there was just a restructure, but now there is concern from investors, employees, and customers – which could threaten sales growth!

Here are a few questions to answer so you can do better than For Instance Inc. in this type of situation!

What did For Instance Inc. fail to do that made their crisis worse?

For Instance Inc. did very little, if any, pre-event strategizing. Instead, they jumped right in with a memo that affected the whole narrative when it was leaked.

After evaluating the outrage and hazard created in this situation, how would you characterize this crisis?

There may be some restructuring, but the company is not announcing store closures or laying off employees – this means the crisis is low hazard. Despite this, outrage is high, since the press has gotten ahold of the story, worrying stakeholders. That means the best strategy to use is outrage management!

Write down some pre-event strategies you might suggest. Outline stakeholders and identify who will be communicating with each group! Feel free to discuss this with your peers – it's great to practice!

Curb the Crisis with Improved Soft Skills

No big change is going to be perfectly smooth, but your organization can navigate even the most complex scenarios when you consider your duties to your stakeholders, formulating a thorough and unilateral communication strategy to mitigate risk.

We discussed at the beginning of this ebook how developing the learning agility of your leaders, managers, and individual contributors gives your organization a marked advantage in times of change. While you can use the frameworks we reviewed to help determine your communication strategy, it takes people with well-developed soft skills to carry out that strategy effectively.

Building employees' skills in learning agility, emotional intelligence, problem solving, decision making, etc. helps your teams tackle tough issues in the midst of a crisis, and makes it much easier to handle communication the next time a stressful change situation arises.

With these strategies and skills, your business can become stronger in the face of uncertainty.

Recommended Resources

VIEW WEBINAR

VIEW GUIDE

ACCESS TOOL

VIEW PODCAST

BizLibrary is a leading provider of online learning for growing organizations. Our award-winning microlearning video library engages employees of all levels, and our learning technology platform is a progressive catalyst for achievement. Partnered with our expert Client Success and Technical Support teams, clients are empowered to solve business challenges and impact change within their organizations. To learn more, visit www.bizlibrary.com.

SOURCES

BIZ LIBRARY | YOUR ONLINE LEARNING PARTNER