Chapter 12: When Managers Pressure Employees to Behave Badly: Toward a Comprehensive Response

CaselSM.com

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What is a Crisis?

“A crisis is a low-probability, high-impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect, and means of resolution, as well as by belief that decisions must be made swiftly.”
Natural Disasters
Terrorist Attacks
Product Failures
Human Error
Unexpected Death of CEO
System Failures
What are the effects of an organization facing a crisis?
- Stock prices may plummet
- Operating cost escalate
- Short term and long term financial loss
- Reputation?
- Consumer confidence?
The Impact of Environmental Factors:
REPUTATION

A reputation that took decades to build can be threatened by a single event.
Pre-Crisis:
- Lack Of Awareness
- Unwilling to Invest
- Denial

Crisis:
- Security Threats
- Economic Downturn
- Panic and Uncertainty

Post-Crisis:
- Fear
- Larger Investment
- Mistrust