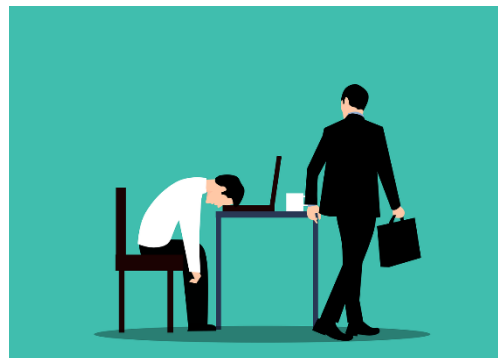



Crisis in the Workplace

“In crisis management, be quick with facts and slow with blame” – Leoardard Saffird, Public Relations

Warm up:

- Have you ever had to face a crisis in the workplace? Can you describe it?
- Do you know anyone who you think is particularly level-headed? Have you ever seen this person in a high stress situation?
- What are some different types of crises a company might face?
- What is a crisis that your company might face in the future?



 1. Read the email to Lila Goodwin, an employee for a car company called Doyola, and answer the questions on the next page.

Subject: failure rate of brakes

Dear Mrs Goodwin,

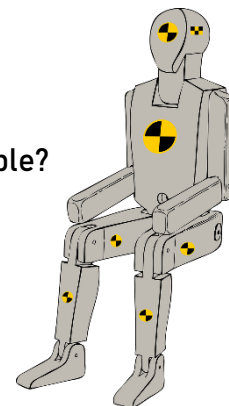
I am contacting you to provide you with the more extensive testing report we have done on the braking systems of Doyola's new Model 4 car. As you can see, the failure rate falls well outside of our guidelines, and does not comply with even our most basic safety requirements. 15% of the brakes experienced catastrophic failure after 10,000 kilometres, and a further 40% had unacceptable wear and tear after 20,000. As you are no doubt aware, the bare minimum for automobile brakes is 60,000 kilometres, but perhaps even more concerning is that the brakes stopped working in a way that would give the driver little or no warning. This is obviously an unacceptable level of risk for the consumers.

We understand that Doyola has already sold a large number of Model 4s, therefore this issue needs urgent action. We have not published our figures yet, but I am sending you this report as a courtesy so that you have time to plan and react accordingly. Please find the full report attached, it will be published on Wednesday.


Regards, Tom Bristol

Consumer Safety Bureau

 Model 4 2018 braking system intensive testing figures



- a) What are the three things wrong with the Model 4's brakes?
- b) How far should a car be able to drive before brake failure is acceptable?
- c) Why is Mr Bristol sending Doyola the report before it is published?
- d) How do you think Doyola should react to this situation?

 **2. You are going to listen to a meeting between Lila and her boss after reading the email above. They use the phrases below. Match the phrases to their definition.**

- | | |
|-----------------------------------|---|
| a) A laughing stock | 1. To make a mistake. |
| b) On a need-to-know basis | 2. To plan too far into the future, or to make too many assumptions about what will happen in the future. |
| c) To drop the ball | 3. People are only informed about this if it is absolutely necessary. |
| d) To drop everything | 4. To focus on whose fault a situation is rather than looking for a solution. |
| e) Ballpark figure | 5. Something many people make fun of. |
| f) To get ahead of (sb) ourselves | 6. To stop everything else (usually so you can focus on something more important). |
| g) Track record | 7. A rough estimate. |
| h) To play the blame game | 8. The past performance of a person or group. |



3. Ask and answer the following questions with a partner.

- a) Can you think of a time when you had to drop everything at work?
- b) Is there a company or product in your industry that is a bit of a laughing stock?
- c) How much do you think your car or house is worth (ballpark figure)?
- d) Can you think of a colleague who has a very good track record with something?
- e) When was the last time you or someone you work with really dropped the ball?

4. Listen to the conversation between Lila and her boss Christopher and answer the questions.

- a) What does Christopher say the PR department will need to do?
- b) How many model 4s have already been sold?
- c) What is Lila's suggested alternative to a complete recall?
- d) What three reasons does Christopher give for rejecting Lila's suggestion?
- e) Why didn't the CSB initially test the brakes as thoroughly as they normally do?
- f) What would be the approximate cost of the recall?
- g) Who does Christopher want Lila to tell about the situation?



5. Sometimes in stressful situations we need to use strong language to emphasize our point. Use the emphasizing phrases in the box to complete the sentences below.

under no circumstances	it's absolutely vital that	cannot afford to
out of the question	have no choice but to	priority needs to be

- a) The company is millions of dollars in debt, and has almost no revenue.
We declare bankruptcy.
- b) They're by far our biggest client, we simply lose them.
- c) I'm sorry but suing them is completely, we would definitely lose.
- d) This has to stay between us, should you tell anyone else.
- e) I know a lot of you are very upset, but our finding solutions, not playing the blame game.
- f) The situation is critical and we're running out of time, we act quickly and decisively.

6. Read through the 3 situations below and decide what is the best course of action with your partner. There are no right or wrong answers, and you may suggest more solutions than the three options given. Try to use some of the language from exercise 5.

You are the regional manager of a chain of chicken restaurants called Kalifornia Fried Chicken. You receive a frantic email from your supply chain manager telling you that he dropped the ball and miscalculated some delivery times. As a result your stores will not have any chicken for at least 2 weeks. Do you:



- Close your stores for 2 weeks with notices apologizing to your customers.
- Keep your stores open but only sell items like chips and vegetarian burgers, weathering the storm of angry chicken-lovers.
- Source chicken from local supermarkets and farms, even though they will cost four times as much, losing your company hundreds of thousands of dollars.

You are the head of IT security for a large chain of hotels. A hacker has breached your security, locking you and all other staff out of even your most basic systems. The hotels are unable to use the reservation making system, and are unable to even check new guests in. The hacker is holding your systems ransom, saying they will unlock them for the small price of 5 million dollars. Do you:



- Pay the hacker and update your security afterwards.
- Hire several other hackers to see if they can locate and identify the perpetrator.
- Completely overhaul all of your I.T systems, deleting your old systems and starting again.

You are the CFO at a struggling investment firm. One of your accountants was doing an audit of your company's tax declarations over the last 20 years and discovered a massive discrepancy in how much you earned in 2009 and how much you declared. Your company essentially evaded 5 million in taxes and somehow nobody has noticed until now. If your company has to pay the 5 million it will go bankrupt, and many people will lose their jobs. However, if the authorities discover this, it could be considered tax fraud. Do you:



- Immediately contact the tax office and inform them of the error.
- Find out how the mistake was made so you can get your tax advisors to make the same "mistake" on this year's tax declaration.
- Try to sweep it under the rug, it was more than a decade ago, and your company cannot afford to pay 5 million right now.



7. Christopher has just had the meeting with the board of directors and is talking to Lila again. Listen to the audio and answer the questions.

- a) What does Christopher think is the cause of this crisis?
- b) How does Lila correct Christopher's English, and how does he react?
- c) What 3 departments does Christopher believe will be particularly needed in the recall?
- d) What inappropriate joke did Lila make?
- e) Why doesn't Christopher want to start an investigation yet?
- f) How does Christopher feel about doing the recall and why?
- g) Do you think Doyola is taking the right course of action? Why or why not?



8. Optional task/homework: below is a list of real-life company crises. Choose a crisis that looks interesting to you, research it, and next lesson present what you found to your class. Your presentation should contain what the crisis was, how the company reacted, and what was the outcome of the crisis.

- *Johnson and Johnson* (poisoned Tylenol).
- *Starbucks* (unionization).
- *FTX* (fraud and cryptocurrency).
- *Dell* (flamethrower laptop PR crisis).
- *Boeing* (two airplanes crash).
- *KFC* (runs out of chicken).
- *Hotel Marriot* (data breach).
- *Pepsi* (Kendall Jenner ad)