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Crisis management – Guidance and good practice

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Foreword

Publishing information

This British Standard is published by BSI Standards Limited, under licence from The British Standards Institution, and came into effect on 31 May 2014. It was prepared by Technical Committee SSM/1, *Societal security management*. A list of organizations represented on this committee can be obtained on request to its secretary.

Supersession

This British Standard is based on PAS 200:2011, which is withdrawn.

Use of this document

As a guide, this British Standard takes the form of guidance and recommendations. It should not be quoted as if it were a specification or a code of practice and claims of compliance cannot be made to it.

Presentational conventions

The guidance in this standard is presented in roman (i.e. upright) type. Any recommendations are expressed in sentences in which the principal auxiliary verb is “should”.

Commentary, explanation and general informative material is presented in smaller italic type, and does not constitute a normative element.

Contractual and legal considerations

This publication does not purport to include all the necessary provisions of a contract. Users are responsible for its correct application.

Compliance with a British Standard cannot confer immunity from legal obligations.

Introduction

This British Standard sets out the principles and good practice for the provision of a crisis management response, delivered by the top management of any organization of any size in the public or private sector. The intention of the standard is to aid the design and/or ongoing development of an organization's crisis management capability.

The standard is intended for:

- a) top management with strategic responsibilities for the delivery of a crisis management capability; and
- b) those responsible for implementing the crisis plans and structures and for maintaining and testing the procedures associated with the capability, who operate under the direction of, and within policy guidelines, of top management.

The standard provides guidance for:

- 1) understanding the context and challenges of crisis management;
- 2) developing the organization's crisis management capability through planning and training;
- 3) recognizing the complexities facing a crisis team in action; and
- 4) communicating successfully during a crisis.

The standard has close links with other standards and documents, published and in preparation, including those on:

- i) business continuity (BS ISO 22301);
- ii) resilience (BS 65000);
- iii) information security (BS ISO/IEC 27001, BS ISO/IEC 27002 and BS ISO/IEC 27032);
- iv) exercising and testing (PD 25666).

The standard is not set out as a specification, recognizing that crisis management varies from organization to organization and sector to sector. The standard is concerned chiefly with the principles behind crisis management and the development of the necessary capabilities that are applicable to any size of organization.

A capability to manage crises is one aspect of a more resilient organization, where resilience is the ability of the organization to endure and continue through all manner of disruptive challenges, and to adapt as required to a changing operating environment. Resilience requires effective crisis management, which needs to be understood, developed, applied and validated in the context of the range of other relevant disciplines that include, amongst others, risk management, business continuity management and security management.

The capability to manage crises cannot simply be deferred until an organization is hit by a crisis, in the hope that it will never happen. It requires a forward-looking, systematic approach that creates a structure and processes, trains people to work within them, and is evaluated and developed in a continuous, purposeful and rigorous way. The development of a crisis management capability needs to be a regular activity that is proportionate to an organization's size and capacity.

1 Scope

This British Standard gives guidance on crisis management to help the top management of an organization to plan, establish, operate, maintain and improve a crisis management capability. It is intended for any organization regardless of location, size, type, industry or sector.

2 Terms and definitions

For the purposes of this British Standard, the following terms and definitions apply.

2.1 business continuity

capability of the organization to continue delivery of products or services at acceptable predefined levels following disruptive incident

[SOURCE: BS ISO 22301:2012, 3.3]

2.2 business continuity management

holistic management process that identifies potential threats to an organization and the impacts to business operations those threats, if realized, might cause, and which provides a framework for building organizational resilience with the capability of an effective response that safeguards the interests of its key stakeholders, reputation, brand and value-creating activities

[SOURCE: BS ISO 22301:2012, 3.4]

2.3 media communications management

pro-active engagement with the media to ensure that:

- a) accurate information is provided;
- b) coverage in the media, including social media, is monitored to assess positive and negative stories; and
- c) action is taken to provide accurate counterbalancing information where the organization's reputation is being damaged

2.4 crisis

abnormal and unstable situation that threatens the organization's strategic objectives, reputation or viability

2.5 crisis management

development and application of the organizational capability to deal with crises

NOTE See Figure 1 for a general framework for crisis management.

2.6 incident

adverse event that might cause disruption, loss or emergency, but which does not meet the organization's criteria for, or definition of, a crisis

2.7 interested party

person or organization that can affect, be affected by, or perceive themselves to be affected by a decision or activity

[SOURCE: BS EN ISO 9000:2005, 3.3.7]

NOTE Often referred to as "stakeholder".

2.8 risk management

coordinated activities to direct and control an organization with regard to risk

[SOURCE: ISO Guide 73:2009, 2.1]

2.9 situation report

summary, either verbal or written, produced by an officer or body, outlining the current state and potential development of an incident or crisis and the response to it

2.10 situational awareness

state of individual and/or collective knowledge relating to past and current events, their implications and potential future development

2.11 top management

person or group of people who directs and controls an organization at the highest level

[SOURCE: BS EN ISO 9000:2005, 3.2.7]

3 Crisis management: core concepts, principles and developing a capability

3.1 Understanding crises and how best to manage them

The definition in 2.4 captures the essence of crises, notably their extraordinary nature and strategic implications for an organization. An organization might have established processes for managing routine disruptions. However, crises can be dynamic and unpredictable, and become difficult to manage. Crises challenge organizations, their people, functions and processes unusually, and require dedicated and dynamic management and response.

Crisis management is the developed capability of an organization to prepare for, anticipate, respond to and recover from crises. This capability is not normally part of routine organizational management, and should be consciously and deliberately built and sustained through capital, resource and time investment throughout the organization.

Understanding the conceptual and practical relationship between incidents and crises is important, and Table 1 summarizes the key distinctions.

Table 1 Distinctions between incidents and crises

Characteristics	Incidents	Crises
Predictability	Incidents are generally foreseeable and amenable to pre-planned response measures, although their specific timing, nature and spread of implications is variable and therefore unpredictable in detail.	Crises are unique, rare, unforeseen or poorly managed events, or combinations of such events, that can create exceptional challenges for an organization and are not well served by prescriptive, pre-planned responses.
Onset	Incidents can be no-notice or short notice disruptive events, or they can emerge through a gradual failure or loss of control of some type. Recognizing the warning signs of potential, actual or impending problems is a critical element of incident management.	Crises can be sudden onset or no-notice, or emerge from an incident that has not been contained or has escalated with immediate strategic implications, or arise when latent problems within an organization are exposed, with profound reputational consequences.
Urgency and pressure	Incident response usually spans a short time frame of activity and is resolved before exposure to longer-term or permanent significant impacts on the organization.	Crises have a higher sense of urgency and might require the response to run over longer periods of time to ensure that impacts are minimized.
Impacts	Incidents are adverse events that are reasonably well understood and are therefore amenable to a predefined response. Their impacts are potentially widespread.	Due to their strategic nature, crises can disrupt or affect the entire organization, and transcend organizational, geographical and sectoral boundaries. Because crises tend to be complex and inherently uncertain, e.g. because a decision needs to be made with incomplete, ambiguous information, the spread of impacts is difficult to assess and appreciate.
Media scrutiny	Effective incident management attracts little, but positive, media attention where adverse events are intercepted, impacts rapidly mitigated and business-as-usual quickly restored. However, this is not always the case and negative media attention, even when the incident response is effective and within agreed parameters, has the potential to escalate an incident into a crisis.	Crises are events that cause significant public and media interest, with the potential to negatively affect an organization's reputation. Coverage in the media and on social networks might be inaccurate in damaging ways, with the potential to rapidly and unnecessarily escalate a crisis.
Manageability through established plans and procedures	Incidents can be resolved by applying appropriate, predefined procedures and plans to intercept adverse events, mitigate their impacts and recover to normal operations. Incident responses are likely to have available adequate resources as planned.	Crises, through a combination of their novelty, inherent uncertainty and potential scale and duration of impact, are rarely resolvable through the application of predefined procedures and plans. They demand a flexible, creative, strategic and sustained response that is rooted in the values of the organization and sound crisis management structures and planning.

3.2 The potential origins of crises

It is important for people at all levels of an organization to recognize the warning signs and understand that crises can be initiated in a number of different ways, summarized in the following three groups.

- a) **Extreme disruptive incidents that have immediately obvious strategic implications.** These can arise from serious acts of malice, misconduct or negligence, or a failure (perceived or actual) to deliver products or services that meet the expected standards of quality or safety.
- b) **Those stemming from poorly-managed incidents and business fluctuations that are allowed to escalate to the point at which they create a crisis.**
- c) **The emergence of latent problems with serious consequences for trust in an organization's brand and reputation.** Such problems can "incubate" over time, typically as a result of:
 - 1) a lack of governance allowing gradual and incremental slippages in quality, safety or management control standards to go unchecked and become accepted as a normal way of working;
 - 2) convenient, but unofficial, "workaround" strategies becoming the normal routine due, for example, to overcomplicated processes, unrealistic schedules, chronic personnel shortages and lax supervision;
 - 3) flaws in supervision and process monitoring, which promote an expectation of "getting away with" undesirable behaviours or being able to survive minor failures without reporting them, or over-reliance on controls to catch all errors, rather than an expectation of quality checks that catch only occasional problems;
 - 4) blame cultures that encourage risk and issue cover-ups and the lack of a shared sense of mission and purpose, which generate a defensive (if not actually hostile) "them and us" attitude between staff and management, between different parts of the organization and between the organization and external interested parties; and
 - 5) poor training and development of staff and managers, or incremental loss of skills and knowledge.

Many crises have characteristics of more than one type. For example, an extreme disruptive event might appear to have a relatively simple immediate cause, but further enquiries might expose systemic weaknesses in how the organization is managed, for example, relating to health and safety, exacerbating the initial crisis and further damaging the organization's reputation. Alternatively, attempting to manage an extreme disruptive event as an incident rather than a crisis can introduce a delay before the crisis is given meaningful strategic attention.

Crisis management strategies and actions should reflect the organization's objectives and values. The organization's failure to adhere to its core values (for example, a commitment to workforce and product safety) or meet the expectations of interested parties could make the situation worse.

3.3 Implications of the nature of crises

Crises are associated with highly complex problems, the full implications and nature of which might be unclear at the time. Possible solutions can have severe negative consequences, and decision makers at all levels might have to choose the "least bad" solution (see 6.4) and resolve (or at least recognize and accept) fundamental strategic dilemmas. These might mean that every choice comes with a penalty of some kind and there is no ideal solution.

Crises do not always involve direct threats to life or tangible assets, such as property. However, they frequently challenge organizations' intangible assets, for example, reputation, image and brand, so strategic leadership is particularly important during a crisis. The inherent uncertainty of crisis situations demands that the expectations of staff at all levels are made clear, and actions clearly and authoritatively directed. These should demonstrate a clear relationship to the core values of the organization (which define what the organization exists for and how others expect it to behave), give clear direction on how to make difficult decisions and emphasize the importance of clear and coherent communications during the crisis.

A crisis can force an organization to review, adjust or defend its choices, policies, culture and strategies, possibly under public and media scrutiny. However, it can bring new opportunities and benefits to the organization if handled successfully. Even if an organization is perceived to be at fault or blameworthy, the demonstration of integrity and compassion can offset, to some extent, the damage to its reputation and standing, particularly when the expectations of interested parties are not met. A well-managed crisis can demonstrate the positive qualities of an organization and enhance its general reputation.

A timely response to a crisis is critical. The organization should consider how it might mobilize its crisis arrangements at an early stage as a precautionary measure. Conversely, denial and complacency or delay amongst top management can increase the organization's vulnerability, hamper its response and degrade its capacity to recover from a crisis.

Successful crisis management requires flexibility and creativity, and might involve stepping outside the normal "rules" of the organization or its business environment and being prepared to defend or justify this. For the organization's leaders this requires clarity of thought, strategic vision, decisiveness and the ability to act in ways that reflect the core values of the organization. In particular, leaders should behave with compassion toward those affected by the crisis, and expect and encourage the same across the organization as a whole. Crises can be so extraordinarily demanding that no assumptions should be made about the ability of staff (of any seniority, grade or experience) to manage them and steer the organization out of crisis.

3.4 Recovering from a crisis: an integral part of crisis management

Managing a crisis typically requires sustained effort, and a failure to give the recovery effort adequate strategic attention can mean that good work during the response is undone, critical relationships with interested parties are neglected and potential opportunities are not grasped. Such lost opportunities might, for instance, include a failure to regenerate the organization, cease problematic activities or bring forward long-term development plans.

The implications of this are clear. Recovery should:

- a) start as early as possible;
- b) have a strategic direction from the outset; and
- c) create strategic opportunities.

3.5 Principles for crisis management

The organization's preparation for, response to and recovery from a crisis should always be consistent with the following overarching principles:

- a) achieve control as soon as possible;
- b) communicate effectively, both internally and externally;

- c) be prepared with clear, universally understood structures, roles and responsibilities;
- d) build situational awareness by good information management, challenge and collective working;
- e) have a clear and well-rehearsed decision-making and action driving process;
- f) effective leadership at all levels of the organization;
- g) ensure people with specific crisis management roles are competent through appropriate training, exercising and evaluation of their knowledge, skills and experience;
- h) maintain a comprehensive record and policy log of all decisions taken, including the facts known at the time and any assumptions made; and
- i) learn from mistakes and make changes to prevent their reoccurrence.

4 Building a crisis management capability

4.1 Introduction

Even a well-prepared organization can find crises challenging. Although successful outcomes can never be guaranteed, having a well-developed and embedded crisis management capability enables the organization to avert crises where possible, respond to crises that do occur in a manner that protects its assets, and learn from experience to improve practices through time.

4.2 Setting the crisis management framework

The development of a crisis management capability needs to be strategically directed from the top of an organization and implemented through a crisis management framework. One aspect of this is that top management should establish, define and document a policy for crisis management that:

- a) clearly and concisely outlines their objectives in managing a crisis;
- b) describes in broad terms how they intend to realize these; and
- c) makes plain their commitment to high standards in crisis management.

The policy should serve as the basis and business case for the further activities related to the planning and implementation of crisis management procedures.

The policy statement should identify those responsible for its different elements, overall coordination and embedding crisis management as a mainstream activity. It should also establish priorities, and timelines and standards for the delivery of key elements of the organization's crisis management capability, as well as resources as appropriate. Mechanisms of review should be included, to ensure that the policy continues to be supported and remains consistent with the overall strategic objectives of the organization, and that progress is monitored and evaluated against the agreed deliverables.

Roles and responsibilities required to implement all crisis management capabilities should be identified, documented and communicated. Consideration should be given to people's knowledge, skills and experience. The organization should consider the resources needed for each element of the capability and the associated requirements for training. It should also appoint a person(s) with appropriate authority to be accountable for the development and implementation of crisis management capability, and its ongoing maintenance and management, across the whole organization.