

## **Crisis Management (MGT 401)**

Syllabus

Fall 2012

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### **Required Text**

#### **Crisis Management in the New Strategy Landscape (CM)**

William Rick Crandall (Editor), John A. Parnell (Editor), John E. Spillan (Editor), Sage Publications, 2009

### **Course overview**

The pepper-spraying incident on the Davis campus, a few weeks after the end of this course last year, presented the University with its very own challenge in crisis management – and has provided us with one of our case studies for this class. In fact almost every week in the US and also overseas companies, universities and public sector organisations find themselves under the intense gaze of government, the law, competitors, the public and other stakeholders as they seek to manage – and more often *mis-manage* – crises of one kind or another.

This short course operates at both a strategic and a highly practical level, and students will become confident in toggling between the two – learning to anchor crisis management firmly within overall strategic management, yet simultaneously acquiring a set of useful, practical tools and techniques to be used in planning for possible crises, and in handling actualities ‘in the moment’.

The course will be based on the excellent required text, which is accessible, engaging and remarkably up to date, and contains many good case studies. Additional case studies will also be provided on Toyota, Union Carbide and Virginia Tech. Students will be encouraged to relate the course material to their own workplace within a safe classroom environment. The course will focus on managing crises in the private sector, but also examine parallels in government, the public sector more generally, and the not-for-profit sector.

Numerous examples of best practice will be examined, including the classic Johnson and Johnson (Tylenol), Odwalla Foods, Mattel, and Pepsi. Equally crises will be examined and analysed which were badly handled - failing to avoid, address or contain negative stakeholder reaction – in those cases where important lessons can nevertheless be learned.

The course will establish and explore the defining characteristics of crises – (a) a threat to the organisation, (b) an element of surprise, (c) a short decision time, and (increasingly in the 21<sup>st</sup> century) a fourth element, the need for consequent change. It will also look at the very interesting work of Erika Hayes James, from Darden, on ‘sudden’ versus ‘smouldering’ crises.

## Learning outcomes

By the end of the course students will:

(1) Have a conceptual framework for incorporating crisis management within a broader approach to strategic management. This framework will enable them to relate crisis management appropriately to:

- Risk management
- Emergency management
- Business continuity management.

(2) Be in a position to plan effectively for crises.

(3) Understand and be able to compute the potential effect of successful and unsuccessful crisis management on key stakeholders; on the corporate balance sheet/ organisational standing; and on shareholder value/ longer-term institutional value.

## Summary of course

The course employs a four-stage crisis management framework:

- i. Scanning the Landscape - anticipating crisis events
- ii. Strategic Planning - setting up the crisis management team and plan
- iii. Crisis Management - addressing the crisis 'in the moment', and
- iv. Organisational Learning – applying lessons from crises so they will be prevented or at least mitigated in the future.

Key features of the course include:

- Introducing crisis management through *chaos theory*
- Showing how ethical issues within management can contribute to crises and what can be done to avoid this
- Understanding what needs to be done after a crisis ends, and why it is important not simply to return to business as usual
- Providing a detailed outline of items to include in a crisis management plan
- Considering how crisis management plans and teams will (need to) look in the future.

## Course plan

The course is organised in Davis over four Thursdays in October 2012, from 12.10-2.30pm.

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October 04	<b>A framework for crisis management</b> <b>Context and drivers</b>	CM, chapters 1-3
	Students should come to the class prepared to present a clear example of good or bad crisis management, and to provide reasons for their assessment.  They should also have read the first five chapters of the required text	
October 11 Afternoon	<b>Strategic planning and vulnerability assessment</b> <b>Setting up the crisis management team and plan</b>	Chapters 4 and 5
October 18 Morning	<b>Organisational strategy and crises</b> <b>Taking action in a crisis</b> <b>Crisis communication</b>	Chapters 6-8
	<i>Assignment due:</i> short crisis management plan for an organisation of your choice – with a practical focus on elements to be included	
October 25 Afternoon	<b>Learning from crises</b> <b>Ethics and crisis management</b> <b>The future of crisis management</b>	Chapters 9-12
	<i>Take home exam:</i> students will be provided with a case study of an organisation complete with its current crisis management plan. The case will also contain information on the landscape, organisational strategy, the culture of the organisation, specific sectoral risks, and the organisation's history of managing crises.  Students will be asked to: <ul style="list-style-type: none"><li>• review the current crisis management plan in light of the information contained in the case</li><li>• construct and justify a new plan</li><li>• indicate which factors will need to be monitored and managed on an ongoing basis</li></ul>	

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## Course evaluation

This course is graded on a Satisfactory/ Unsatisfactory basis, rather than by letter grade.

*Class participation* – 10%

This is a hands-on practically oriented course and students will be assessed on their level of engagement throughout the course.

*Crisis management plan* – 40%

*Take home final* – 50%