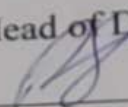


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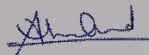
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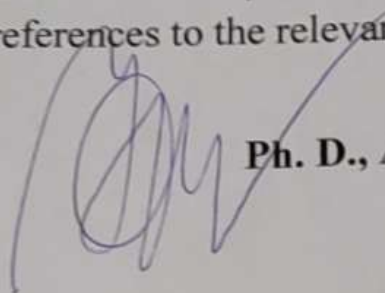


Ahmad Khalid Rasuli

Applied for a Bachelor's degree.

Bachelor's thesis contains the results of my research. The use of ideas, results, and texts of other authors have references to the relevant source Ahmad Khalid Rasuli

Scientific supervisor



Ph. D., Associate Prof., Senior lecturer

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Sumy 2022

ANNOTATION

The bachelor's thesis examines the theoretical and methodological foundations of the formation of the crisis management in modern enterprises.

In this regard, the appeal for the formation of a personnel management system in state enterprise is relevant and necessary. The paper presents an assessment of crisis management in modern enterprises.

The method of empirical research is presented and substantiated, the main problem is highlighted, the preliminary analysis of the object of research is qualified and hypotheses are formulated, methods of analysis are chosen and substantiated.

STRUCTURAL ABSRACT

The structure and length of bachelor's thesis. The thesis consists of introduction, three chapters, conclusion, list of references. The length of the bachelor's thesis is 34 pages, including list or references.

The aim of the thesis. The main aim of the thesis is to assess the crisis management in the modern enterprises and to identify the key strategies for the improvement of the work of the crisis management departments in the modern enterprises.

According to the main aim the following objectives were identified:

- to reveal the theoretical and methodological foundations of crisis management in the enterprise. Economic and statistical methods (grouping, comparison, average and relative values, correlation analysis)
- to analyze the state of crisis management of the enterprise. Economic analysis, synthesis, comparison;
- to substantiate the recommendations for improving crisis management in the enterprise.

Subject of research is the relationships, which are formed during the process of planning, organizing, and evaluating the efficiency of procurement activity between the studied company and its suppliers and clients.

Study object is the activity regarding the determination of the nature, components, and characteristics of the crisis management system and the importance of management for the company; identification of the features, roles, and methods of controlling in the personnel management system.

Research methods. The theoretical basis of the research was the position of foreign and national economic science in management. Various methods were used to achieve the set tasks. Methods of theoretical generalization and comparison (analysis and synthesis, induction and deduction).

Approbation of the results. The main outcomes and results of the bachelor's thesis were presented at the PK

Key words: CRISIS MANAGEMENT, RISK, TEAM, STRATEGY, POLICY, ANTI-CRISIS.

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INTRODUCTION

The contemporary business world has certainly certified the necessity for businesses to expand their operations in a changing environment that includes fierce competition, new entrances into the market, fortifying their internal settings, daily technological advancements, and many other factors that make it difficult for businesses to bring the required adjustments or survive in the market. During these crisis, many organizations fail to manage a secure close out, while others might succeed by choosing the right type of strategies. Although, a wide of range of policy makers and strategists formulated various theories on dealing efficiently with crisis inside organizations, the nature of the crisis differs from one organization to another, therefore, it is critical for every organization to identify their potential obstacles, and go all out to manage a way out, without severe consequences to the structure of the organization. This paper intends to investigate the objective of crisis management in modern enterprises, methods on how to avoid falling into these crisis, and how to successfully come out of the existing crunches.

CHAPTER 1. CRISIS MANAGEMENT AS OBJECT OF ORGANIZATION'S MANAGEMENT

1.1. Crisis management: definition and goals

The purpose of crisis management is to establish a system that can successfully handle the integrated reaction, resources, and internal and external communication required during and after a challenging situation (Boin, 2008). The technique used to do all these activities will have an influence on one's company image and survival. The process of change is always difficult, and its success necessitates multi-faceted methods since it impacts all parties involved. The way a company embraces transformation is critical to its success and long-term sustainability. Changes are inextricably linked to risks, thus it must be properly managed in order to remain effective. In fact, the aim is to identify the essential elements that should be taken into account, while bringing critical organizational changes. Moreover, throughout organizational operations, companies have to bring incremental changes, where minor adjustments are needed, intermitted changes, where notable change is required, proactive change, when a change is initiated, but no need for instant response, and a change when organizations need to act quickly without profound investigation.

Crisis management is a comprehensive strategy that involves the entire business in attempts to prevent and successfully handle crises that may damage the company. While functioning beneath extreme conditions, the purpose of organizational crisis management is to make quick choices based on the best data and clear reasoning. In organizational context, it's the entire process of assessing, planning, and putting methods in order to assist an organization with a major

unpleasant incidence. In its true nature, the crisis management is both reactive and proactive, if applicable crisis strategies are in place, useful measurements and preparations might be made in an advance of any incidence or severity. During a crisis, effective judgments find a balance between immediacy and clarity. That is, despite uncertainty and inadequate knowledge, key judgments and decisions may be made fast — but not impetuously. Organizations may more easily recognize and achieve this equilibrium with the help of crisis management. Once managers recognize the value of structural crisis-management planning, they could indeed start by categorizing conceivable and unexpected types of crises. We have numerous examples in the business world that can instantiate different type of crisis and some feasible strategies on how to solve or even avoid the crisis on the spot. The 9/11 attacks serve as an example. Companies were not ready for terrorist attacks, but they were equipped to quickly relocate and evacuate personnel in the case of emergency. Codes and networks established for other future disasters were effective in immediately checking the health and identification of personnel in several firms (Boin, 2008). Most firms were capable of activating hot zones as a result of data security measures established in response to Y2K concerns, allowing them to restore their information, equipment, and operations instantly in safe, off-site places. As these organizations saved time and money, they also reduced employees' tensions.

Proactive policies and decisions can help companies prevent or efficiently handle the sorts of problems that are most likely to occur. Managers and other important crisis-management people convene in well-prepared companies to discuss tactics for educating, improving, and even creating additional, inventive solutions for coping with the unexpected. No organization can or should strive to prepare for all disasters that could jeopardize their business operation. Rather, having a portfolio of answers to various clusters of disasters enhances the possibility that, in the event of a crisis, individuals would think rationally, adapt to cope with the present issue,

acquire data fast, draw conclusions, and take action to provide the best possible reaction. Some businesses should first overcome the misperception that can result from overconfidence. For his management book, Steven Fink polled top 500 CEOs of big companies around the world and discovered that 89% of respondents believed that businesses crises were unavoidable. Half of the respondents believe that they did not have any initial plan, however, 97% were still convinced they will efficiently handle the crisis (Waryjas, 1999). We can argue that this overwhelming number of positive responses and about their success has created overconfidence. It's also fostered by a shortage of innovation. When one considers the panorama of prospective disasters, it is evident that more preparedness and humility are required.

Anybody who accepts responsibility in a crisis will be recognized first and foremost for their bravery. Nevertheless, if the crisis is not resolved in a reasonable amount of time, the reputation of the manager starts to fade away. The person involved in managing the project is recognized more as failed manager. Stockholders start to withdraw all of their investment, initially in private than in media. However, the obstacles are great – In such a hectic setting, it's impossible to get a clear image of what's going on. The stress of being forced to make judgments based on incomplete knowledge. The demand for factual data significantly outnumbers the number of major and trustworthy providers of such data. Uncertainty about whether the actions performed will be effective enough. The never-ending barrage of condemnation Finally, there's the dread of failing to meet the challenges. Although every crisis has different dynamics, mostly every crisis can be predicted in three phases.

Every crisis starts with a shocking event. aircraft accident, a factory explosion, or the outbreak of the coronavirus are all examples of shock events that start a crisis. This has one distinct advantage: everyone engaged is instantly aware of what has occurred. Seemingly on its own, the organization enters crisis mode. Creeping crises,

on the contrary, are deceptive, dispersed, and challenging to see, such as a bank whose earning power is steadily eroding or a government whose credit is slowly spiraling out of control. The first indicators are frequently inconspicuous. It can activate unconscious suppression processes, leading to people intuitively concealing up flaws or just find ways to deal with them. You believe that you do not need to hurry into anything. Perhaps the difficulties will disappear on its own, and despite the difficult conditions, things aren't going that poorly after all. Even a decent manager will struggle to persuade staff to take dramatic steps in such circumstances.

Second, the key issue in the period of confusion is that the person in charge is not yet in a situation to build a decisive analysis of the deficiencies. Internal cover-up or trivialization efforts are usually the first thing that one encounters. Most of those engaged initially consider self-defense or just avoid the situation. Furthermore, it is impossible to assess and balance all aspects of the problem at this time. Nonetheless, action is typically required since even inaction can have much further implications. Simultaneously, an avalanche of media study begins. Every information, Every information, whether real or false, serves as evidence that the worst concerns are correct. Since people in charge may not know everything, a charge of continuous cover-up may be leveled. A true spiral of distrust develops, which might progress to the point where one's own well-founded reasoning clash with a wall of communal information denial. In these situations, the ideal thing is to move forward with your work. During this phase, the manager should first take down the organizational levels that are obstructing the circulation of primarily negative information, and then do everything necessary to get all the things on the table. It's also vital not to leap to conclusions too quickly and not to provide the public with any euphemism knowledge, no matter how tempting it is. The period of confusion is also the moment of quick action. This might entail forming specific task groups, changing personnel who are less crisis-resistant, or shutting down any loss sources

right once. The scenario is exacerbated by the fact that throughout the time, some of the in command personnel will be more worried with their own safety than with the situation as a whole.

In the crisis management phase, you should first make a detailed analysis of the issue and clearly describe what you want to accomplish. This is challenging in and of itself since, first, there will always be competing aims and, second, objectives can never be attained all at once. After the objectives have indeed been specified and prioritized, it is time to organize management activities both structurally and individually, identifying duties, creating decision-making process, interaction, control, and personnel repercussions. All of them are incredibly complicated processes with several pitfalls (Hamidovic, 2012).

1.2. Basic stages of crisis management:

Pre-crisis phase:

Planning and taking precautions are the important things to note. Relying on knowledge, experience, and planning give you a major advantage over the period of tackling the challenge. In fact, at a time planning on schedule will save golden time for the managers. It is important to note that whenever your management team starts pre-crisis preparation, you must first consider the types of crises that your firm and its various divisions could experience. To study an example of a precrisis phase, A search warrant is served on one of the Main office by the FBI or whichever government entity. A dissatisfied employee with a fanatical lawyer files a whistleblower case, stating what appear to be absurd and impossible allegations at first glance. The agency's external auditors suggest that some key transactions or other alleged accounting fraud be investigated independently. There will come a time that

several previous and existing employees accused the CEO of the company of sexual harassment. Due to suspicions of corruption charges, the CFO resigns. None of these could be shown to be accurate in the end, but what if there are enough unfavorable or doubtful facts and situations to substantially harm the professional image regardless of the end result?

The actual preparation begins after your organization has a sense of the different kinds of situations you could encounter. Forming a 'Crisis Team' is the first stage. The Team should include representation from all vital business sectors, as well as vacant positions that may be selectively filled depending on the situation.

Core Crisis Team Members:

- CEO
- CFO
- Broad advices and Outsourcing

Top-level Managers form:

- Marketing
- Human resource management
- IT
- Investment relations
- Public and governmental relations

The leader should be picked for attributes such as assertiveness, organizational expertise, and visibility. The Team Leader will be in charge of assessing emergencies and putting together the Team, as well as filling vacancies with professionals and maintaining interaction during the crisis. Following the selection of the Group, the following stage is to ensure that no time is wasted on communication during the crisis. A printed contact list must be kept in the wallet or planner of every group member and potential group members (such as experts) as well as their assistants. A central meeting location should be set up ahead of time.

Almost any company's headquarters must have a designated "Crisis Central." A big meeting room is frequently a suitable option. All Employees must be able to reach the area, which must have both main and redundant communications. Depending on the type of the situation, the organization might be reliant on media sources for evidence in the early phases. If the crisis occurs anywhere other than the Team's predetermined area, the communication equipment should be sent as soon as possible. In addition, building relationships is yet another important step in the pre-crisis phase. In fact, developing relationship with external enterprises that you may call upon in a crisis. Team building and establishing connections are critical tasks that are best undertaken throughout normal company operations rather than during a crisis. If there are injuries or property destruction to persons or other companies as a result of the crisis, regional relief groups, particularly the Red Cross, should be considered. Keep in mind that the Team's obligations do not cease once the crisis has passed. If post-crisis treatment. A program for processing documents effectively and efficiently is another essential component of pre-crisis management. All "papers," whether they be printed, taped, or digital, must be covered by this software. Executives need to recognize that papers are the fire that fuels litigation and that litigation itself may be a disaster. The following recommendations should be taken into account, when dealing with retention program. (Waryjas, 1999)

- The Documents that are intended to counsel should be privileged and kept highly confidential.
- Ask employees to really imagine presenting the document they want to create in front of a jury, and whether they still want to go forward.
- Making sure the company has a plan in place for the elimination of records that are no longer in use. Every business has a complicate set of regulations for document retention and company counsel should be involved in any documents retention program.

Finally, it is the right time to gather all documents and put it on a written action plan. Then share them with prospective participants in a multiple formats. This written action plan should be available at every field office, and every employee must be aware of its location. Contact number lists, personnel lists, the firm's protection history, public recognition and achievements, a corporate information sheet, important staff descriptions, list of medias are various sorts of factors you would want to include in the plan. After the written plan has been distributed, it should be exercised at least once year to identify its strengths and weaknesses. Strategy meetings that incorporate some research and model construction should examine the Plan. Discuss how the enterprises might have reacted to the same sequence of events in light of problems hitting other businesses. Gain knowledge from other people's accomplishments and mistakes.

The first crisis hit:

Identifying a problem is the first step in dealing with it. Despite the fact that this may seem obvious, far too many corporations have a tendency to think that situations 'are not that serious'. (Boin, 2008) There's a good chance that things it's worse than you realize and won't go better without preemptive internal effort. Assess the information as you are an agent of a legal entity, media representator, or a random respondent. It is critical to have clear communication and take aggressive action, as it is a major component of management. Remember that being proactive, being honest, and putting the needs of the client first are the cornerstones to good crisis management. Being too preoccupied with the operational aspects of a problem in a crisis and losing sight of the human factor is a guaranteed path to failure. The crises' fundamental issues must undoubtedly be resolved, but long-term harm to the company typically results from damaged reputation, trustworthiness, and consumer loyalty. Let's take the example of Intel and its Pentium crisis. A university professor warned Intel to a mathematical miscalculation issue with its Pentium processor, but

his proposal was politely rejected. The professor published his findings to medias and it can be found throughout the internet. Expectedly, intel did not valued the criticism, since they were confident of their professional design and reputation. A defect that the majority of users will never experience received a ton of unfavorable publicity. Unsurprisingly, few individual customers accepted the company's offer of a new chip once it was officially released. Two crucial insights may be learned from the Intel situation. The first is that disasters frequently revolve around how customers perceive them, and this should be approached with a customer-first perspective. For this reason, the Crisis Team must include a Senior Executive from Marketing. The next lesson is that each enterprises should include a single employee or a single, manageable unit responsible for taking in, handling, or at the very least assessing consumer complaints and issues. The company's attitude towards customers satisfaction resulted in major financial and PR drawbacks.

Effective crisis management entails assertiveness. In these situations, time is of the essence. The demands on your schedule are high, in addition to the fact that the incident itself typically calls for a quick reaction. it is necessary to acquire, classify, and assess information. There will be requests for feedback from sources and things you did not even know existed. The reality is that many factors rapidly increases their involvement and has enormous implications, such as money, careers, and occasionally even lives. The main time-saver is the comprehensive preparation time-period that the organization has already finished. Procedures and protocols increase effectiveness and encourage information flow. The Team must exhibit firmness, assurance, as well as a fair amount of curiosity and humility. Choose professionals who can manage stress properly. It is preferable to take some sensible and thoughtful action than none at all. consumers will ask for answers, particularly those who are personally affected by the disaster. It must be the most suitable reaction given the situation.

Clearing the crisis phase:

Just because the crisis has passed, this does not mean that careful preparation and the teamwork for handling crisis can be abandoned. In fact, the company should instill “crisis” and pathways to tackle them in their core objectives and definition. Once the initial crisis has been resolved, it is best to learn from the aftermath, investigate, and focus on the foundational causes of the crisis and formulate different blueprints to prevent its repetition. In the meantime, the enterprises should not overlook the significances of human capital of the company, and building mutual trust among employees after coming out of such crisis. The Crisis Team must reassess the Crisis Plan over time in perspective of the individuals' accumulated understanding of real situations. There will undoubtedly be elements of the Plan that were successful and some that require revision, removal, or replacement. The post-crisis consumer plan and legal plan must also be taken into consideration. Regardless how efficiently the team manages crisis, consumer loyalty must be restored, and litigation will inevitably follow any significant crisis. Customers should be assured be of that the firm was making every effort to handle the situation in a straightforward manner and had adhered to the instructed protocols. To build back the trust of employees, marketing and sales department should make calls, create quick innovative initiatives and pay enough attention to their loyal customers. A plan for handling and resolving all present and threatening litigation must be developed concurrently by in-house attorneys external litigation professionals. To reduce the firm's financial susceptibility from the catastrophe, management team should also work collaboratively with insurance providers companies. In the end, though, the most crucial post-crisis recommendation is to study from the circumstances and errors that caused the catastrophe (Waryjas, 1999). Even if the firm has nothing to do with the crisis' development, there are still things that can be done to strengthen the organization's action plan and prevent future ones. When the crisis is over, the

enterprises should go through their evaluate their performances and how can they identify new opportunities, minimize the degree of potential risks, and build an image of trust and integrity.

1.3. Main prerequisites of crisis management actions

The teams for managing crises must be designed for durability and being adaptive to challenging times. By preparation, planning, and implementations organizations can achieve optimal result and confront the crisis in the best possible way. Here are five different crucial requirements for the management crisis that every enterprises need to develop and maintain in their action crisis plan.

- **Team structuring:** without a solid structure for crisis management team, there is essentially no prospect of navigating through a crisis effectively. The team must be structured in accordance with the organizational structure of the particular business as part of the broader crisis preparation process. However, there are important functions that are present in the majority of team organizations. Every planning, for instance, must include who will manage the team. In a crisis, the team's manager the CEO, but not always—will make the final decision. These decisions comes from different department throughout organizations, such as Human resource management, marketing & sales, information technology, business development and more crucial responsibilities that are significant to the survival of the enterprises. Additionally, each business would need to consider what other functions would be necessary to include that are unique to their setting. Additionally, you should classify certain subject area specialists, possibly external consultants, who might be rapidly recruited to the team in the event of an

emergency, also, each area has to contain a sort of a backup, in case things do not go as planned. (Crisis conference, 2020)

- **Authority to make decisions & command:** Some companies do not have a CEO leading the Team, and senior executives does not have the power to make decisions. This is a blunder as it might generate inefficiencies and misunderstanding. Group members in this scenario would be less willing to make key judgments and undertake quick actions when they do not instantly understand they have the backup support of the organization they are presenting.
- **Oversight over the performances:** This crisis management team needs to be supervised by a checks and balance institutions, focusing on constant improvement. Regular tools for checks, control, and enhance performance tools are part of the most well-turned processes. For the crisis management, one inspection team should have an annual review of the entire planning and strategy, this will involve examination of the team's arrangement, with focus devoted to each team member's trained and exercised backup. Revalidating training methods is another aspect of evaluation, in addition to examining and responding to practice results and their established records. Since continuous improvement is the key, it is important to fill the gaps in previous records and provide valuable recommendation to enhance its viability.
- **Establishing a resilient & backup team:** There will come a time that only the CEO of the company directs the management team, with no authorized backup team. Occasionally, this could be mainly due to not having trust on the other employees. In every case, it is indispensable to have a backup or someone that could be replaced.
- **Relevant knowledge and experiences:** The organization's preparation will be tested, during different stages. You will discover that your dedication to

continued training and exercise has been successful at this point. The company and people in charge of carrying out the different strategies throughout a crisis would undoubtedly benefit from having a continuous training and exercise programs. Members of the crisis team with having experience may be a huge asset to the entire operation of the organization. Employees with having previous experience may be able to draw better conclusions and offer insightful recommendations to manage a way out of the crisis.

CHAPTER 2. ORGANIZATION OF CRISIS MANAGEMENT AT AN ENTERPRISE

2.1 Common approaches to crisis management at enterprises

Every enterprise, at some time during their activity, faces some situations that are detrimental to their existence, and they are trying not to be negatively affected by these unavoidable circumstances. The leaderships of the enterprises mostly try to deal with these critical situations; however, everyone in the organization must do their due diligence in effectively countering the crisis and preventing the problem from worsening.

Crisis management as a strategic policy has been with us since the industrial revolution. However, with the current rapid changes in the global economy due to the advancement of technology and globalization, it has become more and more essential in the skeleton of a well-working enterprise. To the level that most enterprises have an ever-standing office for the prevention and management of inevitable critical situations.

It is always better to prevent the occurrence of a situation that will negatively affect the workflow of the enterprise than to deal with it after it has started. Therefore, to ensure effective combat with crisis, the leadership must always be open to new knowledge and continuously attempt to learn new things about the industry they are functioning. This will help the administration know where the industry is going, when to act, and how to combat the newly uprising circumstances in the industry.

Furthermore, when the leadership sense crisis in the industry or within the enterprise, they must build a team from all levels and departments in the

organization. Crisis management should include legal teams, department managers, and the chief executive branch. The crisis management teams should figure out the roots of the problem, find factors that contributed to the emergence of the catastrophe, discover how to adjust to the newly emerging circumstance, and then give recommendations to the governing body of the crisis for the effective tackling of the situation. The governing body has to conduct thorough research of the problem and point out which area of the enterprise will be most affected by the emerging crisis. After that, it will be easier to figure out how to prioritize actions to prevent more significant problems and capitalize on the most pressing issues emerging from the situation affecting the organization.

Alongside this, every enterprise should have a pre-prepared crisis management plan. This crisis management plan should be even part of the business plan. The emergency crisis management pre-prepared plan should not be generic because one size does not fit all. Therefore, every enterprise should have its customized crisis management plan, which should be created considering the distinctive nature and structure of the enterprise. This customized plan will help the enterprise crisis management team address the main issues efficiently. The plan will differ from one enterprise to the other, but some general points that almost always need addressing across the industries are the stakeholders, crisis management team members, the chain of command, contingency plans, and emergency fund pools.

Controlling the situation within the enterprise organization and halting institutional harm are undoubtedly the most critical tasks of a crisis management team. Though, for most big enterprises controlling the public opinion about the enterprise play a vital role that cannot be in no way disregarded as their success is primarily dependent on how the public perceives them. Thus, a competent public communication team is a must for enterprises. Public communication should be run by not anyone the leadership thinks fits the position, but instead, they should be

someone who has held the same position in the same or other similar organizations. They should be able to withstand and manage the intense situation and work well under pressure. Every leader does not necessarily have excellent external communication skills, which is the reason they need to have people who would manage these situations for them.

Besides controlling the public opinion about the enterprise, they should monitor the brand through any means necessary. The enterprise should know the public's opinion about the enterprise, its products, and the leadership and make necessary changes just to show people that they care. This can be done in various ways through google alerts, mentions, and customer reviews. Moreover, there are sometimes harmful contents that are uploaded online solely for the purpose of undermining the credibility of the enterprise in the public eyes and are possibly most of the time funded or indirectly supported by hostile companies or/and individuals with personal grudges against the enterprise which should be dealt with or even deleted from the online platforms. The online monitoring team should be composed of very professional members who know how to deal with the public to promote positive thoughts and halt negativity from impacting the public opinion about the enterprise. While the internal executive teams work determinedly to solve the main problems the company is facing, the public communication and online monitoring teams bear an evenly essential task of how the public thinks of the efforts of the internal teams.

In conjunction with communication with the public, the involved teams should not disregard effective communication with other teams to manage the crisis the company is facing. Everyone should know what the other stakeholder is up to and what they can do to help more. Effective internal communication helps ensure a motivating working space for all co-workers. The enterprise's leadership needs to

aim to maintain good and professional relations with all the people working for the enterprise to make sure that the rivals do not benefit from the crisis in the enterprise.

2.2 Crisis management: team and tools

A crisis management team is a group of people empowered to make decisions on behalf of a company in case of a crisis. The crisis management plan should provide good guidance for the crisis management team when a potential crisis happens.

Creating an effective crisis management team requires examining individuals' personalities, capabilities, and emotions and certifying that they want and can work under stress and any unexpected situation to handle a crisis. Every crisis management team needs to have a manager. The required skills and abilities for a manager of a crisis management team primarily differ from one industry to another. However, there are some essential attributes that every crisis management team leader must possess, such as managing and leading individuals, good communication skills, coordination with other departments in the company, analysis and assessment of the potential damage, analyzing warning signs, and tracking events, and control of information.

A crisis management team should be able to handle the emotions of the team members and enterprise employees before, during, and even after the potential fallout from an emergency situation. Besides the emotions, the team members have to have the capability to measure the financial costs and effects of the crisis. They have to figure out how they can minimize the losses due to the crisis, protect human life, keep the reputation of the company, and respond to anything that would have the capability of threatening the stability and safety of the organization.

A crisis management team is always about ensuring that the organization is in good hands if an unexpected situation arises, which would have detrimental effects on the enterprise's stability, safety, and profitability. Therefore, the crisis management team must always keep in mind the worst-case scenario to be better able to determine the responsibilities of the members of the team, leadership, and the function of the members of the team as part of an action plan in dealing with the crisis.

The crisis management team is responsible for training the team members and other employees to act in a certain way as required by unavoidable circumstances. In conjunction with this, the team must be able and have the freedom to communicate with senior management and directors of the enterprise and other people in the company or outside the company if the implementation of a contingency plan is required. An effective crisis management team also needs to set aside time for official reporting regarding the team's preparedness for tackling a potential crisis and the implementation capacity of the contingency plans (Mogendorff, 2008). Having a crisis management protocol and emergency plan is not enough. Observations show that most planning and protocol cannot be carried out successfully without prior practice and a deep understanding.

Having a crisis management plan is one thing, but successfully carrying out the plan is entirely different. In order to ensure that the emergency plan is followed through successfully, the crisis management team is responsible for practicing, understanding, and recognizing the following four factors which would maximize the success rate of the emergency plans and protocols in action:

1. Analysis: The crisis management teams must outline the knowledge, skills, and procedures that are required for crisis management teams' determination of preparedness, the performance of the members, roles of the members, and their ability to work towards their goals objectively.

2. Objectives: the objectives of the training should have instructional plans and practices to help the individuals find out the signs of discontent, rising crisis, or closer analysis of the situations.
3. Instruction: Transparency and effective communication are indispensable in crisis management. Every team member and the supervising member should be aware and have full knowledge of how to behave, practice, and simulate exercises to ensure sufficient knowledge and understanding of emergency crisis plans in different scenarios.
4. Evaluation: Team members' understanding and strategic drills should be subject to regular evaluation to determine enough capacity to deal with crises.

2.3 Precaution methods to avoid crisis, risk analysis

It is critical to have crisis plans and preventive measures in place before the crisis emerges. The organizational crisis is like fingerprints, always unique. A crisis never happens the same as before; however, there might be similarities. It is crucial to have a pre-prepared plan to tackle a crisis, but we should not forget that one method that has worked or has been in place will most likely not work in another area which means that one size does not fit all. Enterprises that proclaim they will counter the emerging crisis as they did successfully counter them previously are destined to fail in their crisis management endeavor.

The first step in ensuring to prevent an organizational crisis is determining what can go wrong considering the enterprise's set-up, essence, and working area. Then the leadership and crisis management team have to point out the most realistic crisis scenarios and act to take the required steps to make the organization more

stable and do change what needs to be changed before it leads to a crisis. Research is an absolute must in the first step to constructing preventive crisis strategies to protect the brand and reputation of the enterprise.

The research for crafting effective counter-crisis strategies has to follow the following steps: (1) the crisis response team has to list similar enterprises and their crisis histories. The team needs to analyze the reasons for the crisis, the organization's crisis management strategy, and their strategy's effectiveness in protecting the enterprise. (2) The team has to do an in-house study of the enterprise and ask the leadership about their worries and what can go wrong in the organization. This is to find the opinion of the people who built the enterprise about the work. (3) after that, the crisis management team has to list the findings of their studies logically. These findings should be used to justify any change in the organization, saving it from unavoidable catastrophic situations.

CHAPTER 3. CRISIS MANAGEMENT PRACTICE ON EXAMPLE OF “DOMINOS”

3.1 Brief description of the scope of business activity of “Dominos” organization

Richard Allison, the Founder of the American global supply chain of Domino's Pizza restaurants, launched the company in 1960. About 15,000 Domino's locations were open. (Dominos, 2022). A network of restaurants that are both corporation and franchise-owned is managed by Domino's Pizza, Inc. U.S. Major retailers, Global Franchise, and Supply Chain are the three divisions through which it operates. The global franchise system controls the entire franchise system of the regions, the supply chain sectors manages the operations of the regional supply chain manufacturing centers. (CNN Business, n.d.). Each region has a different Domino's menu. Various Italian-American major meals and sides are offered on the existing Domino's menus in the U. S.. The biggest attraction is pizza, which may be ordered in a number of base and topping combinations as standard, specialty, or customized pizzas. Domino's introduced Asian pizzas in 2011. Pasta and chicken wings or other recipe options for customers.

3.2 The main features of the crisis situation faced

According to (PRSA, 2009), a few of Domino's Pizza's employees were responsible for the company experiencing a severe PR issue in 2009. In actuality, the two dressed in corporate uniforms contaminated some food items on a dull day

in a restaurant kitchen, put them into sandwiches and pizza, recorded a video, and then published it on YouTube. This video received over a million views in just three days due to its viral nature. The company recognized that social media has the power to turn relatively small blunders into serious marketing issues.

The fact that this terrible incident was a simple hoax and the perpetrators advertised their activities on social media were two unanticipated problems that sprang from it. Cons mostly use bogus accusations to disrupt a company's essential principles. In this case, Setzer and Hammonds falsely claimed their food was contaminated. Even if Domino's believed its claims to be untrue, the company was nevertheless obligated to establish a plan to avoid such incidents and take every precaution against this possibility.

In this dynamic environment, public relations professionals and other communication experts find it difficult to create messages and control the flow of communications. According to Schiller (2007), during times of crisis, customers are "[simultaneously] blogging, e-mailing, and uploading images out of fury and despair since the very people who should be listening to them aren't," while corporate communication gurus are crafting tasteful remarks (p. 16). Stakeholders, according to Bell (2010), transform into "interpretive communities" amid organizational crises and can enhance an organization's reputation through the knowledge they learn online (p. 148). Since "an organization's reputation is founded on the narratives established by stakeholders and disseminated across networks," social media enables stakeholders to select when, why, and how "reputational meanings are formed and spread" (Aula, 2011, p. 28, 30). On video-sharing websites like YouTube, which allow viewers and bloggers to be the co-producers of messages, this interplay between businesses and the public is particularly obvious.

According to Burgess and Green, YouTube users interact with the site "as though it [is] a venue particularly constructed for them and that] should therefore

meet their own individual interests" (2009). (p. vii). This might have an enormously positive or negative impact on businesses involved in crisis management. Examples include malicious users who might initiate a crisis, boundary spanners' incapacity to control the scope of this area, and the use of this platform to strengthen a brand amid a crisis. Just as customers may use social media to create problems for businesses and harm their reputation generally, businesses can use it to handle crises and improve their reputation. When the reputation of their business suffered from two workers posting a vulgar video exposing their disgusting food adulteration, Patrick Doyle, the president of Domino's Pizza, would finally come to understand this dynamic.

3.3 Anti-crisis functions leading to prospective solutions

Domino's main goals were to downplay the allegations against the firm in the YouTube video and to underline its dedication to employing trustworthy employees and food safety. Managing the responses to the video before it was formally taken down was the following problem.

The vice president, the communication team, and the other Domino's corporate employees reportedly received an earlier update on this scenario (PRSA, 2009). Then, in the first 24 hours, Vice President of Corporate Communications Tim McIntyre analyzed the situation and concluded that the movies were real. He then began to interact with "relevant audiences at the time [including] our social media people, our head of security, senior management team," according to Amy Jacques (2009) in an article published in *The Public Relations Strategist* (paragraphs 4, 7). The rogue employees were identified as Kristy Hammond and Michael Setzer by McIntyre in collaboration with the consumer protection organization

GoodAsYou.org, which initially informed Dominoes about the employee video. McIntyre claims that on Tuesday, the company was responding to tweets from customers who wanted to know if it was aware of the issue, what it was doing, and why it hadn't made a statement (Jacques, 2009). On Wednesday, Domino's Pizza President Patrick Doyle recorded an apology and posted it on YouTube.

Bloggers and journalists wrote about this incident in articles and case studies, offering comprehensive timelines and criticizing Domino's behavior (Jacques, 2009; Peeples & Vaughn, 2010). Domino's crisis communication strategies used a combination of scholarly analysis and best practices for crisis management derived from Arthur W. Page's principles of public relations management.

The corporation closed the business, fired the video creators, and deleted the tapes before pursuing legal action against them. Finding out if the infected food had been delivered to a client was one of the first steps; thankfully, it had not. Before the financial crisis, Domino had planned to register for Facebook, Twitter, and other social media platforms. The business decided to participate in the situation to connect with its loyal core audience. Because they concentrated on the 307 million Americans, they believed they made up the American market; the CEO chose to respond on YouTube even after garnering a million views rather than issue a press release. The media lambasted them for the first twenty-four hours because many believed they weren't doing enough to address the issue. The business recognized how important it was to maintain its reputation with clients. Domino's Pizza discovered how crucial it is to stay in touch with the online media scene. According to (Randallreilly.com, 2015), the company allegedly listened to its customers and eventually acknowledged that its product was terrible. The company launched a Pizza Turnaround campaign to solve its issues and reinvent its pizza. This was the subject of extensive media coverage, documentaries, promotions, advertising, etc.

A significant issue was presented to the organization's crisis management staff. Due to its lack of social media presence, the company was in a terrible predicament. Domino's had to choose between siding with the consumer, promoting their goods, ignoring criticism, and concentrating solely on preserving their brand. They had to deal with moral standards like justice, honesty, knowledge, and loyalty since they ran the risk of this problem damaging this crucial global organization.

Domino's has unquestionably understood the need to monitor social media for unwanted behavior regularly. The company learned how to reach out to concerned stakeholders by using the channels it learned about through this internet issue. The situation is so complicated that each crisis will call for a different response. The traditional press releases used to promote the bogus film failed to reach their target audience.

We learned important lessons about handling internet frauds from the Domino's YouTube debacle. These false claims, first and foremost, seriously undermine an institution's ability to maintain its financial viability. This specific instance seriously harmed the brand and customer loyalty. To refute any false allegations, businesses must thoroughly consider each risk. The most acceptable illustration of the use of social media in handling unforeseen occurrences and assessing preparedness for unexpected calamities came from this organizational calamity.

CONCLUSION

Establishing a structure that can efficiently control the coordinated response, resources, internal and external information needed during and after a difficult circumstance is the goal of crisis management. The effectiveness and long-term sustainability of an organization depends on how it approaches restructuring. Changes and risks are intricately intertwined, thus they must be effectively managed to maintain value. Actually, the goal is to pinpoint the crucial factors that must be considered while implementing significant organizational changes. While it is significant for every organization to work on different strategies to prepare, plan, and implement crisis management to obtain maximum efficiency.

Crisis management includes a thorough analysis of the ongoing organizational disaster. The basic stages of crisis management includes the pre-crisis phase, rely on planning and analyzing the crisis, consider the types of crises that your firm and its various divisions could experience. The management should assign a group to handle the crisis with investigating and unfolding every side of the crisis. This core crisis team should consist CEO, CFO, Board of trustees, head of each departments. The real challenge begins once the crisis actually happen. . Assess the information as you are an agent of a legal entity. Moreover, one should remember to not forget to support the human capital of the organization, and try to rebuild the mutual respect, loyalty, and trustworthiness. Finally, clearing the crisis phase arrives, this does not mean that careful preparation and the teamwork for handling crisis can be abandoned. Companies that successfully walks out of the organizational crisis make sure that to study from the circumstances and errors that caused the catastrophe review them and avoid repeating the same errors.

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