Managing Crisis Communications in the Construction Industries: A Pedagogical Approach

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Abstract

This paper explores best practices in the management of crisis communications in two global contexts. First, we examine safety statistics in the construction industries in the U.S. and China. Second, we demonstrate the human and environmental costs of major worksite catastrophes. Finally, composing the focus of this document, we describe the pedagogical approach of using originally-designed cases to prepare organizational leaders for managing crisis communications.

Key Words/Phrases: Crisis communications; crisis management; crisis management simulations; educating crisis managers; best practices in crisis communications; pedagogy and crisis management

1. Background Information

What do you think of when you first hear the brand name Tylenol, a Johnson & Johnson product? Or Union Carbide? Or what about British Petroleum and Domino's Pizza? On a global basis, these names elicit strong reactions because they are all associated with catastrophes or potential disasters that required careful management of unpredictable crises.

In 1982, deadly quantities of cyanide were placed by a disgruntled employee into capsules of Tylenol, J & J's extra-strength pain relievers. Seven people in Chicago died within days. But the successful management of this crisis resulted in the company re-establishing its credibility and eventually, reintroducing the brand to increasing success. How did they accomplish this? J & J's quick reaction flowed from the Johnson family's commitment to its credo of protecting people first and property second (Mission Mode, 2012).

Or can any of us forget the 1984 disaster in Bhopal, India, when Union Carbide accidentally released a dangerous chemical that killed over five thousand people and that injured thousands more? The scale of this tragedy was huge, and experts are still arguing about the cause (Union Carbide, 2014). But in terms of crisis management, one can still admire Union Carbide's CEO. Despite being advised by his executive committee NOT to go to Bhopal, the CEO chose to travel to India on behalf of the company. Taking personal responsibility for a crisis might appear to be unwise politically. In fact, however, the opposite is often true and might be seen as demonstrating Hemingway's definition of heroic behavior: "to act with grace under pressure."

Other crises have occurred when management of the situation was in short supply. British Petroleum's human and environmental disaster in the Gulf of Mexico was not managed well in terms of crisis communication management. CEO Tony Hayward stated to the United States House of Representatives that he was "out of the loop" about the decisions and processes in place on the rig. Moreover, "…the company failed to empathize with the plight of those most affected by the spill: the families of those who lost their lives and those whose livelihoods were threatened," (Kimberly, 2010).

One other high profile crisis should be mentioned. In 2009, employees at Domino's Pizza posted a video of adulterated food on YouTube.

The significance of this crisis – which went "viral," was handled immediately by a savvy group of executives at the company. To manage the potential crisis, Domino's Pizza decided to "…integrate the same medium that sparked the crisis." They managed the situation by communicating with stakeholders on a 24/7 basis using social media, including the Internet, Facebook, Twitter, and YouTube. So as Young and Flowers suggest (2012), communication and public relations specialists are now "struggling to craft messages and maintain control within a dynamic landscape."

1.1 Overview

We've chosen to focus on crisis management in the construction trades because activity by that group of industries signals growth on a global basis, both in developed and developing countries. We also selected these industries because of the dangerous nature of the work involved, which provides a rich source of information about crisis management.

The purpose of this article is twofold in nature. First, we intend to demonstrate the extent to which workplace sites in the construction trades are inherently dangerous. So we plan to show that this danger presents a set of human costs and public relations' challenges on a global scale. We report some of the available safety statistics and consider their reliability in two contexts: the United States and China. Second, and composing the focus of this document, we describe an instructional approach that will help to educate executives, leaders, and entrepreneurs who must be equipped to manage crisis communications.

By building "live" cases in these industries, we hope that companies in the construction trades will develop best practices and protocols for minimizing the human and environmental costs that result from inevitable accidents. Ideally, of course, it would be preferable to avoid these crises. But that would ignore the reality of unpredictable catastrophes that occur whenever people are engaged in the construction of buildings, railroads, power stations, and other features of a country's infrastructure.

1.2 Danger in the Construction Workplace

In the United States, approximately forty-five hundred workers were killed on the job in 2012, with some three million non-fatal accidents. The U.S. Bureau of Labor Statistics reports that these numbers reflect a significant improvement over the past two decades. The United States appears to be moving in the right direction, with OSHA (The Occupational Safety and Health Administration) playing an active role in monitoring workplace accidents. Safety training for construction workers is often mandated by industry organizations and by some governmental guidelines. Also, individual companies often make observable commitments to safety at the workplace. But the smaller the company and the more rural the setting, the less reliable the reporting of data might be. Research also suggests that OSHA is often understaffed in terms of field inspectors (U.S. Bureau of Labor Statistics, 2012).

In China, for the year 2012, The Economist reports that approximately seventy thousand people died in workplace accidents. But they also allege that these numbers are grossly underestimated due to managers who flout safety requirements (e.g., locking exit doors in factories) in order to meet production schedules. And the facts are often assumed to be inaccurate due to the practice of underreporting . Another source of unreliability of data is reported by The Washington Times (2010). For example, the newspaper refers to a Chinese labor bulletin that "…it is much more cost-effective for coalmine owners to buy-off the families…[rather] than to risk disclosure by reporting an accident, thus leaving many deaths overlooked," (2010).

This is not to suggest that China – a rapidly-growing economy and the world's second-largest as of 2014 – is engaging in more unethical practices than those in the United States. But this does suggest that both the United States and China must be more transparent at reporting worksite catastrophes. We also have in common an occurrence of what is known as the "Fatal Four" types of worksite accidents. These four kinds of catastrophes, according to the U.S. Bureau of Labor Statistics, are: falls, being struck by dangerous objects, electrocution, and being trapped between pieces of equipment, (2012).

So it is nearly impossible for us to know the true statistics. Regardless, in order to continue moving upward on its successful economic trajectory, Chinese business leaders must learn how to prevent and then manage worksite accidents more effectively. And if U.S. business leaders are serious about renewing their commitment to growth in the industrial sector, the management of workplace crises is equally important.

Crises might include natural disasters, workplace accidents, and other major catastrophes. Moreover, almost all crises lack predictability. And because these are typically high profile events, the crisis will likely attract considerable media attention. If U.S. and Chinese companies are unable to manage highly public catastrophes, their reputations and credibility will suffer, along with profitability. Also, the confusion that characterizes construction disasters is made more complex by the current groundswell of today's social media. Information overload, when combined with inaccuracy, encourages a climate that violates privacy for victims and their families -- while limiting a company's ability to get the real narrative told.

Given high accident and fatality rates in the construction trades in the U.S. and China, it is essential that educators and professional trainers should help organizational leaders - ranging from project managers to executives - at handling crisis communications. So how do we coach and encourage these leaders to acquire and practice those communication protocols that lead to the effective management of crises?

Driving all of our suggestions is the truth embodied in Patterson's statement that "…the media create the perception [of truth] following a crisis. Synthesized from his work (2009), various construction/contractor guides, crisis management techniques specified earlier (e.g., Johnson and Johnson, Union Carbide), and (4) our personal observations in the field, we recommend that the following guidelines should be adopted and then adapted to a company's unique culture.

There is simply no way to predict a crisis.

2. Guidelines for Crisis Management

Take Responsibility - for the problem and acknowledge the public's perception that a crisis exists.
Plan - each contracting company should have a detailed crisis communications plan that includes dealing with its employees, the media, and the community. Designate a spokesperson and backup ahead of time so that all questions are directed to a single point of contact.
Practice – the implementation of your crisis plan on an annual basis, and provide the means to train your entire "crisis team" professionally, so that they can interact with the press and community members with credibility and candor.
Know the Facts – do not lie, equivocate or avoid the tough questions. If you don't know the answer to a question, acknowledge this and get back to interested parties as quickly as possible. Be specific about a time when you will provide an update.
Respond Quickly – before stakeholders form their own, possibly incorrect conclusions.
Manage Press Relations with Journalistic Intent - be ready to answer these six, traditional questions: Who? What? When? Where? Why? How?
Think - like a neighbor, customer, or relative is help achieve and demonstrate empathy and understanding.
Restore Reputation - by focusing primarily on the core values that your company shares with the community and clients.

These best practices cannot be acquired at the abstract or theoretical levels. That is, we have observed that it is insufficient to memorize a list of principles or guidelines with the presumption that organizational leaders will enact them successfully when a real crisis occurs.

3. Instructional Model: a Simulated Case for Managing Crisis Communications

We argue that a "live case" situated within an industry and presented in the form of a short case, will create a set of opportunities for Planning, Practicing, Managing the Media, and then Restoring Reputation. Devoting at least a half-day to this kind of experiential learning is essential.

Participants at a training session assume the roles of company executives, managers, government officials, clients, and other stakeholders. They are assigned arbitrarily to different teams, one for each role (see Appendix A for a sample CEO "backgrounder," including links to computer sites and streaming, real-time media updates about the crisis).

Our approach to preparing company leaders for managing crisis communication consists of five phases:

1. Discussing and analyzing historically significant business crises in China and the United States;
2. Discussing the advantages and disadvantages of different short-term tactics and long-term strategies for managing crises in the construction industries;
3. Preparing to meet the press;

Each team assigns one of its members to assume the team's designated, stakeholder role. (e.g., CEO, subcontractor). Other members of that team then coach their colleague as he/she (1) acquires background information about the role and (2) anticipates difficult questions from the journalists. In short, only one member of each stakeholder team is represented on a panel to be questioned by all members of the press.

4. Interacting with the press while being taped; and
5. Debriefing the press conference while viewing selected clips. All participants analyze the playback for behavioral evidence of the crisis communication guidelines, individual public communication skill-sets, and the ability to rebuild reputation and profitability (see Appendix B for sample news clips for one stakeholder).

This simulation is designed to approximate the real demands and challenges faced by stakeholders who confront a crisis. So we enhance the reality of the experience by introducing unexpected phone calls, video messages, and live demands from families of the victims (played by actors). We use these tools and other forms of social media to interrupt a stakeholder's work in preparation for or during the press conference.

3.1 Abbreviated Case: Barron Electrical Power Station and a Televised Press Conference

Presented below is a highly abbreviated version of one of our original case crises. We wrote this for a utility company to illustrate the process of guiding project managers through an hypothetical catastrophe that occurred at an electrical power station. This allowed us to focus on accidents that might include all of the most common causes of construction deaths at worksites: falls, being struck by objects, electrocution, and being caught between pieces of equipment or machinery.

Here we describe: The Goals, Event, Stakeholders, Team Task, Press Conference Information, Debrief, and Typical Agenda for a four and one-half hour program.

The Goals: To represent key stakeholders at a press conference in order to manage this crisis with honesty and effectiveness, while helping the families of the injured and dead.

Although the list of objectives is long, the contractors and sub-contractors should follow the Guidelines for Managing Crisis Communications identified earlier. By applying those principles to their communications at the press conference, the contractor stakeholders will be in a stronger position to take responsibility for a catastrophe while rebuilding the reputation of the company. And the more savvy participants will realize that the best approach to this situation requires alignment of the community's values with those of the company and industry.

The Event: At 5:45 PM on Sunday April 8th, an explosion erupted at the nearly-completed site of the Barron Electrical Power Station, a $1.4 billion dollar plant being built by The Barron Company. The electrical explosion killed eight workers and injured more than two dozen, most of whom were working in poor lighting on high rigging equipment.

First responders arrived within twelve minutes of the explosion. Government officials began assessing the accident after forty minutes. It appears that the electrical explosion occurred just as the sun was setting while crew members were high on the scaffolding. Employees had been working around the clock to complete the plant and they were significantly behind schedule.

The incident near the town of Centerville occurred approximately six months after a similar accident at a different worksite for another project undertaken by a different electrical contracting firm. At that time, the Electrical Safety Board (ESB) immediately released urgent announcements to the entire industry. They strongly advised implementation of heightened safety protocols for use of rigging equipment and for staging operations at heights in excess of 200 feet.

It's not known whether those responsible for the Barron project were aware of those recent recommendations.

Stakeholders:

Construction Industry Representatives include three firms who have been collaborating on this project:

Barron Electrical Power Contractors: owners of the site and general contractors;
Stone and Williams Co., Sub-Contractors: Designers and builders of the new plant.
Smithfield Ltd., Sub-Contractors: Engineers and consultants who specialize in electrical power plants.

Governmental Agencies include federal, state, and local authorities. Some jurisdictional issues must be resolved at the outset before proceeding with an objective, insightful assessment of the tragedy. Individuals at all three levels of the government are charged with setting and monitoring compliance with different components of workplace safety standards.

Love Our Lake: an environmental group that has been active for many years in efforts to protect Lake Bluefish. It has protested unsuccessfully against construction of The Barron Electrical Power Station over the past five years
Members of the Press: international, national, state and local journalists will be playing an active role at this widely-televised press conference, as they ask difficult, intense questions of the stakeholders. Other forms of social media will also be "covering" the press conference; their informal channels of communication are likely to reach a much larger, more global, and more immediate audience than traditional broadcasters and newspapers.

Team Task: Within each randomly-constructed group, one individual will be designated by his/her teammates to represent that stakeholder at the press conference. All members of each team will be provided an overview of its identity with biased details built into its background information. As mentioned earlier, teams do not share identical data about the event and all teams will be given "real time" updates using audio, video, and other communication channels.

Press Conference Information and Debrief: After reviewing and analyzing available background information, each stakeholder team is instructed to coach one of its members to represent them at the simulated, televised press conference. In fact, the press conference *will* be taped. Representatives of each team will be expected to incorporate best practices for managing a crisis using communication principles that were recommended earlier. Members of the press will have received the full array of background information for all stakeholder teams. All members of the press will be expected to ask insightful, provocative questions with full attention to follow-ups as they attempt to discover the truth.

The focus of the press conference debrief is two-fold in nature, with emphasis on process and product. In terms of process, playback of selected clips of the taped press conference typically generates information sufficient to engage learners in a debrief session that far exceeds the allotted time. Ideally, two cameras should be used: one facing the panel of stakeholders at the front of the staging area and the other face in the opposite direction – angled toward the journalists and other observers participating in the program.

Observing one's self on playback is always a difficult experience, even for top level executives. Immediacy of vocal and physical features, including pitch and volume, along with dress, kinesics, body shape, and posture, can easily be distracting. And for some, this is a highly uncomfortable experience. So before we analyze the content of the simulation, it helps to begin with strategies for viewing our public personas. How do our voices sound and how do our body's look on tape?

It becomes clear immediately that one's nonverbal and vocal features are often more powerful – at least initially - than the message. So by first building a comfortable, collaborative spirit for analysis, it's possible even for first-time viewers (who actually felt confident while speaking!), to move past any anxiety evoked by the camera's lens. Only then are we able to use the schema of the Guidelines for Crisis Management to assess the content revealed at the press conference. Flipcharts or more formal critique sheets might help leaders and managers in the construction industry to analyze their effectiveness. Were they successful at taking responsibility for the tragedy, and thus able to begin rebuilding credibility, in the manner of Johnson and Johnson? Did they demonstrate empathy with the victims or appear to be looking only at the bottom line? Were the three contracting companies in this simulation blaming each other or were they sharing a commitment to investigate the cause of the accident?
By participating in this simulation, individuals in the construction industries begin to understand what they knew and likely felt all along: Perception is often more powerful than reality, and people are more important than profit. Indeed, today's media now make it impossible to hide behind a cue card.

Afterwards?

The best outcome of this simulation is to engage participants at working on a Crisis Communication Management Plan for their own companies. Usually, we've learned, only one or two participants in a group of thirty owner/operators already have a crisis plan in place. If time permits after the actual simulation and debrief, it would be ideal to coach dyads or small groups of participants as they begin to articulate the components of a Crisis Plan for their own companies.

Perhaps, that unpredictable crisis might be avoided or at least, managed with courage and compassion.

Agenda for a Four and One/half Hour Program

One hour: lecture/discussion to identify and analyze historically significant business crises in the United States and China
Forty-five minutes: to discuss guidelines for managing crises in the construction industries
One hour: to prepare for the simulated press conference
Forty-five minutes: to conduct the Press Conference

One hour: to debrief the taped Press Conference. Focus on analyzing both process and product, including verbal and nonverbal competencies; the ability of stakeholders to represent each team's values and public positions, their suggestions for incorporating crisis management guidelines into a formal set of protocols, and ideas for creating strategies/tactics to re-establish reputation.

4. Conclusion

This article demonstrates the extent to which workplace sites in the construction trades are inherently dangerous, by looking at two countries: the United States and in China. We've also shown that these dangers require honest, skillful, and empathetic leaders to manage a major crisis and then to re-establish their company's credibility. We contend that successful management of crisis communications requires a plan based on best practices, one that is then rehearsal by designated crisis team members.

It has been our experience that custom-designed "live" cases are most successful when they are based on the values articulated in an organization's mission statement. And by assuming the roles of major stakeholders in a crisis simulation, even executive-level managers are positioned to learn more about the needs of their customers, their communities, and their competitors. On occasion, they also realize that self-enforcement in an industry sometimes falls short of what is required.

In conclusion, the executives we've coached have frequently noted that it is the Press Conference Simulation that catalyzes significant learning. It is not until they are required to make a public statement of their convictions that they begin to understand the inevitability of crises. When fatalities and accidents occur at their company's worksites, executives can manage more effectively the human costs of a catastrophe and only then, begin to rebuild their credibility.

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Appendix A

Crisis Management Instructions for Stakeholder Team 1

The Barron Electrical Power Station

Situation:

Yesterday early evening at 5:45 pm, Sunday April 8th, there was a major explosion at an electrical power plant under construction, The Barron Station at Bluefish Lake. This explosion killed eight people and injured at least 25. The electrical plant was past the deadline but very close to completion. All parties involved in this construction effort were under considerable pressure due to overrun costs.

At the time of this explosion, rigging equipment and tall scaffolds were in use by well-trained engineers and technical specialists. Welders and electricians were also at the worksite.

The Barron Electrical Company had worked with two previous sub-contractors but they had not delivered quality work. That's when you established a working relationship with Stone & Williams.

Right now you have very little information and the sun has long since gone down. First responders, members of the press, and curiosity seekers are all clamoring for your attention. Your plan is to wait for the formal, televised press conference that has been scheduled for 9:00 AM tomorrow.

Assignmen

You are the CEO of The Barron Electrical Company and part owner of the Barron Station at Bluefish Lake. Your assignment is to prepare for the press conference and represent your organization's position and to reflect its values. Your executive team is available to help you prepare for the media.

In addition to several columns in the morning newspapers, you have access to a number of articles from past months that relate to the project. Additionally, there has been a significant amount of on-line activity across a range of Web sites and social media vehicles.

To access the newspaper articles and related information, proceed to the break-out room with your executive team and pull up additional on-line information:

https://wiki.perkins.org/display/Bluefish/Electrical+Station

Screen Name: Barron

Password: BillBarron1

Exhibit B: Sample News Clips from April

THE CENTERVILLE BULLETIN

April 9

Barron Electrical Blast Kills 8

Yesterday at sundown, the Barron Electrical Power Station, located 30 miles from Centerville, exploded after hours, leaving 8 dead and dozens injured. Under construction for more than 18 months, the plant was nearing completion when an electrical fire spread. John Stevens, fire chief of the Centerville District, was one of the first responders to reach the scene. "I could not believe the destruction," he commented. "It is unclear why there were so many workers on the site of the Station after hours. And they were on top of high rigging machines and a scaffold, which is a potentially high-risk operation. No more than a skeleton crew should have been on location." The contractor would not comment on whether supervisors at the site had been informed about the use of the rigging equipment.

East Centerville Journal

April 9

ESB Call Rigging Equipment "Unsafe"

Internal documents delivered to the Journal reveal that a staff member at the *Electrical Safety Board* (ESB) called the cause of the explosion at the Barron Station avoidable. This accident took the lives of eight workers and injured several dozen more. The ESB stated that use of rigging and scaffolding equipment was "highly dangerous" at dusk. Also, it had recently issued an urgent safety warning about its use during these hours.

Joe Elmsford, President of *Barron Electrical Power*, was non-committal when queried about the company's attention to the recent ESB warning, calling the situation "too tragic and too complex to comment on "now." He did add, however, that "this is probably due to human error."

Bellevue County Courier

News You Can Trust

April 9

Investigation Into Barron Electrical Accident

Investigators are looking at a range of possibilities as the cause of an explosion at a power plant here yesterday that killed 8 workers and injured at least 14. Crews continue to comb the wreckage for victims. Many of the killed and injured worked for *Stone & Williams*, the sub-contractors performing the construction of the power plant. Steve Perkins, Stone and Williams' President, declined comment.

Centerville Mayor Denise Summers stated that police have not ruled out criminal negligence as a potential cause. "We still don't know what happened. If it was a design flaw in the plant, it is one thing. If it is human error, that is another."

State representative Leonard Johnson (D) stated the accident appeared to have "similarities" to an explosion at the SapTap plant in Linboro last year.

Norman Bates, president of the state AFL-CIO, said he didn't know whether welding or torches were being used to complete electrical circuits and hardware. "Ignition of the fire – which spread rapidly - could be due to welding equipment or something as simple as a dropped ratchet wrench," he said. He went on to say that human error could

Previous News Clips from March

Centerville Bulletin

March 25

Barron Electrical Power Station Behind Schedule

The Barron Station project is significantly behind schedule, according to a regulatory report filed today by *Centerville Power*. The $1.4 billion power plant, which was originally projected to go on-line eight months ago, has experienced a series of contracting and regulatory issues resulting in several major postponements.

Company spokesperson Warren Murphy, described the new requirement from the ESB as "unnecessary, given the other safety measures that we have in place to prevent fires and falls." He went on to say that "...this will simply add to the cost of electricity for all of our customers in Bellevue County."

East Centerville Herald

March 4

Environmental Group Protests Electrical Towers

The environmental group, Love Our Lake (LOL) staged a protest earlier this week outside an administrative hearing for the Barron Electrical Power Station. Cindy Smith-Franklin, founder of the group, stated their position. "We've opposed the siting of this electrical station from Day 1. It is too close to Lake Bluefish, visually ruining the bucolic shore and threatening the health of the water and our community."

Following the hearing, Barron Electrical Power spokesperson, Steve Sterling, responded by stating: "These people need to get real. Don't they want electric power? "