

Developing Crisis Management Skills Through A Realistic Case Involving A Chemical Spill

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ABSTRACT

Increasingly, managers and public relations officials seem to be at the forefront of newscasts as a variety of organizational crises develop. Business educators attempting to teach appropriate crises management knowledge and develop skills needed to address such a crises should incorporate realistic case scenarios to challenge students. Such realistic cases should appropriately address communication and management needs related to crises that may develop. This paper presents a realistic case that has been used to instill crisis management skills in a business public relations class.

Keywords: Public Relations; Chemical Spill; Case; Crisis Management

INTRODUCTION

Case analyses are widely used in management education. In fact, it would be a rare if not a unique educational program that did not incorporate some case analyses into management marketing and public relations education. Crises such as the Watergate Affair, the tainted Tylenol scare, the nuclear reactor problem at Three Mile Island, alerted those in public relations and management positions that a well-prepared crisis management plan that is faithfully executed is requisite to good management practices.

More recent newsworthy crises have occurred, including the unprecedented recall of Toyotas for sudden acceleration, the recall of 500 million eggs, recalls of a variety of farm produce, government interventions into General Motors and Chrysler, the plethora of troubled banks and other organizations arising from the sub-prime loan crisis, Hurricane Katrina's aftermath, the Deepwater Horizon catastrophe and resulting BP Oil spill in the Gulf of Mexico, suicides of students, binge drinking deaths on college campuses, shootings on college and school campuses, the tsunami and nuclear meltdown of reactors in Japan and other crises presented many with opportunities to exercise and test crisis management plans. Arguably, the manner in which these crises were dealt with resulted in varying degrees of success. Indeed, some managers and their firms that addressed a myriad of crises over the years might be described as having been successful in dealing with crises while others may have fallen short.

As Arens (2006) and Arens and Schaefer (2007) explain, one of the more important public relations tasks for a corporation is to plan and address the need for crisis management adequately. Lamb, Hair and McDaniel (2006) believe that companies must have a communications policy in hand before a crisis occurs. Seitel (2007) proffers that the manner in which a crisis is handled may influence for years how consumers perceive an organization. Indeed, Seitel mentions that when it comes to potential crises, a sense of heightened preparedness is needed and that managers should act appropriately, be prepared, available and credible.

In dealing with public relations crises, a plan of action is preferred. While plans for dealing with crises may have similar components, it is likely the specifics of different plans will vary. Indeed, some would argue that a one-size-fits all policy leaves room for criticism (Hill, 2011: p. 363). Regardless, there is a need for organizational leaders to demonstrate they possess the skills and competence to deal with crises (Lussier & Achua, 2007: p. 473).

THE SITUATION AT HAND

A marketing class dealing with public relations implemented at a southern university incorporates the basics of crisis management into the course. The course includes multiple realistic scenarios that students have to respond to in the form of a crisis response plan and statement (Budden and Budden, 2010). The statement is presented as a “press conference” to students and the professor. Students are expected to be familiar with each case and address the concerns the crisis presents. The “press corps” of classmates and the professor question the crisis managers as to their statements, reported actions and plans to bring the crisis to an end or address the ongoing crisis.

A variety of original cases have been used. Each case is developed by the faculty member and distributed to students. Cases have changed over the years but have dealt with a variety of situations including plant explosions and fires, politicians who have been accused of extra-marital sexual trysts, crime in the streets, and accidental shootings of civilians by police. While realistic and current, the actual cases and all firms/individuals mentioned were (and are) fiction. However, students are expected to research the situation described and plan to deal with the crisis. A “press kit” including a written press release explaining the situation and the official response is expected. The press conference is the culmination of the case.

EXAMPLE MANAGEMENT CRISIS CASE – HOT TIME ON THE RIVER

Background

You are the public information officer for Budden Chemicals, located on the Mississippi River some 65 miles above New Orleans. Budden Chemicals is a specialty chemical company producing a variety of products including medicines and saline solutions for the healthcare industry, vitamins, food additives and Oleoresin Capsicum. The pharmaceutical ingredients produced at Budden Chemical are used in medicines designed to treat a variety of ailments, from allergies to acne. In addition, Budden Chemical is the country’s second largest producer of Oleoresin Capsicum (OC for short).

Oleoresin Capsicum is a derivative of hot cayenne peppers. It is used in a variety of less- than-lethal deterrents, including “pepper sprays” for self defense. OC is the main ingredient in so called “personal protection products,” promoted as a tool to fend off human and animal predators. In commercial (sprayer) form it is usually suspended (mixed) in a water-soluble, non-toxic vegetable oil derivative or in purified water which allows it to be easily dispensed (sprayed) when needed. As a final product, the liquid OC is packaged and sold in either small aerosol cans, some of which can be attached to a key chain, or larger cans, which can be kept in a car, home or on the belt of police officers, post office employees, and others engaged in occupations in which non-lethal deterrents may be called upon to provide for personal safety.

OC itself is non-toxic. However, it is very potent, and in large, bulk concentrations such as Budden Chemical produces, can be dangerous to plant and animal life if exposed unchecked. As an aside, a large concentration of table salt can be just as dangerous to aquatic animal life when exposure occurs in severe, unexpected concentrations. Budden’s concentrated OC is sold in bulk (in either water or oil solutions) to a variety of firms that dilute and then package the OC in user-friendly containers for private label sale to customers. Thus, people that buy the final pepper spray product never know the main ingredient comes from Budden Chemical, as Budden’s production of OC is promoted only to its commercial customers who seek it out as one of the best OC products on the market.

The bulk (concentrated) OC is stored in large tanks on the outskirts of the Budden plant. The tanks and protection levees that were erected to prevent potential leaks or spills from getting into the river are inspected every six months. Safety and handling procedures have been approved by OSHA and employees are trained to handle emergencies. There has never been a major accident or adverse health impact of any kind at Budden Chemical. Budden Chemical employees are proud of their safety record and the plant has even received a Green S award, given by the Environmental Safety Association, for organizations that exhibit safe and environmentally friendly processes.

The Accident

A petroleum plant on the adjoining property has been updating much of its production facility during the past three months. Yesterday, as part of that modernization program, a large crane was being installed that ostensibly would be used to erect a new catalytic cracker. As erection of the crane neared completion, something happened that caused it to collapse. As it fell, it fell across the property line and fell onto and ruptured two of the large tanks that held bulk OC. The rupture caused approximately 500,000 gallons of OC to spill.

The falling crane also managed to crush part of the safety wall (levee) built around the bulk tank farm. As a consequence, some 400,000 gallons of OC spilled into the river. Another 50,000-100,000 gallons of OC is still within the wall's perimeter, but there is concern that the remainder of the retaining wall too may fail. If that OC is not removed quickly or if the retaining wall completely collapses, much of the remaining OC will pour into the river.

Budden Chemical's cleanup crews are on the scene of the accident, as are OSHA representatives, DEQ representatives, firefighters, and emergency medical personnel. No one at Budden Chemical was injured, as the bulk tank area was empty of personnel at the time, though your foreman reports that he believed there were three men at the plant next door who were working on the crane and who reportedly suffered injuries, one of who may have been seriously injured. You have no confirmation of this, nor are you certain that only three were involved.

Problems

While non-toxic, Budden's OC product is considered an irritant. Further, the mixture of OC is leaving an oily sheen on the river that stretches for approximately five miles. The thin oil coating is dissipating quickly and should have no lasting effect on the river or wildlife. Your environmental control people report it is not a concern for birds and other animals to be found down river. While not considered toxic, OC may cause difficulty in breathing and temporarily cause vision problems, and in concentrated form may cause chemical burns.

A fish kill three miles downriver from the plant is already being reported. It is likely the fish which were killed were located in the immediate area of the spill, having been overcome by the sudden surge of OC. In addition, New Orleans gets much of its drinking water from the Mississippi River. The city's water purification plant is on alert and its employees are carefully monitoring water quality. The filtering system is capable of removing most if not all of the OC. In addition, the amount of water flow in the river will quickly dilute the spill. The worst case scenario, a very small, non-toxic, non-harmful quantity of OC gets into the public water supply. The best case scenario, nothing will get into the city's water supply. Still, many in New Orleans are concerned and political officials are calling for a federal investigation of Budden Chemical and the accident.

In a radio interview last night, Jonel Cooper, the President of an organization (IONCops) that has been critical of the New Orleans Police Department, claims the OC spill is another example of police harassment since OC is purchased and used by the police department. Indeed, she claims that Budden Chemical and the Police purposely caused the spill, to further harass the poor and homeless people of New Orleans. She is calling for a public march on Budden Chemical and is asking state regulators to shut it down.

Finally, Susan Williams, identified as the President of Friends of the Fish was interviewed on the 6:00 Good Morning NOLA show. She reports her organization will sue Budden Chemical for negligence since Budden Chemical's OC is responsible for killing so many good fish. She said the wanton slaughter of fish is wrong and she and the other members of Friends of the Fish will not take it anymore.

The Press Conference

You have called a press conference for 10:30 a.m. to explain the situation, your firm's actions, and to provide information that will allay people's concerns. You will explain what is being done to address the problem and what can be expected as a result of those actions. You will make a formal statement on behalf of the firm, and then answer questions of the reporters who will be present in large numbers.

It is 10:30 a.m.

TEACHING NOTES AND SUGGESTIONS

Students and the professor serve as reporters with questions. Since all students are familiar with the case (albeit fictional), all are expected to question the presenter. Press conferences are videotaped for later review. Students are expected to look and speak the part of the official spokesperson.

The professor uses an assessment form to evaluate each presentation. The form includes a numerical rating of 1-10 on various aspects of the presentation. Items assessed during the presentation include dress, eye contact, clarity of voice and diction, knowledge of the case, sincerity and apparent concern for the public safety, and truthfulness.

Later, the press release and kit are evaluated for completeness. The release must conform to expectations of all releases as discussed in class. Correct spelling and grammar are expected. Information must be accurate. The kit should contain the release, news items of interest, and documentation of efforts Budden Chemicals is undertaking to resolve the issue and prevent future occurrences.

Finally, the “reporters” in class are evaluated. Since they are expected to ask insightful questions, those that do receive points for their participation. There is an expectation all students will participate and learn from this experience.

Note: Individuals and organizations mentioned, and the specifics of the case are entirely fictional.

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