

## **Introduction: What to expect from this book**

We live in turbulent times. These first few years of the third millennium are full of painful accidents, disasters, political turmoil, and corporate crises in all economic and social sectors, involving all types of organizations, on all continents. No one can feel safe because no one is safe.

At the same time, people have high expectations from managers and political leaders. They demand that big corporations, small businesses and public institutions conduct their activities in safe mode, preventing incidents that could harm people and property. They also expect them to be prepared to cope with unexpected problems.

In these turbulent times, when social trends like European integration seem to be halted and thrown into reverse, and countries like Spain, though united for more than five centuries, are now struggling to stay together, what we really miss are true leaders.

This book is an attempt to help prepare the ground for the emergence of such leaders. Crisis management and communication is not a theoretical discipline – it's a practical one. Its guidelines come from experience: learning points from good and bad crisis management. This book's leit-motif is the principal virtue of leadership: prudence. The prudent person, drawing on a background of practical knowledge and an ethical approach, will be able to take the right decisions with the limited information available and in the short time frame that crises grant to managers.

In his classes on corporate governance, my dearly missed colleague Prof. Luis Manuel Calleja often used to say that chairpersons and CEOs should dedicate all their attention to three things: exceptions to the rules, crises and the company's future. I fully agree: if there is a crisis, top management is responsible and should be involved. If not, either it is not a real crisis, or it is a sign that top management is not thinking strategically.

Managing a crisis involves a lot of communication, because its consequences for the organization's reputation could be much more damaging than material harm alone. Most crises require us to act on two planes: fixing the problem and communicating what is going on to the company's stakeholders. Both tasks are intertwined: without ensuring the goodwill of my stakeholders, I will not overcome the situation.

We will move between two areas, the science of management and the art of communication. Knowing how to face a crisis is a basic element of management, and the ultimate test of the communicator's competence. As Antonio Hernández Deus, one of my mentors and my boss for a decade, says; «the only true corporate communication is crisis communication», because only then do many bosses pay attention to communication; survival often depends on communication.

The prudential principles of crisis management and communication should be put into practice... with prudence. More than answers, they provide many questions for leaders to ask themselves. One cannot always "take the safe route", for example, because that might lead a company to do nothing (and in any case, not all crises can be avoided). The same applies to assuming full responsibility for your actions, or keeping your stakeholders updated. "Nothing in excess", Solon of Athens, one of the seven sages of Greece, used to say, twenty-seven centuries ago. This aphorism also applies to prudence itself.

This book draws on four types of sources. The first is monographs in the field of crisis management and communications, a discipline that has been around for fewer than fifty years but is now coming of age. Case studies on crises suffered by different corporate and public institutions are a second source. Organizations that have allowed researchers to access and study what they really experienced have contributed decisively to the progress of management theory. We should be grateful to managers who have made the courageous decision to opt for transparency and social responsibility. A third source is applied scientific experiments, which are increasingly being used in crisis management and in other social dis-

ciplines. Finally, my own personal experience in the field as a crisis consultant for companies and non-profit organizations.

Crisis management is deeply related to ethics. The principles and values of individuals and organizations are put to the test by failures and bad news much more than by successes and good news. In a crisis, what really matters are people's needs and expectations. So much so that a crisis represents the moment of truth for both people and institutions: moments in which it is possible to see what stuff they are made of. Crises are the time when we discover heroes such as Chesley "Sully" Sullemberg, the pilot who, in 2009, landed his damaged plane on the Hudson River saving all the flight's passengers and crew; or villains such as Francesco Schettino, the captain of a cruise liner that capsized in 2012 because of his imprudence, killing 32 people.

That is why the word "ethics" is one of the most repeated terms throughout this book. Let me be explicit and transparent about my views on ethics. When I speak about right and wrong, just and unjust, I follow the classical approach, in which ethics is the science of moral duty, an inner sense close to but different from what is useful, convenient for the majority of people involved, statistically normal or legally binding. This school of thought includes in its ranks philosophers such as Aristotle, Aquinas, Pieper, McIntyre, Spaemann and many others; it considers ethics as a normative wisdom, establishing norms of unconditional value and universal range.

While writing this book, I had in mind MBA students and corporate or public managers participating in IESE executive education programs. My goal was to make them think and act systematically. There are many wonderful books with a more practical approach, listing the immediate decisions to be applied as soon as a crisis hits the organization. I preferred another point of view: to improve the decision-making process. That's why we first study the principles that should inspire the corporate response to a crisis, and then present those best practices in their real context. My real goal is to help present and future leaders find out how their leadership and managerial skills could take advantage of these situations and improve.

Addressing this book to such an audience inspired me to choose a direct style that would make the book easily readable, even if the result is less academic. For that reason, I have left out the usual bibliographical support: maybe I am wrong, but I doubt anybody would benefit by knowing where to find a quote. Nevertheless, whoever is interested in reading

more will find those references at the end of the book. Instead, I have used footnotes to add examples of real crises. I think these stories are meaningful examples of good and bad crisis management. They convey the important message that even intelligent and experienced leaders of respected and well-managed companies and organizations have to cope with severe crises.

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Yago de la Cierva  
ycierva@iese.edu  
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