

Managing Not So Normal Accidents

Dr. Manuel Angel (Coco) Morales

We have to study organizations because they are a dominant component of contemporary society; they surround us; and we are born in them and usually die in them. They are just almost impossible to escape. Organizations are instruments of economic and social action. We design organizations to be effective, and we want them to succeed at whatever it is they are doing. Thus, organizational structures are modified power. Leadership is exercised, decisions are made, and linkages to the market and social environments are maintained, all in the name of effectiveness.

The idea of assuring organizational effectiveness is not a simple matter. Indeed, contradictions, paradoxes, surprises, contingencies, crises and accidents are part of the daily experience of all organizations. It is mindless to treat organizations as neutral or passive entities. They have positive and negative outcomes, meaning that their actions have intended or not intended purposes.

We have organizations to do things that individuals cannot do by themselves like putting people on the moon or celebrating the Olympics. The same logic takes place when people want to make profit, save souls, have fun, or fight delinquency. Organizations are the answers. They are structures of social response.

If organizations have important outcomes for individuals and communities, they also have important impacts for the wider society or environment in which they are embedded. It must be recognized that there is a reciprocal relationship between organizations and their environment. There is an organizational design proposition that stresses the role of the environment for the operations of organizations. That is, the environments of organizations are a major determinant of the structure and processes of organizations. Following this line of reasoning, it is vital to consider the impacts of organizations on their environments, some of them which could be healthy or harmful.

These past days, when Puerto Rico had to face the devastating explosions and fire at the Caribbean Petroleum Corp. involving eleven fuel tanks, I went back to my learning of organization design and the challenges of living with high risk industry.

I want to share with my readers what I was taught by very distinguished researchers and professors. It is the noted sociologist Charles Perrow who

examines (in his book *Normal Accidents*) how and why catastrophic accidents occur in high-tech industries like nuclear power, petrochemical and aerospace. In 1984, he coined the term *normal accidents* to describe actual and potential disasters involving nuclear plants, nuclear weapon systems, recombinant DNA production, ships carrying high toxic or explosive cargoes and chemical plants. His analysis was published before the chemical plant disaster in Bhopal, India, in which thousands of people were killed, and the Chernobyl nuclear disaster in Russia.

Charles Perrow's main argument is that highly complex technical organizational systems that are tightly coupled or integrated have a strong potential to catastrophe because it is not an individual operator error that is the source of the accident but systemic or organizational problems. His basic point remains valid and frightening: organizational arrangements have the potential to contribute to catastrophes of immense scope. This point can also be underscored by an analysis of the disaster of the space shuttle *The Challenger* disaster. Both organizational and technical decisions were faulted in that catastrophe as researched by the organizational theorist Diane Vaughn (*Regulating Risk: Implications of The Challenger Accident*). The decision to launch *The Challenger* was the result of organizational structure and culture that led to the making of decisions under conditions of great uncertainty. The same reasoning can be extended to the AIDS epidemic, where Perrow and his colleagues made the contention that AIDS is as much an organizational problem as a biological one (*The AIDS Disaster: The Failure of Organizations in New York and the Nation*). The researchers see the organizations that deal with AIDS as "recalcitrant tools, who have performed very poorly in coping with social tragedies". The organizational challenge is how to respond in a very effective manner, while managing a very harmful impact on the wider society.

Ian I. Mitroff, Christine M. Pearson and Katherine Harrington have prepared "The Essential Guide to Managing Corporate Crises: A Step-by-Step Handbook for Surviving Major Catastrophes". There are many ways in which organizations can find themselves in trouble, and these scientists cover them all, ranging from disasters that threaten the public image of the company or product line to financial catastrophes, to industrial problems that endanger consumers, employees, the community or the environment.

They start by defining what an organizational crisis is. It is an event that can destroy or affect the entire organization and can damage its financial performance. It can destroy the public's basic trust or belief in an organization, its reputation and its image.

While managing an organizational crisis, it is important to understand the big picture, and to acknowledge that regardless of the way in which its occurrence has emerged, the organization has been hit by a critical event which requires paying attention to:

1. The threat to the organization
2. The economic and financial disaster
3. The health threat to consumers, employees and the community
4. The class-action suit
5. The tampering incident
6. Fill in the blank!

A crisis activates two distinct dimensions that must be managed simultaneously:

1. Responding to the crisis itself (inside)
2. Responding to the media (outside)

The questions to be answered for the media are the following:

1. Is the crisis your organization's fault, and if not, how do you know is not?
2. What is your organization doing about the situation? (whether or not it is at fault)
3. When did your organization first learn about the situation, and what did you do then?
4. Were there any warning signals indicating that such a crisis may occur, and if there were, what actions did your organization take when it first learned about the situation, to prevent it from occurring?
5. If warning signals were not detected or if the organization did not take any actions, why not?

If the organization is facing a serious crisis, then it is necessary to create the crisis management team including the necessary expertise, training and experience. Helping the injured and the affected should be the number one priority. These aspects include humans, animals and the environment, and it is necessary to raise quick data, knowing the numbers of any type of injuries or damages. It is not acceptable to respond with either arrogance or contempt.

Again, leaders and managers have to take inquiry actions to identify the precise nature of the crisis, including sharing with the public what is being done to contain the damage and to recover. This will nourish what will be communicated to the media and to the government authorities. The crisis is an event and a

moment that requires teamwork and a psychology of sharing and flowing needed information. Crisis management is a dynamic process. It requires empirical and open communication with the authorities and the media, making every attempt to assure that information presented is accurate. The spokesperson should avoid speculation. Sometimes is better to acknowledge directly that knowledge of the situation is incomplete.

How the organization executes in every aspect of the crisis management process will determine in the end if the media and the public perceive the organization favorably as a hero, a victim or a villain.

The mismanagement of a crisis will earn the label villain for the organization and will create fertile conditions for a secondary and potential worse crisis with long-term damage to the organizational brand and reputation.

After all organization are effective to the degree to which they survive, achieve goals, increase execution and deliver results within the context of multiple and contradictory stakeholders.

Dr. Manuel Angel (Coco) Morales

Contact freelance at: cocomorales1@gmail.com

Cell phone: (787) 249-6102