



SMU

SINGAPORE MANAGEMENT
UNIVERSITY

COMM246: CRISIS MANAGEMENT AND COMMUNICATION

Individual Paper

Section: G2

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AI Declaration:

AI was used to assist in organizing the structure, grammar and spelling corrections, and citation checker for this paper. All ideas, content, language, and writing has been written, edited, and reviewed by myself to make sure it is in alignment with course requirements and academic standards.

Handover Apparel (*HOA*) is a Singaporean-headquartered MNC that specializes in delivering comfortable, sleek, and sustainable fashion pieces that are affordable and can last a lifetime. Our goal is to change the fashion industry, working towards being the head fashion company that tackles fast fashion. As a B2C company that has a reputable brand image in Singapore, *HOA* has always prioritized its ethical sources, sustainable practices as well as its environmental consciousness through its operations in making our fashion pieces. We at *HOA* are extremely excited for your recent appointment as our new CEO and we are looking forward to being introduced to a fresh vision and new energy to the company. As the crisis team here at *HOA*, our goal is to ensure that the company and its reputation remains protected against any crises or challenges that may occur in our way.

Task 1:

At HA, we understand the importance of crisis preparedness as not just a way to maintain our operations and to keep our business running, but also to uphold the values of *HOA* as a reputational and influential fashion brand. With our target demographic being Gen-Z and the younger generation in general, we have a responsibility to uphold our brand identity as our consumers are becoming more interested in the rise of sustainable and ethically sourced products and expect current fashion to follow that trend as well (De Angelis et al., 2020). In line with this, we are responsible for maintaining the relationship we have with our consumers and the various stakeholders we work for. One of the biggest risks when a crisis occurs in a company in any industry is the affected relationship between the organization and its stakeholders which includes one's customers. If that relationship does fail, the outcome of that can lead to issues such as reputational damage to the failure of the organization and its mission that they stated (Diers-Lawson & Pang, 2021). Therefore it is important that *HOA* has a strong crisis management team that is able to remain vigilant for possible challenges

and crises that come their way, as well as to protect that relationship *HOA* has with our consumers to remain in their good graces.

One example of this would be the 2022 crisis we had regarding the supply chain disruption that happened with our manufacturing factories in Ho Chi Minh City, when an unexpected major flood happened, causing their factories to shut down. This had caused a disruption in our supply chain for one of most anticipated lines called the Cottondown collection – a line that features recycled cotton and recycled fabrics that has been promoted to our audience via fashion influencers on social media and through advertisements on TV. As deliveries started to become delayed and customers were not receiving their orders, many started to voice their concerns and anger on social media and questioning whether we were actually using sustainable and ethical operations for our clothes.

Seeing how this could potentially damage our reputation and our stakeholder's trust, we immediately sent one of our representatives with our then-CEO of our company Mr. Kim, on the first flight to Vietnam for them to observe the damage that was caused to the factories and to support anyone on the ground if needed. Simultaneously, our crisis team back in Singapore issued a transparent statement across all social media platforms we were on – including Instagram, Tiktok, Facebook, and X – to address any concerns. We understood that being silent in this case and not providing any information to our audience would only cause more issues and misinformation to spread about *HOA* (Marra, 2004, as cited in Pang, Ho, & Malik, 2012, p. 487), hence we as the crisis team prioritized release of our statement in order to mitigate any misinformation from spreading about us.

Our statement explained the circumstances of the delay which included the environmental disaster faced in Vietnam, and what was happening on the ground. We then outlined the next steps *HOA* would take in order to remedy the situation which included expanding to other sustainably certified factories in Vietnam that are less affected by the flooding and also being clear on the fact that we have to push the date of opening for Cottodown. For customers who were affected by this and would want their money back, we stated that *HOA* would be happy to offer full refunds for anything offered and would provide vouchers for future purchases. By responding quickly and honestly, *HOA* not only was able to save our reputation and brand image but also strengthened our trust in our consumers because we were transparent about wanting to have sustainably sourced fashion pieces no matter what the circumstances were. We also gained respect having shown our CEO and representatives in Vietnam helping out, and we even did a campaign where 40% of the earnings from the “Cottodown” line that was launched, was donated to flood-relief efforts in the affected areas of Vietnam.

Since the 2022 Cottodown crisis, we as the crisis management team at *HOA* have taken various steps to strengthen our preparedness and overall crisis management. Having a crisis management team being made up of members of different disciplines, we make sure that every member of the team is in charge of different aspects of the crisis. Highlighting our communication and marketing members, they are trained to write professional and transparent statements in short periods of time, because of the importance of putting out a quick response to our public. In addition to this, every month we make sure to conduct a 2-day crisis management simulation for all employees so that they understand the importance of having a crisis plan and they would know what to do when our crisis occurs. All members are equipped with an SOP on crisis protocols and we make sure to go through different crisis scenarios every month. We have also implemented a dashboard in one of our rooms in our

headquarters, known as the "crisis room" in which we are able to monitor any disruptions in our factories, delays in the shipping or logistics in Singapore, as well as a close monitor of customer comments on social media. These initiatives have all been implemented based on research regarding crisis communication, which states that there is a need to manage information vacuums by communicating early and clearly to avoid any harm to the company (Pang, 2013).

However, *HOA* is currently facing several risks that may cause crises for our business such as changes in the supply chain due to the recent tariffs imposed by Trump, risks of cyber attacks on our e-commerce systems, and even more environmental and climate issues. All these risks are then intensified by our target consumers who are the Gen-Z and youth who would hold *HOA* to a high standard if these crises were to happen and would highly influence our reputation. With all these risks looming, your role, Mr Tan, is critical. During a time of crisis, stakeholders and employees often feel uncertain and worried about the effects of the crisis on the company, which makes the need for a transformative and responsive leadership who is able to provide novel solutions and a sense of reassurance and clarity (Pillai, 2012). It is important you play a part in assisting with crisis management and communication with the media or with the stakeholder we work with because you are the one key figures who are able to reinforce *HOA's* identity and sense of stability in a time of crisis. Leaders are meant to guide actions within the crisis and organize the experiences they deal with (Den Hartog & Verburg, 1997, p.360) which is why your role as our new CEO and your assistance in crisis management is extremely important at *HOA*.

Task 2:

As mentioned when a crisis strikes, the public, our various stakeholders, and employees turn to a strong leadership for clarity and accountability of the company's next moves. For *HOA*, we believe that you as our CEO should be the face of our communication strategy. A CEO is able to demonstrate accountability and seriousness when an organization treats a crisis – which helps to restore a sense of trust because it shows the public that the leadership is fully aware and engaged with what is happening (Lucero et al., 2009). In the case of *HOA*, as our CEO being at the forefront of the company when a crisis occurs, it helps to strengthen our company's confidence when dealing with a crisis because it shows that we are still able to lead through uncertain times. Given your natural leadership style, we as the crisis team are here to support you in ensuring a proper crisis communication and public engagement plan when interacting with any form of media while making sure that these strategies are aligned with *HOA's* brand and values.

Our main strategy that we would like to propose would be to conduct a crisis communication simulation program for you and for other senior executives at *HOA* to learn how to interact with the media and any other public entities. This simulation will include mock interviews from the media, mock press conferences, and learning how to address any forms of negative press releases. Each mock interview will be created and based on scenarios that *HOA* could face in the future with the looming landscape, with the goal of anchoring any responses within *HOA's* values in order to maintain a strong brand image and reputation. The crisis team will be coaching you on handling leading or negatively framed questions while keeping your core messages and goals focused and in favor of *HOA*. We will ensure to teach you the basics of when we as a company should take accountability, when we should defend ourselves, and when it's best to release information to the press so that we have as much control over a crisis as possible if and when it happens. On top of this, we will make sure to

provide support by adjusting your non-verbal cues in order for your delivery in what you're saying to be confident and authentic. It is important for leaders in general to learn how to navigate the media through a crisis as their response and their work affects the public's perception and reputation of them (Ismail et al., 2018). Making sure that you are prepared to respond to the media with confidence and clarity is necessary to achieve a successful outcome when a crisis hits us.

During an actual media or press interview, we will ensure that one member of our crisis team will always be present at the studio or the setting in which the interview will take place to provide pre-interview reminders and will monitor the delivery and the public's reactions. Our digital team back at the *HOA* HQ will also be monitoring the public's reactions on social media and make sure to comment and flag out any misinformation that arises. We make sure to monitor any form of misinformation or bad press being spread in order to make prompt and clear responses which allows us to adjust the narrative being created about us (Siah, Bansal, & Pang, 2010, as cited in Pang & Ng, 2023, p. 184). We will also prepare a set of phrases and other comments that you may use in response to a leading question or a question that you may not have the answer for, in order for you to maintain the same level of confidence and authenticity throughout the interview.

We also have a recommendation on where you should hold your first interviews when a crisis happens. We noted the importance of tailoring our messages and interviews to our audiences, which includes picking tier-1 media that we know our audience consumes (Benoit, 1997, p.182-183). Our crisis team recommends that you conduct your first media interview during a crisis with Mediacorp's "**Channel News Asia (CNA)**," as it is one of the most reputable Tier 1 media sources in Singapore, with a trust score of 74% (Newman et al., 2024). CNA appeals

to digital audiences as it has a strong social media presence as well as its strong Tier-1 media presence. An interview with CNA will help to establish our sense of credibility and legitimacy in what we are talking about and our responses towards the crisis we would be facing. We can also incorporate aspects such as short video clips or proper press releases due to its varied presences on social media as well, hence the strategic choice of picking CNA.

In the case, where you make any unplanned comments or remarks during a live interview or press conference that could potentially cause any false interpretation or misinformation, do rest assured that the *HOA* crisis team has got your back and are ready to act immediately. Within 2 hours from the comment made, our social media representatives that are part of the crisis teams will be posting a clarification post on our social media accounts to clarify the intent of the message that was said. If needed and provided the situation does escalate, we would need you to come out with a statement (written or video statement) that further clarifies the comment made. Our focus with this is not to respond in haste or in panic, but with reassurance and accountability which helps to preserve the trust our stakeholders have with us because we were able to address our mistakes with a high degree of transparency.

In summary, by providing you with the skills needed for public facing communication with the media or with members of the press, and by the rest of the company, specifically the crisis management team at *HOA* with proper training, SOPs and monitoring of our stakeholder reactions, *HOA* will be able to confidently manage through crises with a high degree of transparency and credibility. As mentioned at the beginning, *HOA* is extremely excited for your appointment as the new CEO and we hope that you will support the initiatives that the crisis management team here at *HOA* plan to propose for the successful future of our company.

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