

TRANSPORT CRISIS MANAGEMENT AND MEDIA CONTACT

Svetla Tzvetkova¹

Received: 11.11.2020 Accepted: 25.11.2020

Abstract

Transport crises can emerge from multiple and quite varied sources. Some could arise from natural phenomena, while others could result from lapses in the organization of the activity or the poor condition of the rolling stock, as well as criminal deeds, negligence or ill-intentioned human actions. The paper draws attention to the main stages of transport crisis management and provides guidelines and recommendations for said management. The paper also focuses on the key role and communicative skills of crisis managers for the effective management of crisis situations, especially getting them under control and maintaining the good image of transport enterprises.

Keywords: *identifying and controlling transport crises, media contact*

JEL Codes: *R40, R41, R42, R49*

1. Introduction

In regards to every organization, crises are periods of instability, conditions for the occurrence of serious changes. The results from that can be extreme, whether they are unfavorable or positive. In the case of permanently bad results, the focus is primarily on regulating the financial and legal mechanisms within the anti-crisis management. On the other hand, there is the changing role of consumers (Prahalad & Ramaswamy, 2009).

Crisis management is an element of the more comprehensive risk management system of companies which also includes capital investments and insurance. Although anyone could certainly recall a crisis situation, very few managers purposefully plan for a possible or potential crisis and even fewer have actually passed crisis management training. Given the fact that crisis management is a comparatively recent phenomenon, this is hardly surprising.

At present, due to the dynamic development of transport markets, the complex specificity of the transport activity and the numerous internal and external factors that affect the processes of carrying out transport services, managers should always keep in mind the

¹ University of National and World Economy, Economics of Transport and Energy Department, Assoc. Prof., PhD, e- mail: svetlatzvetkova@abv.bg

multitude of potential negative situations and incidents that could occur during the organization and execution of the freight process.

On a global scale, there is a noticeable growth in the number of all sorts of threats and hazards that pose a risk to individuals and society as a whole; they can occur in the form of direct violence, terror, natural disasters, financial collapses, etc. A large number of disasters that cause considerable environmental damage results from the production activity of various enterprises (Andonov et al, 2009).

When a transport firm is affected by a major crisis, this could lead to a tremendous social and ecological catastrophe. A particularly indicative example in that regard is the Hitrino incident. On December 10, 2016, at 5:30 am, a freight train carrying propane-butane and propylene from Burgas to Ruse went off the rails upon entering the Hitrino train station, rupturing two cars and causing a fire in the process. The fire and the shock wave from the combustion destroyed the surrounding buildings (about 50 in number), causing them to collapse on some of the inhabitants, while others received varying degrees of burns. The village's inhabitants were forced to evacuate while 150 firefighters dealt with the flames. The injured were taken to hospitals in Shumen and Varna; most of them had sustained 90% burns on their bodies. In the case of Hitrino we are talking about propane-butane which is almost two times heavier than air, falls low to the ground and creates a highly explosive mixture when combined with atmospheric air. In an interview for the BNT's "More from the Day" news show, Mr. Andrei Ivanov, the former head of "Civil Defense", stated that what happened was a voluminous explosion where the chance of survival is zero. It was a very serious accident which became an economic, social and ecological catastrophe.

In the face of such incidents, transport managers should react in a timely and adequate manner, determine the source of the crisis and contain it, while simultaneously communicating duly and effectively with the emergency teams, society and especially the media covering the event. It is their responsibility to successfully bring the crisis to an end, minimize the amount of human casualties, material damage and especially the negative social and ecological effects, and maintain the enterprise's good image and name.

Any transport enterprise can be hit by a crisis, whether managers realize it or not. Every crisis represents a sudden or gradual change at the basis of which is an urgent problem whose solution requires immediate intervention. Any situation during production activities in the field of transport holds potential for the occurrence of crises and incidents which can cause sudden and serious unfavorable consequences for a company's personnel and reputation, as well as the environment.

Identifying Potential Crises

Generally, the factors that can provoke a crisis situation are multiple and extremely varied in nature. Since a crisis does not occur suddenly, the internal and external problems of organizations usually accumulate (Yarnikh, 2007).

The sources of potential transport crises can be quite varied. A crisis can occur as a result of the influence of multiple internal and external factors – social factors, political factors, drops in the quality of transport services; the poor financial state of transport enterprises and the unsatisfactory condition of the transport infrastructure; morally and physically obsolete rolling stock; lack of necessary safety and security in the freight process; prerequisites for the occurrence of accidents; little to no control over activities pertaining to the organization of the freight process; ill-intentioned human actions; disloyal employees; environmental pollution caused by harmful emissions; natural disasters and cataclysms, etc (fig.1).

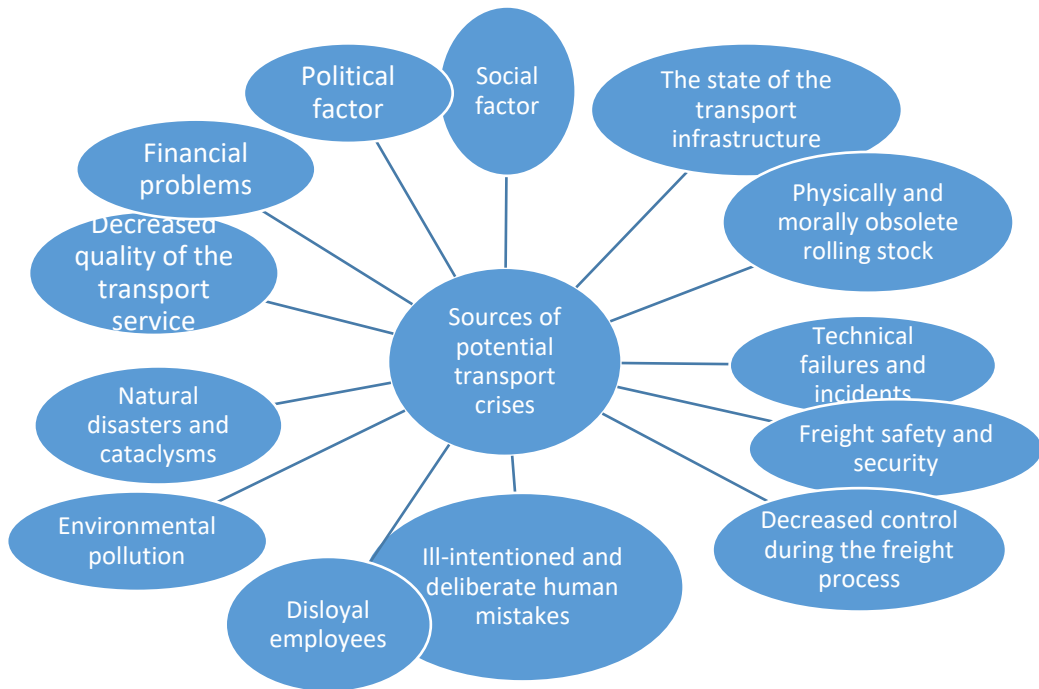


Figure 1. Sources of potential transport crises

Many crises originate from problems that seem minor at first glance. However, said problems can be neutralized before they become too dangerous or costly if the first warning

signs are taken into account. Potential probabilities for the occurrence of crises should be evaluated either through collecting information from a wider range of people or assessing various causes and situations that could lead to a crisis situation. For this purpose, information needs to be collected from the individual branches and subdivisions of transport enterprises, given their spatial distance.

When talking about a crisis forming within an organization, the options for finding a way out of it are usually limited. The first potential way is for managers to take advantage of the crisis and introduce new policies and structural changes, thus seeking and achieving progress in the organization's development. However, the so-called "trust" tax and dividend are particularly dangerous here (Covey & Whitman, 2010).

In most cases the early symptoms of a looming crisis could go unnoticed for a number of reasons due to underestimation of the problem, hubris or the impossibility for all individual branches and sub-divisions to be covered by the firm's activity. Some carriers ensure their ability to detect the symptoms of a looming crisis by giving power specifically to employees and a leader who are ready to handle the troubling signals or by forming the core of the crisis team in advance. Employees who work in the lower branches of an enterprise are the ones who are best suited to recognize the indicators of pending crises or risky situations.

Nowadays, the risk of its emergence is formidable, and dealing with this situation requires excellent preparation, experience, contacts, joint team activity and ability to adapt to changes and its management (Kotler & Caslione, 2009).

Some accidents that occur during the freight process could potentially be more dangerous and costly than others; therefore, the method for evaluating the probability for their occurrence and the consequences from them should be used in order to determine which ones can be effectively neutralized through management decisions and actions or through various types of insurance. From a management standpoint, some of the risks deserve more attention than other, more minor ones. To that end, crisis audits are implemented.

Crisis Audit

Crisis audits are necessary due to the fact that the sources of potential crises are large in number and are susceptible to the influence of multiple and various internal and external factors. The first step in a crisis audit involves the ability to outline the possible reasons for the occurrence of an eventual crisis. The next step involves systemic monitoring which is used to determine the elements which could cause trouble in the future:

Possible prerequisites for the occurrence of a crisis

Systematic monitoring of all accompanying activities that could lead to the occurrence of negative situations and incidents during the freight process

Crisis audits should focus on the problems pertaining to the scope of the crisis and the probability for its occurrence. A list of all risky branches should be made and all possible directions from which a crisis could arise should be assessed carefully. Team work is crucial in that regard because different people have very different ideas about crises. Surprising information can be obtained when communicating with many people – “a team for a given project”, “the employees in the operational units”, “corporate personnel” or “customers and suppliers” – but in order for the information to be reliable, people need to feel free, i.e. they need to be able to talk openly about the present and about looming problems. It is crucial that managers take into account warnings from employees and workers.

Generally speaking, all managers are selective in regards to the various critical situations which an enterprise could fall into and which should be the focus of attention. This is the correct approach because some risks concern their successful development more than others and also because some crises are more costly while others are more likely to occur. If they are not sensible in their approach to potential threats, managers could focus their attention to the emergence of more minor risks, thus ignoring risks that could have a fatal outcome. This is priority of calculation – a mathematical function called expected value. Expected values result from predictions about the probability for the actual occurrence of these events. Crisis audits should help detect several risks to the company or the respective branch and rate them according to importance. For this purpose, the following guidelines can be used:

- determining the probability for the occurrence of a given crisis as a percentage;
- evaluating the negative effects of the crisis;
- multiplying the monetary terms of the crisis by the probability for its occurrence.

Transport managers should make a list where eventual crises are ranked according to their expected value. Such a ranking list could provide them with clear insight into the risks which a transport enterprise can be faced with and how costly they will be.

Preventing the Occurrence of Eventual Crises

The next step in transport crisis management involves determining the probable crises that can be avoided. Crisis prevention can be just as simple and inherent to the activity as preemptive internal financial control and as complicated as the creation of new transport services.

Managers should create a systematic crisis prevention program on the basis of crisis audits. In order to do that, the list of potential hazards from the occurrence of a crisis should be examined and for each point the appropriate people should be summoned to discuss the following question:

WHAT CAN BE DONE TO AVOID OR NEUTRALIZE THE SOURCES OF FUTURE PROBLEMS?

The discussion process should aim to adopt the appropriate measures to protect transport enterprises from negative situations that could subsequently turn into serious and very costly problems for transport firms. After that, attention should be paid to the signs that could be preceding the occurrence of an eventual crisis.

The first step in preventing the occurrence of an eventual crisis involves planning the crisis itself, creating an organization and finding solutions before it occurs. Pre-crisis planning ensures the time that is necessary to go over all potential possibilities, consider the options, discuss the merits of the various approaches and even test people's readiness to take action. Each of these activities could very easily be resolved under normal circumstances rather than under pressure at the height of the crisis.

For this purpose, enterprises preemptively develop an effective plan for eventual crises by following these steps:

- forming a team – an indisputable fact and one of management's biggest achievements is the conclusion that the team principle can be exceptionally effective when dealing with complicated and unusual tasks. A well-prepared team contributes to the planning process with the experience and resourcefulness of many people. Team leaders should pick people with enough experience and qualifications pertaining to every single aspect of a potential crisis. By itself, this is a guarantee that nothing essential will be overlooked;
- taking the scope of the problem into account – once it has been formed, the team should determine the scope of the problem. This means specifying all possible difficulties

in case a crisis occurs. Additionally, one team member should be selected to rank all ideas suggested by the other members according to their importance;

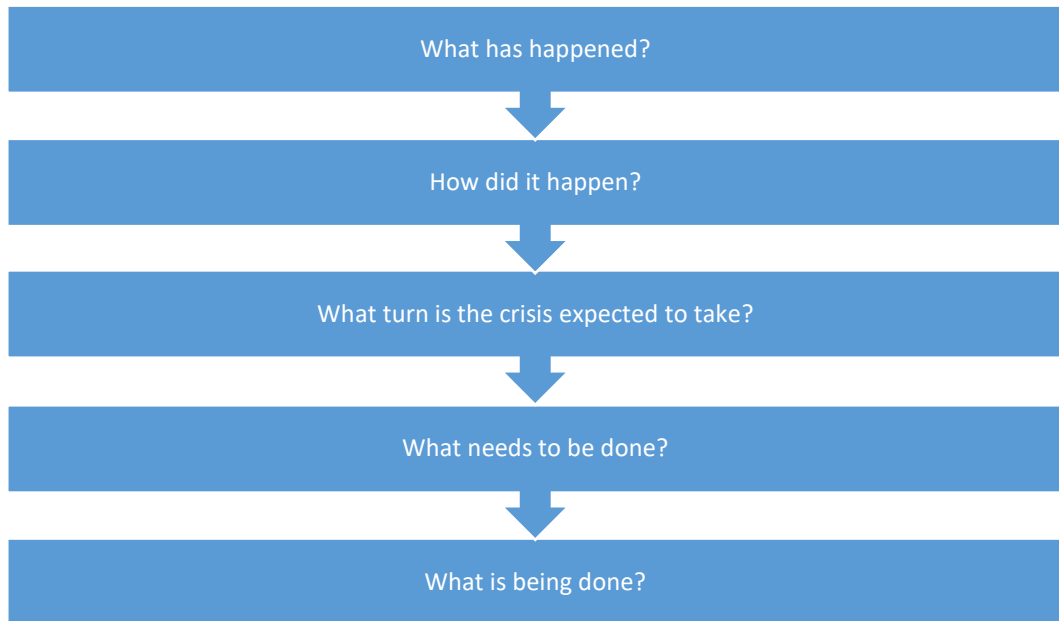
- developing a plan for action – once the ideas have been grasped and brought down to the completion of a certain number of objectives, every single one of these objectives should subsequently be completed. The goal is to simultaneously develop and prepare a plan for a series of actions which will help neutralize a potential crisis or at the very least delay the possibility of its occurrence. This should be carried out by the team and coordinated with the other employees and managers.

- communication inside and outside of the enterprise is an essential part of planning a probable crisis. It should also include a plan for carrying out communications which would guarantee a successful approach towards people who are directly interested. A circle of people inside and outside the organization who need to be informed of the crisis should be determined and a list should be made of people and phone numbers that can be contacted in an emergency situation. Good internal communication keeps people in the company in good spirits and it acts as a strong preventive measure against any serious crisis. Similarly, good internal communication drowns out rumors and speculations and shows society that managers are aware of the problem and are working hard to resolve the crisis.

Crisis Containment

Any crisis that is left unchecked leads to a fatal outcome. Generally, a transport crisis, i.e. a major railway or airplane crash can lead to a multitude of negative economic, social and ecological consequences. Getting transport crises under control has a lot in common with the work of emergency medical teams – namely, stabilizing the situation by creating conditions for taking other, more decisive actions. When such a crisis occurs, the first thing that needs to be done is identify the problem and decide what needs to be done to stabilize the situation and prevent the crisis from expanding. The purpose of these actions is to provide the crisis team with enough time to implement the crisis plan. The crisis team needs to act quickly and decisively; the public's safety should be their top priority.

Comprehensive and thorough information needs to be collected and provided about the situation that has occurred and its development from the beginning of a crisis all the way to the official announcement of its end, and a wide circle of people needs to be notified. Society needs to be kept informed.



As a rule, all of these questions should be answered by managers and the individuals they have authorized. At any given moment from the beginning of a crisis all the way to its conclusion, they need to have the respective information at their disposal and be able to answer all the questions regarding its development.

Crisis containment requires a leader and mobilization of the entire crisis team, immediate and timely action and implementation of crisis plans. Crisis management teams need to be well-trained, comprised of reliable people who can think quickly and clearly and are able to work under pressure in difficult situations where, in most cases, there is insufficient information regarding details connected to the situation that has arisen. Because time is the factor that could deepen the problem further and make it difficult to resolve, crisis management teams need to be able to act swiftly. A crisis that goes on for too long could ruin a company's image in the public consciousness.

In addition to every plan of action during a crisis, crisis management teams also need to have a complete plan for announcing information. Obviously, in order for such a plan to be effective, it needs to include a preliminary reserve of answers for any questions that could arise. This is the only way to maintain the information vacuum and leave little room for rumors and speculations. Crisis management is inextricably linked to media contacts – together, they determine the degree of the exit from the situation that has arisen, as well as the mark it will leave on the enterprise's reputation and image. Unsuccessful media contacts could tarnish the transport company's reputation and make it subject to public attacks.

INFERENCES AND RECOMMENDATIONS

Most transport crises begin with minor problems which could grow if not paid attention to; if an enterprise's management fails to notice and neutralize them, they could turn into a real crisis. It should always be taken into consideration that things that seem insignificant at first glance could lead to the emergence of major crises in the transport business; therefore, managers should watch out for crisis precursors and deal with them quickly and decisively, thus avoiding bigger problems in the future. Sometimes, management decisions in transport whose consequences have not been specified well lead to serious consequences, even to social and ecological disasters. Ideally, crisis management starts before the crisis itself really is at hand. In a calm real situation, the first thing management needs to do is conduct a comprehensive review of organization risks, identifying the ones which could lead to serious problems.

Although it is unthinkable to list off all possible crises, taking some fundamental risk categories into account could help to identify the type of crisis that a transport organization will have to prepare for and avoid if possible. Since many risks are substantiated by people from the company itself, they need to learn from experience or during the activity process by keeping an eye out for negative phenomena or indications regarding the specificity of the transport activity. For instance, according to statistics, airplane flights are safer than all other modes of transportation, yet one plane crash represents a total collapse. Therefore, when major air companies analyze their vulnerability, they focus on the probability of a crash, as well as the ways they can prevent it and avoid the consequences from it; additionally, all air companies are prepared and take preventive measures in case a plane is hijacked.

Managers carry the main ideas, but the people who are capable of recognizing emerging crises and situations are the ones from a firm's lower levels. The employees from those levels meet on a regular basis to prepare plans and budgets, to assess the competitive environment and the firm's positions, and to point out possibilities for work improvement. Discovering risks should be their objective when thinking about potential risks; they think predominantly about crises they have experienced and ones which they have heard about on the news or from other people. Therefore, it is recommended that transport firms implement a system approach, which involves engaging all operational units, and it is the best way to determine eventual sources of potential crises. Although thinking beyond the boundaries of personal experience is quite difficult, more often than not it serves as the basis for real threats to originate from. The system approach to determining the risk of a crisis involves having discussions in all branches of the firm and on all levels. It is recommended that the identification of potential risks become part of the management

process itself when implementing the system approach for identifying potential crises; over time, this will help the participants develop the ability to detect risks which could grow into a real crisis. In practice, all employees from all levels and subdivisions of a transport enterprise need to be engaged in the identification of potential crises. At the same time, managers need to monitor the situation carefully inside and outside of the enterprise, as well as the attitudes of customers and suppliers, and listen to the advice of economic analysts. They need to initiate and simulate all possible ways of creating chaos and instability inside the firm, thus assessing the situation and taking preventive measures against potential hazards.

Situation games are a form of practical preparation for managers, experts and certain officials. As a rule, they precede teachings and are suitable for research, experiments or testing concepts, methods and new organization or management structures. They are a mandatory element of the evaluation of adopted plans and a convenient form for playing out the developed options for use of powers. They have great potential for solving fundamental discrepancies in the preparation of various categories of personnel engaged in management activities. They are used to recreate the dynamics of specific crisis situations, and the participants are practically performing their duties. The focus is on analyzing the information, assessing the mission and making decisions on the basis of evaluated risks. Deliberate contrasting of various points of view and approaches is sought over the course of their conduction because it is the only way to generate innovational decisions. The results are a subject of discussion over the course of the game and the analysis (Yonov & Dereliev, 2010).

When a transport crisis occurs, time becomes the greatest enemy. With each passing day the negative effects grow and the enterprise's image deteriorates.

In order for a crisis to be successfully contained, it is essential that the following four main rules be observed:

- acting quickly and decisively – delays only create conditions and prerequisites for making the situation worse;
- putting people first – everything else like buildings, belongings, credit ratings and reputation can be restored; people's lives cannot;
- securing people from high management levels at the site of the crisis as quickly as possible – this will show society that a great deal of effort is going into containing the crisis;
- informing as many people as possible in order to suppress unnecessary rumors and speculations.

Once the crisis approaches its final stages, quick actions would have to be taken in order to resolve it completely and officially announce its end. The facts involving the origin of the crisis will be revealed in the process of its containment; for this purpose, all the

available information will need to be collected and processed. Crisis management teams should have a comprehensive vision on what has happened, as well as a clear idea of the reasons behind the negative situation, the origin of the crisis, its development and all the consequences from it. A complete and accurate spread of information among the media would provide intelligence to the main interested parties and suppress rumors and speculations. The process of resolving a crisis requires constant documentation and classification of the collected information. This will subsequently help make an authentic assessment of the crisis management team's actions and lessons will be learned from the accumulated experience. The documentation of the crisis will eventually prove to be valuable for eventual legal disputes in the post-crisis period.

For every organization, a crisis is a test of the endurance of its joints, its internal communications and, most importantly – its personnel (Yarnikh, 2007).

Crisis managers should head crisis teams from the beginning of a crisis all the way to its end. They need to have a good reputation in the eyes of society so they can be supported during a crisis, not attacked, cooperate with the media and demonstrate high level of professionalism in their presence. Media represent one of the connections enterprises have with society and people who have an interest in their activity. Therefore, during a crisis, reports should be presented clearly and accurately in order to be properly understood by society. Ignoring the media could lead to presentation of false and inaccurate information about events, damaging the transport enterprise's reputation in the process.

During economically turbulent times, every organization's management needs to guarantee its ability to endure and overcome unexpected blows, as well as taking advantage of unexpected opportunities. This means that the foundations require good management during turbulent conditions (Kotler & Caslione, 2009).

CONCLUSION

In most cases, managers' underestimation of problems, negligence and arrogant attitude, as well as other lapses in management are sides of human behavior which are unaffected by time and prevent people from recognizing a crisis in its infancy. In order to recognize a crisis which either has not occurred or is still in its infancy, crisis managers need a preemptively created organization mechanism which identifies signs of the occurrence of an eventual crisis and inform the people who have been empowered for this purpose. Quite often transport managers are reluctant to face unpleasant situations. Some of them believe in bad news, while others do not and prefer not to deal with it. Of course, not every problem is a precursor to a looming crisis, but managers would be wasting a lot of energy if they approach problems with complete indifference. They need to be able to

identify a crisis when it is right in front of their eyes and listen to their instincts which hint that something is not right. When they discover troubling facts, they need to start dealing with them immediately and study them carefully instead of ignoring them and underestimating their importance. Otherwise, if said troubling facts turn out to be true, that could lead to multiple financial losses, physical injuries and at the same time ruin the company's image.

Managers who deal with crisis situations successfully are decisive. They can react quickly, but their biggest skill is their ability to guarantee the decision-making process (Ribarska & Vasilev, 2009).

Crisis managers play a key role throughout all stages of a crisis all the way until the announcement of its end. Once the crisis has been resolved, its end should be announced, signaling that the situation has been restored to its normal state. During such negative situations people seek leaders who are sensible, confident, have good communication skills and utilize a publicly engaged approach which will help them overcome the situation and lead them out of the crisis. Therefore, it is crucial that managers maintain contact with the media at all times throughout the crisis containment process, providing them with the necessary information.

REFERENCES

- Antonio Andonov, Ladislav Novak, Galina Cherneva, (2009), "*Crisis Reengineering, Planning During Crises and Information Technologies*", XIX International Scientific Conference Transport 2009. Scientific Journal "Mechanics, Transport, Communications", Issue 3, Article № 0440, ISSN: 1312-3823, pp. VII – 25;
- Covey, S., Whitman B., (2010). *Predictable Results in Unpredictable Times*, Kibea, p. 58;
- Kotler, P., J. Caslione (2009), *Chaotics: The Business of Managing and Marketing in the Age of Turbulence*, Locus, 2009, p. 68;
- Prahalad, K., Ramaswamy V., (2009) *The Future of Competition*, Classic and Style, p. 19);
- Ribarska, E., V. Vasilev, Public Management, B, 2009, pp. 132-133;
- Yarnikh, V.I., (2007), *Successful Management in Times of Crisis*, Soft Press, 2007, pp. 10-20, pp.131;
- Yonov, M., Dereliev P, (2010), "*Preparing Experts from the Maritime Transport System for Crisis Management*", Nikola Vaptsarov Naval Academy, pp. 3-4.