



Crisis Management

THE ASK:

Though a governing body may be quite comfortable with the manner in which executives run the day-to-day operations of the provider, their entire operating environment could change in an instant and without warning – as the recent impact of COVID-19 has clearly demonstrated.

Covered in this Topic Guide

- The importance of being prepared
- Responding to, and operating in, a crisis
- Emerging from a crisis and returning to normal

Where are we now?



[Governing bodies] trust their CEOs to lead well. But in crisis, up against the wall, they can't leave [the] CEO and executive team [to themselves]. They need to make decisions [quickly], and that is a very different governance framework.

GOVERNING BODY MEMBER

Key concepts

The following high-level definitions are provided to assist in interpreting some of the key concepts discussed in this Topic Guide:

- A **crisis** may be characterised as an extraordinary event (or series of events) that has a serious and immediate impact on an organisation and its ability to conduct its operations.
- A **Business Continuity Plan (BCP)** outlines the way in which the provider will maintain operations if certain processes or systems are compromised.
- **Short-term crisis response** refers to the hours or days immediately following the crisis, in which circumstances are still emerging and being understood and may be changing rapidly.
- **Medium-term crisis response** is the point at which the initial dust has settled and the crisis is more fully understood.
- **Long-term crisis response** refers to the point at which the crisis passes, or at least has faded to the extent that no further rapid changes are anticipated.

Crisis management in aged care

The looming possibility of a crisis or other emergency situation has existed for aged care providers long before the COVID-19 pandemic and will exist for long afterwards. *Aged Care Quality Standard 8: Organisational governance* specifically notes that ‘organisations are expected to plan for and manage internal and external emergencies and disasters.’

Many providers had encountered other crisis situations prior to COVID (i.e. fires, floods, cyclones, influenza outbreaks), but the nature and sheer scale of COVID presents a situation like no other. Providers should use this opportunity to reflect on the robustness of their existing crisis management frameworks to ensure that they are fit for purpose against a broad number of scenarios. Most importantly, they should ensure that the frameworks place consumers at the centre of any planning, response, management, and recovery processes.

Story from the sector



Governing bodies must be comfortable that their provider has planned adequately for any crisis

KEY TAKEAWAYS

- Governing bodies should be confident in their provider’s crisis preparedness, including the adequacy of both crisis management plans and relevant staff training.
- Governing bodies and executives should be conscious of indirect (or ‘secondary’) impacts stemming from a crisis situation (i.e. unfavourable media coverage).

Acme Community Services operates a small residential facility with very strong ties to its community. The governing body members each live locally, and the Acme facility is both well-known and well-respected.

Acme recently hosted a special Christmas event for consumers and their families, at which a three-course meal was served. Following the event, the facility experienced an outbreak of Salmonella, which was traced back to the chocolate mousse prepared by the catering company. After several cases of Salmonella were identified, the CEO brought the provider’s Crisis Management Plan into effect. In line with this plan, consumers were quarantined, the kitchen was closed temporarily, and additional care staff were added to the shift roster.

Despite the Crisis Management Plan, however, the following had been noted:

- Several of the staff had not been trained in implementing quarantine procedures.
- The provider had not contacted the catering company, who has since provided a statement to the media blaming the quality of the kitchen facilities.

The governing body had been confident in the provider's Crisis Management Plan, having seen and endorsed a copy (which included a section specifically related to 'food poisoning and related outbreaks'). However, the chair has since reflected that the governing body should have reviewed the plan in more detail and with a greater degree of scepticism.

Tips for effective crisis management

Older Australians at the Centre

- Consumers should remain at the heart of any crisis management planning and crisis management response. This should include effective ongoing communication with consumers and their families during any crisis situation.

Knowledge, Skills and Experience

- In ensuring that the governing body has an effective mix of skills and experience, it will be useful to consider whether any members have been responsible for leading an organisation through crisis or other rapid change.

Obligations and Accountabilities

- In addition to maintaining the provision of safe and quality consumer care during a crisis, a governing body must be comfortable that the provider is, at the same time, maintaining compliance with all ongoing regulatory obligations.

Leadership and Culture

- The governing body needs to keep close to management's actions in responding to the crisis, including being a strong advisor to avoid reputational risk and leverage lessons learnt from other crises, including a COVID-19 outbreak

Reflecting on your practice



Think...

Below are the top things you need to be **thinking** about:

- Have we, as a governing body, turned our minds to the crisis management framework our provider has in place? Have we done this with appropriate regularity?
- Are we comfortable that the crisis management framework has been formulated in consideration of a comprehensive set of crises?
- Does our framework contain a set of realistic response measures that would be achievable for management and staff in a fast-moving crisis?
- Do we, as a governing body, undertake scenario-based crisis management training (potentially with an external training provider) on a regular basis?



Ask and say...

Below are the top **questions you need to be asking**:

- Is the safety and quality of care for consumers at the centre of our crisis management framework?
- Has our framework also contemplated the impact on staff and external stakeholders (such as the regulator and community)?
- Have our staff been adequately trained in crisis management response activities? Does management have the necessary confidence to lead such activities?
- Has our crisis management framework been tested through exercises?
- Do we have an outbreak management plan in place, which has been tested with those responsible, in order to mitigate the risk of a COVID-19 outbreak?



Do...

These are the top **actions and behaviours** of leaders:

- Ensure that governing body members provide support and guidance to executives in their response to a crisis but do not take on the responsibility for that response themselves.
- Ensure there is a clear and effective communication strategy in place for use in a crisis event, which considers all key stakeholders (e.g. consumers and staff).
- During the crisis response and management process, be sure to continue providing effective oversight over day-to-day provider operations.
- Engage proactively and openly with the Aged Care Quality and Safety Commission, the Department of Health, and other external stakeholders through response to (and recovery from) a crisis situation.
- Encourage staff at all levels of the provider (including the governing body and executives) to consider any lessons that might be learned from the provider's response to a crisis.

What is considered to be a 'crisis'?

A crisis may be characterised as an extraordinary event (or series of events) that has a serious and immediate impact on an organisation and its ability to conduct its operations. Though the nature and impact of each crisis will vary, response to events of this nature requires the governing body and executives to alter the way that they govern and make decisions; they enter a different 'mode'. As to the nature of a crisis, it is useful to note the following:

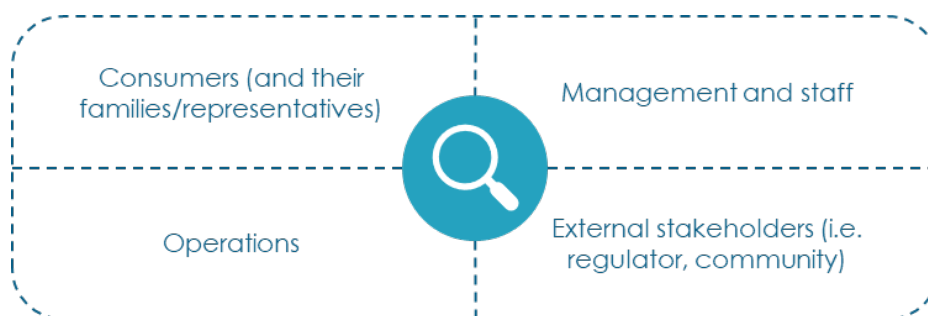
- A crisis may have been caused by a provider's internal or external environment and may affect people or infrastructure, or both.
- The nature of a crisis may evolve at any stage or be in a constant state of flux.

Some examples of crises, classified by their nature, are provided below:

Natural	Technical	Biological	Political	Other
Fire Severe storms and/or flood Earthquake Cyclone Drought	System outage Ransomware attack Large data breach	Influenza or other infectious disease outbreak Pandemic	Rapid change to funding or policy settings	Arson attack Bomb threat Medication error causing death Sexual assault of a consumer

The impact of a crisis on a provider

Much like the nature of a crisis, its impacts can vary widely and evolve over time to present a new set of challenges for the provider to contend with. In considering the impact of a crisis, it will be useful to consider each of the relevant stakeholder groups in turn, for example:



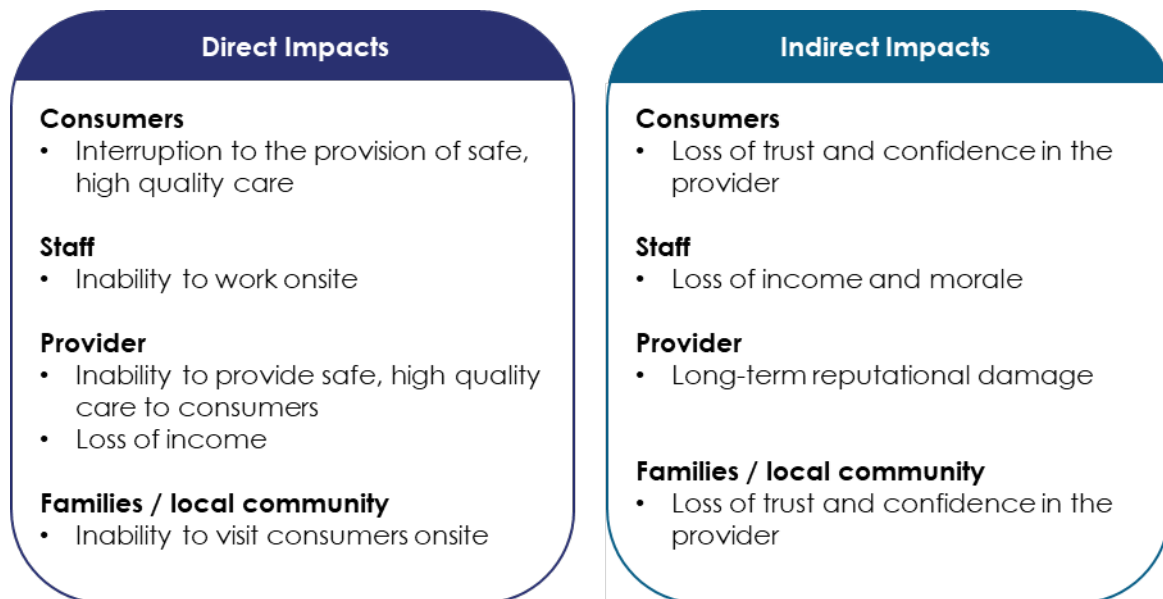
The nature of the provider and its services

Who key stakeholders are and how a crisis will impact them depends on the nature of the provider and the services it provides. For example:

- **The nature of the provider:** Those providers operating in a regional or remote location (which may be the only aged care provider within that community) may find considering the impact of the crisis on the local community to be much more important.
- **The nature of its services:** A provider offering only residential care will be inherently more conscious of the impact a crisis may have on its physical infrastructure, whereas a provider offering home care services may have a more nuanced set of responsibilities in supporting their consumers in the event of a crisis.

Direct vs indirect impact

Once key stakeholder groups have been identified, it may be useful for the provider to consider both the **direct** and **indirect** impacts of a crisis on these stakeholders. Below is a diagram that outlines the potential impacts across a sample of stakeholders. These are provided as examples only.



The importance of being prepared

The benefit of thorough crisis preparedness cannot be underestimated. Though there will always be aspects of a crisis that a provider could never be prepared for, having clear roles and responsibilities and a well-considered (and tested) set of base procedures will mean the provider is set up for success. Effective preparation will provide comfort to staff in the event that a crisis does occur and ultimately provide a more defensible position to all stakeholders when reflecting on a provider's response approach retrospectively.

The governing body should have some degree of oversight over the provider's crisis preparedness (and assurance as to its appropriateness). However, the responsibility for the relevant processes does sit with management. The governing body (like management) should have a sound understanding of relevant risks to the provider and any emerging threats, which will go some way to ensuring the provider is as resilient as it can be.

Crisis management and business resilience planning

Developing and documenting a provider's plans for managing a crisis is vital. Without formally documenting clear roles and responsibilities and easy-to-follow processes, a provider risks dependency on the knowledge of key persons and management's best intentions. Crisis management planning may be housed within its own document or framework. However, it is also commonly combined with one or more Business Continuity Plans (BCPs), which outline the ways in which the provider will maintain operations if certain processes or systems are compromised (i.e. how the provider will remain resilient).

Training and testing

The best planning will only be as effective as a provider's ability to implement those plans. The ability to implement will reflect the training staff receive and the testing undertaken, such as:

- induction and mandatory training for all staff
- ongoing refresher training and access to guidance
- exercises (such as emergency drills) and other testing, which may include consumers.

Responding to, and operating in, a crisis

Though each situation will be entirely different depending on its unique circumstances, an organisation's response to a crisis will generally follow these three stages:

- **Short-term response** (or 'immediate response') refers to the hours or days immediately following the crisis situation, in which circumstances are still emerging and being understood and may be changing rapidly.
- **Medium-term response** (or 'ongoing management' stage) refers to the point at which the initial dust has settled and the crisis is more fully understood. Changing may still occur rapidly, but some key processes to enable ongoing management have been developed.
- **Long-term response** (or 'new normal' stage) refers to the point at which the crisis passes, or at least has faded to the extent that no further rapid changes are anticipated.

Below are a number of key considerations for governing bodies and executives during the **short-term response** and **medium-term response** periods:

Consider changes to decision-making approaches

Given the pace at which a crisis may occur and unfold, decision-making processes must change to allow effective management of the situation, both in the short- and medium-term. The following factors should be considered specifically:

- Consumers must remain at the centre of all decision making.
- Key management and staff should be empowered to make decisions quickly.
- Amendment (or exceptions) should be made to delegation frameworks, if necessary, to allow for more timely financial spending.
- The provider must remain vigilant to changes in the crisis or the environment.

It may be beneficial for the provider to establish a 'Crisis Management Team' of appropriate management and senior staff to meet regularly and be delegated responsibility for managing the provider's response to the crisis. A body of this kind should be disbanded as the provider progresses to the **long-term response** stage.

Remember the importance of clear communication

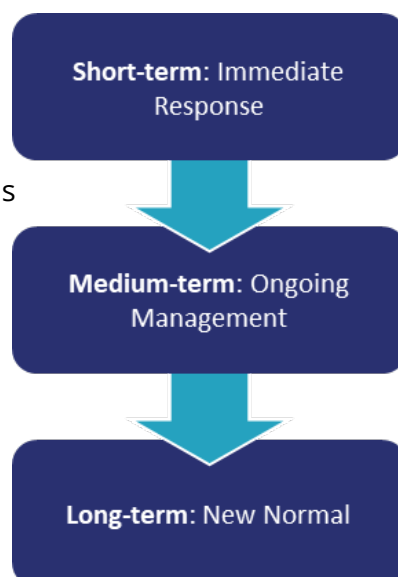
Clear and frequent communication both internally (to consumers and staff) and externally (to families and other key stakeholders) will promote transparency and help to foster confidence and trust in the provider. Having a clear point of contact from which stakeholders receive information and direct queries will allow them to be more informed and provide greater comfort. Consumers should remain at the centre of all communications in order to provide reassurance to consumers, their families and their community as to their ongoing care and safety.

Consider the role of the governing body

In times of crisis, governing bodies are expected to take a more active role in the oversight and support of management as they respond to the situation – particularly as a strong advisor regarding actions proposed (leveraging prior experience where possible). However, it is important to note that, though the governing body may be useful in their expertise and experience, and their ability to support the executives in responding to the crisis (such as allowing decisions to be made more quickly than usual), they should still retain some level of independence from the situation and response to maintain effective oversight.

Emerging from a crisis and returning to normal

As a provider moves from the ‘medium-term’ to the ‘long-term’, it is safe to consider they are emerging from the crisis they have been managing. This stage is characterised by a normal (or close-to-normal) resumption of all operations, with the management of crisis impacts starting to be absorbed into business-as-usual. This stage presents an ideal time for the provider to reflect on their response to the crisis and seek to address any negative impact that the situation had on consumer and community confidence and trust.



Maintaining consumer and stakeholder confidence and trust

Though the provider will have been conscious of maintaining consumer and stakeholder confidence and trust throughout their crisis management process, they should ensure that, as part of their progression into the ‘new normal’, they actively consider how confidence and trust may have been affected, and how it may be regained. In doing so, a provider should:

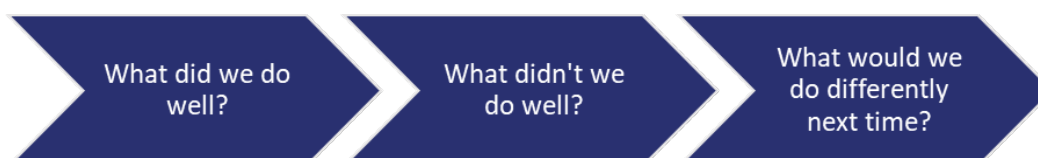
- **be realistic** about the harm that may have been caused to their reputation – there is no benefit in downplaying this harm and foregoing any chance to rectify it
- **be honest** with consumers and other stakeholders – they will appreciate the vulnerability that comes from a provider admitting that they may have faced challenges and made mistakes
- **be open** to feedback that may be received from consumers and other stakeholders and demonstrate a genuine willingness to adapt.

Seizing the opportunity to learn from the crisis

Each individual involved in the provider's response (whether a governing body member or staff) will have learnt lessons as part of that crisis. Whilst this is important in and of itself, it is also important for the *organisation* to learn too. The governing body should play a key role in these processes, both in providing oversight and as an active participant. For example:

- If the crisis demonstrates that a particular policy or procedure is not fit for purpose, the provider should ensure that these are updated as a matter of priority.
- If a temporary stop-gap measure had been introduced to address a gap in policy, the provider should seek to review that process and implement a more permanent solution.
- If the crisis exposes a gap in organisational capability or strategic planning, the governing body should consider the strategic changes that will support provider resilience.

Governing bodies and executives should also consider traditional reflective questions (such as the below) or conduct a review against an established framework (e.g. a SWOT analysis):



Useful tools

- Tool – [Business Impact Assessment \(BIA\)](#)

Useful references and links

[Outbreak Management Planning video](#) | Aged Care Quality and Safety Commission

[COVID-19 provider resources](#) | Aged Care Quality and Safety Commission

[Service continuity and emergency events in aged care](#) | Department of Health