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# Global Crisis Management Benchmarking Report

*As crises have evolved,  
so too must the way  
we prepare for them*

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On behalf of Morrison Foerster and Ethisphere, we are pleased to present the 2023 Global Crisis Management Benchmarking Report. This report is intended to provide legal departments with insights into crisis management and current trends and to highlight best practices for implementing a multipronged approach to crisis planning.

Our report is based on a survey of a global audience of senior executives in ethics, legal, compliance, public relations, communications, and risk functions, conducted in early 2023. The survey included questions about crisis management programs, structure, employee communications, training in a hybrid environment, and cross-company collaboration. The report also analyzes data from the [2023 World's Most Ethical Companies](#) report to help inform our views on risk management.

Partners at Morrison Foerster who have extensive experience in corporate crisis management informed the findings and recommendations in this report. We are grateful for the contributions and guidance from Morrison Foerster as well as from other participating organizations that shared their insights with us.

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# Introduction

From the pandemic to cybersecurity threats, to supply chain disruptions, to geopolitical risk, we have seen crisis after crisis test the resilience of organizations this decade. Crisis management has long been part of our business vocabulary, but what constitutes a crisis has continued to evolve.

In 2023, Ethisphere and Morrison Foerster partnered to survey organizations regarding their crisis management processes and procedures. This report provides insights into how companies are planning for crises post-pandemic, the risks they face, the ways they have changed their crisis management plan in recent years, and more.

## Key Takeaways

**The crisis landscape is evolving.** In our survey, respondents identified **cyber breaches, workplace violence or harassment, and environmental damage** as the three most common risks likely to cause a crisis. Alongside these risks, organizations also identified emerging **geopolitical issues**, including regulatory responses pertaining to **Russia and China**.

**Crisis management planning and processes should be a collaborative effort.** The survey reaffirmed a key pillar to crisis response: the way companies respond to crises is vital, and the effectiveness

of response depends on creating and implementing proper crisis management processes and procedures. Crisis response should incorporate a cross-functional group of professionals who can support corporate leadership, including functions such as operations and technology, legal, human resources, media relations, risk and compliance, finance, and investor relations. Organizations should also have a bench of outside experts, from law firms to crisis communications firms, who can help them see around corners.

### **Crisis response drills are an effective way to prepare an organization for a crisis.**

Seventy-nine percent of survey respondents indicate they conduct crisis response drills on key risks areas, with 95% stating that they conduct drills annually or more frequently. These drills often include senior executives, and sometimes board members, in addition to middle managers.

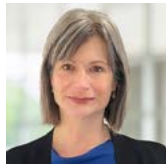
### **Organizations are becoming more proactive in how they respond to crises.**

Survey respondents cite multiple changes they have made to their crisis management response since the start of the pandemic, including the increased use of technology (64%), preparedness (48%), involvement from leadership (48%), and the frequency with which they conduct drills (20%).



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The last few years have given companies ample crises to manage, and the lessons learned from global turmoil are evident in this 2023 report. Companies have leaned into cross-functional partnerships, leveraged additional data, and executed tabletop exercises to look back and forward to produce more resilient, prepared enterprises. We are confident that everyone reading this report will find pragmatic tips to apply within their organizations.



*Erica Salmon Byrne,  
Chief Executive Officer,  
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# The Evolving Crisis Landscape



Cybersecurity remains top of mind for organizations, with 60% considering it as a top crisis risk. In addition to cyber threats, organizations also are projecting sanctions and climate change as risks they foresee facing in 2023 and beyond. Global issues such as pandemics and political tensions are also emerging risks.

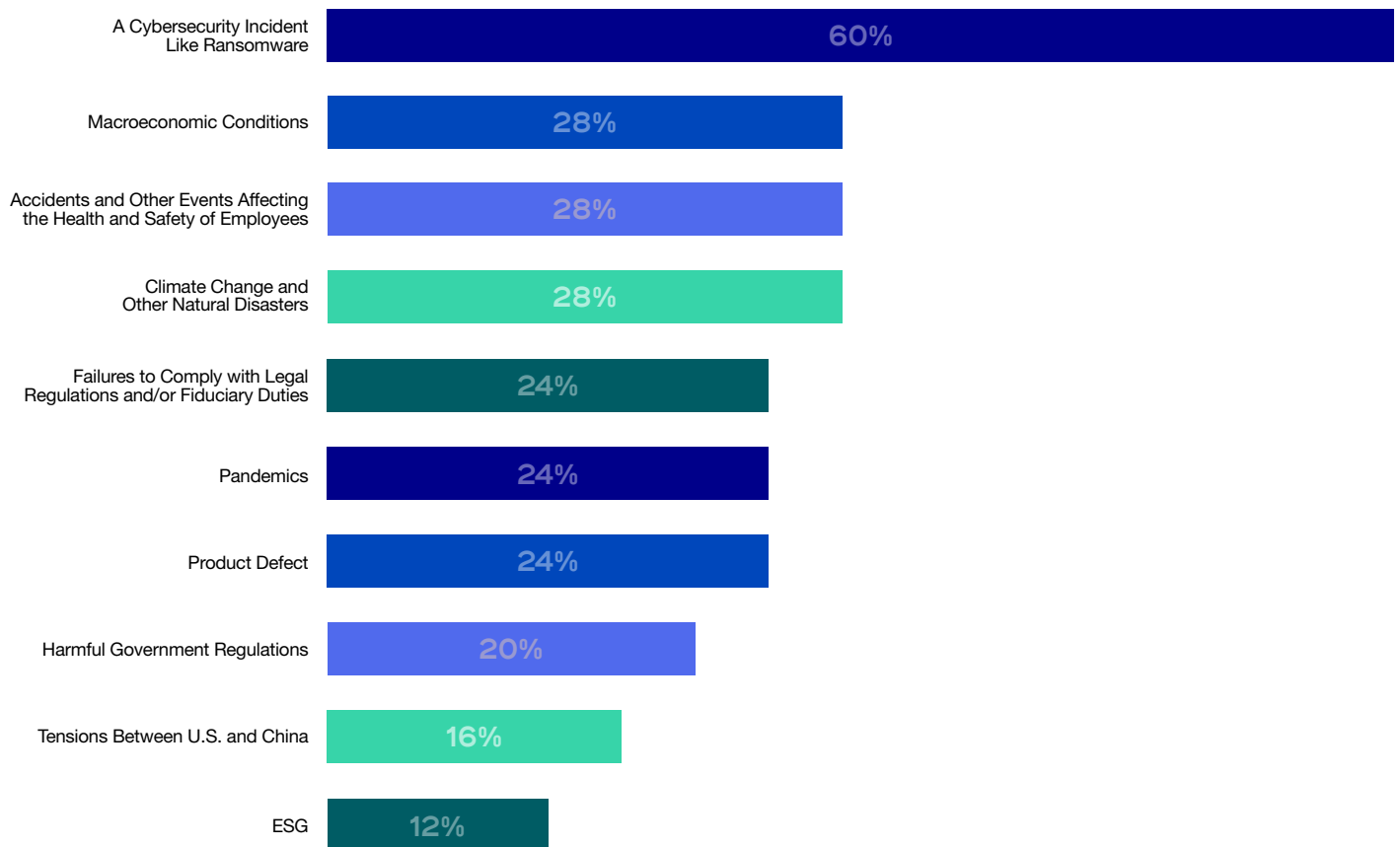
Crisis response has also evolved. Survey respondents cite multiple changes they have made to their crisis management response, including the increased use of technology (64%), preparedness (48%), involvement

from leadership (48%), and the frequency in which they conduct drills (20%).

One welcome trend in crisis management is organizations' confidence level in their ability to respond. In 2018, 39% of respondents stated that they were very confident in their organization's ability to manage a potential crisis. In 2023, that number jumped to 64%. Similarly, when asked about the confidence of their organization to utilize their crisis management plan, the percentage of those organizations that were very confident rose from 34% in 2018 to 40% in 2023.



## What do you consider to be the greatest crisis risks facing your organization in 2023 and beyond?



# Workplace Violence or Harassment

Workplace misconduct remains a top concern. Twenty-eight percent of survey respondents listed accidents or events affecting the health and safety of employees as one of the greatest crisis risks facing their organization.

According to recent data findings from Ethisphere's 2023 Culture Report, which

covers ethical trends in workplace environments, 38.9% of Gen Z respondents revealed that they did not report misconduct when they observed it. This finding compares with 31.8% of millennials who did not report observed misconduct and 27.6% of both Gen Xers and baby boomers. Of the misconduct that respondents reported post-pandemic, harassment or discrimination



**Culture has become a topic of critical importance to every corporate stakeholder: employees, consumers, investors, and regulators. A new workforce and new expectations are also impacting how companies cultivate and promote an ethical culture. Our data suggests that managers continue to play a key role; these front-line employees are critical to ensuring that an ethical culture is embedded across an organization and that reports are effectively addressed.**



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Chief Executive Officer,  
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were the most widely reported forms of misconduct, followed by bullying, which was the type of misconduct that spiked pre- to post-pandemic. Retaliation, fair employment practices, and conflicts of interest round out the top five most-reported types of misconduct. This data suggests that issues of workplace discrimination and misconduct remain top of mind for organizations and need to be included in crisis management plans.

Data for the Ethical Culture report was collected from an Ethisphere survey of over two million global employees from Ethisphere's client base from 2016 through the end of Q3 2022. The 54-question survey focused on reporting behavior and how the behavior reflected certain realities around organizational speak-up culture.

Download the Report: <https://ethisphere.com/2023-culture-report/>

Promoting a speak-up culture that encourages employees to report incidents of perceived workplace misconduct is perhaps the most effective way to prevent issues from becoming public-facing crises. Organizations that have strong policies and cultures are best able to address issues, remedy situations, and prevent crises



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# Geopolitical Risks on the Rise

In a notable evolution from prior surveys, most of our respondents reported recently facing geopolitical and related regulatory risks. The most common response about recent risks revolved around tension and activity in Russia and China, and related regulations. As the war in Ukraine continues for a second year and the U.S. government increases its regulatory actions targeting the Russian and Chinese governments, it is not surprising that companies have had

to address such risks. Compounding this concern, the U.S. government has now been joined by other countries—including Russia and China—in leveraging regulatory tools, such as economic sanctions, to further their national security and foreign policy interests. Companies thus need to ensure that their crisis management plans consider potential geopolitical events or sanctions that could severely impact their business, operations, or employees.

## Which of the following are areas of risk that your organization has recently faced?





Global companies face global risks, and right now countries across the world are adopting regulations and sanctions that make the global marketplace increasingly challenging to navigate. It's important that companies understand where they are most vulnerable to those risks and regulations, and that they are prepared to navigate the next conflict or geopolitical crisis.



*Brandon Van Grack,  
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# Crisis Management Plan: Building Your Team and Establishing a Foundation

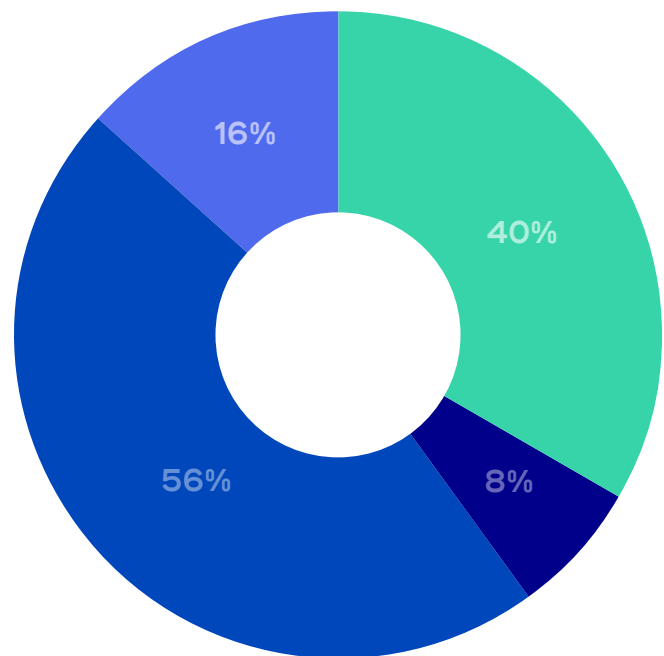
Of the organizations surveyed in 2023, 88% have a written crisis management plan. A crisis management plan on paper, however, is only the first step in a broader effort around crisis preparedness.

One simple foundational step to prepare for crisis response is to identify a formal crisis management team with well-defined roles. Having a formal team with defined roles means that the right people are involved from

the beginning, with members understanding their roles and duties. Seventy-four percent of organizations surveyed in 2023 stated that they had a formal and documented crisis management team, up from 67% in 2018. Of those organizations, 88% specified a team leader, with that leader varying from Operations to Public Relations and Communications, to Chief Compliance officers.

## What role does the Board have, if any, in crisis management preparation?

- Input on Strategy and Vision
- Identifying Relevant Government Agencies and Officials to Contact in Advance of a Crisis
- Reviewing and Understanding Pre-Agreed Decisions, Contingency Plans, and the Board's Role in the Company's Overall Crisis Communications Plan
- Other



Corporate leadership is involved in crisis management 84% of the time, according to survey results, with 96% of respondents indicating that the organization's general counsel should be involved in advising on crisis response. Respondents also indicated that the board of directors should have a role in crisis preparation, including input on strategy, reviewing and understanding decisions and plans, and identifying government contacts.

Outside of a formal team, crisis management should be collaborative and cross-functional. Survey respondents noted that individuals in many different areas of the organization should be part of the process. These areas include operations and technology, legal, human resources, media relations, risk and compliance, finance, and investor relations.

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When crisis strikes, the organizations that have fared best are those that anticipate the issues around the corner and have a plan to respond. The range of risks facing organizations is daunting to be sure and it is impossible to prepare for every scenario, but a playbook for response often boils down to a set of core principles. Thinking through key issues and roles and responsibilities today is the best way for organizations to ensure that they are resilient in the face of the crisis to come.

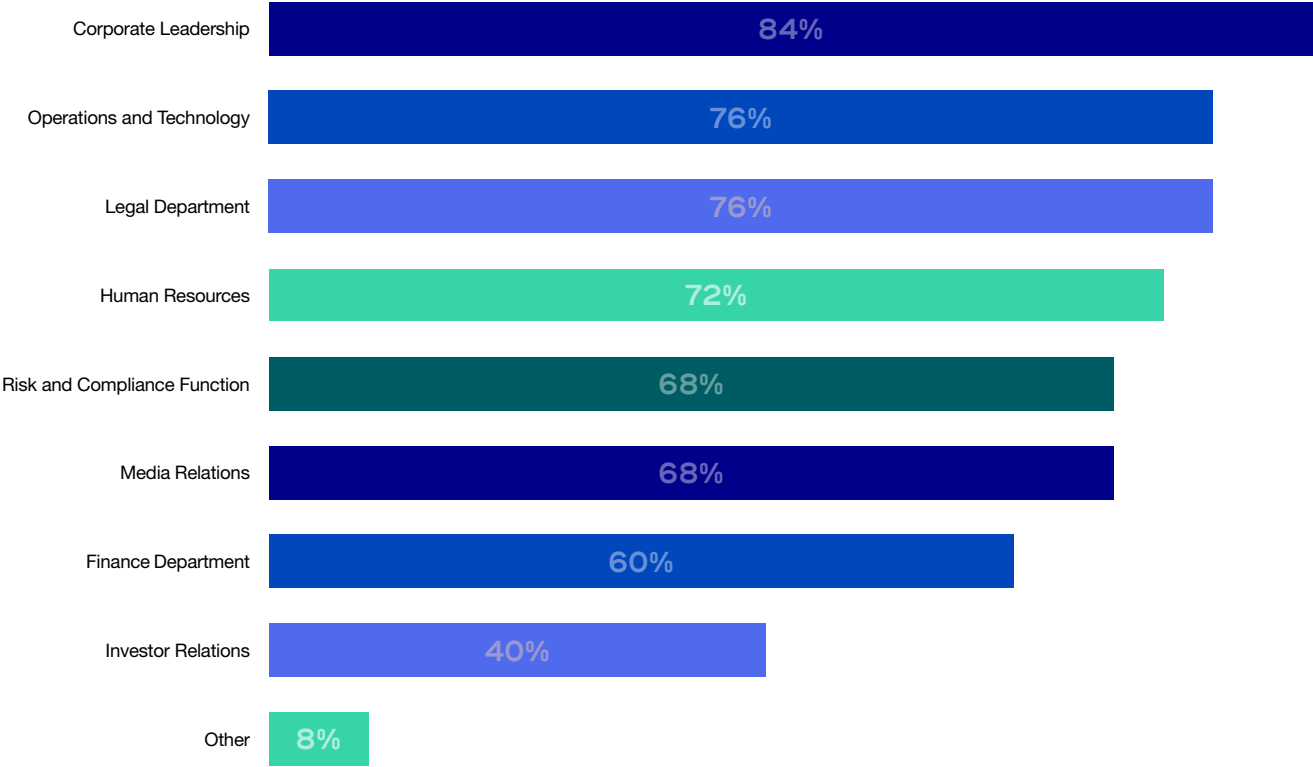


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Additionally, crises often test the capacity of an organization to respond. Having a bench of outside advisors who can assist on an as-needed basis is important for responding to a crisis at scale. The top attributes organizations look for in outside advisors for crisis management are a team with experience managing crises and a deep bench of substantive expertise (i.e., across industries and practice areas that can be custom fit for the crisis at hand).

In addition to building a crisis management team, it is also important to maintain and review policies and procedures related to crisis response. Sixty percent of survey respondents maintain a corporate policy on crisis management, with 84% reviewing the policy either annually or more frequently.

# Which of the following teams are part of your crisis team?



# Organizational Preparedness: What to Address and How

## Commonly Addressed Risks or Potential Issues

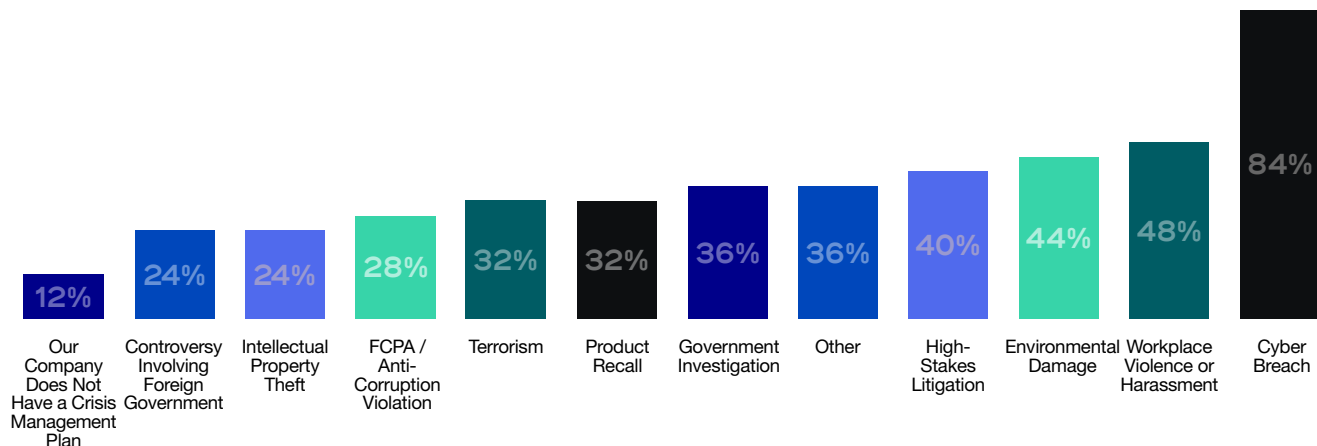
A wide range of events should be covered in a crisis management plan. These events range from cybersecurity to product recalls to government investigations. An organization's crisis management plan should be tailored to the organization itself as well as the industry in which it operates.

The most common issue that survey respondents addressed in their crisis

management plans is cyber breach, with 84% of organizations stating it was included in their plan, up from 67% in 2018. The next most commonly included potential event was workplace violence or harassment, at 48%. The third most common potential issue addressed in crisis management plans is environmental damage, with 44% of respondents indicating it is addressed in their plan.

It is not surprising that organizations keep cybersecurity concerns top of mind.

## Which potential issues does your crisis management plan address?





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In addition to crisis response drills, organizations should also communicate with and train employees around key risk areas and potential issues. Sixty percent of survey respondents maintain a crisis management policy. They state that they train their employees on this policy, as well as other relevant policies, through frequent and timely communications, onboarding, manager-employee training, and implementation technology.



*Julie Park,  
Partner, Litigation Practice,  
Morrison Foerster*

Many global organizations have suffered cyber breaches and the reputational and other consequences that follow. With expanding technology and automation, the risk of cybersecurity threats rises, which explains the increase from 67% to 84% of organizations including the issue in their plans. Sixty percent of survey respondents indicate that a cybersecurity incident such as ransomware is one of the greatest crisis risks facing their organization.

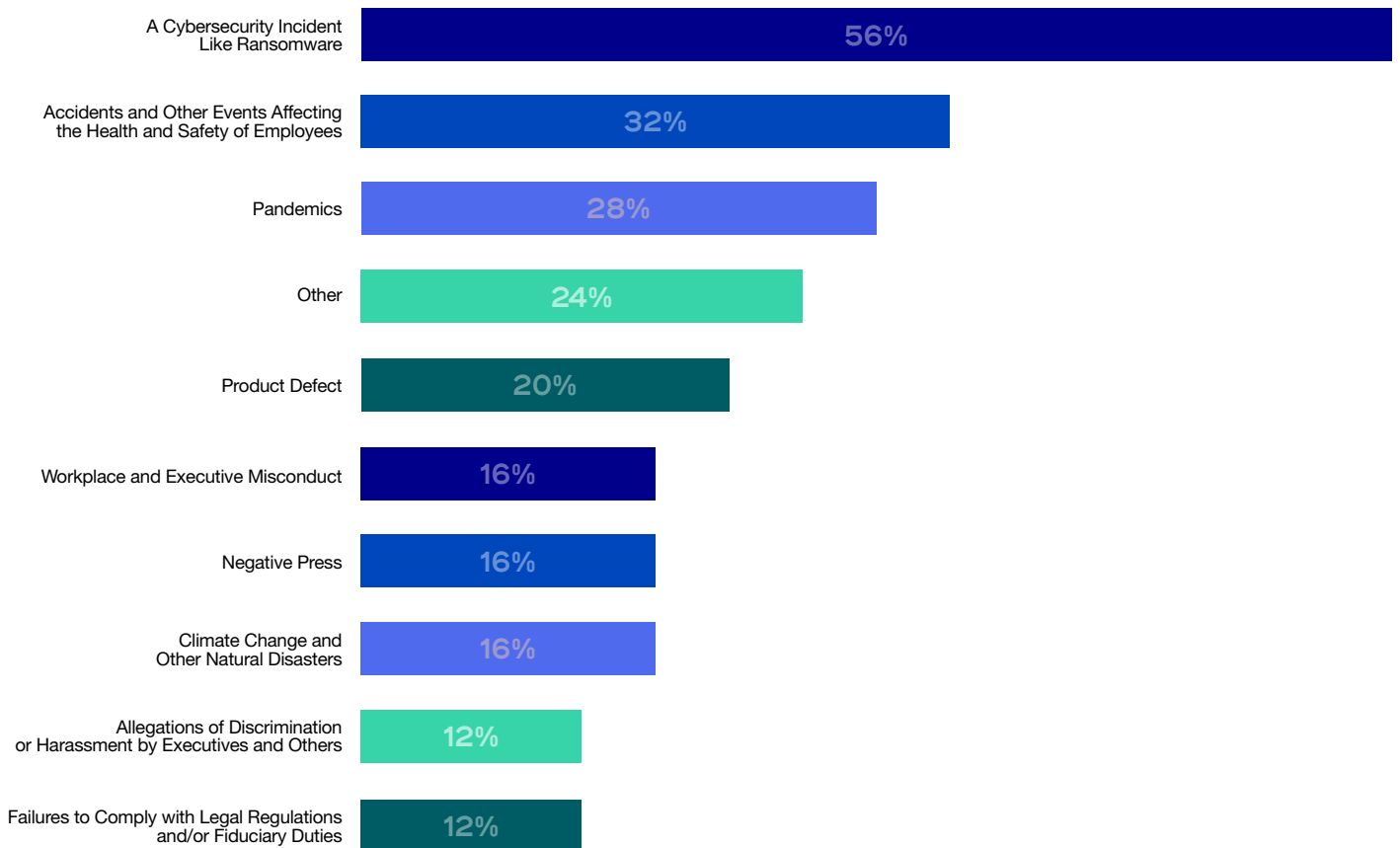
We are also seeing agencies that have not previously established formal requirements for cybersecurity preparedness begin to take a more active role in regulating cybersecurity plans, ranging from the U.S. Securities and Exchange Commission to the U.S. Food and Drug Administration. This kind of engagement by regulatory agencies that have not previously been actively involved in cybersecurity threats raises the risks associated with a crisis.



# Preparing the Organization

Employees across the organization should understand the framework for responding to crises. This knowledge often is gained by participation in crisis response drills. Seventy-nine percent of survey respondents

indicate that they conduct crisis response drills on key risks areas, with 95% of those who responded stating that they conduct drills annually or more frequently.

## Which potential scenarios are contemplated in your response drills?





Don't prepare in silos. As the data in this report suggests, a cross-collaborative approach should be embraced. One of the key benefits of a tabletop exercise is to provide participants with real-time experience of working through various situations with individuals outside of their normal areas so that they can hear about the issues and concerns that are key to other stakeholders in the organization. This type of relationship-building is key to building a resilient organization capable of weathering a crisis.



*Miriam Wugmeister,  
Co-chair Global Privacy  
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## Tips for Conducting Tabletop Exercises

- Understand escalation paths and have a clear understanding of when crises need to be escalated.
- Develop clear checklists as part of an incident response plan to reduce areas of confusion and training time and to make plans easier to use in the event of an actual crisis.
- Routinely identify turnover in the organization to keep contact lists and roles current, as well as phone numbers and other contact information.
- Consider whether you have all of the right people included on the crisis response team; tabletop exercises may expose the need for additional participants.
- During a tabletop exercise, run scenarios in which certain players could not be reached (unavailable, on a plane, in the hospital, etc.) to see how to fill in the gap.
- Consider having different levels of exercises, such as executive level, management level, and technical level.

One example of a crisis response drill is tabletop exercises. These simulated incident response exercises can be highly valuable as they give key personnel hands-on experience walking through the organization's incident response plans. The exercises also provide those in key roles familiarity with the actions and expectations, as well as serve to identify flaws within the incident response plan.

In addition to crisis response drills, organizations should also communicate with and train employees around key risk areas and potential issues. Sixty percent of survey respondents maintain a crisis management policy. They state that they train their employees on this policy, as well as other relevant policies, through frequent and timely communications, onboarding, manager-employee training, and implementation technology.



Managers are the first line of ethics defense and given their proximity to team members they are in a strong position to adequately rollout crisis communications plans. According to the 2023 World's Most Ethical Companies dataset, 90 percent of companies are training managers on their special responsibilities to lead outside of harassment training, and 93 percent of honorees aren't stopping there but are sending them tools to use to keep the conversation going. Sixty-eight percent of you are building ethics metrics into performance evaluations — even before the DoJ told you to. And you are 10 percent more likely to be training managers on mental health issues.



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# Contributors



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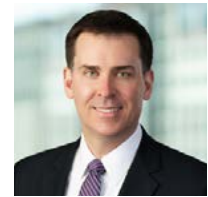
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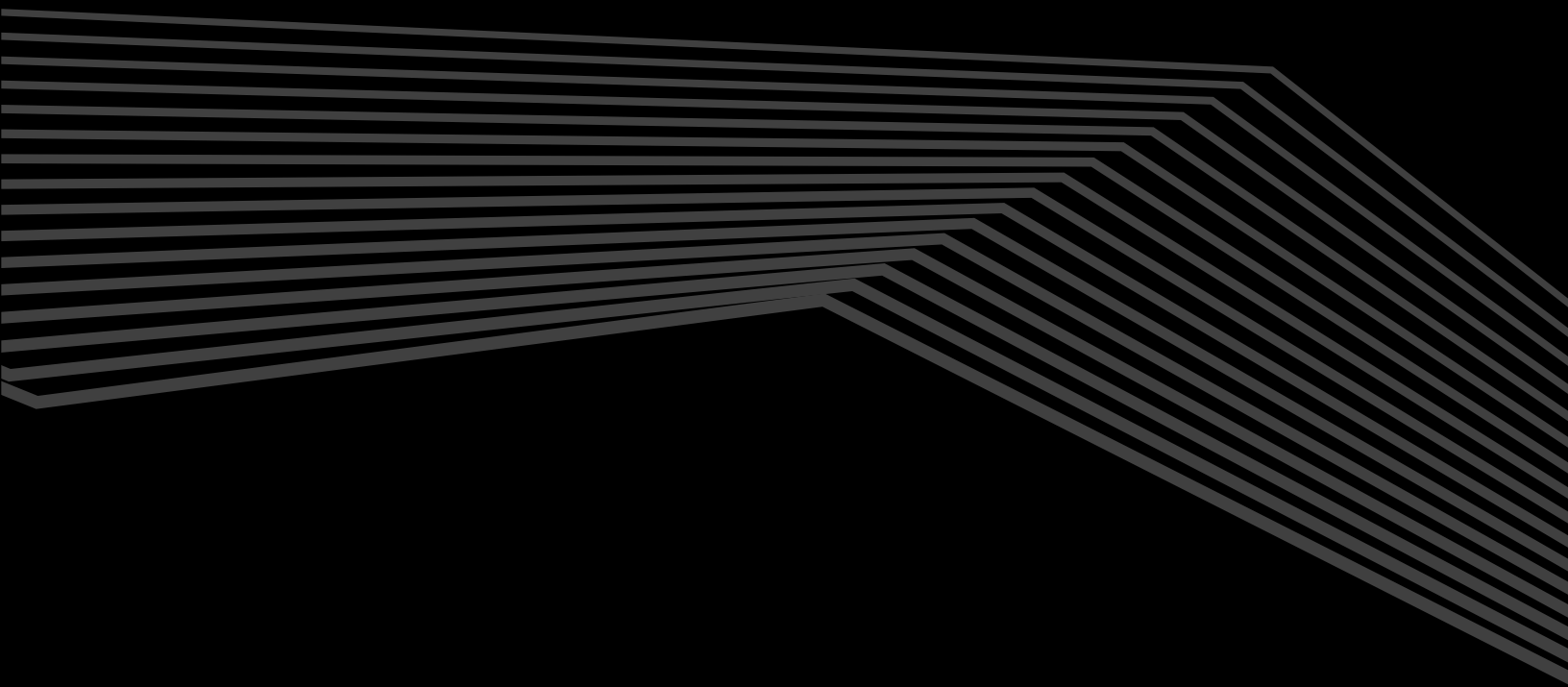
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The logo for Morrison & Foerster, featuring the company name in a bold, white, sans-serif font. The 'M' is composed of three vertical bars, and the 'F' has a horizontal bar that extends to the left.

**MORRISON  
FOERSTER**

The logo for Ethisphere, featuring the word 'ETHISPHERE' in a bold, white, sans-serif font with a registered trademark symbol. Below it, the tagline 'GOOD. SMART. BUSINESS. PROFIT.' is written in a smaller, white, sans-serif font.

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