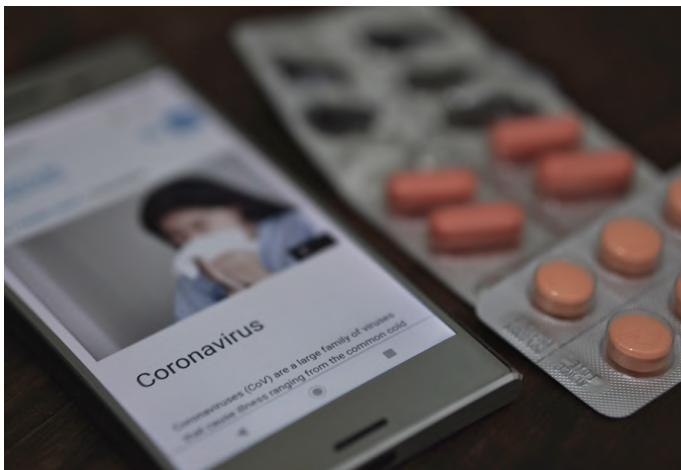


Crisis Management COVID-19

Psychological aspects to consider for your crisis management

Legal issues that you should review



Psychology and legislation – two important aspects of crisis management regarding COVID-19

In this document we would like to address two aspects that we have repeatedly encountered in recent weeks when advising customers on crisis management in connection with COVID-19 (coronavirus).

For your crisis management it is important to keep in mind that companies, employees and family members are very concerned about the coronavirus, and that there is a great deal of uncertainty and anxiety, even fear. You must take this **psychological aspect** seriously, address it and include it in your activities of crisis management.

Our psychologist Svenja Möllersmann has written an article on this topic in which she explains how fears arise and what approaches companies can take to counter them.

In crisis management, the **legal view** of the situation and planned measures are an integral part of the process. To this end, we highlight issues relating to various legal fields.

It is important not to forget that much of what applies to crisis management in other critical events also applies here. Likewise, the rules and principles of crisis management and crisis communication remain the same for COVID-19.



Dealing with the anxiety of your employees

When was the last time you were frightened? I mean, really? Was your heart beating faster? Did your stomach feel queasy? Did you perceive your surroundings like through a veil and/or did you feel at the mercy of all this?

Like joy, sadness, curiosity, anger and disappointment, the perception of fear is part of the inventory of human feelings. Fear is a normal, even physical reaction to a situation perceived as threatening. Among other things, the increase in the stress hormone cortisol puts the body on "alert" for a short time. We prepare ourselves for the perceived danger from outside - ready to attack or flee. So far, so good, so bad... Because what proves to be good and important in a really dangerous situation turns out to be bad when fear becomes exuberant or is not in proportion to the threat.

Psychologists distinguish between anxiety and fear. Fear is directed at a concrete object - a spider or snake, for example - or at a specific situation - a flight, a ride on the subway. Anxiety is a little more difficult to grasp - it is less concrete, is perceived as "big", "overwhelming", "threatening" and thus has the potential to restrict the life of the person concerned. Besides depression, anxiety disorders are among the most common mental illnesses. In Germany, it is assumed that every year around ten million adults are affected by an anxiety disorder requiring treatment - it is therefore not unlikely that employees of your company are also among them and it is understandable that these people react more sensitively than others to the current situation.

But what does it look like, the "current situation"? A question that we currently have to answer anew from day to day, perhaps even from hour to hour, and



sometimes in a different way. Wherever we are - the news about Covid-19 is following us, overturning. Rules of hygiene and behaviour are explained, school closures are announced, organisational measures are announced, further steps are promised. Internet, radio, television, conversations with parents, friends, colleagues and neighbours, empty shelves in the supermarket... - the virus is everywhere.

Covid-19 is omnipresent, it comes closer and closer - even if we wanted to, we cannot escape it. In the last days many people told me that they feel delivered, powerless and helpless, powerless. And there it is again, this feeling of fear...

In a situation of perceived loss of control, people react differently. However, the aim of their actions is always to regain the control they thought they had lost or to reassure themselves of their own ability to act. In concrete terms, this means for many of them to inform themselves about news as often as possible in various ways, to buy supplies ("panic buying") and to reduce social contacts to a minimum.

So what to do when dealing with anxiety?

- Yes: Informing about facts is right.
- Yes: It is good to communicate factually and clearly and
- Yes: The call to rationality, the reference to probabilities and the use of statistics can do no harm.

But: When we are really afraid, all this fades away relatively ineffectively. Why? Well, because fear as described above has a physiological basis and also has its psychological origin in another, partly unconscious area of our brain. Here the feeling counts; the word has hardly any weight. Dealing with fear is individually very

different, emotionally driven and in large parts unconsciously motivated. We can neither convince nor argue away fear. But we can learn to deal with this feeling of insecurity.

You can support this with specific measures:

Take it seriously. Take your employees' own discomfort and anxieties seriously. If a potential new danger arises, as with the coronavirus, anxiety arises almost involuntarily. However, we also know from studying the development of anxiety following terrorist attacks or nuclear reactor disasters that people get used to new situations. After 4-6 weeks, media and social attention diminishes, regardless of any continuing dangers.

Clarity. Define in detail for your company, your division, your department how you want to deal with a corona (suspected) case. Who should the person concerned contact first? By what means? At what time? What are the next steps? Who will take over the coordination? When, for example, will the quarantine be lifted again? etc. Inform your division, department and team leaders; even better: involve them in the definition of procedures, information chains and measures. Explain what is the basis of your decision(s), where you get your information from and why. If an adjustment of measures is necessary due to new findings, inform about it in the above sense quickly, clearly and unambiguously.

Organising. Where possible, you determine in discussion with the employees concerned who must be present in the company when needed and for which of your employees what variant of the home office is conceivable and feasible. The split into A and B teams - similar to substitution rules - has proven to be a good

solution. The A-team would then consist of employees whose presence cannot be dispensed with; the B-team is made up of employees who can carry out their work from home. If possible, not only clarify the necessary technical requirements with your IT department, but also plan test runs. Clarify what needs to be done in the event of technical problems: Who should the employees contact and how? What should you do instead?

Communication. Do not downplay the situation. Communicate appropriately, sincerely, clearly and objectively and make clear what you do not (yet) know. If one of your employees is affected by the coronavirus, inform your staff. And: Be sure to link this to a description of the measures involved (quarantine, medical care, etc.).

Please also keep in mind: If people are anxious, under tension and stress, this will have an influence on your capacity for receptivity, because under stress the level of the so-called "stress hormone" cortisol in the blood rises significantly. One consequence is that the performance of the brain, especially the memory,

decreases. So the higher the stress or anxiety, the more important is communication. Use short sentences. Formulate clearly, precisely and goal-oriented. Use pictures and graphics. Repeat it.

Judgement. Avoid the assessment "irrational" in connection with expressed or suspected anxieties of your employees. In any case, there is always the possibility of infection with the coronavirus. Labelling as "irrational" is perceived as pejorative and therefore counterproductive.

Point of contact. Designate one or more internal representatives to whom your employees can turn. These can be employees in the health management department, the human resources department or the works council. Offer one or more Corona consultation hours in cooperation with the company medical doctor. Specify times and make sure that the persons are actually available.



Open dialogue. Enable open exchange. Use (virtual) bulletin boards, implement a FAQ page on your intranet. Follow the activities. Encourage and support supervisors and team leaders (keyword "office grapevine") in their employee communication. Update the information there at short notice and regularly.

Picture language, video clips. (Moving) pictures are much better and faster absorbed and processed by our brain than detailed, pure factual texts. Emotions are addressed directly and unfiltered. Take advantage of this fact by publishing a (friendly!) picture of your company doctor and/or internal contact person (see above). Is it possible to make short informative videos (max. 3 minutes)? Wonderful! Do that! Your employees will then have a clear idea (and ideally also know the person) to whom they can turn with their questions. This way, trust can develop and grow even in difficult times.

We-feeling. Communicate and celebrate the success of your company - also and especially in or after difficult times (e.g. through storytelling). Make it clear that you

are not only interested in providing specific assistance, but also in dealing with the situation appropriately - together with your employees.

Perhaps you will introduce an employee and his/her coping strategies every day. In this context, however, make absolutely sure that implementable, comprehensible, specific ideas and help are provided.

Recommend stress-reducing activities to your employees that can also be done at home, such as yoga and meditation apps or online courses for autogenic training. Take advantage of the recommendations of your health insurance provider - course fees are often covered or even reimbursed in full.

Acceptance. In a situation such as the current one, which as has already been described several times before, for many people is characterised by helplessness and loss of control, acceptance is particularly important. Many people now realize that their life is not as secure as previously assumed, they worry about themselves, their relatives, the job, the future. But because everyone reacts differently, it is



difficult to provide general advice. It is important for everyone: not to get stuck in a feeling of powerlessness. It is important to focus on what is feasible, on what is possible: What can you, what can your employees do in concrete terms? In which areas do you have influence? Which ones? How do you evaluate the developments? Do you see them exclusively in negative terms or do you manage to recognise positive aspects, perhaps even opportunities?

Over the last few days, I have heard repeated statements about how the Covid 19 crisis could be an occasion to rethink economic dependencies, production processes, storage capacities, home offices, the expansion of digitalisation or even how to deal with vulnerable groups of people. What echoes through here is a grateful attitude coupled with cautious optimism. And we know from research that both significantly strengthen resilience, i.e. a person's ability to deal with crises.

There's a real opportunity here because: Resilience can be activated, and that is when direct management does what has already been described: Taking the employee

seriously, communicating clearly and precisely, promoting an open exchange and a sense of unity, disclosing the background to decisions, being and remaining approachable at all times.

Résumé. Everything has an ending ... including the corona crisis. A feeling of relief comes. Events, unpleasant emotions and experiences we want to leave behind. Stop! Use this period to review the lessons learned during the crisis. Reflect (ideally starting parallel to the current situation): What worked out well for you, for your company? Where did you get positive feedback? What kind of feedback? What was effective? What could have gone better? Which measures could have been more helpful? etc. Against this background, revise the activities described under "Clarity" and: communicate this too! Your employees will appreciate it.

What becomes particularly clear in the current situation is the influence of social media. Fast and uncomplicated communication is a blessing, but it becomes a curse when, in the competitive logic of the "higher-faster-further", almost without exception a topic is reported on - often with the tendency to do so



more sensationally than the competition. The topic becomes bigger and bigger and develops an uncontrollable momentum of its own, which leaves its mark on consumers, readers, your employees and last but not least on yourself. This tendency, combined with the desire of many people to counter their own insecurity by constantly calling up information, often leads to "over-information" - reading the same news on ever new websites. If the feeling of fear is repeatedly "triggered" by this, this feeling increases, up to the point of helplessness.

So how about a self-confident restriction of our news consumption? Watching a news show every day and reading a maximum of 3 articles on the subject?

Nowadays, we think a lot about a healthy diet. We buy organic products, study lists of ingredients, pay attention to gluten and additives. Of course we track our steps, record our running distance, record our weight and other health data.

In contrast, we are far less critical of messages conveyed to us by the media, which have a direct influence on our emotions and our experience. Barbara Fredrickson, one of the most famous American researchers in the field of positive psychology, calls this "superfluous negativity". Through uncritical media consumption we burden our psyche itself - with far-reaching consequences; not least, the current situation with COVID-19 makes this very clear. Perhaps this is also something that should really worry us ... What do you think?



Svenja Möllersmann is a graduate psychologist. She studied psychology, business administration and neurology at the University of Hamburg and worked for several years as a human resources manager in the areas of personnel development, recruiting and career advice. She lives and works in Munich as a specialist for positive psychology, trainer and Co-Active Coach. She also works as a consultant on psychological topics within the team of SmartRiskSolutions.

Legal aspects for employers regarding COVID-19

Compliance is an important pillar of crisis management and the legal consideration of the situation and planned measures is an integral part.

The monitoring of legal developments and new regulations at home and abroad includes, for example, export bans on personal protective equipment, changed immigration regulations and notification requirements. Make sure that your crisis management team is also regularly informed about these developments. Keep in mind that after the end of the crisis, the regulatory environment may be different than before.

In the context of COVID-19, essential areas are contract law regarding your contracts with customers, suppliers and insurers, data protection, labour laws and the legal duty of care.

Accurate and detailed documentation

Due to the risk of possible legal claims from and legal disputes with employees, customers, suppliers and shareholders, precise documentation of communication and the measures taken is very important. Companies and board members / management must prove that they have fulfilled their information and fiduciary duties.

Force Majeure

You may not be able to keep your contracts with customers by yourself. Check here whether you can invoke "force majeure" and whether there are any reporting deadlines for this. Document your actions precisely. Also clarify whether the contracts with your suppliers grant them such a right. Remember, however, that you want to continue to work well with customers



and suppliers later on. We recommend early and transparent communication with customers and suppliers on this issue.

Insert explicit wording on infectious diseases/epidemics in new contracts.

Existing insurance cover

It has proven to be a good idea to check the existing insurance contracts with regard to damages caused by the spread of the coronavirus through the own insurance department and the supporting broker. International companies often also have local insurance policies, as in some cases there is a local insurance obligation.

A business interruption insurance will usually not be effective in the case of COVID-19, because it is a preceding property damage at the place of insurance due to an agreed risk. It is also advisable to take a look at transportation insurance for property damage,

transport-related temporary storage and financial losses.

It can be assumed that new non-damage business interruption covers will not be available again until next year with most insurers.

Check with your travel insurance company to see if the additional costs for quarantine are covered. A deliberate violation of travel warnings issued by the foreign ministries can reduce the insurance claim.

Data privacy

It is very easy to overlook data protection issues when passing on personal data concerning sick employees. Every country, and in some cases every federal state, have different data protection regulations. In some countries, the respective infection protection laws release physicians from their duty of confidentiality, also towards employers.



Legal duty of care

When assessing the statutory duty of care, the aim is to give superiors a sense of certainty in dealing with frequent legal questions - including how far the duty of care goes and where it ends in connection with COVID-19. This has a direct influence on the measures you take. These should not overshoot the goal in legal terms either.

The obligations of the employer in the legal care - in parts also for visitors - can be divided into four areas:

- Duty to disclose information on risks
- Duty for prevention and risk mitigation
- Duty to monitor the development of the situation
- Duty to respond and assist in emergencies

Many legal questions revolve around the following points and should be clarified with a specialist in labour law:

- Which information obligations does the company have towards the authorities and towards its employees?
- Does an employee have to inform his employer if he has symptoms?
- Is an employee liable if he knowingly has symptoms, but doesn't report that and infects others?
- Does the employee have the duty to undertake business trips to risk areas on the order of the employer?
- Which protective measures must the employer implement?
- When can the employee refuse to perform his work?

- Is the employee entitled to continued payment of salary if he has to stay at home due to government instructions?
- Does an employee have to attend a meeting with a customer who comes from a risk area?
- Can the employer order home office and does the employee have a right to it?
- Which preventive and risk mitigation measures are permissible for access controls?
- Which employee is entitled to which personal protective equipment (PPE)?
- To what extent must the work council be involved in operational measures to protect against the coronavirus?
- Which options does the company have to appeal against requirements imposed by the authorities?

In the German version of this document, the renowned labour law expert, Prof. Dr. Michael Fuhlrott, answered various questions according to German labour laws. As labour laws are different in every country, this part of the document is missing here.

About us and our services

SmartRiskSolutions GmbH is a consulting company specializing in security and crisis management. Former members of German security authorities as well as officers of special forces units, who have been working for years as consultants in the business world and have many years of experience abroad, form the core of our team.

Our clients include multinational corporations, mid-size companies, semi-public organizations, NGOs, the media, numerous associations such as chambers of industry and commerce, as well as HNWI and entrepreneurial families.

Our services

- Security management
- Travel & expat risk management
- Incident & crisis management
- Executive protection and security for HNWI

Our support for you before and during epidemics and pandemics

- Adjustment of existing incident and crisis management plans
- Developing pandemic plans tailored to your organisation
- Support in scenario development and planning
- Embedded crisis manager supporting your organisation in handling the situation
- Support during your crisis management team meetings with a deployed response consultant or over the phone/video call
- Development of internal and external communication strategies
- Provision of specialist medical expertise

Contact

Get in touch with us. We are more than happy to answer your questions.

SmartRiskSolutions GmbH

Nördliche Münchner Str. 14a

D-82031 Grünwald

Germany

Tel. +49 89 12503247-0

www.smartrisksolutions.de

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