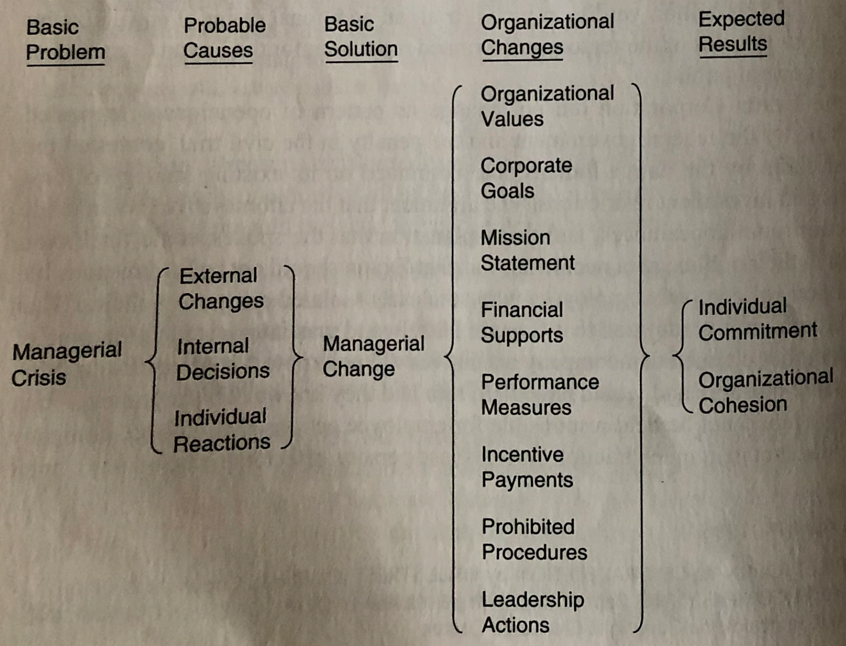
did within the legal system. It took many years after the clean-up of the oil spill had been completed before a final settlement of the federal fines and civil claims was reached.

Suppose, however, a settlement had been achieved, and a court had ordered Exxon to take prompt action to ensure that such an accident could not occur in the future and, if by some unforeseen set of circumstances it did occur, that there had to be trained employees, proper equipment, and adequate supplies on hand to deal with the situation promptly. Or, suppose that there was a stockholder revolt. The wreck, and the damage to the wildlife and the coastline, had occurred before there was a strong environmental movement, except for isolated groups such as the Sierra Club. But, there was outrage expressed by many individuals and groups. Suppose that the stockholders, in reaction to that public outrage, had banded together and forced the board of directors to act. And, suppose you were one of the "good guys" within Exxon who had earlier warned about the possibility of a major oil spill and were now expected to participate actively in the restructuring of the firm. What would you do?

The argument of this chapter is that you would not have the time to build the individual attitudes of trust, commitment, and effort nor the organizational behaviors of cooperation, innovation, and the particularly important "we're all in this together" unification that probably would have prevented the wreck of the *Exxon Valdez* in the first place. You are going to have to rely, at the start, on the practical techniques rather than the moral methods of management. You are going to have to follow the pattern of activities that were shown in Figure 6.1 at the opening of this chapter, and that is repeated here, in Figure 6.2 for easy reference as we work through the shown steps or stages.

FIGURE 6.2 Responding Promptly and Forcefully to a Major Problem or Crisis in the Operations of a Business Firm



The basic problem is clear. I have asked you to assume that you were a member of a managerial group ordered by a court, or instructed by the board, to take such actions as will ensure that a harmful oil spill and delayed clean-up will not occur again. I don't believe that it is an overstatement to call this a managerial crisis because major organizational changes in values, goals, policies, and systems will be needed.

The probable causes of this managerial crisis have been described earlier in the chapter. They started with the external change of a decline in the price of crude oil from $32/barrel in 1982 to a range of $15 to $20/barrel in 1987. That sharp drop in revenues led to the internal decisions to cut costs and reduce investments, which in turn brought about obvious shortages of equipment and supplies and clear lacks of personnel and training. Employees felt overworked and underappreciated. It was as if they said to themselves, "If you—the managers—don't care what happens then we—the workers—won't care either." The result was that the largest tanker in the Exxon fleet ran aground on the most clearly marked reef in the Valdez harbor, and the company was totally unable to deal with the resultant oil spill in a timely, effective, and legally prescribed manner. This sequence of causes, and their consequences, are summarized in Figure 6.3.

FIGURE 6.3 Actions which Led to the Wreck of the *Exxon Valdez* and the Slow Clean-up of the Resulting Oil Spill