

# **Issue or Problem? Managing the difference and averting crises.**

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Citation: Journal of Business Strategy, 28(6), 2007, pp 25-28

*This is a final version submitted for publication.  
Minor editorial changes may have subsequently been made.*

## **Abstract**

Managers are expected to deal with a wide range of problems, only some of which genuine organizational “issues.” This paper distinguishes true issues from other day-to-day problems and offers recommendations for a strategic approach to resolving them. It presents six key guidelines to ensure that organizational responses to issues are focused on a single objective, aligned with overall strategy and adequately supported by top management.

## **Text**

Problems have been called the *lingua franca* of business. Managers are expected to identify a wide variety of problems and be familiar with the correct problem-solving tool for each application.

But one of the challenges is being able to distinguish between different types of problems and issues, a task made more difficult by careless use of the word “issue.”

Some managers describe every challenge they face as an “issue” be it market share, staff retention, competitive pricing, timing a product launch, or getting a new publication out on schedule.

However those situations rightly defined as issues, and which warrant the establishment of formal issue management processes, are normally those which

- involve external parties
- where there is no black and white answer
- which may involve public policy or regulation
- where emotions rather than data often prevail
- which happen in public or in the news media
- where the risks of failure are greatest and, if left unmanaged, have the potential to become crises and threaten the entire organization.

Issue Management is a proven powerful tool which has been developed over 30 years to enable business leaders to identify potential issues early, to take planned and positive

action and to mobilize an organizations' resources effectively and efficiently to deliver real bottom line results in support of broader business objectives.

Typical issues which lend themselves to proactive issue management might include

- meeting community opposition to zoning proposals
- addressing regulatory concern over the use of an environmentally sensitive chemical
- recognizing growing public awareness about identity theft to position new security technology
- anticipatory planning for adverse public reaction to scheduled branch closures
- addressing hostile response to foreign buyout of an iconic local consumer brand
- identifying and managing issues arising from introducing recycled water to the municipal drinking water supply
- preparing for reputational damage from upcoming high profile litigation
- responding to internet rumors of faulty products
- managing allegations of worker exploitation by third world suppliers
- building on environmental concerns to promote public acceptance and legislative support for wind farms

Issue Management evolved from Strategic Planning, it is frequently confused with Crisis Management and Disaster Response. Sometimes it is regarded as a general-purpose tool to solve everyday management problems.

While issue management can be useful as a problem-solving tool, it is most effectively applied to that special group of problems which are classified as issues. The difference can best be seen not in wordy definitions but in the differing nature of the two challenges. Problems are solved. Issues need to be resolved. This distinction is much more than just a clever maxim. To *solve* is to explain, to find the answer or solution, as when solving a crossword puzzle. You know there is a right answer.

By contrast, to *resolve* is to separate a thing into its component parts or elements then determine a course of action. This is very much the hallmark of issues. There is seldom any ready-made solution or "right answer." Unlike a problem, which can be solved, the issue has to be resolved. This means seeking out and developing a balanced way forward from a range of possible answers, all of which may have conflicting risks and rewards.

The absence of a single correct answer reinforces the need for a process which helps to properly define and understand the issue; to set a clear and agreed objective; and to develop and implement effective strategies and tactics.

Failure to set such an objective is the greatest barrier to success. Too often, when facing a complex and challenging issue, managers fall into the trap of immediately focusing on tactics – "what should we do?" – instead of spending time to agree on the objective – "what are we trying to achieve?"

Working on issue tactics can be exhilarating. Managers typically relish the creativity of a brainstorming session, and any tactical discussion will rapidly fill the whiteboard with suggestions. Every idea seems to be a good idea. After all, if you don't know where you are going, any road will take you there.

This is where issue management delivers its essential value – providing a framework within which to apply the standard tools of communication and a management discipline to establish process which orders the optimal sequence of activities.

Once the issue is properly understood, setting a firm and agreed objective is the foundation upon which an effective issue management plan is built. Six recommended guidelines help secure this firm foundation.

**(1) There should be a single, over-arching objective.**

It is very tempting to propose more than one objective, most often on the grounds that the issue is too broad or too complex to be encapsulated in a single over-arching objective statement. The discipline of just one objective has the advantage that it forces the issue management group to focus on a single over-arching objective purpose, clearly distinct from various sub-objectives or supporting statements. This focused approach also helps greatly with the other guidelines relating to clarity and ease of communication.

**(2) The issue objective must be fully aligned and consistent with relevant organizational strategy and objectives.**

Every business leader has had the experience of watching an issue unfolding on television or in the newspapers and asking the question “What *are* these people trying to achieve?” or “Why on earth did they agree to that interview?” or “How could this possibly advance their cause?”

In the sometimes emotive, high-pressure context of managing an issue, it is tempting to overreact to the tactics of opponents, which may be annoying but irrelevant to the main game. It is also tempting to respond to every apparent offence to the reputation or ego of senior managers, or to go too far in defence of some “matter of principle.” And it is even more tempting to agree to a media interview when there is no real upside. It is essential to remember that the agreed objective in dealing with an Issue is not an end in itself. The issue management plan should exist only to support the broader commercial or strategic purposes of the organization itself.

For example, risking possible issue controversy in order to protect a product which represented 90 percent of the organization’s revenue could make sense. Doing the same to protect a minor product which is due to be replaced by a less controversial alternative might make no strategic sense at all.

**(3) The objective should specifically address or respond to the Issue**

Some issue objectives seem to have no apparent purpose other than to generate media coverage. Media coverage by itself may be an acceptable objective for publicity-seeking celebrities who thrive on headlines – regardless of whether the coverage is positive or negative. That is seldom the case for legitimate organisations attempting to participate in genuine public Issues. Sometimes the most effective Issue outcomes are in fact achieved by quiet negotiations away from the glare of publicity. Despite what some journalists might like to believe, issue management is not just media management, whether it is trying to get the story into the media, or trying to keep the story out.

Considering US policy in the Vietnam War, the Chicago academic Hans Morgenthau said that the desire to “do something” despite negligible ability to shape events can lead to “bold policy as therapy.” This is equally a risk in issue management where the so-called “rush to action” can easily eclipse the need for thoughtful development of proper strategy.

#### **(4) The objective must be clear, unambiguous and measurable**

Within any organization, a major risk to effective issue objective-setting is the development of functional or divisional disputes and turf wars. Lawyers, for example, tend to see every issue as a legal problem; marketing managers see most issues as marketing or branding problems; communicators see issues primarily as a communications challenge and so on throughout the functions. The reality is that most issues are not one-dimensional and they demand cross-functional involvement and cross functional commitment to the single, clear objective.

While corporations are usually able to use organizational discipline to require functions to sign on to a single objective, this still demands informed agreement at the individual level and genuine commitment to the approved course.

Further, the issue objective must be measurable in a way which is transparent and meaningful to all the key stakeholders. Vague, generalized objectives can make the organization feel more comfortable and allow the Issue managers to be less accountable. But if the objective is not clear and unambiguous it is hard to measure progress, and inability to measure progress makes it that much harder to demonstrate success.

#### **(5) The objective must be easily stated and communicated**

Strategic advantage or commercial confidentiality sometimes dictates that an organization’s strategic objective should not be disclosed to outsiders. But that makes it no less important that the objective can be clearly enunciated and communicated.

Even when it has to remain strictly confidential, the issue objective must still be easy to unambiguously communicate to senior management and other key internal participants. More often the issue objective for a commercial or government organization should be capable of being easily communicated to a range of both internal and external stakeholders, including employees, customers, analysts, investors, the community and the news media.

Organizations required to respond to community or activist groups and NGOs will recognize that the need for such groups to have *their* issue objective easily stated and communicated is in many ways even more important. For these groups, not only are issue objectives critical to recruitment and fund-raising, but they often need to be communicated very concisely to stakeholders and supporters who may have limited technical or subject matter expertise.

#### **(6) The objective must have top management understanding, support and commitment.**

The CEO and senior executive members are typically directly involved in managing issues as a core organizational activity. Yet in many larger commercial and government organizations, senior management is often quite remote from day to day issue management. This is when it is essential that the issue objective has top management understanding and support.

In reality, however, it is all too common for senior managers to take a hands-off approach and provide little more than notional support. The difference between the CEO who says: “You’re doing a great job, carry on” and the CEO who says: “How can I help? What do you need me to do?” is what determines genuine management understanding and support.

In addition there must be full understanding and support from the senior management of the business or function most directly affected by the Issue. While issue management technology and process expertise may reside in the Communications or Public Affairs Department, it is the business or functional leaders who must take legitimate ownership of the issue.

At its best, issue management should be a cross-functional team activity in which the relevant business or function takes ownership of the issue and of the issue strategy and objective. At the same time top general management must provide – and be seen to provide – either direct leadership or practical support.

Naturally, the people actually managing the issue at the coalface need to deliver and be assessed against measurable goals. However the proper focus of issue management is not issues but management and the discipline demands true cross-functional participation at the highest level. It is the role of experienced managers to oversee the setting of proper objectives aligned with business strategy, as well as providing resources and support to achieve positive outcomes and get the job done.