

Carnival corp

Business



The case suggests that CEO and the firm have basically failed to come up with the right strategy to deal with the public anger in the wake of the disaster which happened with one of the company's cruise ships on the coast of Italy.

Detailed Problem Statement

Micky Arison's management philosophy is largely based upon delegating most of the tasks and allowing regional teams to manage at the regional level. The crisis which happened was regionally handled by the team overseeing Italian operations and as such parent company, Carnival Corp practically distanced itself so that bad PR may not hamper other businesses of the firm.

Carnival Corp, as a parent Company, completely avoided being part of the crisis thus suggesting a relatively unethical business behavior. Despite the loss of lives, the firm continued to lie about its efforts and publically never came to present its official response to the event and what it has done so far to ensure that no such events happen in the future. The overall problem lies in how the leadership of the firm failed to face the challenge and rather avoided the crisis situation by misleading the public.

Alternative Solutions

In order to amicably resolve the issue, Carnival Corp may have undertaken the following strategic approaches:

1. Come up openly in public and properly built a rapport with its customers to inform them about the steps taken by the firm so far. (Werder and Holtzhausen). This step may be necessary in order to ensure that the firm is actively engaging all stakeholders in sorting out the issue and publically show that it has taken proper and active rescue efforts.

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2. Managing the situation from behind the scene by actively coordinating with its regional partners while maintaining a no reaction in its major market.

3. Do nothing and let the things conclude on their own.

Solution

In order to successfully deal with the problem, it is important that Carnival Corp must come up with a viable PR strategy and openly accept the responsibility for the disaster. To avert further reputation damage, the firm's CEO should actively engage with the public and take on-board all stakeholders in order to ensure that everything is done in a fair and transparent manner. By actively coordinating with its Italian subsidiary, it should focus on ensuring that every organizational support is provided on-ground to ensure the safety of all involved in the incident.