

# Business management and leadership - leading (u4gp)



Based on the short and long-term effects of the crisis, what could the company have done differently to either avoid or better manage the crisis?

The Tylenol product contamination case went down in history as a classic example of how a company can correctly handle a crisis situation. According to Mallenbaker (2008, pg. 1), “ The features that made Johnson & Johnsons handling of the crisis a success included the following: They acted quickly, with complete openness about what had happened, and immediately sought to remove any source of danger based on the worst case scenario - not waiting for evidence to see whether the contamination might be more widespread; having acted quickly, they then sought to ensure that measures were taken which would prevent as far as possible a recurrence of the problem; and they showed themselves to be prepared to bear the short term cost in the name of consumer safety. That more than anything else established a basis for trust with their customers.”

Still, more could have been done to prevent the issue or better manage the crisis. The biggest problem on Johnson & Johnson’s side was a design flaw in the pills that were contaminated: they were capsules. The capsules could be broken apart and put back together, which allowed for tampering on store shelves. Even though the tampering was not their fault, the responsibility for the safe design of the pills rested on their shoulders. Another problem was that the packages were not safety sealed where tampering could be easily detected. Had Johnson & Johnson fixed these designed flaws when the first crisis occurred in 1982, the second one may never have come to pass. Better research and development along these lines would have helped them better manage the crisis.

How can the company prevent this type of crisis from happening in the  
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future?

Perpetrators are always looking for new ways to commit their crimes, so Johnson & Johnson must continuously be prepared for new ways of tampering to occur. This is especially true with the advent of new technologies that could possibly allow for even the most seemingly tamper-resistant packaging to be breached or for false packages to be placed on shelves in order to fool unknowing consumers. Essentially, the company needs to stay on its toes and carefully consider the different ways in which tampering could possibly occur with their different products in order to protect itself from both internal and external product contamination cases. Furthermore, Johnson & Johnson should always keep its employees informed about how to spot potential dangers and give them a protocol to follow in case they occur. Just because they made it through the first round of crises with flying colors does not mean that they could survive another round as beautifully.

## References

Companies in Crisis - What to do when it all goes wrong: Johnson & Johnson and Tylenol. (2008). Retrieved May 21, 2008, from <http://www.mallenbaker.net/csr/CSRfiles/crisis02.html>