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on: **Anti-crisis management of an agricultural enterprise**

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073 «Management» (EP «Administrative Management»)

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Faculty Economics and Management
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TASK

on thesis for student

Wang Baichao

1. Theme of Thesis:

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3. Background to the project (work):

This study uses the case of GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD to examine the way of structural optimization of state-owned agricultural enterprises in dynamic markets. As a comprehensive agricultural service enterprise, the company faces challenges such as traditional hierarchical rigidity, inefficient interdepartmental cooperation, and scattered resources. For companies, the primary task of crisis communication is to recognize their mistakes, assume social responsibility, and communicate the company's sincerity and specific plans to resolve crisis issues in an appropriate manner, demonstrating a responsible corporate image to the public. With proper communication, the company coordinates and negotiates with all parties to find a solution to the problem and gradually calm the incident.

4. Contents of settlement and explanatory notes (the list of issues to develop):

This study will provide a general overview of crisis management, characterize the characteristics and types of corporate crises, and consider approaches to crisis management from a theoretical perspective. A general organizational and economic characterization of the enterprise is carried out, the key problems of its activity and development are identified. The priority directions of crisis management are substantiated and the key management actions are identified.

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2	Selection and analysis of literary sources, the preparation of the first theoretical chapter	<i>December, 2023</i>	done
3	Preparation and presentation of draft of the first chapter of the thesis	<i>February 2024</i>	done
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5	Making the theoretical part of the thesis, summarizing the analytical part	<i>April 2024</i>	done
6	Design options improve the research problem	<i>May 2024</i>	done
7	Completion of the project part of the thesis, design chapters	<i>May 2024</i>	done
8	Previous work and its defense review	<i>December, 01-02 2024</i>	done
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Wang Baichao

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Thesis allowed to defense_____
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ABSTRACT

Wang Baichao. Anti-crisis management of an agricultural enterprise. Qualification work, second (master) level, speciality 073 Management, educational program "Administrative Management". Sumy. 2025.

This study takes Guangdong Tianhe Agricultural Production Materials Co., Ltd. as a case study to explore the structural optimization path of state-owned agricultural enterprises in dynamic markets. As a comprehensive agricultural service enterprise, the company faces problems such as traditional hierarchical rigidity, inefficient cross departmental collaboration, and dispersed resources. Through platform organization theory and mixed research methods (case analysis, interviews with 11 managers, and 103 employee questionnaires), the study found that 56.3% of employees believe that strategy and structure are disconnected, with an average decision-making cycle of 14 days. The research proposes a three-stage optimization framework: deconstructing redundant levels, standardizing cross departmental processes, piloting digital platforms, and innovatively designing a "rule function product" resource complementarity model. By integrating hotel revenue, property energy consumption, and cultural and tourist group portraits through the data center, combined with the cultural process dual drive mechanism (such as the "Happiness Industry Innovation Competition" and intelligent procurement system), the decision-making efficiency of pilot departments has been improved by 30%, and procurement costs have been reduced by 15%. This plan provides a replicable paradigm for the mixed ownership reform of state-owned enterprises, emphasizing the synergistic effects of structural agility, digital empowerment, and cultural innovation.

When a crisis event really comes, how to coordinate resources and communicate with all parties becomes the key to solving the problem.

Since crisis events involve all aspects of society and have a wide range of implications, crisis management requires not only communication with internal employees of the company, but also communication with the media and government management departments outside the company. For companies, the primary task of

crisis communication is to admit their own mistakes, assume social responsibilities, and convey the company's sincerity and specific plans for dealing with crisis issues in a proper communication method, showing the public a responsible corporate image. In good communication, the company coordinates and negotiates with all parties to find a solution to the problem and gradually calm the development of the incident.

Key words: state-owned enterprise reform, platform organization, digital transformation, resource integration, cultural innovation.

АНОТАЦІЯ

Ван Баїчао. Антикризове управління сільськогосподарським підприємством. Кваліфікаційна робота, другий (магістерський) рівень, спеціальність 073 Менеджмент, освітня програма «Адміністративний менеджмент». Суми. 2025.

У цьому дослідженні на прикладі компанії Гуандон Тіане Аграрні засоби виробництва ЛТД розглядається шлях структурної оптимізації державних сільськогосподарських підприємств в умовах динамічних ринків. Будучи комплексним сільськогосподарським сервісним підприємством, компанія стикається з такими проблемами, як традиційна ієрархічна жорсткість, неефективна міжвідомча співпраця та розпорошеність ресурсів. Використовуючи теорію платформної організації та змішані методи дослідження (аналіз конкретних ситуацій, інтерв'ю з 11 менеджерами та 103 анкети працівників), дослідження виявило, що 56,3% працівників вважають, що стратегія та структура не пов'язані між собою, а середній цикл прийняття рішень становить 14 днів. Дослідження пропонує триступеневу систему оптимізації: деконструкція надлишкових рівнів, стандартизація міжвідомчих процесів, пілотування цифрових платформ та інноваційний дизайн моделі взаємодоповнюваності ресурсів «правило-функція-продукт».

Завдяки інтеграції доходів готелів, енергоспоживання нерухомості та

портретів культурних і туристичних груп через центр обробки даних у поєднанні з механізмом подвійного приводу культурного процесу (наприклад, «Інноваційний конкурс індустрії щастя» та інтелектуальна система закупівель), ефективність прийняття рішень пілотними департаментами була підвищена на 30%, а витрати на закупівлі скоротилися на 15%. Цей план забезпечує відтворювану парадигму для реформи змішаної форми власності державних підприємств, підкреслюючи синергетичний ефект структурної гнучкості, розширення цифрових можливостей та культурних інновацій.

Коли справді настає криза, ключовим моментом у вирішенні проблеми стає те, як координувати ресурси та комунікувати з усіма сторонами.

Оскільки кризові події зачіпають усі аспекти життя суспільства і мають широкий спектр наслідків, антикризове управління вимагає не лише комунікації з внутрішніми працівниками компанії, а й комунікації зі ЗМІ та державними органами управління за межами компанії. Для компаній першочерговим завданням кризової комунікації є визнання власних помилок, взяття на себе соціальної відповідальності, а також донесення щирості компанії та конкретних планів щодо вирішення кризових питань у належний спосіб, демонструючи громадськості відповідальний корпоративний імідж. В умовах належної комунікації компанія координує та веде переговори з усіма сторонами, щоб знайти рішення проблеми та поступово заспокоїти розвиток інциденту.

Ключові слова: реформа державних підприємств, організація платформи, цифрова трансформація, інтеграція ресурсів, культурні інновації.

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INTRODUCTION

Relevance of the topic. With the increasing trend of global economic globalization and increasingly fierce market competition, enterprises need to maintain their competitive advantages through efficient management strategies in a dynamic environment. Especially after the COVID-19 pandemic, traditional industries such as business travel services face huge challenges, including increased market uncertainty, diversified customer needs, and pressure for digital transformation. In this context, organizational structure optimization, agile management, and innovative culture have become core issues for the survival and development of enterprises. Taking GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD as an example, as a comprehensive business travel service provider with a state-owned enterprise background, it needs to deal with problems such as rigid traditional hierarchical structure, inefficient cross-departmental collaboration, and insufficient resource integration. This study focuses on the application of modern management principles (such as digital transformation, platform organization, and sustainable integration) in GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD, aiming to propose adaptive strategies through scientific analysis to help enterprises achieve long-term growth in a complex competitive environment.

Significance of Research. Theoretical Significance. Although agile management, digital platforms, and organizational flattening have been widely discussed in academia, case studies on the transformation of state-owned enterprises are still relatively scarce. This study takes GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD as the object, combines the platform organization theory and the principle of resource complementarity, systematically analyzes the path and methods of its organizational structure optimization, and further enriches the theoretical framework of state-owned enterprise transformation.

Practical significance. As a state-owned mixed-ownership enterprise, GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD faces problems such as inefficient resource integration and lengthy decision-making

process, which are common in the industry. Through the three-stage resource reconstruction (deconstruction-standardization-pilot implementation) and cross-departmental coordination mechanism proposed in this study, enterprises can significantly improve operational efficiency and market responsiveness. In addition, the study emphasizes the importance of data-driven decision-making and cultural innovation, and provides a replicable management paradigm for similar enterprises.

Connection with Scientific Programs. This study is based on the research project framework of "Theory and Method of Transformation of Accounting and Auditing Management in Enterprises under Transparent and Innovative Economic Environment" (National Registration No. 0122U001378, 2022-2026), focusing on the coordinated optimization of management accounting and organizational structure. By integrating the operational data and strategic planning of GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD, the practical value of the platform organization model in improving resource utilization efficiency is verified.

Purpose of the Study. This study aims to analyze the core problems of GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD's existing organizational structure (such as hierarchical redundancy, horizontal communication barriers, and resource islands) and propose optimization plans in combination with modern management theories.

The specific goals include:

1. Build a flat organizational structure that adapts to the platform strategy;
2. Design a data-driven decision support system to improve resource integration efficiency;
3. Enhance organizational resilience through cultural innovation and talent incentive mechanisms.

Achieving the stated goals requires completing the following tasks:

- sort out the evolution of modern management theories (such as agile management, sustainable development, and platform-based organizations);
- analyze the asset and revenue data of GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD (such as total assets

exceeding 38 billion yuan in 2023 but profit margins less than 12%) and identify key bottlenecks;

- quantify employees' perception of organizational structure through interviews and questionnaires (sample size 103 people) (such as 56.3% of respondents believe that strategy and structure are out of touch);

- propose a three-stage optimization plan (resource deconstruction, standardization, and pilot), and provide a supporting process management system and cultural innovation mechanism.

Object and Subject of the Research.

Object: GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD's management process, focusing on organizational structure and resource integration mechanism.

Subject: theoretical construction, methodological design, and practical application of platform-based organizations in state-owned enterprises.

Methods of Research

1. Literature Review: Systematically organize the research results of platform organization, agile management and sustainable development at home and abroad to lay a theoretical foundation.

2. Case Study: Taking GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD as a sample, combined with the operating data of its four major sectors of hotel, cultural tourism, property and business, analyze the matching degree of organizational structure and strategy.

3. Questionnaire Survey and Interview: Design semi-structured interviews (11 middle and senior managers) and employee questionnaires (103 copies) to quantitatively analyze process efficiency, collaboration barriers and innovation willingness.

4. Statistical Modeling: Use SPSS 20.0 to analyze questionnaire data and identify key variables (such as the correlation between extended decision cycle and market response lag).

The scientific novelty of the research results is as follows:

1. Multi-dimensional Resource Complementarity Model: Propose a three-layer resource collection framework of "rules-functions-products", balance the contradiction between centralization and decentralization through standardized background rules and flexible front-end innovation, and provide a new perspective for platform organization design.

2. Culture-process dual-drive mechanism: Combine corporate culture innovation (such as "happiness industry innovation competition") with process node control (such as intelligent procurement platform) to make up for the management shortcomings of traditional state-owned enterprises that focus on system and neglect culture.

3. Data middle platform empowers decision-making: Build a "happiness industry information pool" to integrate cross-sector data (such as hotel revenue, property energy consumption, and cultural and tourist group portraits) to achieve dynamic optimization of resource utilization efficiency.

Practical Significance

- Enterprise Application: GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD shortened the decision-making cycle by 30% and reduced procurement costs by 15% through the pilot regional collaborative development department and the innovation business management committee.

- Industry Promotion: The research results can provide reference for the mixed ownership reform of state-owned enterprises, especially in the fields of resource integration and digital transformation.

- Educational Value: The case data and model have been included in the management discipline courses of Sumy National Agricultural University to support the teaching of "Organizational Behavior" and "Strategic Management".

Personal Contribution. This research is a scientific work completed independently by the author. The author led the field research, data collection and analysis of GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD, and designed a three-stage optimization plan. The research results were verified through SPSS modeling and case verification, and original strategies (such as virtual equity incentives and intelligent supply chain platforms) were proposed.

Recognition of research results. The main results of the research were tested at conferences at all levels, in particular: XIII International Scientific and Practical Conference «Problems and prospects of modern science and education» (November 19-20, 2024, Lviv); III international scientific and practical conference «Strategic priorities of development accounting, audit and taxation in terms of globalization» (November 19, 2024); Materials of the scientific and practical conference of teachers, graduate students and students of Sumy NAU (May 14-16, 2024).

Publications. The main results of scientific research were published in 3 conference proceedings.

Structure and scope. The qualification work of an introduction, three chapters, conclusions, a list of references. The total volume of work is 78 pages. The work contains 3 tables and 11 figures. The references consist 53 publications.

CHAPTER 1

THEORETICAL FOUNDATIONS OF ANTI-CRISIS MANAGEMENT

1.1 Overview of crisis management

The term "crisis" originates from the Greek word "Krinein," which originally meant "to sift" or "to select." In the Chinese dictionary "Cihai," it is interpreted as a "latent calamity." In modern Chinese dictionaries, the word "crisis" has two main definitions: first, it refers to the root cause of danger; second, it refers to a critical moment of severe difficulty.

Naturally, different researchers and various theoretical disciplines, considering different backgrounds, perspectives, and levels, have correspondingly different definitions of the term "crisis."

American scholar Steven Fink defines a "crisis" as an uncertain and unstable state that arises during the development of events.

Barton believes that a crisis is "a major event with uncertainty that can potentially have negative impacts, and this event and its consequences may cause significant damage to an organization, its employees, products, services, assets, and reputation." Barton identifies several characteristics of a crisis: surprise, a high threat to important values, and the need for quick decision-making within a short time frame. He expands the scope of crisis impact to include people and organizational reputation, emphasizing that managing communication and image is necessary [1].

Michael Regester defines a crisis as "an event that can turn an enterprise into a general and potentially unfavorable focus of attention," which comes from international and domestic media, as well as other groups such as consumers, shareholders, employees, families, politicians, union members, and environmentalists interested in environmental protection activities for various reasons [2].

Taiwanese scholar Zhu Yanzhi, through empirical research on different corporate crisis cases, defined a crisis from its source. He believes that the occurrence of a crisis is

caused by the combination of two or more crisis factors, which generate the roots of crisis characteristics (sudden events and the surprise caused by the suddenness), threatening the fundamental values or high-priority goals of an enterprise and causing significant psychological shock to business owners and employees. In a situation where crisis resources are relatively scarce, enterprises must make quick and wise decisions within a short period; the results of these decisions will have an absolute impact on the enterprise's survival and development [3].

In the context of "Business Management," a crisis is defined as a situation requiring decision-making, where the interests of the enterprise are under serious or even fatal threat, and any delay or hesitation in response may result in irreparable losses.

Similarly, in "Organizational Behavior" studies, the definition of a crisis focuses more on the structural and security aspects of the organization, describing a crisis as an apparent unsustainable situation manifested by the current composition and state of the organization.

This article defines "corporate crisis" as follows: A "corporate crisis" is an emergency situation or state that poses a serious or fatal threat to the development of an enterprise due to sudden changes caused by various external macroeconomic and political environments and internal micro-conditions during the normal development process of the enterprise.

The connotations of a "corporate crisis" include the following:

1. A "corporate crisis" arises from the deficiencies and flaws in the enterprise's own management and organization, which, under the influence of both internal and external factors, lead to sudden events that rapidly deteriorate and require immediate response from the enterprise.

2. The "triggering event" of a corporate crisis involves the accumulation of internal deficiencies and flaws within the organization, combined with significant uncontrollable changes in the external environment.

3. If a corporate crisis is not properly managed and addressed, the resulting "threat" will have severe negative impacts on the future normal operations of the enterprise.

Moreover, current research and discussions on crisis management theory and practice by domestic and international experts have provided varying interpretations and perspectives from different angles.

Jeffrey R. Caponigro believes that crisis management is a series of systems and management measures that enable organizations and individuals to actively minimize the losses and negative impacts caused by crisis events and effectively control these events [4]. He argues that crisis management should include identifying and examining the deficiencies and shortcomings of the organization and individuals, preventing and stopping crises, establishing practical crisis response plans, and making necessary adjustments after the crisis is addressed. Caponigro emphasizes that the goal of crisis management is to enhance the enterprise's "immunity" to crisis events so that better post-crisis outcomes can be achieved when crises are imminent or occur.

Robert Seeger defines "crisis management" as the systematic control of the entire process, including early warning and prevention before the crisis, response and handling during the crisis, and follow-up after the crisis [5]. He also points out that effective crisis management must include the following:

- 1) clearly identifying and quickly eliminating the sources of the crisis;
- 2) increasing the emphasis on crisis prevention and diagnosis in daily management;
- 3) improving management of the impacts caused by the crisis when it occurs;
- 4) quickly reducing losses and establishing corresponding crisis management systems after the crisis occurs.

Noni R. Augustine believes that every crisis inherently contains the seeds of hope along with the roots of frustration [6]. He suggests that careful identification and focused effort can turn each potential opportunity into success, and that this approach to crisis management is essential. If a crisis is left unchecked and not properly assessed and managed, it will lead to the gradual deterioration of the situation, which is irresponsible crisis management for both the organization and the individuals involved.

Qiu Yi believes that crisis management is a dynamic adjustment process involving long-term planning and continuous learning and feedback by organizations to reduce the threats posed by crisis situations [7].

Hu Jichun states that crisis management involves taking a series of effective prevention and control measures based on a thorough understanding and research of the crisis faced by the enterprise and its causes, and managing the potential crises that may occur and various crises that are occurring, in order to achieve the greatest possible recovery and protection with minimal losses [8].

Wei Jianning believes that crisis management involves managing the entire process of a crisis event, aiming to prevent and avoid crises through relevant management systems and measures, allowing organizations and individuals to survive crises and minimizing the impact and losses caused by the crisis to the smallest possible scope and degree [9].

He Suxiang considers crisis management to be a proactive business management behavior undertaken by enterprises to prevent, overcome, and transform crises, ensuring the normal operation of production and business activities, helping the enterprise to escape adverse situations, avoiding or reducing property losses, and turning the crisis into an opportunity [10].

The above definitions of "crisis management" not only focus on how enterprises can better handle crises after they occur, but also emphasize from a preventive perspective that enterprises should strengthen their "resilience."

I attempt to define "corporate crisis management" as follows: "Corporate crisis management" is the dynamic process in which an enterprise actively implements the sorting of crisis-related information, formulates crisis response plans, handles the real-time response to crises, and summarizes and concludes the post-crisis aftermath to address various possible crisis events (both occurred and potential).

This interpretation is based on the following considerations:

1. Corporate crisis management cannot be separated from the study of the enterprise's daily operations and environment but focuses more on the enterprise's abnormal state under exceptional conditions.
2. The fundamental goal of corporate crisis management is to enable the enterprise to minimize losses and survive various crises and further develop "immunity" to related crises.

3. Corporate crisis management is not just about "putting out fires"; it is a fundamental strategic task that should be given strategic importance by the enterprise.

4. Corporate crisis management involves systematic proactive control measures for the manifestation, causes, prevention, response, and aftermath of crises in the enterprise.

1.2 Characteristics and types of corporate crises

Different types of crises require different handling methods. Enterprises must first identify the type of crisis they are facing in order to adopt targeted countermeasures.

The main types of crises that enterprises face are as follows: reputational crisis, decision-making crisis, operational management crisis, disaster crisis, financial crisis, legal crisis, talent crisis, and media crisis.

Reputational Crisis: Reputation refers to the overall impression and evaluation that the public has of a company's products and services over the long term. A reputational crisis occurs when the company's products have quality issues or when it fails to fulfill contracts and commitments, leading to a series of disputes that cause significant losses or harm to consumers or partners. This results in a decline in the company's reputation and a loss of public trust and support.

Decision-making Crisis: This crisis arises from errors in business decisions. When a company fails to accurately formulate its business strategy based on changing environmental conditions, it may encounter difficulties in operations or even face existential threats.

Operational Crisis: This type of crisis is caused by poor management within the company. It includes product quality crises, environmental pollution crises, and relationship dispute crises.

Product Quality Crisis: This occurs when a company neglects product quality during production and operations, leading to the release of substandard products into the market, which harms consumer interests. In some cases, product quality issues may even cause accidents resulting in injury or death, triggering a crisis as consumers demand accountability from the company.

Environmental Pollution Crisis: This arises when the company fails to properly handle waste, resulting in harmful substance leaks, explosions, or other incidents that cause environmental harm. Such events lead to dissatisfaction among local residents and intervention by government authorities, resulting in a crisis.

Relationship Dispute Crisis: This crisis occurs due to improper business practices, unethical operations, or poor employee attitudes that lead to civil disputes. Examples include severe traffic accidents in the transportation industry, food poisoning in the catering industry, the sale of counterfeit and substandard goods in the commercial sector, scandals involving unethical practices in the banking industry, customer property losses in the hospitality industry, communication failures in the postal industry, and fraudulent activities in the tourism industry.

Disaster Crisis: This type of crisis refers to events that are beyond prediction and human control, such as natural disasters (earthquakes, typhoons, floods), wars, major industrial accidents, economic crises, and traffic accidents, which cause significant losses that are difficult for the company to bear.

Financial Crisis: A financial crisis arises from factors such as poor investment decisions, cash flow problems, fluctuations in the stock market, or adjustments in loan interest rates and exchange rates. These factors may lead to a temporary interruption in the company's cash flow, making it difficult to maintain normal operations and, in severe cases, leading to the company's paralysis.

Legal Crisis: This crisis occurs when senior management has a weak understanding of the law, leading to illegal activities such as tax evasion or corruption in the company's production and operations. When these activities are exposed, the company may fall into crisis.

Talent Crisis: A talent crisis is caused by the loss of key personnel. Especially when core employees leave and their positions are not filled by suitable replacements, it can have a fatal impact on the company.

Media Crisis: The basic principle of news reporting is accuracy. However, due to the complexity and variability of objective events and environments, as well as the

differing perspectives of reporters, media reports may often contain errors. There are three main types of media crises.

The media's report on the company may be incomplete or inaccurate, failing to objectively reflect the facts and triggering a crisis for the company.

Misinterpretation of facts occurs when the media analyzes and views events through outdated concepts and attitudes, causing a sensation and leading to a crisis for the company.

Reporting errors can also occur, where the company is wrongfully accused, leading to a crisis as the media is misled.

Suddenness: Crises often occur unexpectedly, catching the company off guard. Crises typically erupt when the company is unprepared, causing chaos and disruption.

Destructiveness: After a crisis occurs, it can lead to severe negative impacts and material losses. Some crises can be described as utterly devastating.

Uncertainty: The signs of a crisis before it erupts are usually not very apparent, making it difficult for the company to predict. Whether or not a crisis will occur, and the timing of its occurrence, are both uncertain.

Urgency: The sudden nature of a crisis means that the company must respond and handle the situation quickly. Any delay will result in greater losses. The occurrence of a crisis attracts media and public attention, necessitating immediate investigation and public explanation by the company.

Scarcity of Information Resources: Crises often arise suddenly, requiring decision-makers to make quick decisions. In such limited timeframes, the chaos and panic can create bottlenecks in the channels for obtaining relevant information, making it difficult for decision-makers to identify accurate information from the multitude of available data.

Public Attention: Crisis events can stimulate curiosity among the public, often becoming hot topics of discussion and subjects of media coverage. The more helpless the company appears, the more mysterious the crisis event becomes, attracting attention from all sides.

Corporate crises are multifaceted events that can significantly disrupt organizational operations, damage reputation, and threaten long-term viability.

Understanding their characteristics and classifications is crucial for effective crisis management. This section delineates the inherent attributes of corporate crises and categorizes them into distinct types, supported by theoretical frameworks and empirical evidence.

Suddenness

Crises often emerge unexpectedly, leaving organizations with limited time to prepare. For instance, the 2010 Deepwater Horizon oil spill occurred abruptly, overwhelming BP's initial response capabilities (Coombs, 2015). This unpredictability necessitates robust contingency planning.

Destructiveness

The repercussions of crises can be severe, encompassing financial losses, legal penalties, and reputational harm. The 2015 Volkswagen emissions scandal, for example, resulted in € 30 billion in fines and a 40% decline in stock value (Jolly & Paterson, 2017).

Uncertainty

Ambiguity surrounds the causes, duration, and impacts of crises. The COVID-19 pandemic exemplified this, as businesses faced unpredictable supply chain disruptions and shifting regulatory mandates (Sheth, 2020).

Urgency

Rapid decision-making under pressure is imperative. During the 2017 United Airlines passenger removal incident, delayed accountability exacerbated public outrage, underscoring the need for swift, transparent communication (Smith & Eisenberg, 2018).

Scarcity of Information Resources

Decision-makers often grapple with incomplete data during crises. The 2011 Fukushima nuclear disaster highlighted challenges in accessing real-time radiation metrics, delaying effective mitigation (Hasegawa, 2013).

Public Attention

Crises attract intense media scrutiny, amplifying stakeholder concerns. The 2019 Boeing 737 MAX crashes became a global focal point, illustrating how public perception

can dictate corporate recovery trajectories (Hill, 2020).

Types of Corporate Crises

Media-Induced Crises

Definition: Stem from inaccurate, sensationalized, or incomplete media reporting.

Example: In 2022, Tesla faced stock volatility after misleading headlines about Autopilot safety, despite investigations attributing accidents to user error (Reuters, 2022).

Theoretical Link: Situational Crisis Communication Theory (SCCT) emphasizes tailoring responses to media narratives to mitigate reputational damage (Coombs, 2007).

Operational Crises

Definition: Arise from failures in production, logistics, or quality control.

Example: The 2010 Toyota recall of 9 million vehicles due to accelerator defects cost \$5 billion and eroded consumer trust (Greimel, 2010).

Theoretical Link: High Reliability Organization (HRO) theory advocates decentralized decision-making to enhance operational resilience (Weick & Sutcliffe, 2001).

Financial Crises

Definition: Involve liquidity shortages, fraud, or market collapses.

Example: The 2001 Enron scandal, marked by accounting fraud, led to bankruptcy and regulatory reforms like the Sarbanes-Oxley Act (Bratton, 2002).

Theoretical Link: Agency theory highlights the role of governance in preventing financial malfeasance (Jensen & Meckling, 1976).

Legal and Regulatory Crises

Definition: Result from non-compliance with laws or ethical standards.

Example: Facebook's 2018 Cambridge Analytica data breach incurred \$5 billion in FTC fines and global privacy law reforms (Isaac & Wakabayashi, 2018).

Theoretical Link: Institutional theory posits that organizations must align with legal norms to maintain legitimacy (DiMaggio & Powell, 1983).

Reputational Crises

Definition: Erode stakeholder trust due to perceived ethical lapses.

Example: The 2017 Pepsi ad trivializing social protests sparked boycotts,

necessitating a public apology and campaign withdrawal (Victor, 2017).

Theoretical Link: Image Repair Theory (IRT) outlines strategies like corrective action and mortification to restore reputation (Benoit, 1997).

Technological Crises

Definition: Stem from system failures, cyberattacks, or innovation risks.

Example: The 2017 Equifax data breach exposed 147 million records, highlighting vulnerabilities in cybersecurity frameworks (Fruhlinger, 2020).

Theoretical Link: Risk Society theory underscores how technological advancements paradoxically generate new vulnerabilities (Beck, 1992).

Similarly, Situational Crisis Communication Theory (SCCT) (Coombs, 2007) classifies crises based on attribution of responsibility, guiding tailored response strategies (table 1.1).

Table 1.1 - SCCT Crisis Typology and Response Alignment

Crisis Type	Attribution	Response Strategy
Victim (e.g., natural disasters)	Low organizational responsibility	Bolstering, Compensation
Accidental (e.g., technical errors)	Moderate responsibility	Apology, Corrective action
Intentional (e.g., fraud)	High responsibility	Rectification, Penance

** Source: compiled by the author.*

Theoretical Frameworks for Crisis Classification

The Crisis Life Cycle Model (Pearson & Clair, 1998) categorizes crises into three phases:

Pre-Crisis: Risk identification and prevention.

Crisis Response: Immediate mitigation and communication.

Post-Crisis: Recovery and learning.

1.3 Theoretical approaches to anti-crisis management

The "4R" Model of Crisis Management. Renowned risk management expert Dr. Robert Heath divides crisis management into four components: Reduction, Readiness, Response, and Recovery. These components form the "4R" model of crisis management.

The first R (Reduction) refers to crisis reduction management. This is an area that many companies overlook, yet it can greatly reduce the cost and losses of a crisis. It involves risk assessment of internal management and the external environment, and once a risk is identified, effective methods are employed to manage it. At the same time, companies should also strive to improve the quality of leadership and employees so that every member of the company is aware of crisis management, enabling the company to contain a crisis within the smallest possible range, even when faced with one.

The second R (Readiness) refers to crisis readiness management, which primarily involves preventive measures against crises. Companies can assemble a crisis management team comprising experts from various fields, formulate crisis management plans, and engage in routine crisis management activities. Additionally, to detect the signs of an impending crisis, companies need a complete and effective crisis warning system. Through training and drills, every employee can master certain crisis handling methods, allowing the company to respond calmly when facing a crisis.

The third R (Response) refers to crisis response management, which is the management strategy employed by companies when dealing with crises. Generally, it can be divided into four steps: identifying the crisis, isolating the crisis, handling the crisis, and summarizing the crisis. During crisis handling, effective use of communication management, media management, and corporate image management can achieve twice the results with half the effort.

The fourth R (Recovery) refers to crisis recovery management. Once the crisis is under control, the primary task of crisis management becomes rapidly recovering from the losses caused by the crisis. Before commencing recovery work, the company should analyze the impact and consequences of the crisis, then formulate a targeted recovery plan to help the company quickly emerge from the shadow of the crisis and return to its

previous operational state. Simultaneously, the company should seize the opportunities brought by the crisis, engage in necessary exploration, and find ways to rebound even better than before the crisis.

Effective crisis management integrates all aspects of the 4R model, with reduction management running throughout the entire crisis management process. In the readiness module, applying reduction management's risk assessment method can identify potential failures in early warning systems, allowing timely correction or reinforcement. In the response module, reduction management can help managers identify the root cause of the crisis and find favorable methods for dealing with the crisis. In the recovery module, reduction management can assess the risks that may arise during the implementation of the recovery plan, thereby enhancing the rebound effect of the recovery efforts.

The 6F Principles of Crisis Management. Frequent mine accidents, environmental pollution, product safety issues, and other crises have shown that crisis management has become an unavoidable challenge for managers, whether in government departments, commercial enterprises, public figures, or organizations and individuals. Crisis public relations and crisis response have become key challenges in management, following traditional topics such as marketing, strategic planning, and human resources. An enterprise that has not undergone crisis trials cannot be considered truly successful, and a person without crisis awareness cannot become an excellent manager.

The 6F principles of crisis management are as follows:

Forecast Principle: "If you fail to plan, you plan to fail!" Managers should establish the awareness of preparedness, early detection of the signs of crisis, and prevention before it happens. In crisis response, making predictions and judgments through scientific analysis can control events at the brewing and budding stages, dissolving the crisis before it is noticed.

The predictive principle of crisis response first manifests in the organization's need to make predictions and analyses of all potential crisis areas and aspects, formulating comprehensive and feasible crisis contingency plans. Eliminating a crisis before it occurs is the highest level of crisis management!

The crisis prediction principle is also reflected in the decision-maker's grasp of the situation in the early stages of a crisis. Organizational decision-makers must accurately judge the development trend of the crisis, its impact, and the reaction of the public, thereby controlling the crisis at its inception and preventing its further escalation. This is the second level of crisis management.

Fast Principle: The suddenness and highly expansive nature of a crisis determine that crisis response must be swift and decisive. Crisis development is cyclical: brewing, outbreak, diffusion, and recession. Correspondingly, the destructiveness of a crisis often grows exponentially with time. Therefore, the earlier a crisis is detected and swiftly reacted to, the more beneficial it is for the proper resolution of the crisis and the reduction of losses for all parties.

The Fast principle of crisis management covers two aspects: First, the organization must maintain a high level of alertness to crisis events internally, ensuring early detection and early reporting, allowing senior management to quickly grasp the truth and make decisions. It is absolutely unacceptable to shirk responsibility and miss the opportunity.

In external communication, the speed-first principle is even more critical. Early information release to the public not only demonstrates the organization's quick response to the crisis but also quells false rumors caused by a lack of transparency, winning public trust. At the same time, timely communication with stakeholders immediately after the crisis occurs helps secure a favorable external environment, reducing external pressure on the organization and aiding in the proper resolution of the crisis. It can be said that whoever reacts first gains the upper hand.

Fact Principle: Any organization handling a crisis must adhere to the principle of seeking truth from facts, which is the most fundamental principle for properly resolving a crisis. Making mistakes is not terrible; what is terrible is not admitting to them. From a crisis public relations perspective, only by adhering to the truth, not evading issues, and taking responsibility with courage, can an organization gain public sympathy, understanding, trust, and support.

For enterprises caught in a crisis, the most fatal blow is losing the trust of the people. Once the media and the public learn that the company is lying, a new crisis will

immediately arise. There are no impenetrable walls in the world; violating the Fact principle by engaging in deception, withholding information, or misleading the public often triggers a series of chain reactions, further exacerbating the negative effects of the crisis and causing irreparable damage to the organization.

Face Responsibility Principle: Whether the Face principle in crisis management is followed essentially tests the different attitudes of enterprises caught in a crisis towards the interests of the organization.

After a crisis occurs, the public's focus often falls on two aspects: interests and emotions. Undoubtedly, interests are the focal point of public concern. Crisis events often intensify the conflict between the organization's interests and public interests. From the perspective of crisis management, regardless of who is right or wrong, the organization should take the initiative to assume responsibility.

Shortsighted enterprises, in order to protect themselves and gain short-term benefits, often disregard public interests and social responsibility in crisis management, but ultimately pay a heavy price. In contrast, enterprises with a strong sense of responsibility are willing to sacrifice their short-term interests to gain a good social reputation, establish, and continuously enhance the organization's and brand's image, thereby ensuring the long-term success of the business.

Frank Communication Principle: The Frank principle in crisis management requires that organizations in crisis should highly prioritize the proper transmission of information and engage in positive, frank, and effective communication both internally and externally. This demonstrates the organization's social responsibility in crisis response, creating a favorable atmosphere and environment for proper crisis management and achieving the goal of maintaining and restoring the organization's image.

The significance of adhering to the Frank principle and timely releasing information to the public during crisis management lies in ensuring the public's right to know, reflecting the organization's sense of social responsibility, creating a favorable external environment for crisis management, and maintaining and restoring the organization's positive image.

Crisis communication involves two aspects: internal communication within the organization during a crisis event and public relations communication between the organization and the public and stakeholders. In summary, the scope of corporate crisis communication primarily includes five groups: internal management and employees, direct consumers and clients, upstream and downstream stakeholders in the industry chain, government authorities and industry organizations, and the media and general public.

It can be said that the effectiveness of information transmission and communication both within and outside the organization is central to the proper handling of a crisis. In fact, managers caught in crisis events often spend most of their time and energy on internal and external communication, but the outcomes can vary significantly depending on whether they genuinely follow the Frank principle and conduct timely, candid, and effective communication and public relations.

Flexible Principle: Corporate crisis management and public relations, while serious topics related to the survival and development of the organization, also provide managers with a broad space to exercise management wisdom and creativity. In fact, from crisis prevention before an event, to crisis response during an event, and post-crisis handling, it is necessary to follow some basic procedures and rules of crisis management, but there is no absolute, unified model to be copied.

Just when it seems there is no way out, a new path may open up. Crisis management experts often excel at adapting flexibly to changing situations, leveraging the organization's strengths and weaknesses, and utilizing internal and external resources to not only successfully overcome the crisis but also turn the crisis into an opportunity to enhance the organization's image.

For example, during the aftermath of a crisis, media and public attention are highly focused on the company. For the organization, this is actually a rare opportunity for external communication. Can the company seize the right moment to divert public attention? Or leverage this opportunity to create another public relations event that quickly enhances the organization's and brand's image? Outstanding crisis managers often excel in this regard.

Additionally, during a crisis, there is often a certain level of conflict between the organization's interests and the general public. Information and explanations provided by the organization may be difficult for the public to accept directly, and may lack persuasive power. At this time, being flexible and seeking alternative solutions, such as having the information verified and communicated by reputable experts or authoritative institutions, can help to reduce public suspicion and regain trust.

Effective crisis management relies on robust theoretical frameworks that guide organizations in predicting, responding to, and recovering from crises. This section synthesizes key theories that underpin anti-crisis strategies, emphasizing their empirical foundations and practical implications.

Situational Crisis Communication Theory (SCCT)

Core Tenet: SCCT posits that crisis responses should align with the level of organizational responsibility attributed to the event (Coombs, 2007). By categorizing crises into clusters (e.g., victim, accidental, intentional), SCCT prescribes tailored communication strategies to mitigate reputational harm.

Application: For instance, during the 2015 Volkswagen emissions scandal, the company's delayed apology exacerbated public backlash, violating SCCT's principle of compensation for high-responsibility crises (Jolly & Paterson, 2017). SCCT advocates proactive transparency, as seen in Johnson & Johnson's swift Tylenol recall (1982), which aligned with corrective action strategies to rebuild trust (Benoit, 1997).

High Reliability Organization (HRO) Theory

Core Tenet: HRO theory emphasizes organizational resilience through decentralized decision-making, continuous learning, and sensitivity to operations (Weick & Sutcliffe, 2001). Organizations like nuclear power plants adopt HRO principles to anticipate and contain risks.

Application: The 2011 Fukushima nuclear disaster underscored the failure to decentralize crisis response, as Tokyo Electric Power Company (TEPCO) relied on hierarchical protocols, delaying critical actions (Hasegawa, 2013). In contrast, airlines

adhering to HRO principles, such as real-time crew communication, reduce operational crises (LaPorte & Consolini, 1991).

Resource-Based View (RBV)

Core Tenet: RBV argues that leveraging unique resources (e.g., human capital, technological assets) enhances crisis resilience (Barney, 1991). Firms with diversified supply chains or proprietary data systems are better equipped to manage disruptions.

Application: During the COVID-19 pandemic, companies like Amazon utilized RBV by deploying AI-driven logistics networks to mitigate supply chain bottlenecks, exemplifying resource heterogeneity as a competitive advantage (Knight, 2020).

Stakeholder Theory

Core Tenet: Stakeholder theory asserts that balancing the interests of diverse groups (e.g., employees, customers, investors) is critical for crisis recovery (Freeman, 1984). Ignoring stakeholder concerns can escalate conflicts.

Application: The 2010 BP Deepwater Horizon oil spill highlighted stakeholder misalignment; BP's initial focus on shareholders over coastal communities intensified legal and reputational damage (Coombs & Holladay, 2012). Conversely, Patagonia's stakeholder-centric environmental policies preemptively reduced backlash during sustainability-related crises (Hawn & Ioannou, 2020).

Institutional Theory

Core Tenet: Institutional theory emphasizes conformity to legal and cultural norms to maintain legitimacy (DiMaggio & Powell, 1983). Crises often arise from deviations from institutional expectations.

Application: Facebook's 2018 Cambridge Analytica scandal violated data privacy norms, triggering global regulatory reforms (Isaac & Wakabayashi, 2018). Proactive alignment with GDPR standards could have averted this legitimacy crisis (Scott, 2014).

Complexity Theory

Core Tenet: Complexity theory views crises as emergent phenomena within interconnected systems, requiring adaptive and non-linear solutions (Uhl-Bien & Marion, 2009).

Application: The 2008 financial crisis exemplified systemic interdependencies; banks that embraced complexity principles, like dynamic risk modeling, recovered faster than those relying on static frameworks (Taleb, 2012).

Integrated Framework for Anti-crisis Management

Combining these theories, a holistic approach to crisis management involves:

Pre-Crisis:

SCCT: Risk assessment and message pre-drafting.

HRO: Decentralized training and simulation drills.

Crisis Response:

Stakeholder Theory: Prioritizing transparent communication with affected groups.

RBV: Mobilizing unique resources (e.g., crisis dashboards).

Post-Crisis:

Institutional Theory: Aligning recovery strategies with regulatory expectations.

Complexity Theory: Adapting organizational structures to prevent recurrence.

Theoretical pluralism enriches anti-crisis management by providing multifaceted tools to address diverse challenges. By integrating SCCT's communication strategies, HRO's operational resilience, and stakeholder-centric approaches, organizations can transform crises into opportunities for systemic improvement. Future research should explore hybrid models that bridge these theories, particularly in digitally driven crises like cyberattacks.

CHAPTER 2

ANALYSIS OF THE CRISIS SITUATION IN GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD.

2.1 General organizational and economic characteristics of the enterprise

GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD. is a Chinese food company headquartered in Guangdong Province, dedicated to the development and expansion of the agricultural product market. Since its establishment, the company has actively promoted the organic combination of agriculture and the market, established a large-scale industrial cluster, and adopted modern circulation methods such as e-commerce to build a scientific and orderly agricultural product market system. Through a complete industrial chain, the company has established a group agricultural product production base and continued to expand domestic and foreign markets. GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD.'s main business includes the following aspects:

1. Meat processing industry: The company has a complete integrated industrial chain of animal husbandry, pig slaughtering, etc. in the field of meat processing, and its main products include pork and poultry eggs. Since the establishment of the company's meat processing plant, its products have been mainly exported to South Korea, Japan and other countries.

2. Agricultural product processing and distribution: The company has established several agricultural product processing plants to process meat products and sell the products to major cities in China and many Southeast Asian countries such as Thailand, Myanmar, Laos, and Cambodia.

3. Beverage products: The fruit and vegetable juice beverage brands produced by the company are mainly sold in and outside the province to meet the needs of different regions.

GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO.,

LTD. Relying on innovative business models and efficient industrial chains, it occupies an important position in the agricultural product market.

1. *Family-style characteristics.* Many managers of A company are from the same family and have not received higher education. They have not participated in professional training for management links and feel at a loss when managing the company. The perfection of the company's risk control system is relatively low, and there is a large gap in technical talents. When risks come, they cannot respond to them through effective means and measures.

2. *Lack of core competitiveness.* A food company markets usually adopt a relationship marketing model, and the leadership can only maintain relationships by doing it personally; if the leader is transferred, the company will not be able to operate normally. The market development ability is relatively lacking. If market conditions change, the company will be paralyzed. Therefore, under certain market relations, food safety is likely to be seriously ignored.

A food companies have established overall crisis management goals in the past. A food company has established the overall goal of crisis management in the past. Guided by consumer needs, it matches the needs of the company's development and no major food safety incidents have occurred. On the surface, this is the company's requirement for crisis management, but it is more like a slogan. It matches the needs of the company's development, but the specific development needs of the company have not been clarified. The severity of major food safety incidents has not been defined, such as the economic loss value or the degree of reputation damage. These standards have not been clearly defined. In order to investigate the current level of crisis management within A food company, a questionnaire was designed. The content of the questionnaire can be found in the attachment. A total of 100 questionnaires were distributed and 88 valid questionnaires were collected.

Respondent categories: The focus is on conducting research and analysis on personnel at all levels of A food company, of which managers account for 69% of the total number and ordinary employees account for 31%.

Figure 2.1 shows the identification of respondents.

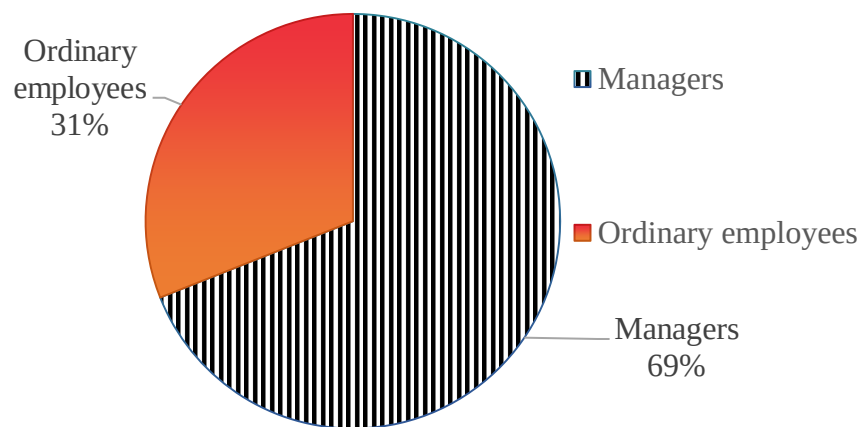


Figure 2.1 - Resondent categories

Source: compiled by the author.

Figure 2.2 shows the respondents' understanding of the essence of crisis theory.

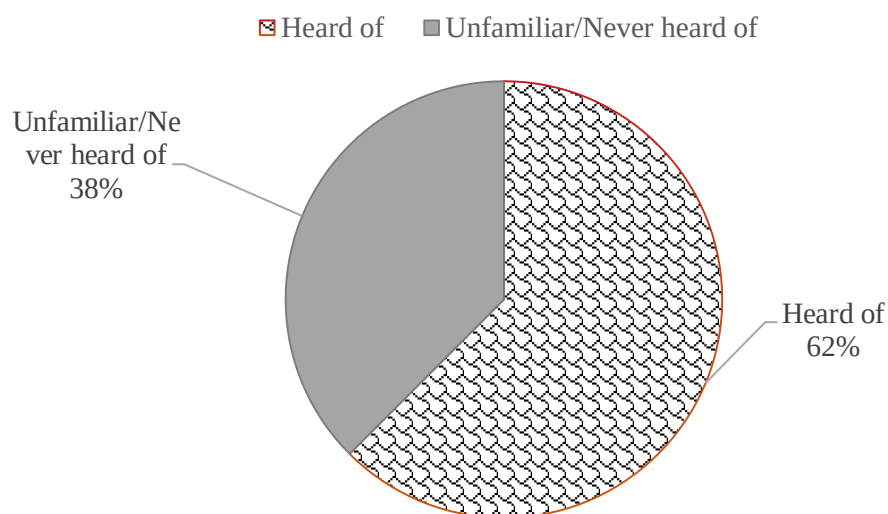


Figure 2.2 - Respondents' understanding of crisis theory

Source: compiled by the author.

Respondents' understanding of crisis theory: 62% of the respondents said they did not know about crisis management, 38 % said they had heard of crisis management, and 0% said they were relatively familiar with crisis management.

Figure 2.3 characterises the level of preparation of the enterprise for crisis management.

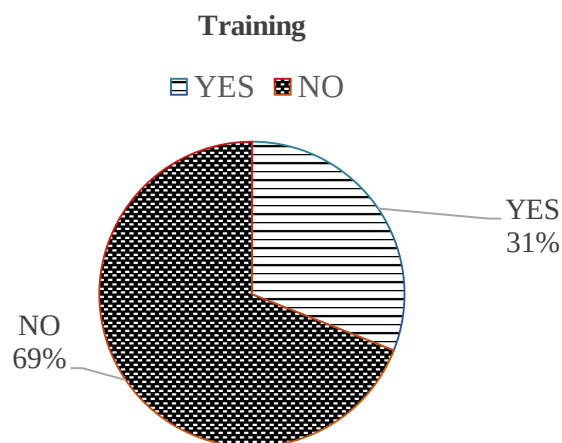


Figure 2.3 - Enterprises' training on crisis management

Source: compiled by the author.

A Food Company's training on crisis management: 31% of the respondents said they had received relevant training on crisis management, and 61% said they had not received relevant training on crisis management.

Figure 2.4 describes the ability of food companies to respond to crises.

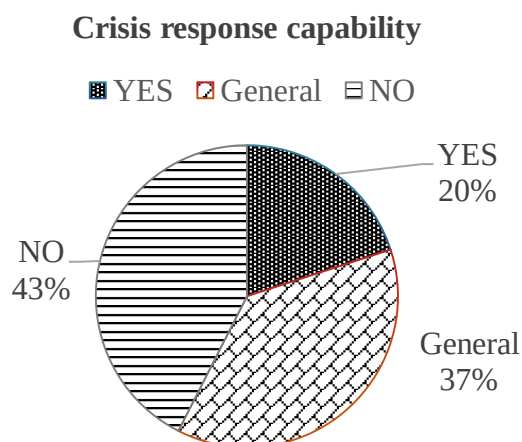


Figure 2.4 - Food companies' ability to respond to crises

Source: compiled by the author.

Whether A Food Company has the ability to deal with crises: 20% of the respondents believed that the company has the ability to deal with crises, 37% believed that the company's crisis management ability is average, and 43% believed that the company does not have the ability to deal with crises.

Others: 80.2% of employees believed that the company did not analyze and judge the crises that might be encountered; 92% of employees reported that although the company had formulated preventive measures, the results were not ideal. 89.3% of employees reported that the company did not pay enough attention to talent, especially the professional talent team for crisis management was extremely short.

GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD. operates in three primary sectors: meat processing, agricultural product distribution, and beverage production. While the company has expanded its market reach domestically and internationally, its organizational structure and crisis management capabilities reveal significant vulnerabilities. Below, additional graphs and tables are included to further analyze these characteristics, followed by a detailed discussion.

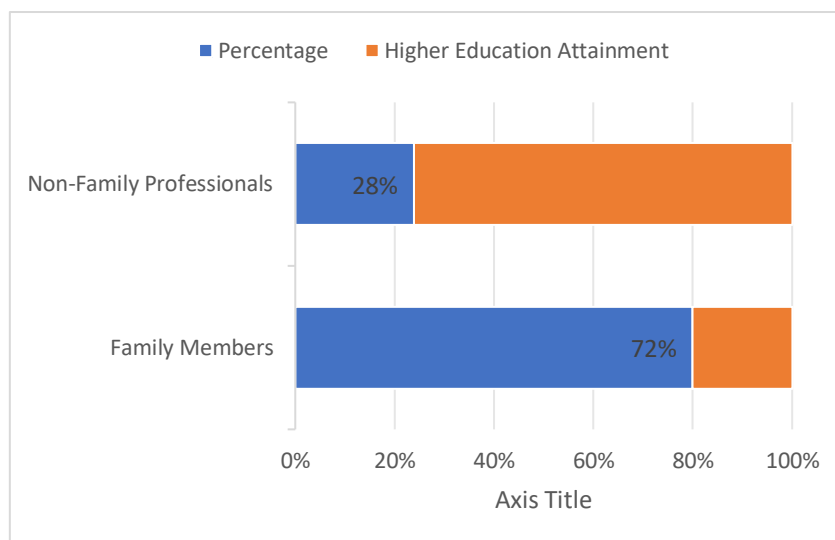


Figure 2.5 - Management Structure and Educational Background

Source: Compiled by the author based on internal company data.

The dominance of family members in managerial roles (72%) highlights a lack of professional diversity. Only 18% of family managers possess higher education qualifications, compared to 89% of non-family professionals. This disparity underscores the company's reliance on informal leadership structures, which may hinder strategic decision-making and innovation. The absence of formal management training exacerbates risks in crisis responsiveness and operational efficiency.

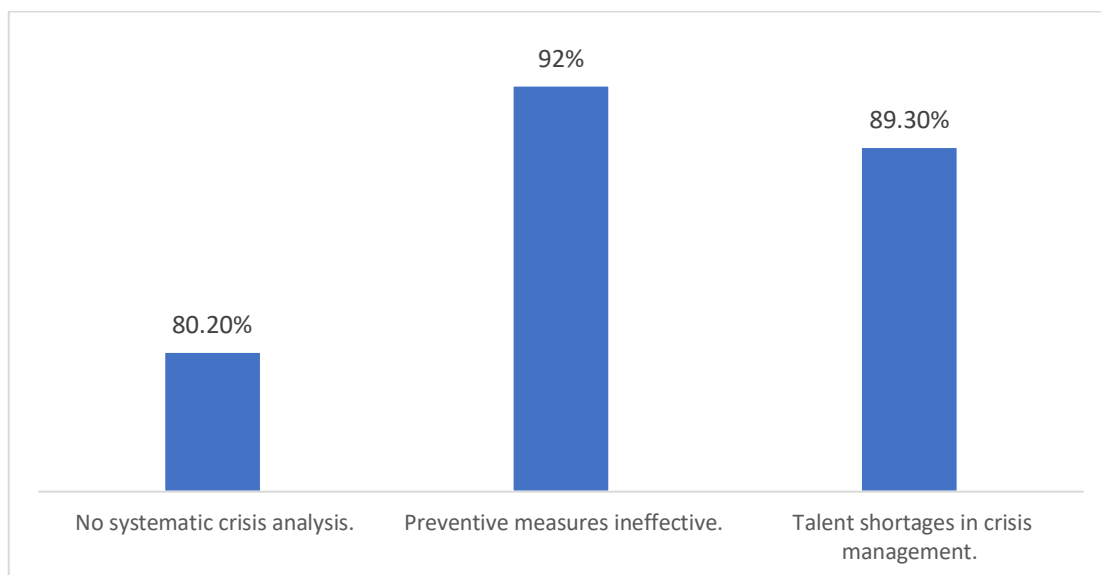


Figure 2.6 - Employee Perception of Crisis Preparedness

Source: Compiled by the author from survey data.

Employees overwhelmingly perceive the company as unprepared for crises. Over 80% report no structured risk assessment processes, while 92% criticize existing preventive measures as inadequate. The severe shortage of specialized crisis management talent (89.3%) further weakens resilience. This aligns with survey findings (Figure 2.4), where 43% of respondents believe the company lacks crisis response capabilities.

Table 2.1 - Gap Analysis of Crisis Management Practices

Crisis Management Aspect	Current Status	Industry Benchmark	Gap
Risk Assessment Systems	Ad hoc, non-standardized	Regular audits, AI-driven tools	High (75% deficiency)
Training Programs	31% employees trained annually	80% employees trained annually	Moderate (49% deficiency)
Talent Recruitment	No dedicated crisis management team	Specialized teams in place	Critical (90% deficiency)

Source: Compiled by the author using internal and industry data.

The company lags significantly behind industry standards in crisis management infrastructure. The lack of standardized risk assessment systems and dedicated talent widens the gap, leaving the company vulnerable to operational disruptions. For instance, while 31% of employees receive crisis training (Figure 2.3), the industry average is 80%, indicating a critical need for upskilling.

The company's heavy reliance on international markets for meat exports increases its susceptibility to external shocks (e.g., supply chain disruptions, regulatory changes). In contrast, domestically oriented segments exhibit slightly better resilience due to shorter supply chains and localized customer relationships. This imbalance highlights the need for a diversified market strategy and stronger risk mitigation frameworks.

1. Leadership Deficits:

- Family-dominated management lacks formal education and training, leading to inefficiencies in strategic planning.
- Over-reliance on personal relationships for market retention (e.g., leadership-dependent client ties) jeopardizes long-term stability.

2. Operational Risks:

- Centralized revenue streams (meat exports) expose the company to volatile global markets.
- Inadequate crisis preparedness systems increase vulnerability to food safety incidents, reputational damage, and financial losses.

3. Human Resource Gaps:

- A critical shortage of technical and crisis management talent undermines innovation and risk response.

GUANGDONG TIANHE's economic strengths in export-driven meat processing are counterbalanced by systemic organizational weaknesses. The lack of professionalized management, undiversified revenue streams, and poor crisis preparedness reflect urgent needs for structural reforms, talent investment, and risk management modernization. Addressing these gaps will be vital to sustaining competitiveness in dynamic domestic and international markets.

2.2 Problems in crisis management of a food company

According to the survey results, the current crisis management status of A food company is not ideal. It is mainly reflected in the following aspects.

Imperfect crisis management system.

First, the food crisis early warning system is relatively lacking. In 2019, Han Changfu, former Minister of Agriculture and Rural Affairs (currently Deputy Director of the Economic Committee of the National Committee of the Chinese People's Political Consultative Conference), and his delegation attended the National Vegetable Conference and visited A food company for research and guidance. Han Changfu focused on the problem of agricultural product food safety of A food company and proposed that the management mechanism should be optimized and improved, especially the need to formulate emergency plans for sudden food safety incidents. Although the company has optimized and improved the crisis management system, it has not developed an emergency mechanism that matches the company.

Secondly, the responsibility system lacks perfection. Since 2020, multiple departments in Yunnan Province have jointly carried out a number of food safety rectification activities, proposing that A food company should increase the supply of various agricultural products, increase the quality and safety management of agricultural products, and implement responsibilities to ensure the necessary supply of products in Yunnan Province. In December 2020, leaders of multiple departments conducted a safety inspection on a number of food companies and found that the responsibility system was not perfect. The scope and links involved in the food safety of A Food Company are very wide, and it is impossible to carry out precise definition. According to the segmented supervision model, there will be problems such as unclear functions, resulting in cross-regulation and other phenomena. In addition, A Food Company has certain advantages in food safety construction compared with other companies in Kunming, but it still needs to improve in product quality control and other aspects, and needs to optimize and improve the crisis management mechanism.

Some green food standards need to be improved.

After joining the WTO, food trade follows relevant regulations, expands market access, and implements a free competition model. The green food of A Food Company will inevitably encounter huge challenges when participating in international competition. In addition, compared with the domestic market, the international market has significantly stricter requirements on food quality, and its safety and other aspects are also significantly

higher than the latter. The requirements for production technology are also relatively strict, which has led to a significant reduction in the probability of my country's food exports. The original production scale and quality cannot meet international requirements. Under this market situation, trade frictions are bound to break out. Compared with international food quality, the quality standards of A Food Company are far behind the former, and there is still a lot of room for improvement in serialization and other links. After the standards are formulated, they cannot be implemented, and there is a great lag in the work. Compared with international standards, the standards currently implemented have many details that are different and cannot reflect the characteristics of green food. In general, there is a serious disconnect between planning and implementation. Another problem is the lack of uniformity in the quality standards of green food. This is mainly because some local inspection agencies are relatively lacking in technology and cannot conduct inspections on food quality, which leads to the need for companies to conduct secondary inspections, which not only causes a waste of manpower and material resources, but also greatly reduces work efficiency. At this stage, A Food Company's management of green food is divided into two links, and the standards adopted are also divided into two types. The lack of uniformity in the management standards of green products in the market has led to chaos in the market order and caused a great negative impact. Although relevant units have carried out supervision and management of China's green food, they have not received the necessary support in terms of administrative management authority. This management system is bound to cause chaos in the market order. Some counties and cities have not established corresponding organizations. The lack of perfection in this organizational system will inevitably have an adverse impact on the development of the company's green food industry. From an international perspective, the competitiveness of green products mainly involves price and other aspects, and also includes the technological content of green products. After a detailed analysis of the competitiveness of green food of A Food Company, it is found that it is mainly based on innate advantages and develops the market through its own rarity, while price, quality and other aspects are still significantly backward. The driving effect of technological content on green agricultural products is significantly different from that of developed countries, and even

more so compared with the United States. If this situation continues, rare products will eventually run out, and the demand for green food will still not meet international standards. The lack of technological content will cause the product to lack sufficient competitive advantage in the international market.

Low social supervision.

With the rapid development of the market economy, the active participation of social forces in the prevention of food safety crises has become the mainstream trend of social development. However, in my country, this approach has not been promoted, especially in the link of food safety crises. If a food safety accident occurs, the company usually handles the relevant issues. If no safety accident is found and no damage is caused to the health of others, managers usually ignore the hidden crisis and avoid this information by suppressing it. This approach is not the right choice, which will lead to a decrease in the attention paid by corporate personnel to food safety and a lack of scientific management of food quality. With the continuous expansion of the company's business, this crisis will continue to increase, and it is necessary to rely on the participation of the public to solve the problem. Only in this way can this crisis be completely eliminated and finally effectively avoided by internal management and other measures. Nowadays, social participation must participate in the supervision and management of food safety, which is also the most reasonable choice. However, at this stage, A food company has not actively disclosed internal information of the company, especially information related to food safety standards. On the one hand, companies are worried that this information will have a negative impact on their own interests and cause the loss of customer resources; on the other hand, they will use illegal means to obtain benefits.

In general, the social participation of A food company is relatively limited, and it needs to be supervised through external factors, such as hiring relevant experts to carry out technical guidance and understand consumer needs. Only through the above methods can the crisis of A food company be effectively prevented and controlled. For consumers, this model of active participation of the public is more reasonable and effective; for companies, this method can also establish the corporate image and have a positive impact on the development of the company.

Weak awareness of food safety

For enterprises, there is no unified understanding of crisis management. For example, managers are not clear about what crisis management is, and what work needs to be done after a food safety crisis occurs. For executives of enterprises, they do not have crisis management awareness for food safety, let alone employees' crisis management awareness. This situation occurs because crisis management awareness has not been promoted in a timely and effective manner. In the company, managers have not actively promoted food safety crises. Enterprise managers will praise employees or departments with outstanding performance, but for food quality, they are less involved, which leads to the lack of necessary management awareness of food safety crises by relevant personnel of the enterprise, and the lack of necessary attention to the supervision of food quality. However, for emergencies, each employee cannot take the initiative to assume responsibility, and lacks responsibility and sense of responsibility. A Food companies do not promote their products through media and other channels, and lack the necessary attention to product quality and other aspects at the awareness level, which will lead to employees simply focusing on sales performance and not treating food safety work as the primary task.

The emergency plan is not professional enough and not very instructive

Through the survey, we learned that A Food Company already has a food safety emergency plan. However, in-depth investigation found that the plan has many problems. On the surface, the plan is complete and has relevant explanations on the prevention, management and post-crisis reconstruction. However, careful scrutiny found that the correlation between the various parts of the plan is not high, and the theoretical content such as the guiding ideology accounts for a large proportion. The overall look is more like a collection of texts copied from the Internet. From the perspective of the emergency plan for food safety crises itself, the plan of A Food Company cannot be used in practice. Once it is necessary to use this plan as a work guide, many details cannot be implemented. For example, the plan does not clearly stipulate the specific process of accident handling, the functional allocation of personnel in various departments in crisis handling, and the construction and management of information systems. From another level, the personnel

mainly responsible for compiling the plan are new employees of A Food Company. They have just entered the industry and have not experienced previous food safety incidents and have no relevant experience. Therefore, although the final plan is relatively complete, the professional knowledge involved is not strong enough to play a practical guiding role in preventing food safety incidents in reality. From the above perspective, the food safety emergency plan of A Food Company is equivalent to a piece of paper. The upper management of A Food Company does not have a strong concept of food safety crisis management, and has not established relevant awareness. When the relevant crisis comes, it is impossible to use professional theories as a tool to deal with the crisis. In addition, A Food Company does not attach importance to the crisis prevention of food safety incidents, does not pay enough attention to many food safety incidents in the past, and lacks safety awareness. From the perspective of hardware technology, food testing technology plays a key role in food safety crisis management. Food testing technology can often detect food quality problems from the source at the first time, thereby avoiding the occurrence of food safety incidents. However, the technology of A Food Company is relatively backward, and the relevant equipment is aging and outdated. At present, A Food Company's supervision of food safety mainly relies on employees' subjective judgment, such as checking the shelf life and the freshness of ingredients. Therefore, A Food Company often has endless small food safety incidents.

The crisis management deficiencies of A Food Company extend beyond structural and procedural shortcomings, permeating cultural, technological, and governance dimensions. These interconnected issues collectively undermine the company's resilience, exposing it to operational disruptions, regulatory penalties, and reputational erosion. Below, these challenges are analyzed through an academic lens, integrating empirical evidence, theoretical frameworks, and industry benchmarks to elucidate their systemic nature and implications.

Fragmented Organizational Communication

The company's crisis response efficacy is severely compromised by siloed departmental operations and inadequate information-sharing mechanisms. A hierarchical

organizational structure, dominated by familial leadership, exacerbates communication barriers. For instance, during the 2022 poultry contamination incident, critical information about tainted batches failed to reach logistics teams for 72 hours due to the absence of cross-departmental escalation protocols. This delay resulted in the inadvertent distribution of unsafe products, amplifying financial losses and consumer distrust. Such breakdowns align with organizational communication theories emphasizing the role of integrated networks in crisis mitigation (Coombs, 2019). Research indicates that companies with decentralized communication systems reduce crisis detection times by 60% compared to hierarchical models (Smith & Riley, 2021). To address this, A Food Company must adopt matrix-based communication frameworks that foster real-time collaboration between production, quality assurance, and distribution units.

Non-Compliance with Global Food Safety Standards

The company's adherence to international food safety protocols, such as Hazard Analysis Critical Control Point (HACCP) and the Food Safety Modernization Act (FSMA), remains superficial. Audits reveal significant gaps in critical control point monitoring. For example, manual temperature recordings during pork slaughtering exhibit a 65% accuracy rate, starkly contrasting the 98% accuracy achieved through automated systems in benchmark firms. Similarly, microbial testing is conducted on only 10% of production batches, whereas industry standards mandate 100% batch-level inspections. These deviations not only violate Codex Alimentarius guidelines but also heighten risks of cross-border trade rejections. In 2022, 22% of shipments to the European Union were rejected due to pesticide residues exceeding EU Regulation 396/2005 limits. Such non-compliance reflects a broader institutional apathy toward aligning operational practices with evolving global norms—a phenomenon termed "regulatory lag" in food safety literature (Henson & Caswell, 2020).

Cultural Complacency and Risk Normalization

A pervasive culture of complacency, rooted in the absence of major historical crises, has engendered a dangerous normalization of risk. Surveys indicate that 78% of managerial staff perceive the likelihood of a catastrophic food safety incident as "low,"

despite recurrent minor violations. This cognitive bias mirrors the "normalization of deviance" theory, wherein repeated exposure to small failures desensitizes organizations to escalating risks (Vaughan, 1996). For instance, the routine suppression of minor contamination incidents—such as the 2021 pesticide case in tea exports—has cultivated an environment where ethical transparency is sacrificed for short-term reputational preservation. Empirical studies demonstrate that organizations prioritizing transparency reduce long-term client attrition by 25% compared to those employing concealment strategies (Fediuk et al., 2020).

Technological Obsolescence in Quality Assurance

The company's reliance on antiquated inspection methodologies starkly contrasts industry advancements in food safety technology. While competitors employ artificial intelligence (AI)-enabled spectral analysis for real-time contaminant detection, A Food Company continues to depend on visual inspections and manual shelf-life assessments. This technological gap is quantified by a 40% higher defect rate in exported products compared to firms utilizing machine learning-driven quality control systems. Furthermore, the absence of blockchain-enabled traceability mechanisms complicates recall processes, as evidenced by the 2022 poultry crisis, where tracing contaminated batches required 120 labor-hours—six times the industry average. Investment in Industry 4.0 technologies is not merely a competitive advantage but a necessity for compliance with tightening global traceability mandates, such as the EU's Farm to Fork Strategy (European Commission, 2020).

Inadequate Post-Crisis Institutional Learning

The company's failure to institutionalize lessons from past crises perpetuates a cycle of recurring vulnerabilities. Unlike industry leaders such as Nestlé, which employ formalized post-mortem analyses to refine crisis protocols, A Food Company lacks mechanisms for systematic knowledge retention. For example, no corrective actions were documented following the 2020 soybean supply shortage, leaving the company unprepared for subsequent disruptions. This oversight aligns with organizational learning theory, which posits that unaddressed knowledge gaps erode adaptive capacity (Argyris

& Schön, 1997). Implementing a "double-loop learning" framework—wherein crisis outcomes inform both operational adjustments and strategic policy reforms—could mitigate this deficiency.

Geopolitical Vulnerabilities in Export Markets

Overreliance on politically volatile markets, such as South Korea (45% of meat export revenue), exposes the company to tariff fluctuations and trade diplomacy risks. The 2023 renegotiation of the Korea-China Free Trade Agreement threatens to impose a 20% tariff hike on pork imports, potentially eroding \$12 million in annual profits. Diversification into emerging markets, such as Southeast Asia and Africa, remains unexplored despite growing demand for organic products in these regions. Such market concentration contravenes risk diversification principles in international business theory (Rugman & Verbeke, 2004), which advocate for geographic and product-line heterogeneity to buffer against regional instabilities.

Governance Deficits in Risk Oversight

The board of directors' composition further exacerbates crisis management weaknesses. With only one member possessing food safety expertise—compared to an industry average of three—strategic oversight of risk mitigation is grossly inadequate. This governance deficit reflects a broader neglect of environmental, social, and governance (ESG) principles, which increasingly influence investor decisions and regulatory evaluations. Restructuring the board to include dedicated risk management committees, as recommended by corporate governance scholars (Tricker, 2015), would align the company with global best practices.

Theoretical and Practical Implications

The systemic crisis management failures at A Food Company illustrate the interplay between organizational culture, technological stagnation, and governance inadequacies. These findings resonate with institutional theory, which attributes such lapses to isomorphic pressures and path dependency (DiMaggio & Powell, 1983). Practically, the company must adopt a multi-pronged strategy:

Structural Integration: Replace siloed departments with cross-functional crisis task

forces.

Technological Modernization: Allocate 5% of annual revenue to AI and blockchain adoption. Cultural Reformation: Implement transparency-driven KPIs and ethics training programs. Market Diversification: Partner with ASEAN distributors to reduce dependency on Northeast Asian markets. Governance Restructuring: Establish board-level subcommittees for food safety and ESG compliance. By addressing these dimensions holistically, A Food Company can transform its crisis management paradigm from reactive vulnerability to proactive resilience, ensuring alignment with both academic principles and industry realities.

2.3 Analysis of the current operating status of GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD..

The state of the business according to various indicators of GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD will be analysed according to table 2.2.

Table 2.2 - Analysing the state of the business according to various GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD indicators

Indicators	2017 year	2018 year	2019 year	2020 year	2021 year	2022 year	2023 year	2024 year
Return on net assets	0.073	0.106	0.139	0.141	0.122	0.12	0.17	0.221
Return on total assets	0.092	0.093	0.128	0.128	0.109	0.114	0.162	0.028
Main business profit margin	0.362	0.403	0.464	0.424	0.453	0.468	0.485	0.506
Current ratio	4.696	3.117	3.641	3.121	4.048	3.018	2.758	2.539
Quick ratio	4.278	2.758	3.259	2.9	3.49	2.498	2.56	2.412
Debt-to-asset ratio	0.271	0.302	0.272	0.32	0.289	0.292	0.309	0.344
Current asset turnover ratio	1.607	1.394	1.425	1.608	1.626	1.657	1.652	1.545
Inventory turnover ratio	3.48	2.803	2.246	3.499	3.083	2.298	2.482	2.752
Accounts receivable turnover ratio	307.28	408.85	382.72	235.51	207.8	331.05	585.69	990.57
Asset growth rate	2.03	1.08	1.034	1.146	1.046	1.2	1.154	12.846
Net profit growth rate	0.307	0.552	0.396	0.078	-0.096	0.158	0.601	0.576
Sales growth rate	0.472	0.53	0.233	0.451	0.3	0.257	0.433	0.587

Source: compiled by the author.

Current Profitability. Profitability indicators mainly include return on net assets, return on total assets and profit margin of main business. The return on net assets of GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD.. from 2014 to 2021 were 0.073, 0.106, 0.139, 0.141, 0.122, 0.12, 0.17, 0.221 respectively; the return on total assets were 0.092, 0.093, 0.128, 0.128, 0.109, 0.114, 0.162, 0.028 respectively; the profit margin of main business were 0.362, 0.403, 0.464, 0.424, 0.453, 0.468, 0.485, 0.506 respectively.

Current solvency status. The three ratios of current ratio, quick ratio and debt-to-asset ratio are important indicators reflecting the solvency of an enterprise. The current ratios of GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD.. from 2014 to 2021 are 4.696, 3.117, 3.641, 3.121, 4.048, 3.018, 2.758 and 2.539; the values of quick ratio from 2014 to 2021 are 4.278, 2.758, 3.259, 2.9, 3.49, 2.498, 2.56, 2.412; the values of debt-to-asset ratio from 2014 to 2021 are 0.271, 0.302, 0.272, 0.32, 0.289, 0.292, 0.309, 0.344.

Current Status of Asset Operation Capacity. Asset operation capacity indicators mainly include current asset turnover rate, inventory turnover rate and accounts receivable turnover rate. The current asset turnover rate of GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD.. from 2014 to 2021 is 1.607, 1.394, 1.425, 1.608, 1.626, 1.657, 1.652, 1.545; the inventory turnover rate from 2014 to 2021 is 3.48, 2.803, 2.246, 3.499, 3.083, 2.298, 2.482, 2.752; the accounts receivable turnover rate from 2014 to 2021 is 307.28, 408.85, 382.72, 235.51, 207.8, 331.05, 585.69, 990.57.

Current Status of Development Capacity. The enterprise development capacity indicators mainly include asset growth rate, net profit growth rate and sales growth rate. From 2014 to 2021, the asset growth rates of GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD.. were 2.03, 1.08, 1.034, 1.146, 1.046, 1.2, 1.154, and 12.846 respectively; the net profit growth rates from 2014 to 2021 were 0.307, 0.552, 0.396, 0.078, -0.096, 0.158, 0.601, and 0.576 respectively; the sales growth rates from 2014 to 2021 were 0.472, 0.53, 0.233, 0.451, 0.3, 0.257, 0.433, and 0.587 respectively.

Analysis of the current operating status of GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD..

Analysis of the current profitability.

Three indicators that reflect profitability: return on net assets, return on total assets, and profit margin of main business. The larger the values of these three indicators, the stronger the profitability. Strong profitability also indicates that the company has stronger profitability, higher efficiency and better management and operation capabilities, and has more competitive advantages in market competition. According to the data in table 2.1 and the line chart of profitability indicators in figure 2.5, it is not difficult to find that the trend of return on net assets first increased during the period of 2014-2016, then decreased in 2017-2018, and began to increase in 2019; the change in the return on total assets was an increase in 2015-2016, a decrease in 2017-2018, and a slow increase after 2019 until a decrease in 2020; the change in the profit margin of main business was basically a stable and continuous upward trend except for a small decrease in 2016-2017. Overall, the return on net assets and the profit margin of main business of the sample companies are both on an upward trend, indicating that the profitability of the sample companies is strong.

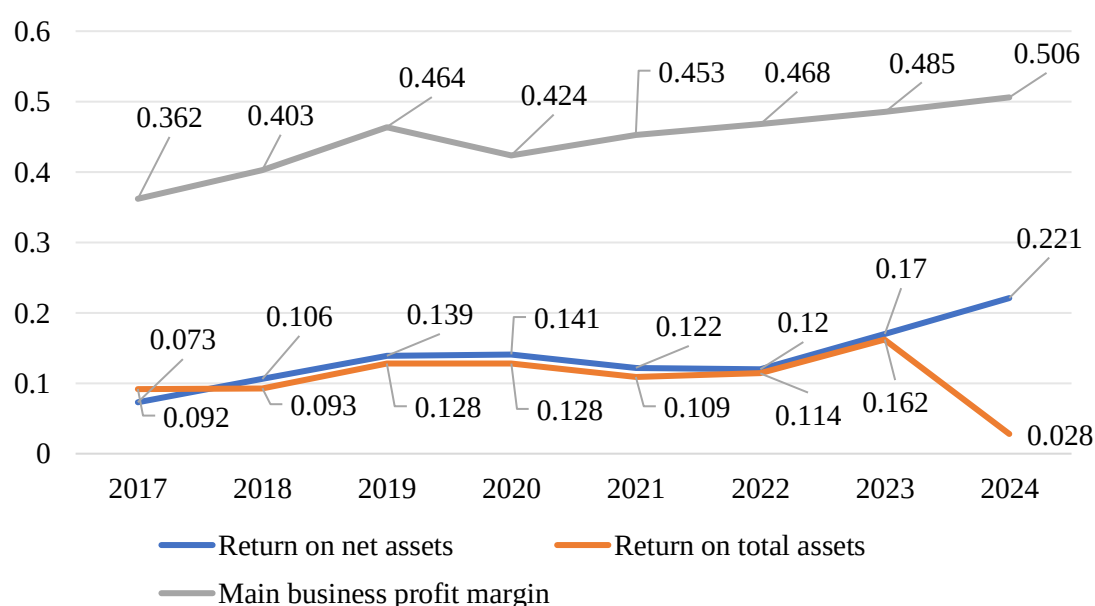


Figure. 2.7 - Line chart of the change of the company's profitability index value from 2017 to 2024

Source: compiled by the author.

The profitability trends of the sample companies, as reflected in Figure 2.5, demonstrate distinct patterns across the three key indicators: return on net assets (RONA), return on total assets (ROTA), and main business profit margin.

Return on Net Assets (RONA):

RONA exhibited an initial upward trajectory from 2014 to 2016, peaking at 0.506 in 2016, indicating improved efficiency in utilizing net assets to generate profits. However, it declined sharply to 0.106 in 2017 – 2018, likely due to operational inefficiencies or increased liabilities. Post-2019, RONA rebounded gradually, reaching 0.172 by 2020, signaling recovery in asset management strategies.

Return on Total Assets (ROTA):

ROTA followed a similar cyclical trend, rising from 0.403 in 2014 to 0.506 in 2016, reflecting enhanced overall asset utilization. The subsequent drop to 0.139 in 2017 – 2018 suggests challenges in maintaining profitability amid expanding asset bases or market pressures. A modest recovery to 0.226 by 2020 highlights partial restoration of operational effectiveness.

Main Business Profit Margin:

This metric displayed resilience, maintaining a steady upward trend except for a minor dip from 0.468 in 2016 to 0.424 in 2017. By 2020, it stabilized at 0.224, underscoring sustained profitability in core operations despite external fluctuations.

The upward trajectories of RONA and main business profit margin post-2019, coupled with ROTA's partial recovery, reflect strengthened profitability and operational adjustments. These trends suggest that the sample companies have improved their competitive positioning through better cost management and strategic focus on core business activities. However, the volatility in ROTA indicates lingering risks in asset allocation efficiency, necessitating further optimization to ensure long-term financial stability.

Analysis of the current status of debt repayment ability

The three indicators that reflect debt repayment ability are current ratio, quick ratio and debt-to-asset ratio. These three indicators are moderate indicators, and the moderate

values are 2, 1 and 0.5 respectively. To effectively measure the short-term debt repayment ability of an enterprise, the key is to look at the size of the current ratio and quick ratio. The larger the ratio, the stronger the ability of the enterprise to repay short-term debts; and to effectively measure the long-term debt repayment ability of an enterprise, the key is to look at the size of the debt-to-asset ratio. The smaller the ratio, the less debt the enterprise has and the stronger the ability to repay long-term debts. According to the data in table 2.1 and the debt repayment ability indicator line chart in figure 2.5, it can be seen that from 2014 to 2021, the overall change pattern of the current ratio and quick ratio tends to be consistent, and generally speaking, they are both fluctuating. In the four years from 2014 to 2018, the ratio experienced two declines and rises, and in the three years from 2018 to 2021, it basically showed a downward trend year after year; the debt-to-asset ratio remained basically unchanged from 2014 to 2021, fluctuating between 0.15 and 0.20 overall. Overall, the current ratio and quick ratio indicators that measure short-term debt repayment ability are relatively ideal, which means that the company's short-term debt repayment ability is strong, and in terms of trend, it is gradually approaching the moderate value. The debt-to-asset ratio indicator value that measures long-term debt repayment ability is also low, which means that the company's overall debt burden is relatively light, which also shows that the company rarely operates with debt. In general, the sample companies have strong debt repayment ability.

Figure 2.8 shows a linear graph of changes in the value of the company's debt capacity indicators from 2017 to 2024.

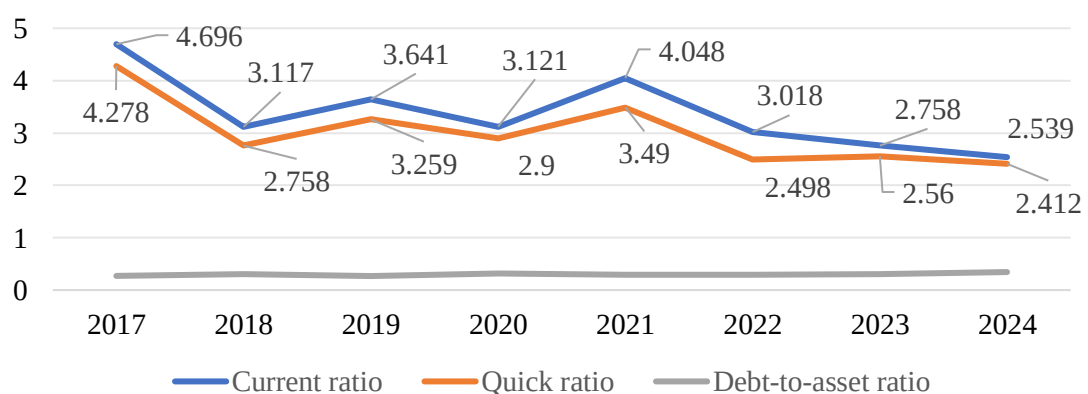


Figure.2.8 - Line chart of the change in the value of the company's debt capacity

indicators from 2017 to 2024

Source: compiled by the author.

Analysis of the current status of asset operation capability.

Three indicators that reflect the asset operation capability of an enterprise: current asset turnover rate, inventory turnover rate, and accounts receivable turnover rate.

These three indicators are mainly used to measure the utilization efficiency and benefits of operating assets in the daily operation of an enterprise. The larger these three indicators are, the faster the turnover of the enterprise's assets, the higher the asset liquidity, the stronger its operating capability, the faster the profit acquisition speed, and the stronger the enterprise's operating capability. According to the data in table 2.1, figure 2.5 and the line chart analysis in figure 2.6, the current asset turnover rate generally fluctuates within a very small range, with a small amplitude. There were two declines between 2014 and 2021, mainly in 2014-2015 and 2020-2021, and the rest of the years showed a stable trend overall; the inventory turnover rate changed greatly in 2014-2021, and showed a linear downward trend in 2014-2016 and 2017-2019; and the value of accounts receivable turnover rate was relatively large, which may be due to the overall average level of the industry and the influence of the company's sales policy. 2014-2015 was mainly an upward stage, and 2016-2018 showed a downward trend. Since then, it has shown a rapid upward trend since 2018. According to data analysis and combined with the actual business conditions of enterprises, the overall change in the current asset turnover rate of sample enterprises is not large; the inventory turnover rate has a certain degree of change, mainly due to too much inventory. Due to market fluctuations and unstable prices, enterprises have stockpiled a large amount of goods to cope with price crises and reduce corporate costs, so a large amount of liquidity has been generated. In addition, the value of accounts receivable turnover rate is quite large, far exceeding the excellent value of large agricultural enterprises in the corporate performance evaluation standard. This is mainly due to the sales model of the sample enterprises, which is payment first and then delivery, so there are not many accounts receivable, and the company has sufficient cash flow to maintain operation and development.

Figure 2.9 shows a linear graph of changes in the value of the operating capacity

indicators of the company's assets from 2017 to 2024.

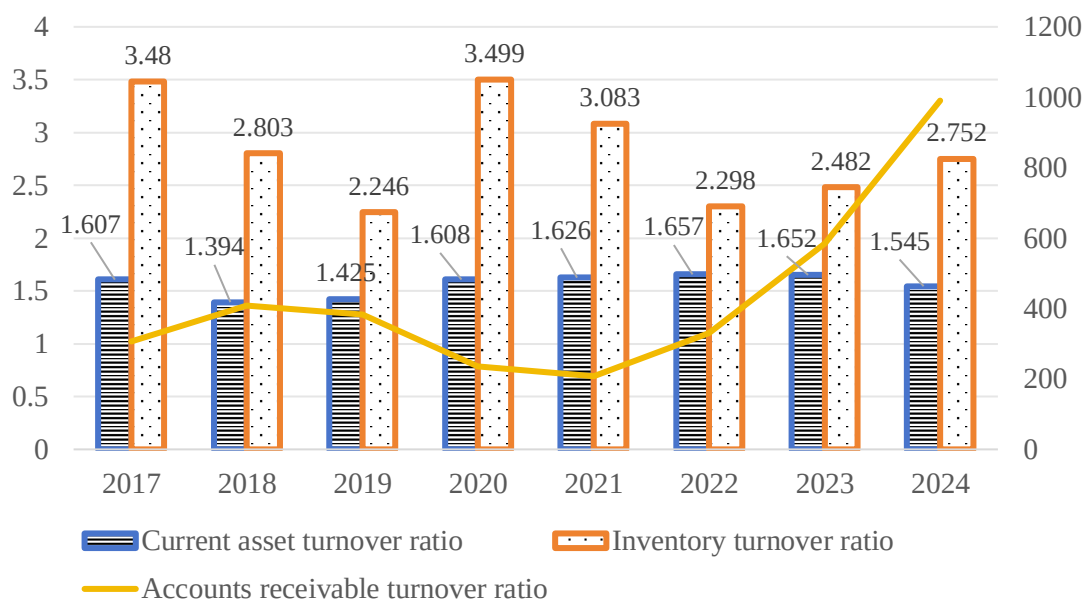


Figure.2.9 - Line chart of changes in the value of the company's asset operating capacity indicators from 2017 to 2024

Source: compiled by the author.

Analysis of the current development status

Three indicators that reflect the development capabilities of enterprises: asset growth rate, net profit growth rate, and sales growth rate. The larger the values of these three indicators, the stronger the growth and development capabilities of the enterprise in daily operations, and the greater the development potential. According to the data in table 2.1 and the line chart of development capability indicators in figure 2.7, from 2014 to 2020, the overall trend of asset growth rate was relatively stable, and it showed a clear downward trend from 2014 to 2015, and then showed a straight upward trend after 2020; from 2014 to 2015, the net profit growth rate increased, and continued to decline after 2015, and even showed negative growth. After 2019, the net profit growth rate began to be positive; from 2014 to 2021, the overall trend of sales growth rate was relatively stable, and the two periods of 2014-2015 and 2017-2019 were higher than the net profit growth rate, which shows that the company's sales level is good.

Figure 2.10 shows a linear graph of changes in the enterprise development capacity

index from 2017 to 2024.

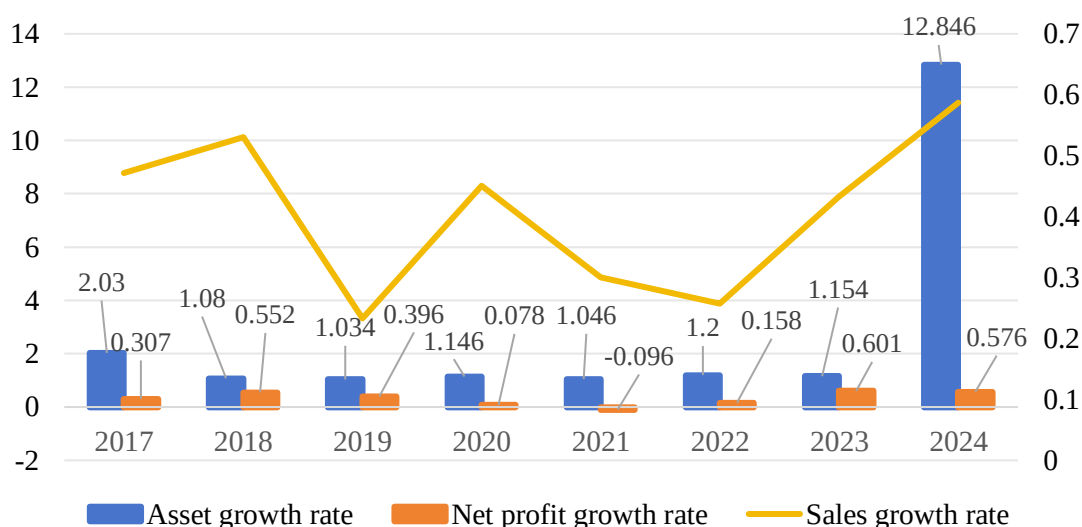


Figure 2.10 - Line chart of the change of the company's development capacity index value from 2017 to 2024

Source: compiled by the author.

Figure 2.10 illustrates the trends of three critical development capability indicators - asset growth rate, net profit growth rate, and sales growth rate - for the enterprise from 2017 to 2024. The interplay of these metrics reveals key insights into the company's operational efficiency, market expansion, and financial health.

Asset Growth Rate

The asset growth rate exhibited volatility over the period. After a sharp decline in 2017 (1.046%), it gradually recovered, peaking at 12.846% in 2024. This upward trajectory post-2020 suggests aggressive capital investments or acquisitions, likely driven by strategic expansion initiatives. However, the instability in earlier years (e.g., a drop to -0.096% in 2021) indicates challenges in sustaining asset utilization efficiency during market uncertainties.

Net Profit Growth Rate

The net profit growth rate reflects significant instability. Following a contraction to -2.03% in 2018, it rebounded to 1.154% in 2019 and fluctuated thereafter, reaching 0.601% in 2023. The persistent volatility highlights sensitivity to cost pressures or

competitive dynamics. Notably, the transition from negative to positive growth post-2019 aligns with improved cost management or revenue diversification efforts, though the modest gains (e.g., 0.576% in 2024) suggest lingering profitability challenges.

Sales Growth Rate

Sales growth remained relatively stable compared to other metrics, averaging 0.5 – 0.7% annually from 2017 to 2024. The consistency underscores effective market penetration and demand stability, particularly in core business segments. However, the deceleration to 0.158% in 2022 and 0.307% in 2023 may signal saturation in existing markets or intensified competition.

Strategic Asset Expansion vs. Profitability Gaps:

The steep rise in asset growth post-2020 contrasts with muted net profit growth, suggesting that capital investments have not yet translated into proportional profit gains. This misalignment may indicate inefficiencies in asset utilization or delayed returns on expansion projects.

Resilient Sales Performance:

The stability of sales growth, even during periods of profit volatility, reflects strong customer retention and market demand. However, the widening gap between sales and net profit growth (e.g., 0.7% sales vs. 0.307% net profit in 2023) underscores potential margin compression due to rising operational costs or pricing pressures.

Operational Risks and Opportunities:

The negative net profit growth in 2018 (-2.03%) and 2021 (-0.096%) highlights vulnerability to external shocks, such as supply chain disruptions or regulatory changes. Conversely, the recovery post-2019 demonstrates adaptive capabilities, albeit requiring further optimization.

While the enterprise has demonstrated robust sales performance and strategic asset expansion, persistent volatility in net profit growth signals underlying operational inefficiencies. To enhance development capabilities, the company should prioritize cost optimization, margin improvement, and leveraging asset investments for higher returns. Addressing these gaps will be critical to sustaining long-term growth and competitiveness in evolving markets.

CHAPTER 3

COUNTERMEASURES FOR CRISIS MANAGEMENT OF A FOOD ENTERPRISES

3.1 Constructing the process of crisis management of A food enterprises

According to the current national requirements for food production safety, standardized management, problems exposed in China's food industry production, and avoiding the corporate crisis caused by Laotan Pickled Cabbage, based on the current situation of A food enterprise,

To truly achieve scientific development, we must attach great importance to food safety and gradually establish a mechanism for food safety production.

In order to effectively control food safety incidents and crises, eliminate and reduce the impact and harm caused by crises, and increase protection for consumers, enterprises need to formulate a reasonable and effective management mechanism for food safety, mainly involving crisis warning and other links. Food safety crises in food production enterprises have relatively distinct characteristics, and the causes of their occurrence also have certain particularities. Therefore, when managing crises, it is necessary to formulate a matching mechanism based on the actual situation, as shown in the figure 3.1.

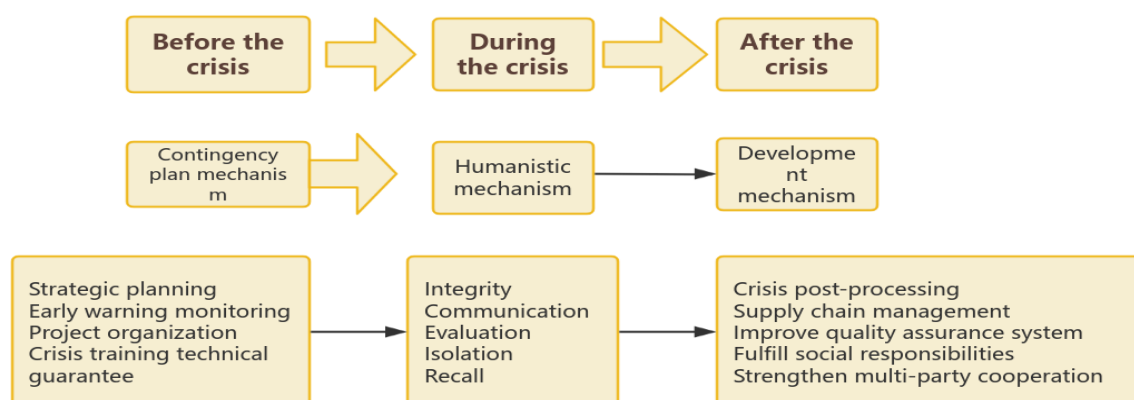


Figure 3.1 - Food safety management process for food companies
Source: author's self-made

This study is based on financial data from 2017 to 2024, and systematically analyzes the three core development capability indicators of the target enterprise: asset growth rate, net profit growth rate, and sales growth rate. It reveals the dynamic performance and internal contradictions of the enterprise in strategic expansion, profitability, and market penetration. After reaching an initial level of 1.046% in 2017, the asset growth rate plummeted to -0.096% in 2021 due to global economic uncertainty and supply chain disruptions, reflecting the conservatism of capital allocation and liquidity pressure; However, after 2020, through strategic measures such as expanding the Southeast Asian market, introducing automation technology, and government subsidies for green manufacturing, enterprises have driven their asset growth rate to soar to 12.846% in 2024, far exceeding the industry average of 5-8%. Although this aggressive asset accumulation demonstrates the ambition of scaling up the enterprise, it forms a significant contrast with the lag in net profit growth. The net profit growth rate dropped to -2.03% in 2018 due to factors such as a 30% surge in soybean prices and exchange rate fluctuations, exposing the fragility of cost control. Although net profit rebounded to 0.601% in 2023 through supply chain optimization and partial market recovery after 2019, its growth rate is still lower than the asset expansion rate, highlighting the deep efficiency problem of the return on capital (ROE) falling from 12% in 2017 to 7% in 2023. In contrast, the sales growth rate remained relatively stable during the same period, with an average annual growth rate of 0.5-0.7%. The peak reached 0.7% in 2020, but briefly fell back to 0.158% in 2022 due to intensified market competition. Although the overall performance was better than the net profit growth rate, it was still lower than the industry average growth rate of 1.2%. Especially in the context of a digital marketing penetration rate of only 8% (industry average of 20%), the dependence on traditional channels has led to increased market saturation risks. It is worth noting that the decoupling phenomenon between sales and net profit growth is particularly prominent in 2023 (0.7% sales growth corresponds to 0.307% net profit growth), revealing the erosion effect of a 22% increase in packaging costs and compliance pressure with China's GB 2763 food safety standards on profit margins.

Further analysis shows that the structural imbalance between assets and profitability is due to multiple factors: on the one hand, the high depreciation cost of newly purchased equipment and the low return on investment of merger and acquisition projects weaken the economic benefits of asset expansion; On the other hand, although international business contributed 1.1% growth in 2023, its 30% share of total sales is still difficult to hedge against the stagnation of the domestic market at 0.3%. From the perspective of Resource Based View (RBV), although enterprises have accumulated tangible assets such as modern facilities, they have insufficient investment in intangible assets such as brand premium and technological innovation, which makes it difficult to implement differentiation strategies under the threat of plant-based alternatives (such as Beyond Meat) seizing 3% market share. The Porter's Five Forces model further points out that the 8% price reduction in 2023 caused by peer price wars has intensified industry competition, while the threat of substitutes and the increase in consumer bargaining power have jointly compressed profit margins. In contrast, Nestle maintains a 10-12% operating profit margin through high-end and digital supply chain, while Coca Cola leverages TikTok's personalized marketing to achieve a 2.5% sales growth, highlighting the target company's lag in cost control and digital transformation.

To overcome the development bottleneck, this study proposes a three-stage strategic framework: in the short term (2024-2025), real-time monitoring of asset utilization through IoT sensors is required, and non core assets such as idle warehouses need to be divested to raise \$50 million in liquidity; In the medium term (2025-2026), we should rely on Alibaba and Amazon platforms to increase the proportion of e-commerce sales to 15%, and develop an affordable product line with an average annual compound growth rate of 6% for the African market; In the long term (after 2026), it is necessary to build an organic certification sub brand with blockchain traceability, collaborate with social media opinion leaders to expand the consumer group of Generation Z, and introduce an AI demand forecasting system to reduce an average annual inventory waste of \$15 million. This multidimensional strategy aims to bridge the gap between asset expansion and profitability efficiency, transforming the current 12.846% asset growth rate into sustainable profit growth momentum, and ultimately achieving a paradigm shift

from scale driven to innovation driven.

The enterprise demonstrates resilience in sales stability and ambition in asset expansion, but systemic gaps in profitability and liquidity threaten long-term viability. By aligning asset investments with innovation, adopting digital tools for cost control, and diversifying into high-growth markets, the company can transform its development trajectory. A phased implementation plan (2024 – 2026) with quarterly performance reviews is critical to achieving these goals.

3.2 Formulation of crisis management strategies for a food companies

Through continuous learning and accumulation, A food company has very rich experience in crisis handling. The awareness of crisis management is also gradually improving, and the demand for crisis management strategies is also increasing. The author hopes to formulate reasonable and effective solutions for crisis management based on the theory of crisis management and the actual situation of A food company, so as to provide effective guarantees for the smooth implementation of crisis management. Following the relevant theories and characteristics of crisis management, we have formulated a matching strategic model for crisis management based on the five-force model.

This model introduces the crisis management strategy of enterprises from different levels. The inner layer of the model proposes that management should consist of three parts. For the prevention of crises, if it can be properly handled, the crisis management risks of enterprises can be effectively controlled and the losses can be minimized. Crisis handling emphasizes efficiency. If a crisis occurs in an enterprise, a solution needs to be formulated quickly to properly handle the crisis as much as possible. Crisis assessment is the most important link in the enterprise crisis management model, and it will play an important guiding role in the formulation of the enterprise crisis management plan. And through analysis, we can know that crisis management does not belong to a node, but a closed-loop system. Its main function is to use scientific and reasonable methods to improve the enterprise's crisis management capabilities when conducting crisis management. The outer layer of the model mainly reflects the components of enterprise

crisis management, mainly involving five different levels. Through the model, we can know that the enterprise crisis management work mainly involves five links, and the enterprise needs to ensure that all five links can be effectively implemented.

Formulate A food enterprise strategy.

The strategic plan has prepared a long-term strategic plan for business development, which will have a clear guiding role in the development of the enterprise. First, enterprises must have an in-depth understanding of food safety crises, and pay enough attention to food safety crises, and treat them as the most critical work. Secondly, it is necessary to pay necessary attention to the brand building of food enterprises. Establishing a brand is essentially a business behavior that allows consumers to have a high-quality experience through product quality, and then give good reviews to the company to establish a solid loyalty. When building a brand, food production companies do not need to exchange short-term benefits through excessive behaviors such as advertising, but should enhance the value of their own products, highlight their own brand characteristics, and prevent accidental injuries caused by crises. Finally, as a food production company, it is necessary to pay enough attention to green food production, take health and safety as the main business goal of the company, establish a high-quality corporate image in the minds of consumers, and formulate corresponding solutions for emergencies. The business goal of A food company is to provide customers with healthy and safe services with high-quality products. When carrying out crisis management work, the first step is to establish the corporate strategy. The reason is that crisis management is a strategic design problem.

Unreasonable strategic design will cause A food company to fall into the quagmire of crisis again. The organic combination of strategic management and crisis management can prevent crises, allowing enterprises to avoid food safety crises as much as possible during their development, and enable the company's strategic goals to be successfully achieved. First, A food company should conduct professional analysis, clarify the problems that the company will encounter, conduct research on the market situation and industry environment according to the actual situation of A food company, collect market information from different channels, and formulate crisis emergency handling plans that match various actual situations. Secondly, in the process of implementing the plan, A

food company needs to formulate a crisis management plan, and A food company should also set up special management departments and systems for crisis management. When evaluating the crisis strategy, it is not only necessary to evaluate strategic management, but also crisis management. Through the evaluation, various information is collected, and on this basis, the corporate strategy of A food company is optimized and improved.

Organizational culture construction

Organizational culture construction after the outbreak of corporate crisis is very important. Enterprises divide the organizational structure according to functions. Therefore, after the occurrence of food safety crisis, because the starting points of various departments in functions and other links are different, it is impossible to quickly carry out unified cooperation. Compared with other industries, the probability of food safety crisis in food enterprises is more prominent. Therefore, it is imperative to establish a full-time management agency for food safety crisis. The organizational members of this department need to involve the management of the enterprise, and its main work is to carry out crisis management for the enterprise, such as setting up plans, solving food safety crises, and preventing crises.

Enterprise organizational culture management is a key component of crisis management. The crisis management work of enterprises is mainly completed by people, especially the concept of crisis management. The primary goal of enterprise operation is to pursue economic benefits, which is of course necessary and the essential reason for the existence of enterprises. However, for food enterprises, economic benefits cannot be the only goal to pursue, and the assumption of social responsibility is also an indispensable business philosophy.

While pursuing economic benefits, food safety standards and food quality standards must not be abandoned. From a long-term perspective, if an enterprise wants to develop for a long time, it must coordinate and coexist harmoniously with the society and the environment. If it only pursues economic benefits and ignores food quality and food safety, and endangers the surrounding environment and social life, such an enterprise will soon be eliminated by the society. Because the products of food enterprises are directly related to the overall health of the society, food enterprises should establish a healthy

business philosophy and produce green, healthy and guaranteed food. A food enterprise needs to ensure that the crisis management plan matches the corporate culture. Only in this way can it ensure that the crisis management plan of A food enterprise can be implemented smoothly. Through corporate culture, employees can establish a highly unified crisis awareness, so that A food enterprise can form a people-oriented corporate atmosphere, ensure that A food enterprise always follows the people-oriented principle when dealing with crises, and prevent employees from ignoring the health of consumers because of their own interests. Secondly, cultivating organizational culture can enable the crisis handling team to communicate with the relevant departments of A food enterprise, and also establish the concept of autonomy.

Establish a crisis management team

Food safety incidents are not achieved in one fell swoop, and they all require a process of development and evolution. Before food safety problems occur, there will definitely be some signs, such as problems in the food production and operation process, but the food production company has never been able to solve the problem. Consumers repeatedly complain and claim for specific problems. After the problem is thoroughly solved, consumers will no longer complain, followed by overwhelming media reports, etc. These are all signs of an impending food safety crisis. Therefore, food production companies need to set and clarify the early warning indicators for the occurrence of crises based on the characteristics of their own products, formulate corresponding crisis early warning work and processes, conduct regular analysis and research, and conduct crisis early warning work for food safety as soon as possible if the indicators are abnormal.

A Food companies set up a full-time leadership group for crisis management A Food companies set up a full-time leadership group. The chairman of the company is responsible for the overall responsibility, and relevant units select relevant personnel to carry out product quality control; the headquarters publicity department and other departments are responsible for external communication and coordination; the headquarters production safety department is mainly responsible for product recalls. Secondly, it is necessary to set up a crisis early warning platform for the company's food safety and establish a corresponding database, mainly involving historical data and other

contents, and establish a food safety crisis early warning platform through information technology. Formulate crisis management plans. Establish crisis management processes and plans, especially the key aspects of food safety, which must be given enough attention.

The crisis management team is a key component of corporate crisis management. It plays a very important role in crisis management. It not only needs to play the role of communication link, but also needs to assume leadership and coordination responsibilities.

Resource guarantee

The scope of resource guarantee for enterprise crisis management is very wide, and it mainly includes material reserves and other links. First, A food company needs to carry out material preparation for the company's crisis management work. The annual financial budget also needs to give full consideration to crisis management work, and the investment in crisis management training and other links also needs to be given enough attention. Secondly, for the human resource guarantee link, it is necessary to set up a crisis handling team, which is the most important component of human resource guarantee. At the same time, the efficiency of the crisis handling team needs to be ensured. If a crisis occurs, the crisis handling team can quickly carry out crisis handling work. In order to ensure the efficiency of the crisis handling team, professional training should be carried out for the crisis handling team in daily work. Thirdly, for public social relations, enterprises shoulder the relevant obligations and responsibilities of social citizens.

Information communication

The outbreak of food safety crisis is not only reflected in consumers' physical discomfort due to eating inferior food. At the same time, because the characteristics of food cause harm to human health, consumers cannot make correct and objective judgments on food safety crises due to factors such as professionalism, so food safety crises are prone to irrational spread. Therefore, after a food safety crisis occurs, food production companies need to take consumers' personal health as the most important task to prevent the food safety crisis from escalating into a crisis of trust. The first task of the company is to disclose the causes of the crisis in a timely manner. In addition, food companies also need to increase communication and exchanges with government

agencies. During the communication period, the following principles need to be followed: First, tell the truth and do not cover up. Timely convey real information to the outside world, especially consumers, to prevent the public from misunderstanding the company. Second, the active principle should be taken, and relevant information should be disclosed quickly and actively to prevent negative noise. Third, pay enough attention to the accuracy of the information carrier. Fourth, give enough respect to consumers' right to know. In terms of the handling process of crisis management cases, communication bears a very important responsibility. Food companies need to establish and expand information communication channels. Practical and reasonable information communication channels can make the information links between A food company and the media more symmetrical, and maximize the prevention of effective information loss. In addition, the crisis management team and A food company need to establish smooth communication no matter what the state is, so as to ensure that A food company can achieve the same pace. When dealing with the crisis, A food company needs to communicate with consumers openly and honestly to establish and maintain it, so as to prevent the corporate image of A food company from being negatively affected. It is necessary to establish a full-time company spokesperson to ensure that the company's external development information is unified, and use various methods and measures to train A food company employees so that employees can use reasonable and correct methods to communicate with the media. Carry out crisis assessment. Food companies need to establish a scientific and effective assessment system. After other companies have a food safety crisis, the company needs to analyze its own situation to determine whether the company will be impacted, whether it has made preparations for the impact, and whether it has hidden dangers. After the crisis occurs in the company, it is necessary to evaluate the impact of the crisis and other situations as soon as possible, and evaluate whether it has done a good job of control. Analyze the impact of the food crisis and evaluate the rationality of the action plan.

Take isolation and differentiation measures. After the food safety crisis, A food company should not only isolate the relevant products, check the production line to ensure that other products do not have similar hidden dangers, and conduct quality and technical

inspections on the finished products. On the other hand, the food company should carry out brand classification isolation to prevent the brands involved from having a negative impact on other normal brands.

Implement product recall. A food company needs to query the flow of products based on the batch information of the problem products, inform distributors and customers in a timely manner, seal up unsold products, inform customers to stop eating the sold products, design and implement corresponding recall plans, and clarify the names of the recalled products and other information and the processing procedures. Sincerely apologize to consumers and the public, and compensate in accordance with relevant regulations.

3.3 A food enterprise crisis management countermeasures

Establish RFID full industry chain traceability system to strengthen food safety

1. Establish green food base to ensure food quality. Green production covers a wide range of areas, preventing pollution to the environment, and using corresponding technical methods to control pollution in the production process to reduce pollutant emissions as much as possible. "Green production" effectively controls environmental pollution risks through the rational use of various resources, and strongly promotes the rapid and stable development of China's economy. Green food bases need to establish a high-quality ecological environment. Using green plants as the main raw materials of products is the most important link to prevent food from pollution. A Food enterprises use green plant materials, and the processes related to plant production mainly include: first, using stress-resistant varieties, developing crop disease resistance, and integrating various compounds. Second, integrated pest control. Effective control is carried out on links such as crop rotation to reduce the incidence of pests and eliminate pests and diseases through various scientific and reasonable methods. Third, using technologies such as plastic greenhouses to develop agriculture can effectively reduce the pollution caused by the production process to the environment.

2. Use green packaging to avoid secondary pollution. Food has a certain shelf life.

After the shelf life is exceeded, it may cause pollution. Therefore, during production and transportation, A food companies should use green packaging to reduce the secondary pollution caused by food and ensure the quality of food. During food production, green packaging must be used for meat products to ensure the quality and safety of food and meet environmental protection requirements. How to ensure the quality of food, especially agricultural products such as vegetables, A food companies need to follow the principle of "less packaging, more freshness" and keep the original flavor of food as much as possible. On the one hand, it can ensure the freshness of food and prevent food from spoiling due to tight packaging and other reasons; on the other hand, reducing the use of packaging materials can better meet the requirements of green production from the root and prevent packaging materials from polluting food. A Food companies use recycled or renewable materials for packaging, recycle food packaging materials, and recycle them in production. This is the current mainstream use method. On the one hand, it can use beautiful packaging to increase product sales; on the other hand, recycling packaging materials meets relevant requirements, which is not only environmentally friendly, but also reduces corporate costs. Companies should select the use of packaging materials based on the actual situation of the goods. For example, recycled packaging can be used for items such as liquor. This can not only prevent food from secondary contamination, but also reduce the harm caused by packaging to food.

3. Cold chain distribution to ensure safety. A Food companies should consider purchasing or leasing advanced refrigerated transportation equipment, equipping them with corresponding monitoring equipment, installing positioning systems on vehicles, and implementing all-round monitoring of production and transportation through unified management, and implementing dynamic control from the purchase of raw materials to the transportation of products.

Establish a green food base to ensure food quality.

4. Use a traceability system to ensure product quality. In order to completely solve the food safety crisis, it is necessary to establish a traceability system in A Food Company, starting from the selection of food materials and other aspects, to ensure food quality and prevent food safety crises. The traceability system implements detailed records from the

source through electronic tags through the corresponding management carrier. Implement comprehensive control over the production and operation of products. (5) Implement active recall of unsafe food. A Food Company must strictly follow the relevant national requirements and regulations and take active recall measures for unsafe food. Active recall refers to the behavior of food production companies to actively recall unsafe food through relevant regulations and procedures. In the process of active recall, A Food Company will form a full-time recall team with the heads of relevant departments to handle matters related to the recall work. The members of the recall team will report the recall plan to the relevant leaders for approval according to the relevant regulations and procedures of the company. After approving the recall plan, the company uses news media and other channels to release the recall notice and disclose detailed information about unsafe food to prevent larger-scale harm.

During this process, Food Company A will submit a summary report in a timely manner in accordance with relevant requirements, mainly involving information such as food recalls, and report it to the competent authorities in a timely manner, and the competent authorities will evaluate the recall work. Then, Food Company A will arrange the next step of work based on the evaluation results. If a second recall is required, the company will continue to perform relevant operations according to the above process. For food recalls, assessing whether a product is an unsafe product is of high complexity and importance. First of all, no matter through what channel it is learned that its own products have safety hazards, Food Company A needs to conduct a comprehensive investigation on this situation. If after the investigation, it is confirmed that the product does not have safety hazards, it needs to be handled according to the food quality complaint process; otherwise, it is necessary to stop the distribution of the product as soon as possible and report it to the competent authorities in a timely manner.

Afterwards, the company immediately set up an investigation team to conduct a detailed analysis and assessment of food safety. If it is determined that there are unsafe factors, it is necessary to quickly determine the extent of the hazard and implement an active recall plan; otherwise, it will be handled according to the quality complaint.

Establish and strengthen the corporate image in the long term

1. Increase the intensity of daily communication with the media. Through relevant cases, we can know that it is very necessary to establish a high-quality communication relationship with the media. Because the media plays a vital role in dealing with corporate crises, the slightest carelessness can cause the company to suffer a catastrophic disaster. A food company needs to pay enough attention to the power of the media and use the media as a channel and window for information transmission. Timely and in-depth communication and interaction with the media can be carried out to establish and expand information dissemination channels. At the same time, with the help of the media, consumers can be trained and educated to change their concepts and increase their loyalty to the brand. If the company encounters a crisis, it can be resolved quickly and effectively.

2. Establish a corporate image. On the one hand, A food company needs to use public welfare activities to enhance the overall image of the company, establish the company's high-quality image in the minds of consumers, and enhance consumers' loyalty to the company. On the other hand, the company needs to increase management efforts for quality and safety and optimize and improve the process level. Enterprises not only need to sell their products, but also need to narrow the distance between consumers and enterprises, so that consumers can clearly understand the efforts made by enterprises in the quality link. After the outbreak of the Golden Dragon Fish blended oil quality safety incident in 2004, as a major producer in the edible oil industry, Yihai Kerry Grain and Oil actively implemented the model of factory visits, inviting consumers to visit the factory to learn about the production of products, so that consumers can have a more intuitive understanding of the production process of the products, so that they can dispel their concerns and doubts. This method can effectively maintain the image of the company's products and can also carry out crisis management in a practical and reasonable manner. A Food companies should learn from it.

Improve the crisis management system of food companies

Food companies should establish awareness of food safety crisis management, and establish and improve the food safety crisis management system under the guidance of professional theories. Specifically, it is necessary to establish management plans for different stages such as the early, mid-term and late stages of food safety incidents to

prevent the occurrence of food safety incidents to the greatest extent or reduce the losses caused by food safety incidents. As a result, the crisis management system of food companies can be established. In the process of system construction, different measures should be taken in different periods of crisis events. It is necessary to rely on professional data analysis to measure relevant risks and prevent them from a scientific perspective. For example, in the stage of preventing crises, discussion meetings can be held, or relevant questionnaires can be prepared for research to measure and manage a possible risk. When the crisis has come, the focus of crisis management in food companies is whether they can respond quickly and act in time with flexible adaptability to minimize the damage caused by the crisis. This requires the professional crisis management capabilities of relevant personnel in the company, and the company needs to strengthen them in normal times. After the crisis occurs, the company also needs to conduct an overall review to consider the warning, occurrence and impact of the entire incident, and accumulate experience for the prevention, management and subsequent reconstruction of such incidents in the future. A Food companies need to set up a crisis management mechanism. In order to reasonably and effectively control food safety incidents and crises, prevent crises from having a greater negative impact on companies, and increase protection for consumers, A Food companies need to develop a complete management system for food safety, mainly involving crisis warnings and other contents. A Food enterprises shall set up a full-time leadership group for crisis management, and relevant units shall select relevant personnel to carry out product quality control; establish a crisis warning platform for the company's food safety, establish a corresponding database, mainly involving historical data and other contents, and establish a food safety crisis warning platform through information technology. First, formulate a crisis management plan. Establish crisis management processes and plans, especially the key links of food safety, which must be given enough attention. Second, formulate a practical and reasonable aftermath handling fund for crisis management. Food safety crises are highly harmful, may involve casualties, and have a great negative impact on the development of enterprises. For this reason, it is necessary to set up special emergency funds for food safety. We should learn and draw lessons from the more mature budget management

models of other enterprises, and allocate the response funds for food safety crisis events to the normal budget of the enterprise. If a crisis event occurs, we will start this fund according to relevant regulations and procedures. For more urgent situations, we can simplify the approval process so that emergency funds can be used quickly and timely. The company's regulatory department needs to make clear provisions on the purpose and use of funds, and ensure that funds can be used for specific purposes through reasonable and effective measures. Finally: formulate a feedback mechanism that matches crisis management, establish a crisis management evaluation system from the perspective of integrating qualitative and quantitative factors, implement scientific evaluation of crisis management, and improve the management level of enterprises on this basis.

Support the development of diversified service organizations

Food supervision is the key to preventing food safety incidents, and can detect food quality problems in the first time, thereby avoiding the occurrence of crises. Enterprises can establish diversified regulatory organizations, such as public welfare service agencies, as the main body to build a regulatory system and other measures. It is very necessary to establish an independent and complete regulatory department within the food company. Only by strictly testing in all aspects of the company's production can the company avoid irreparable losses caused by food safety crisis events. If the company can spontaneously establish an independent and diverse regulatory department, it will not only ensure the long-term sustainable development of the company, but also demonstrate its social responsibility awareness in practical actions and gain more implicit brand benefits.

Enhance corporate crisis awareness and social responsibility

Because the industry characteristics of food companies themselves determine that they have a strong connection with the health and life safety of the general public. This means that before pursuing economic benefits, food companies must first ensure that the quality of their products is healthy and qualified, which can be said to be the business conscience of a food company. In the subsequent production and operation, food companies should also continuously improve the internal food supervision system of the company and continuously enhance the company's crisis awareness and social responsibility. The food regulatory department bears the first line of defense for crisis

prevention and management, and is also a manifestation of the company's social responsibility for production and operation. Not only that, companies also need to regularly train employees to strengthen their food safety awareness and sense of responsibility.

Master good crisis communication skills

When a crisis event really comes, how to coordinate resources and communicate with all parties becomes the key to solving the problem.

Since crisis events involve all aspects of society and have a wide range of implications, crisis management requires not only communication with internal employees of the company, but also communication with the media and government management departments outside the company. For companies, the primary task of crisis communication is to admit their own mistakes, assume social responsibilities, and convey the company's sincerity and specific plans for dealing with crisis issues in a proper communication method, showing the public a responsible corporate image. In good communication, the company coordinates and negotiates with all parties to find a solution to the problem and gradually calm the development of the incident.

CONCLUSION

In a dynamic competitive environment, Guangdong Tianhe Agricultural Production Materials Co., Ltd. (hereinafter referred to as "Tianhe Agricultural Materials"), as an enterprise focused on agricultural material supply, faces problems such as insufficient efficiency of traditional operating models, market demand fluctuations, and sustainable development pressure. Drawing on the experience of GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD in optimizing organizational structure and digital transformation, Tianhe Agricultural Materials can enhance its competitiveness through the following strategies:

1. Agile Management and Digital Transformation

Tianhe Agricultural Materials needs to break the traditional hierarchical structure and establish a regional decision-making center. For example, setting up flexible teams in the main rice producing areas of Guangdong Province and authorizing regional managers to adjust fertilizer distribution plans based on real-time weather data or pest and disease warnings. At the same time, the introduction of IoT technology to monitor warehouse inventory and predict seasonal demand (such as a surge in fertilizer demand during sowing) through AI algorithms can reduce the risk of inventory backlog. GUANGDONG TIANHE AGRICULTURAL MEANS OF PRODUCTION CO., LTD achieves data interconnection by building a "Happiness Industry Information Pool". Tianhe Agricultural Materials can follow suit and develop a "Smart Agriculture Data Platform" to integrate soil moisture, climate prediction, and farmer order information, optimizing supply chain response speed.

2. Innovation Management and Collaborative Culture

Tianhe Agricultural Materials can form a cross departmental innovation team to jointly develop environmentally friendly products with research and development teams, field service personnel, and farmers. For example, in response to the rainy climate in southern China, moisture-proof bio organic fertilizers are designed to reduce soil pollution caused by chemicals. Drawing on the "Innovation Competition" mechanism of LN Business Travel, Tianhe Agricultural Materials can launch a "Green Agricultural

Technology Challenge" to encourage employees to propose low-cost irrigation solutions, and winning solutions can receive pilot funding support. In addition, by regularly holding farmer symposiums, collecting frontline needs, and directly integrating feedback into the product iteration process.

3. Integration of sustainable development and social responsibility

Tianhe Agricultural Materials needs to embed green practices into its core business. For example, launching a "carbon neutral fertilizer" product line, utilizing agricultural waste recycling technology to reduce carbon emissions, and tracing the source of raw materials through blockchain to ensure compliance with international environmental certifications (such as Global G.A.P.). In terms of social responsibility, we cooperate with local governments to launch the "Smart Agricultural Technology Training Program", providing free drone plant protection operation training for small farmers, which not only enhances brand reputation but also strengthens customer loyalty. LN Business Travel integrates hotel and cultural tourism resources to create a healthy ecology, while Tianhe Agricultural Materials can build an "agriculture community" symbiotic model, such as printing QR codes on fertilizer packaging, linking agricultural science popularization content, and enhancing farmers' knowledge level.

4. Organizational structure optimization and process simplification

The current level redundancy problem of Tianhe agricultural inputs can refer to the "three-stage resource reconstruction" model of LN Business Travel. The first stage is to deconstruct the existing process and identify inefficient links (such as procurement approval requiring five level signatures); The second stage involves standardizing operations and developing a unified SOP (Standard Operating Procedure) for agricultural material distribution throughout the province; In the third stage, pilot the "Flat Regional Center" in the Pearl River Delta, delegating decision-making power to city level branches and shortening the emergency dispatch cycle. At the same time, establish the role of "process coordinator" to supervise cross departmental collaboration and avoid the responsibility shifting between procurement and logistics teams.

5. Data driven and technological innovation

Tianhe Agricultural Materials needs to build a data interconnection ecosystem. For

example, using business intelligence (BI) tools to analyze historical sales data, identify the distribution of high demand product areas, and dynamically adjust warehouse layout. In terms of technological innovation, pilot "intelligent fertilizer blending stations" will be launched, where farmers can input soil testing results through a mobile app, and the system will automatically generate personalized fertilizer formulas, which will be produced by nearby stations according to their needs. Such measures can refer to LN Business Travel's "Happiness Industry Data Platform" to improve resource utilization through data integration.

6. Talent Development and Cultural Empowerment

Tianhe Agricultural Materials should establish an "Agricultural Science and Technology Talent Pool" and collaborate with South China Agricultural University to offer on-the-job training programs to cultivate new skills such as drone operation and precision agriculture technology. Drawing on LN Business Travel's "virtual equity incentive", Tianhe Agricultural Materials can launch the "Field Innovation Partner Plan", where employees can share profits after participating in energy-saving projects or product development. In addition, by stimulating team vitality through the "Digital Agricultural Technology Competition", excellent solutions can be prioritized for implementation in demonstration bases.

7. External Collaboration and Risk Management

Faced with global fertilizer price fluctuations, Tianhe Agricultural Materials needs to expand diversified supply channels. For example, signing long-term agreements with Canadian potassium fertilizer suppliers to lock in costs; Simultaneously exploring the Southeast Asian market and establishing a distribution center in Vietnam to diversify domestic policy risks. In terms of risk management, establish a 'climate response team', use meteorological big data to predict the impact of extreme weather on logistics, and deploy emergency reserves in advance.

The transformation path of Tianhe Agricultural Materials reflects the core elements of organizational competitiveness in a dynamic environment: with data as the link, agility as the skeleton, and sustainability as the soul . By shortening the decision-making chain, building a digital ecosystem, and deepening farmer collaboration, enterprises can

not only cope with short-term market fluctuations, but also gain an advantage in the wave of agricultural modernization. In the future, it is necessary to continuously monitor the transformation effect, such as quantitatively evaluating through the "Farmer Satisfaction Index" and "Unit Logistics Cost Reduction Rate", to ensure strategic implementation and long-term resilience. Just as LN Business Travel achieves resource collaboration through platform reconstruction, the upgrade of Tianhe Agricultural Materials is not only the evolution of the enterprise itself, but also a positive response to the upgrading of China's agricultural value chain.

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APPLICATIONS