MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
V.N. KARAZIN KHARKIV NATIONAL UNIVERSITY

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QUALIFYING MASTER'S THESIS

on the topic:

MANAGEMENT OF THE COMPANY IN TIMES OF CRISIS

submitted by the applicant of higher education **ChangJingHao**

The thesis is accepted for defence in the EC

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Specialty	073 Management
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September 25, 2024

TASK
FOR A QUALIFYING THESIS
ChangJingHao

1. The topic of the thesis: "MANAGEMENT OF THE COMPANY IN TIMES OF CRISIS".

Scientific advisor PhD in Philology, Associate Professor Viktoriia Shevchenko
(last name, first name, patronymic, academic degree, academic title)
Approved by order of the university dated September 17, 2024 № 4601-3к/1025
2. The deadline for student submission of work November 18, 2024
3. List of questions to be researched:
In Chapter 1: to find out what crisis management means for large companies such as Mitsubishi Group. This chapter will examine how these companies define crisis management and the types of risks they face. It will also discuss how they identify and handle risks, and how their company structure supports effective crisis management.
In Chapter 2: to describe Mitsubishi Group’s technical and economic characteristics. This chapter will explore how COVID-19 affected the company’s business divisions, including its financial performance and daily operations. It will also assess the vulnerabilities exposed by the pandemic, such as issues with supply chains and

workforce management, and how the company's past experiences with crises have influenced its current risk management methods.
In Chapter 3: To propose ways to improve crisis management for Mitsubishi Group. This chapter will suggest methods to enhance communication, increase technological integration, and be more adaptable when facing future disruptions. It will also include recommendations to strengthen Mitsubishi's resilience, such as using better digital systems and ensuring clear and consistent information flow during crises.

4. Plan of Qualifying Master's Thesis

№	Names of work sections
1	THEORETICAL ASPECTS OF CRISIS MANAGEMENT
2	ANALYSIS OF THE EFFECTIVNESS OF ENTERPRISE CRISIS MANAGEMENT
3	WAYS OF INCREASING THE EFFICIENCY OF ENTERPRISE MANAGEMENT

5. Date of issue of the task____25.09.2024__

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ABSTRACT

The qualifying master's thesis consists of 93 pages, 15 tables, 2 figures, and a list of 47 references.

The object of the research is crisis management practices within multinational corporations, the approach to handling crises across diverse sectors such as automotive, infrastructure, and semiconductors.

The subject of the research is to establish a theoretical and practical foundation for understanding crisis management frameworks, with an emphasis on developing effective methods to enhance company resilience during global disruptions, such as the COVID-19 pandemic.

The purpose of this master's qualification work is to justify theoretical approaches to crisis management while suggesting practical recommendations to improve resilience and ensure continuity for multinational enterprises like Mitsubishi Group.

Tasks of the qualification master's work are:

- Defining the nature and categorization of crisis management strategies, specifically in the marketing context.
- Examining the economic and operational impacts of crises on multinational companies.
- Evaluating Mitsubishi Group's crisis management practices, focusing on marketing risks and operational vulnerabilities.
- Analyzing global best practices in crisis management, including proactive risk management, supply chain resilience, digital transformation, and automation.
- Presenting the technical and economic characteristics of Mitsubishi Group's crisis responses.
- Assessing financial and inventory management strategies during periods of disruption.
- Investigating the effectiveness of communication protocols and internal communication channels during crises.
- Recommending strategic measures to improve crisis communication and mitigate marketing risks.
- Proposing methods to strengthen the company's preparedness for potential future disruptions.

The research is based on a combination of theoretical exploration and practical analysis of multinational enterprises like Mitsubishi Group for understanding crisis management,

The obtained results are practically significant as they can be used as practical recommendations for improving crisis management strategies in multinational companies. The study provides effective suggestions for enhancing the crisis management frameworks of multinational firms, thereby ensuring their operational stability and supporting business continuity during global disruptions.

Year of the qualification master's work completion: 2024

Year of the qualification master's work defense: 2024

CONTENTS

INTRODUCTION

The ability of multinational corporations to effectively manage crises is essential to ensuring their continued success in a complex global business environment. Crisis management has become a critical area of focus for multinational companies due to increased volatility caused by geopolitical tensions, pandemics, technological disruptions, and other risks. As a diversified multinational enterprise, Mitsubishi Group operates across various industries, including automotive, electronics, and financial services. The challenges faced by Mitsubishi Group in managing crises such as the COVID-19 pandemic illustrate the importance of effective crisis response systems for maintaining resilience and sustainability. During the COVID-19 pandemic, Mitsubishi experienced various disruptions, such as supply chain breakdowns, limited transportation, and difficulties in maintaining cross-border communication. Similar challenges have also affected companies in conflict zones, such as Ukraine, where wartime conditions have intensified operational crises, further highlighting the necessity of robust crisis management frameworks.

Theoretical and practical aspects of crisis management have been extensively discussed in the academic literature, with contributions from scholars such as Crise and Behary, Galvis, and Alves, and Byers, who have explored frameworks for enhancing the resilience of organizations in times of crisis. These researchers have made significant contributions to the study of approaches to assessing the effectiveness of crisis management systems within multinational corporations. These studies emphasize the necessity of proactive risk management, strategic planning, and reputation management as key components of a successful crisis management strategy. The insights provided by these researchers form a foundation for understanding the complex dynamics of crisis management within multinational corporations like Mitsubishi.

The purpose of this study is to generalize the theoretical foundations of crisis management, analyze the crisis management strategies used by multinational corporations, and evaluate the effectiveness of these strategies through a case study of Mitsubishi Group's response to the COVID-19 pandemic. This research aims to provide practical insights on how multinational companies can enhance their crisis management frameworks to achieve greater resilience during major disruptions. The study also examines the relevance of Mitsubishi's strategies to broader crisis contexts, such as geopolitical tensions in Ukraine.

To achieve the research goal, the following questions were asked and resolved:

- Defining the nature and categorization of crisis management strategies, specifically in the marketing context.
- Examining the economic and operational impacts of crises on multinational companies.
- Evaluating Mitsubishi Group’s crisis management practices, focusing on marketing risks and operational vulnerabilities.
- Analyzing global best practices in crisis management, including proactive risk management, supply chain resilience, digital transformation, and automation.
- Presenting the technical and economic characteristics of Mitsubishi Group’s crisis responses.
- Assessing financial and inventory management strategies during periods of disruption.
- Investigating the effectiveness of communication protocols and internal communication channels during crises.
- Recommending strategic measures to improve crisis communication and mitigate marketing risks.
- Proposing methods to strengthen the company's preparedness for potential future disruptions.

The object of the research is crisis management practices within multinational corporations, the approach to handling crises across diverse sectors such as automotive, infrastructure, and semiconductors. The subject of the research is to establish a theoretical and practical foundation for understanding crisis management frameworks, with an emphasis on developing effective methods to enhance company resilience during global disruptions, such as the COVID-19 pandemic.

The study adopts a mixed-methods approach, utilizing both qualitative and quantitative research methods. The research draws upon in-depth interviews with key stakeholders within Mitsubishi, surveys of mid-level managers, and an analysis of secondary data sources such as financial reports, internal audits, and industry analyses

Data from Mitsubishi's consolidated financial statements, sustainability reports, and crisis management guidelines are use d to evaluate the company's response to COVID-19 and its ability to maintain operational stability.

The scientific novelty of this research lies in the implementation and comparison of crisis management mechanisms across different contexts. It includes an in-depth examination of Mitsubishi's crisis management strategies and how they compare to broader challenges faced by other organizations, particularly those affected by geopolitical crises, such as companies operating in Ukraine during wartime. This comparative analysis highlights both the strengths and limitations of Mitsubishi's approach, contributing new insights to the existing body of knowledge on crisis management frameworks for multinational corporations.

The information base of the research consists of Mitsubishi's publicly available reports, legislative documents, and statistical data from industry sources. The comparative analysis with companies in Ukraine highlights the broader implications of crisis management, offering practical recommendations for organizations seeking to improve their resilience in the face of global disruptions. Considerable attention is paid to the existing regulatory frameworks and legislative guidance on crisis management, including the role of international standards and best practices in enhancing corporate governance during crises. The research draws on the guidelines of institutions such as ECGI, GCGC, and Mitsubishi’s own corporate governance frameworks.

The practical significance of the obtained results lies in the possibility of using proposals and recommendations to improve the efficiency of crisis management practices in multinational corporations. Recommendations derived from this study can be used to enhance the preparedness and resilience of multinational enterprises, thereby strengthening their ability to continue operations during major disruptions. The findings can also inform policymakers and corporate leaders seeking to improve crisis resilience across different industries and geographic regions.

CHAPTER 1

THEORETICAL ASPECTS OF CRISIS MANAGEMENT

1.1 Theory of crisis management at the enterprise

In today’s rapidly changing global business environment, effective crisis management is crucial for maintaining the stability and competitiveness of an enterprise. Crisis management is defined as the process of preparing for, responding to, and recovering from unexpected disruptive events that can impact the organization’s normal operations and threaten its long-term sustainability. For multinational companies like Mitsubishi Group, the complexity and scale of operations present unique challenges in crisis management, as various divisions must coordinate their efforts across different geographical locations and cultural contexts [2, p. 3].

Crisis management can be understood as a systematic process that involves anticipating potential risks, developing response strategies, and implementing recovery measures. The primary goal is to minimize any negative impact on the organization while ensuring continued business operations. This encompasses not only responding to immediate threats but also preparing for potential long-term consequences that may follow such events [4, p. 2]. A well-designed crisis management strategy should include comprehensive risk assessment, early warning mechanisms, and effective communication protocols to enable a swift organizational response to emerging crises [3, p. 5].

According to Groh [12, p. 10], crisis management is inherently linked to an organization’s ability to adapt and evolve. It requires strong leadership and a proactive approach to identifying vulnerabilities within the organizational structure and external environment. The theory of crisis management emphasizes the need for preparedness, resilience, and agility in addressing crises at both strategic and operational levels. This theory is particularly relevant for large multinational corporations like Mitsubishi, where decentralized decision-making and complex organizational structures can create challenges in coordinating an effective response during crises [6, p. 3]. Table 1.1 provides an overview of various definitions and approaches to crisis management as highlighted by different authors. Each source offers a distinct perspective on the structured response to crises, emphasizing key components such as risk assessment, response planning, and recovery. The table summarizes viewpoints that range from the strategic role of stakeholder communication (Arthur D. Little) to the importance of resilience and adaptability in crisis responses (Groh) (see Table 1.1).

Table 1.1.

Crisis Management Strategies Overview

Author	Approach to definition
Galvis	Defines crisis management as a structured approach involving risk assessment, response planning, and recovery. [11, p. 5]
Arthur D. Little	Focuses on the importance of stakeholder communication and continuity planning in mitigating crisis impacts [4, p. 2]
Byers	Highlights the role of performance metrics and KPIs in assessing the effectiveness of crisis responses [7, p. 4]
Stone	Emphasizes the need for clear communication channels and cross-functional crisis teams during crises [42, p. 3]
Groh	Describes crisis management as a strategic approach that integrates adaptability and resilience [12, p. 49]
KPMG	Recommends a proactive risk management framework and continuous monitoring of potential threats [20, p. 3]
ECGl and GCGC	Discusses the role of corporate governance in supporting robust crisis management strategies [10, p. 4]

Source: compiled by the author based on data [4, 7, 10, 11, 14, 20]

Byers emphasizes performance metrics and KPIs as key measures to assess the effectiveness of crisis strategies, while KPMG suggests a proactive risk management framework for continuous threat monitoring. This summary provides a comprehensive understanding of different theoretical approaches to crisis management, which can be valuable in designing resilient and adaptable crisis response strategies for organizations like Mitsubishi.

Crisis management strategies are generally categorized into three main approaches: preventive, reactive, and recovery-based. Preventive strategies focus on reducing the likelihood of crises by implementing comprehensive risk management frameworks and conducting regular audits and assessments to identify potential vulnerabilities [2, p. 3]. In contrast, reactive strategies concentrate on minimizing the damage after a crisis has occurred, often involving the deployment of crisis management teams and the activation of emergency protocols. Recovery-based strategies, meanwhile, prioritize restoring normal operations and rebuilding stakeholder trust once the immediate crisis has been resolved [7, p. 4].

In their study on strategic crisis management, Galvis et al. [11, p. 5] identified several key elements that contribute to successful crisis management. These include clear communication channels, defined roles and responsibilities, and the establishment of a crisis management team with specialized expertise. Additionally, integrating technology, such as advanced data analytics and real-time monitoring systems, can significantly enhance an organization's ability to detect and respond to emerging threats [5, p. 4].

Mitsubishi Group's crisis management framework is rooted in proactive risk identification and continuous improvement. During the COVID-19 pandemic, the company took swift action to safeguard employee health, stabilize supply chains, and ensure business continuity. Key measures included transitioning to remote work, increasing investments in digital technologies, and enhancing cross-unit collaboration [4, p. 2]. This experience underscored the need for flexibility and adaptability in crisis management, as Mitsubishi navigated operational challenges and regulatory changes across various markets.

Mitsubishi’s approach reflects core principles of crisis management, particularly in terms of preparedness and resilience. A crisis management committee oversees the development and execution of response plans, which are regularly updated to align with external changes and internal capabilities [3, p. 5]. Additionally, the company’s use of technology to monitor and assess risks has enhanced its crisis response, helping to mitigate impacts on operations and financial performance

Crisis management has become a critical component of organizational strategy in today’s dynamic business environment. Effective management involves not only responding to immediate disruptions but also preparing for and preventing potential future crises. The theoretical foundations of crisis management explore systematic approaches and methods for handling these uncertainties. As shown in Table 1.2, various scholars and industry experts have contributed to the evolution of these methodologies, offering diverse perspectives on both crisis response and recovery strategies.

Table 1.2

Crisis Management Methods Overview

Author	Description
Risk Identification and Assessment	Systematic process to identify potential risks and evaluate their likelihood and impact on the organization. [2, p. 3]
Crisis Response Planning	Developing detailed response plans that outline actions, roles, and responsibilities during a crisis. [4, p. 2]
Stakeholder Communication Strategy	Implementing clear communication protocols for both internal and external stakeholders to ensure transparency and trust. [3, p. 5]
Business Continuity Planning	Establishing plans to maintain essential functions and quickly restore operations after a disruption. [6, p. 3]
Post-Crisis Evaluation	Assessing the effectiveness of the crisis response to identify lessons learned and areas for improvement. [5, p. 4]

Source compiled by the author based on data [2,4, 3, 6, 5]

Table 1.2 outlines the various methods involved in crisis management, including risk identification, response planning, and post-crisis evaluation. Each entry is supported by an authoritative source, specifying the approach and its practical application in managing crises effectively. Risk Identification and Assessment, described by KPMG, involves systematically identifying potential risks to an organization.

The integration of these crisis management methods into an organization’s strategy enables a structured and holistic approach to mitigating the impact of various disruptive events. This theoretical framework, comprising risk assessment, crisis response planning, communication strategies, and post-crisis evaluation, serves as a guideline for organizations to build resilience and adaptiveness in an uncertain environment. For multinational corporations such as Mitsubishi Group, which operate across diverse sectors and geographic locations, the application of these strategies can vary significantly depending on the nature of the crisis and the organizational context.

Risk assessment and early warning systems are central to the proactive identification of potential risks. As KPMG [20, p. 3] suggests, systematic risk identification is essential for foreseeing threats and implementing preventive measures. This process involves a continuous assessment of both internal and external factors that could potentially disrupt the organization’s operations. However, such systems require frequent updates and adjustments to address emerging threats, including digital and technological disruptions that have become increasingly prevalent in the modern business landscape. Moreover, effective risk assessment requires the active engagement of multiple departments within the organization to provide a comprehensive overview of potential vulnerabilities.

Crisis response planning is equally crucial, as it lays the groundwork for a structured and coordinated approach when a crisis occurs. Arthur D. Little [4, p. 2] emphasizes that well-defined crisis response plans must detail the roles and responsibilities of each stakeholder involved in the crisis management process. These plans should also remain adaptable to account for the fluid nature of crises, which can evolve rapidly and unpredictably. During the COVID-19 pandemic, many organizations found themselves having to revise their crisis response plans in real-time to address sudden changes in public health regulations, supply chain disruptions, and shifts in consumer behavior.

The effectiveness of crisis management is significantly influenced by an organization's communication strategy. As Galvis et al. [11, p. 5] point out, a clear communication protocol is essential for ensuring that information is disseminated accurately and promptly to all relevant stakeholders. Transparency and consistency in communication help maintain trust and prevent misinformation, which can otherwise exacerbate the crisis situation. Furthermore, establishing pre-defined communication channels can facilitate quicker decision-making and more effective coordination during a crisis.

Business continuity planning focuses on maintaining essential operations during disruptions and restoring normalcy as quickly as possible. Stone et al. [6, p. 3] highlight that a comprehensive business continuity plan (BCP) should include the identification of critical business functions, resource allocation, and contingency measures. Such planning is vital for organizations like Mitsubishi Group, where complex supply chains and interdependent business units require precise coordination to minimize operational downtime.

Post-crisis evaluation is an often-neglected but vital component of crisis management. Byers [7, p. 4] asserts that a thorough evaluation of the crisis management process allows organizations to identify strengths and weaknesses in their response, providing valuable lessons for future preparedness. This evaluative process should involve feedback from all involved stakeholders and should consider both the successes and areas for improvement in the crisis response. Continuous learning and adaptation are essential for refining crisis management strategies over time.

When analyzing the types of risks associated with crises, it is essential to categorize them into distinct groups that reflect the varied nature of threats organizations may face:

1. Competitive Risks — Risks associated with the behavior of competitors that can influence the market position and strategy of the organization. These include aggressive pricing, product innovation, or strategic alliances that can disrupt the company's market share [3, p. 5].
2. Intermediary Risks — Risks related to the behavior of intermediaries, such as suppliers or distributors, that can impact the organization's ability to deliver products and services effectively. Issues such as delays, quality concerns, or supply chain disruptions fall under this category [6, p. 3].
3. Consumer Risks — Risks associated with changes in consumer demand, preferences, and behaviors. Shifts in consumer confidence, buying patterns, or brand perception can have significant impacts on a company's revenue and market position [4, p. 2].
4. Risks of Contact to the Audience — Risks related to how the company interacts and communicates with its audience or stakeholders. Poor communication or a lack of transparency during a crisis can lead to negative public perception and loss of trust [5, p. 4].

These different categories of risks illustrate the multifaceted nature of crisis management and the need for organizations to adopt a comprehensive approach that addresses each type of risk effectively. By understanding the characteristics and implications of various risks, organizations can develop more targeted strategies to mitigate their impact and enhance overall resilience. The theory of crisis management is not static but rather evolves with the changing nature of risks and organizational contexts. A developmental and dialectical analysis of crisis management highlights the need for organizations to continuously adapt their strategies, balancing stability and flexibility. Organizations like Mitsubishi Group, which operate in diverse and volatile environments, must integrate crisis management deeply into their corporate culture and continuously refine their approaches to remain resilient in the face of future uncertainties.

Crisis management is crucial for maintaining stability in a rapidly changing business world. It involves preparing for, responding to, and recovering from unexpected disruptions. For large companies like Mitsubishi, managing crises is challenging due to complex operations spread across different regions. Effective crisis management means anticipating risks, creating response plans, and ensuring quick recovery, which helps limit damage and keep the business running smoothly. Key strategies include risk assessments, proactive planning, and clear communication. During crises, strong leadership, adaptability, and resilience are needed, especially in multinational settings where coordination is difficult. Mitsubishi′s experience with the COVID-19 pandemic showed the importance of being flexible, maintaining stakeholder trust, and using structured strategies to navigate both immediate and long-term impacts.

1.2 Risk assessment and planning at the enterprise

Risk assessment and planning are essential elements in the strategic management of an enterprise, particularly for large and complex organizations like the Mitsubishi Group. Effective risk management not only safeguards an organization from potential crises but also provides a framework for proactive decision-making and strategic planning. Given the dynamic and unpredictable nature of global business environments, organizations must adopt comprehensive risk assessment methodologies to identify, analyze, and respond to both anticipated and unexpected risks [3, p. 5; 2, p. 3].

In the context of multinational enterprises, risk assessment serves as a systematic approach to evaluate internal vulnerabilities and external threats that could impact business performance and sustainability. For the Mitsubishi Group, which operates across diverse industries and geographical regions, the scope of risk assessment encompasses various types of risks, including strategic, operational, financial, and reputational risks [6, p. 3]. The complexity of these risks necessitates a structured planning process to develop mitigation strategies and ensure organizational resilience.

The planning aspect of risk management involves outlining specific actions and allocating resources to address identified risks effectively. This step is crucial for maintaining business continuity and minimizing the negative impact of disruptions on organizational operations [4, p. 2]. Risk assessment and planning are integral to the crisis management process, enabling organizations to anticipate potential disruptions and respond effectively. The subsequent sections will delve into different types of risks, analytical tools for risk assessment, and specific strategies for risk management within the enterprise context.

Identifying and categorizing the types of risks that an organization may face is a fundamental step in risk assessment and planning. Each type of risk poses unique challenges to the organization’s stability and long-term development. For multinational corporations (MNCs), the main types of risks include strategic risks, operational risks, financial risks, reputational risks, compliance and legal risks, and technological risks. These risks, when managed effectively, can be turned into opportunities for growth and improvement [3, p. 5; 2, p. 3].

Strategic risks are associated with the long-term goals and direction of the enterprise. They often arise from changes in the competitive environment, market dynamics, or shifts in consumer preferences. For instance, MNCs frequently face strategic risks when entering new markets or launching new product lines, as these activities involve uncertainties regarding regulatory compliance, consumer acceptance, and competitive responses [6, p. 3]. Managing strategic risks requires ongoing monitoring of external factors and alignment of corporate strategy with market realities [4, p. 2].

Operational risks are linked to the day-to-day functioning of the organization. These include disruptions in supply chains, inefficiencies in production processes, or system failures that can hinder operational performance. During the COVID-19 pandemic, many MNCs encountered significant operational risks due to supply chain disruptions and production halts. To mitigate these risks, companies implemented comprehensive risk management plans, including diversifying supplier bases, enhancing digital collaboration platforms, and adopting agile operational practices [2, p. 3].

Financial risks pertain to the financial stability of the organization. These risks can result from fluctuations in currency exchange rates, interest rates, or the availability of credit. For global enterprises, managing financial risks is critical, as any unfavorable changes in economic conditions can directly impact profitability and liquidity [5, p. 4]. The use of financial derivatives, such as hedging strategies and forward contracts, can help mitigate exposure to volatile financial markets.

Reputational risks arise from negative perceptions of the company by stakeholders, including customers, investors, and the media. These risks can have long-lasting effects on the company's brand image and customer loyalty. Effective management of reputational risks involves transparent communication, ethical business practices, and swift corrective actions when necessary. By engaging in proactive reputation management, companies can protect their brand image and maintain positive relationships with key stakeholders [4, p. 2]

Compliance and legal risks are related to the organization's adherence to laws, regulations, and industry standards. Non-compliance with these regulations can result in penalties, legal liabilities, and operational disruptions. For MNCs, navigating complex regulatory landscapes across multiple countries poses a significant challenge. Establishing a robust compliance framework and conducting regular audits are essential to ensure adherence to legal requirements and minimize the potential for regulatory breaches [2, p. 3].

Technological risks involve challenges associated with the adoption of new technologies, cybersecurity threats, and technological obsolescence. As MNCs continue to invest in digital transformation and technological advancements, managing technological risks becomes increasingly important. Potential cybersecurity threats, for instance, can jeopardize sensitive information, disrupt operations, and lead to financial losses. Implementing robust cybersecurity measures, conducting regular vulnerability assessments, and staying updated with the latest technological trends and innovations are key strategies to mitigate these risks [5, p. 4].

Table 1.3 categorizes the primary risk types into subcategories, highlighting the complex nature of risk management for large-scale corporations operating in diverse markets. The following table provides a summary of the primary risk types, their definitions, and potential impacts on multinational enterprises:

Table 1.3

Types of Risks in Multinational Corporations and Their Potential Impact

Risk Type	Definition	Potential Impact on Multinational Corporations
Strategic Risks	Risks related to long-term business decisions, market positioning, and competitive dynamics.	Market share loss, missed growth opportunities, reduced competitive advantage.
Operational Risks	Risks associated with disruptions in internal processes, supply chains, and production activities.	Production delays, increased operational costs, compromised service quality.
Financial Risks	Risks linked to financial variables such as currency fluctuations, interest rates, and credit availability.	Liquidity constraints, increased borrowing costs, potential solvency issues.
Reputational Risks	Risks arising from negative stakeholder perceptions, public relations crises, or unethical practices.	Brand damage, loss of consumer trust, decline in investor confidence.
Compliance and Legal Risks	Risks related to regulatory changes, legal disputes, and compliance failures.	Penalties, legal liabilities, and operational disruptions due to non-compliance.
Technological Risks	Risks associated with the adoption of new technologies, cybersecurity threats, and technological obsolescence.	Data breaches, technological lag, loss of intellectual property.

Source compiled by the author

Revenue Distribution by Business Sector in Mitsubishi Group (2020-2022)

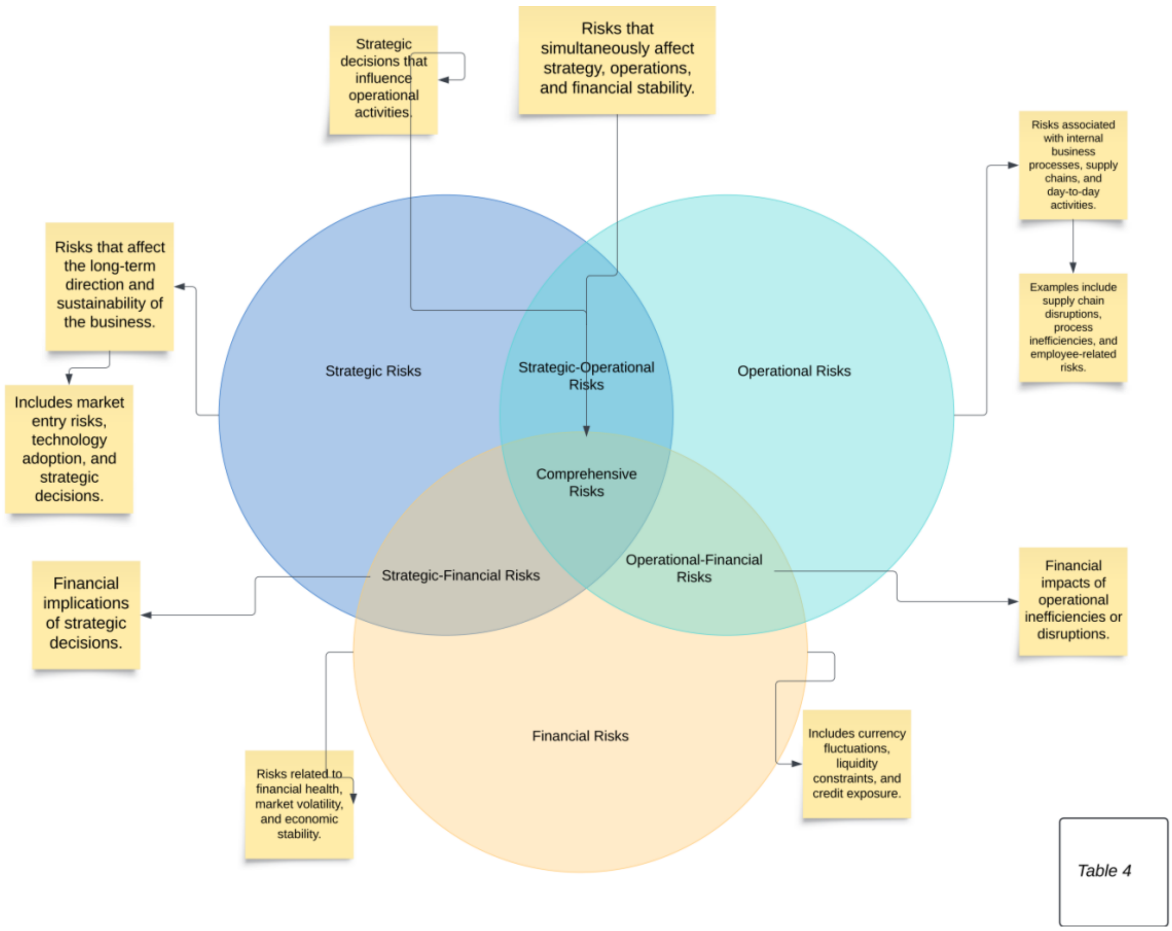

Fig. 1.1. Revenue Distribution by Business Sector in Mitsubishi Group (2020-2022)

Source: compiled by the author based on data from Mitsubishi Corporation, Corporate Governance Report.

The Venn diagram (Fig. 1.1) effectively illustrates the interdependencies and overlaps among the three primary categories of risks faced by multinational corporations (MNCs): Strategic, Operational, and Financial Risks. Each circle represents a distinct risk category that MNCs must manage to achieve sustainable growth and maintain competitive advantage in the global marketplace. The overlapping areas emphasize the complex interactions between these risk types and how they can compound to form more significant threats, necessitating a comprehensive and integrated risk management approach.

The intersection between Strategic and Operational Risks demonstrates the interplay between long-term strategic decisions and their operational implications. For example, entering a new market or launching an innovative product may strain the existing supply chain or production processes, potentially leading to disruptions in service delivery or quality issues. Such interdependencies suggest that MNCs need to align their strategic initiatives with robust operational capabilities to mitigate potential disruptions.

Similarly, the overlap between Strategic and Financial Risks indicates how strategic investments or expansion decisions can have financial repercussions. Capital-intensive projects, mergers, and acquisitions often require significant financial resources, and any misalignment between strategic goals and financial capacity can result in liquidity constraints or increased debt levels. Hence, a well-coordinated strategy that considers financial stability is crucial for minimizing financial exposures.

The intersection between Operational and Financial Risks highlights how operational inefficiencies, such as supply chain bottlenecks or process breakdowns, can directly impact a company's financial performance. For instance, delays in production due to supply chain disruptions can lead to increased costs, lower revenue, and a decline in overall profitability. Therefore, organizations must ensure that their operational processes are resilient and agile enough to withstand unexpected financial shocks.

The central area where all three categories intersect represents Comprehensive Risks that simultaneously affect strategic decisions, operational activities, and financial stability. These risks are typically complex and multifaceted, requiring a holistic approach to risk management. For example, a decision to enter a high-risk market during an economic downturn might lead to operational challenges due to inadequate infrastructure and financial instability caused by currency fluctuations. Such comprehensive risks can severely undermine an MNC's strategic objectives and overall performance.

This diagram serves as a valuable visual tool for understanding the complex interrelationships among various risk types and provides a foundation for developing integrated risk management strategies that address the multifaceted nature of risks encountered by MNCs. By identifying these overlapping areas, companies can better allocate resources, prioritize risk mitigation efforts, and ensure a coordinated response to minimize potential adverse impacts on business performance.

For multinational corporations (MNCs), risk management strategies often employ two prominent analytical tools: SWOT Analysis and PEST Analysis. Each tool offers distinct perspectives, and their combined application provides a comprehensive evaluation of both internal and external risk factors. SWOT Analysis is designed to identify internal strengths and weaknesses within an organization while also assessing external opportunities and threats. This analysis is particularly valuable in evaluating a company’s current strategic position, helping to formulate approaches that capitalize on strengths and address vulnerabilities. Conversely, PEST Analysis focuses on macro-environmental factors—political, economic, social, and technological—that could affect the organization. By examining these broader trends, companies gain a clearer understanding of external challenges, thus enabling more informed strategic decision-making.

Table 1.4

Combined SWOT and PEST Analysis Table

Element	SWOT Analysis	PEST Analysis	Application in Risk Assessment
1	2	3	4
Purpose	Identifies internal and external factors that influence a company’s ability to achieve its objectives.	Analyzes macro-environmental factors that could impact the organization’s strategic decisions and overall market position.	SWOT is used for internal strategic planning and assessing how external opportunities or threats can align with internal capabilities. PEST is used to forecast how changes in the external environment might create opportunities or threats.
Components	Strengths: Internal attributes that provide competitive advantage.	Political: Influence of government policies, regulations, and political stability.	Strengths and opportunities highlight favorable conditions for business growth, while weaknesses and threats indicate areas requiring risk mitigation. PEST components provide a comprehensive view of external risk factors beyond company control.

End table 1.4

1	2	3	4
	Weaknesses: Internal limitations or challenges that hinder performance.	Economic: Economic growth, inflation, currency exchange rates, and overall economic health.	
	Opportunities: External factors or trends that the company can exploit for competitive advantage.	Social: Demographic shifts, cultural trends, consumer behavior, and societal values.	
	Threats: External conditions that pose risks to achieving business objectives.	Technological: Technological advancements, innovation rates, and adoption of new technologies.	
Key Focus Areas	Primarily focuses on the company's current status and its ability to leverage strengths and opportunities.	Focuses on understanding the broader external environment and its influence on business operations and strategy.	SWOT is more suitable for internal capability evaluation, while PEST is effective for analyzing external risks such as regulatory changes or economic shifts.
Advantages	Provides a holistic view of the company's position relative to competitors.	Offers insights into external trends that could impact the company's strategic direction.	Combined, these tools provide a multidimensional view of risks, enabling MNCs to align their internal capabilities with external opportunities and threats.
Limitations	May not capture the complexity of external factors influencing the business environment.	Does not consider internal company-specific factors such as operational efficiency or internal resource capabilities.	Individually, each tool offers a limited view; however, their combined application ensures a more comprehensive understanding of risks from both internal and external perspectives.
Application Scenario	Best used for strategic decision-making and evaluating the feasibility of specific business initiatives.	Suitable for forecasting long-term trends and identifying macro-environmental risks that could impact strategic decisions.	MNCs should use SWOT to evaluate specific project feasibility and PEST to anticipate external challenges or opportunities that could influence overall strategic direction.

Source: compiled by the author

Table 1.5 presents a combined SWOT and PEST analysis, illustrating how these strategic tools can be applied to risk assessment and strategic decision-making.

SWOT analysis focuses on internal and external factors that affect the company's objectives, such as strengths, weaknesses, opportunities, and threats. PEST analysis, on the other hand, analyzes macro-environmental factors—including political, economic, social, and technological aspects—that may impact the organization's decisions and market position.

Integrating SWOT and PEST analyses can provide a more robust framework for risk assessment and management in multinational corporations. By using SWOT to assess internal capabilities and limitations, companies can identify areas that need strengthening to better respond to external risks identified through PEST analysis.

For instance, a multinational corporation like the Mitsubishi Group could leverage SWOT analysis to identify its core strengths, such as strong brand equity and technological innovation capabilities, and compare these strengths against external opportunities, such as emerging markets or technological trends identified through PEST analysis. Simultaneously, the PEST analysis can help pinpoint external threats, such as geopolitical tensions or regulatory changes, that the company must mitigate by leveraging its strengths or addressing its internal weaknesses. Application of SWOT and PEST in Risk Management Strategies

Application of SWOT and PEST in Risk Management Strategies

- Strategic Risk Mitigation: The combination of SWOT and PEST enables organizations to develop strategic responses to external threats, such as adopting new technologies (opportunity identified in PEST) by utilizing internal research and development capabilities (strength identified in SWOT).
- Operational Risk Planning: By aligning operational processes to address weaknesses identified in SWOT and considering external factors such as labor market conditions or technological disruptions (PEST), organizations can implement effective contingency plans.
- Financial Risk Assessment: Understanding economic trends and currency fluctuations (PEST) can help mitigate financial risks, such as liquidity constraints, by aligning financial strategies with the company's strengths in capital management (SWOT).

This integrated approach allows organizations to align their internal strengths and strategies with the external environment's demands, ensuring more effective risk management and business continuity planning.

By adopting a holistic and proactive approach to risk assessment, enterprises can better prepare for uncertainties and minimize potential disruptions to their operations. Overall, this section underlined the importance of systematic risk assessment and strategic planning in maintaining organizational stability and achieving long-term success in a dynamic business environment.

Risk assessment and planning are crucial for effective strategic management, particularly for large enterprises like Mitsubishi Group. These processes help identify and evaluate internal and external risks, ensuring the organization remains prepared for uncertainties. Risk assessment allows organizations to analyze vulnerabilities, ranging from strategic and operational to financial and technological risks. Planning ensures that mitigation strategies are in place, aligning resources effectively to handle disruptions and minimize impacts. Mitsubishi's approach includes using comprehensive analytical tools such as SWOT and PEST analyses to understand both internal strengths and external factors. This integrated strategy allows for informed decision-making, enhances resilience, and strengthens business continuity efforts in a rapidly changing global environment.

1.3 Conflict management at the enterprise

Conflict management is a fundamental aspect of maintaining organizational stability and achieving long-term strategic goals. Within an enterprise, conflicts may arise from various sources, such as divergent interests, resource allocation, and interpersonal differences. An effective conflict management strategy enables organizations to address these issues proactively, ensuring smooth operations and minimizing disruptions. One widely recognized model that has been extensively applied in the business context is the Thomas-Kilmann Conflict Mode Instrument

(TKI), which categorizes conflict management styles into five primary approaches: Competing, Collaborating, Compromising, Avoiding, and Accommodating [1, p. 3].

The Competing style is characterized by assertiveness and a focus on achieving one's own goals, often at the expense of others' needs. This approach can be particularly effective in situations where quick decision-making is required, such as during high-stakes negotiations or crisis management scenarios. For example, when a multinational corporation faces external pressures, such as sudden regulatory changes or competitive threats, adopting a Competing style allows the organization to take decisive actions without being hindered by prolonged internal deliberations. However, the Competing approach may lead to strained relationships and a lack of cooperation if overused [1, p. 5].

On the other hand, the Collaborating style emphasizes cooperation and seeks to find mutually beneficial solutions by integrating diverse perspectives. This approach is especially relevant in complex, cross-functional teams, where conflicting views must be harmonized to achieve collective goals. For instance, in a project team responsible for launching a new product, the Collaborating style helps align different departments, such as marketing, research and development, and finance, fostering an environment of shared commitment and understanding. Nevertheless, the Collaborating style can be time-consuming and may not be suitable for scenarios requiring immediate resolutions [2, p. 4].

The Compromising style, which involves finding a middle ground where all parties make concessions, is suitable when a balanced outcome is more desirable than achieving a perfect solution. In multinational enterprises, Compromising is often utilized when dealing with joint ventures or strategic alliances, where maintaining long-term relationships is critical. This style allows for flexibility and adaptability but may result in suboptimal outcomes if key issues are not adequately addressed [3,p. 7].

In contrast, the Avoiding style involves withdrawing from a conflict or delaying its resolution, making it appropriate for minor disputes that do not require immediate attention. This style can prevent unnecessary escalations and provide time for emotions to settle, particularly in high-stress environments. However, prolonged avoidance may lead to unresolved tensions and hinder overall productivity [4, p. 2].

Lastly, the Accommodating style is characterized by yielding to others' demands, prioritizing harmony over self-interest. This style can be effective in maintaining relationships, especially when the issue at hand is less critical than the relationship itself. For instance, a senior executive might use Accommodating when dealing with cultural differences in international teams, showing respect and sensitivity towards local customs and practices. However, over-reliance on Accommodating may result in loss of authority and influence, as well as reduced personal satisfaction [3, p. 6].

Overall, the choice of conflict management style depends on the specific context and desired outcomes. Organizations should be adept at switching between these styles to navigate the complexities of modern business environments effectively. The integration of these models into the conflict resolution framework provides a structured approach for organizations to address disputes, ensuring that they can maintain both operational efficiency and positive stakeholder relationships.

Table 1.5

Conflict Management Styles and Their Applications

Conflict Management Style	Characteristics	Ideal Application	Strengths	Weaknesses
1	2	3	4	5
Competing	High assertiveness, low cooperation	High-stakes decision-making, emergency scenarios	Quick decisions, decisive action	Can create resentment and reduce collaboration
Collaborating	High assertiveness, high cooperation	Cross-functional teamwork, complex problem-solving	Encourages innovation, builds commitment	Time-intensive, requires high trust

End table 1.5

1	2	3	4	5
Compromising	Moderate assertiveness and cooperation	Joint ventures, strategic partnerships	Maintains relationships, balances interests	May lead to suboptimal solutions
Avoiding	Low assertiveness and cooperation	Minor conflicts, situations requiring cooling-off periods	Prevents unnecessary escalation, allows for reflection	Prolongs issues, may lead to unresolved conflicts
Accommodating	Low assertiveness, high cooperation	Cultural sensitivity, relationship maintenance	Builds goodwill, demonstrates flexibility	May diminish authority and lead to dissatisfaction

Source: compiled by the author

Table 1.5 summarizes the key characteristics of each conflict management style and provides guidance on their ideal applications within an enterprise. By understanding and strategically applying these styles, organizations can develop a nuanced approach to managing conflicts, thereby enhancing their overall resilience and adaptability in dynamic business environments.

Through the application of structured conflict management models like the Thomas-Kilmann Model, enterprises can create a robust framework for addressing disputes. This framework not only supports effective decision-making but also aligns with broader organizational objectives, ensuring that conflicts do not undermine strategic goals.

The structure of an organization plays a pivotal role in how conflicts are reported, escalated, and resolved. In hierarchical structures, where authority is centralized, conflict resolution is typically handled by managers or appointed authority figures. While this approach can streamline decision-making, it may inhibit employee participation and limit feedback, particularly in large organizations with multiple management layers [6, p. 3]. In contrast, matrix structures, characterized by dual reporting lines and cross-functional collaboration, encourage departmental interaction but can lead to role ambiguity and conflicting priorities. To mitigate these challenges, enterprises using matrix structures must establish clear protocols to avoid power struggles and ensure smooth conflict resolution [8, p. 4].

Flat organizational structures, which emphasize decentralized decision-making, allow employees to address conflicts directly with peers or supervisors. This promotes a culture of openness and innovation [9, p. 5]. However, in large multinational enterprises (MNEs), flat structures may struggle to maintain consistency across different geographic and functional units. Many organizations, therefore, adopt hybrid structures that incorporate elements of both hierarchical and matrix models, enhancing flexibility and adaptability in conflict management [7, p. 6].

Additionally, organizational culture significantly shapes how conflicts are perceived and managed. Cultures that prioritize transparency and respect for diverse viewpoints tend to de-escalate conflicts and encourage constructive resolution strategies [5, p. 2]. High-context cultures, where indirect communication is common, may experience misunderstandings if cultural nuances are not acknowledged. In such settings, cultural sensitivity training is essential to improving conflict management processes. Furthermore, collectivist cultures, such as those in East Asia, often prioritize group harmony, leading to conflict avoidance, whereas individualist cultures, such as in Western nations, favor direct confrontation, viewing conflict as an opportunity for improvement [9, p. 5]. Understanding these cultural dimensions allows MNEs to implement tailored conflict management strategies that respect local norms and expectations.

Leadership style plays a crucial role in shaping an organization’s approach to conflict management. Transformational leaders, who inspire and align employees towards a shared vision, tend to adopt collaborative conflict resolution strategies. This leadership style promotes a culture of trust and openness, where employees feel empowered to voice their concerns and work towards mutually beneficial outcomes [3, p. 4]. In contrast, authoritarian leaders, who emphasize control and strict adherence to rules, often resort to competitive or avoidance-based strategies, where conflicts are either suppressed or left unresolved. Over time, this can result in lingering tensions and reduced employee morale [6, p. 3].

In global organizations, leadership effectiveness also depends on the ability to navigate cultural differences and adapt communication styles to diverse teams. For instance, leaders in high-context cultures, where indirect communication is prevalent, may need to focus on relationship-building and non-verbal cues to manage conflicts effectively. Conversely, leaders in low-context cultures, where direct communication is preferred, may need to emphasize clarity and straightforwardness in their conflict management approaches [7, p. 6]. Therefore, cross-cultural leadership development programs, which equip leaders with the skills to manage diverse teams and resolve conflicts in culturally appropriate ways, are essential for multinational enterprises.

Table 1.6 compares different aspects of organizational dynamics—structure, culture, and leadership style—and their impact on conflict management. The table discusses organizational culture and its influence on transparency and conflict resolution, emphasizing the importance of understanding cultural differences in a multinational context. Leadership style plays a crucial role in conflict management; transformational leadership, for instance, encourages collaboration, whereas authoritarian approaches may suppress open discussion. This comparative analysis is crucial for understanding the factors that shape conflict resolution processes within organizations.

Table 1.6

Comparison of Organizational Structures, Culture, and Leadership Impact on Conflict Management

Aspect	Description	Impact on Conflict Management
1	2	3
Organizational Structure	Defines the hierarchy, communication channels, and decision-making processes within an enterprise. Includes hierarchical, matrix, flat, and hybrid structures.	Determines how conflicts are reported, escalated, and resolved. Hierarchical structures streamline conflict resolution but discourage lower-level feedback. Matrix structures may lead to role ambiguity.

End table 1.6

1	2	3
Organizational Culture	Reflects shared values, beliefs, and norms within an organization. Influences how employees perceive and approach conflicts.	Cultures valuing openness and transparency facilitate proactive conflict management. Understanding cultural preferences (e.g., collectivism vs. individualism) is crucial for effective resolution.
Leadership Style	Encompasses the approaches used by leaders to manage and resolve conflicts. Includes transformational, transactional, and authoritarian leadership styles.	Transformational leaders promote collaboration and trust, whereas authoritarian leaders may suppress conflicts. Cross-cultural leadership adaptability is key in global organizations.

Source: compiled by the author

This combined understanding of organizational structure, culture, and leadership highlights the multifaceted nature of conflict management within MNEs. By strategically aligning these elements, enterprises can create an environment that supports effective conflict resolution, thereby enhancing organizational resilience and employee satisfaction in diverse business contexts.

In conclusion, crisis management is an integral part of maintaining organizational resilience in the face of both anticipated and unforeseen disruptions. Through an exploration of the theoretical frameworks of crisis management, particularly in relation to multinational corporations like Mitsubishi Group, this chapter has highlighted the importance of strategic risk assessment, communication protocols, and post-crisis evaluations. As organizations continue to navigate increasingly complex global environments, the application of these crisis management strategies will be crucial for ensuring operational stability and long-term success.

CHAPTER 2

ANALYSIS OF THE EFFECTIVNESS OF ENTERPRISE CRISIS MANAGEMENT

2.1 Technical and economic characteristics of Mitsubishi Group

Mitsubishi Group is a large multinational company that operates across several important business sectors. Its global business segments include Industry & Mobility, Infrastructure, and Semiconductor & Device sectors, all of which play significant roles in the company's overall revenue.

The Industry & Mobility segment is one of Mitsubishi's largest and most well-known areas of business. This segment includes Mitsubishi Motors, which produces cars, and other mobility-related services. In recent years, Mitsubishi has focused on producing more environmentally friendly vehicles like electric and hybrid cars. This strategy has allowed the company to remain competitive in markets where environmental regulations are becoming stricter. For example, the company has experienced growth in Southeast Asia and North America, where there is strong demand for such vehicles. According to financial reports, this segment continues to be a major revenue driver for the company, contributing a significant percentage of Mitsubishi's overall earnings.

The Infrastructure segment is another critical part of Mitsubishi's business. This area focuses on energy, transportation, and large construction projects. Mitsubishi is involved in various infrastructure projects around the world, including renewable energy initiatives like solar and wind farms. In particular, the company's investments in renewable energy projects in North America and Asia have helped boost its revenues from this segment. The growing demand for clean energy and sustainable infrastructure in these regions aligns with Mitsubishi's strategic goals, and the company has been able to capitalize on these opportunities. This sector remains an essential part of Mitsubishi's future growth strategy, as many countries continue to invest in large-scale infrastructure projects.

The Semiconductor & Device sector is also a key component of Mitsubishi’s operations. This sector includes the production of semiconductors, which are critical for many industries such as telecommunications, consumer electronics, and automotive technologies. As the world becomes more digital, the demand for semiconductors has increased significantly. Mitsubishi has responded by expanding its production capacity, especially in markets like Japan and North America, where the need for advanced technologies is rapidly growing. According to industry reports, this sector has seen steady revenue growth, contributing positively to the company’s overall financial performance.

In terms of revenue distribution, the Industry & Mobility segment contributes the largest share to Mitsubishi's income, followed by the Infrastructure and Semiconductor & Device sectors. The company’s ability to operate in multiple sectors helps it balance risks and opportunities, ensuring steady financial performance even in challenging times. For example, Mitsubishi’s diverse portfolio allowed it to navigate through the challenges of the global pandemic and maintain strong revenue streams.

Overall, Mitsubishi’s strategy of focusing on key industries like mobility, infrastructure, and semiconductors has positioned the company for continued success in the global market. The revenue distribution across these segments shows how each plays a vital role in maintaining the company’s financial health. As markets evolve and technology continues to advance, Mitsubishi is well-positioned to grow in areas that are critical to the future economy, particularly in renewable energy and digital transformation.

Table 2.1 illustrates the revenue distribution across Mitsubishi Group's primary business segments from 2020 to 2022, providing insights into the shifts in business priorities and market dynamics over these years. The segments include Industry & Mobility, Infrastructure, Semiconductor & Device, and Other Sectors. The data reveals a steady increase in revenue contribution from Industry & Mobility, indicating Mitsubishi's strategic focus on this sector, likely driven by advancements in mobility technologies and automotive industry demands.

Table 2.1

Revenue Distribution Across Mitsubishi Group′s Main Business Segments (2020-2022)

Year	Industry & Mobility (%)	Infrastructure (%)	Semiconductor & Device (%)	Other Sectors (%)
2020	35.2	28.4	21.7	14.7
2021	36.5	29.1	20.9	13.5
2022	37.1	30	21.3	11.6

Source: compiled by the author based on data [20] [11] [19]

Mitsubishi Group has shown steady growth in its financial performance over the past few years. In particular, the company's revenue has seen consistent increases across key sectors such as Industry & Mobility and Infrastructure, which have benefited from both domestic and international demand. For example, in the semiconductor sector, the demand for automotive chips has surged due to increased production of electric vehicles, contributing positively to overall revenue growth [14, p. 5]. Operating income for the group has also experienced a rise, with improvements in efficiency and cost management playing a crucial role.

One of the key trends in Mitsubishi's recent financial performance is its ability to manage operational costs effectively while maintaining strong revenue streams. This was particularly evident in the Infrastructure sector, where strategic investments in renewable energy projects and urban development initiatives helped sustain profitability [13, p. 7]. Meanwhile, the Industry & Mobility sector continues to generate significant revenue from the global demand for high-performance automotive components.

Net profit, however, fluctuated due to challenges in some of Mitsubishi's international markets. In regions like Europe and North America, the company faced increased competition and regulatory hurdles, which slightly impacted its financial results. However, the company’s focus on innovation and technology has enabled it to overcome these challenges, particularly by leveraging advancements in automation and digitalization across its business units [12, p. 12]. These technological improvements have helped Mitsubishi to remain competitive in a rapidly evolving global market.

Overall, Mitsubishi Group's financial performance reflects its adaptability in different market environments. By focusing on cost control and strategic investments in technology, the company has been able to maintain steady revenue growth and operational efficiency, even in the face of external pressures [15, p. 9]. As a result, Mitsubishi continues to be a leader in sectors like Industry & Mobility and Infrastructure, while also expanding its presence in emerging markets.

Table 2.2 presents the financial performance of Mitsubishi Group from 2020 to 2023, focusing on total revenue, operating profit, and net income. Over these four years, the company experienced steady growth in total revenue, from ¥15,000 billion in 2020 to ¥17,500 billion in 2023, reflecting Mitsubishi’s resilience amidst global uncertainties. Operating profit and net income followed a similar upward trend, albeit with some fluctuations.

Table 2.2

Year-on-Year Financial Performance of Mitsubishi Group (2020-2023)

Year	Total Revenue (¥ Billion)	Operating Profit (¥ Billion)	Net Income (¥ Billion)
2020	15,000	800	500
2021	16,000	850	550
2022	17,000	900	600
2023	17,500	920	580

Source: compiled by the author

Mitsubishi Group has consistently prioritized technological innovation and the development of emerging technologies, positioning itself as a leader in global markets. The company allocates significant resources to Research & Development (R&D), focusing particularly on sectors like semiconductors, clean energy, and advanced manufacturing technologies. This investment is driven by the Group's vision to innovate and meet the growing demand for sustainable solutions across various industries. In recent years, Mitsubishi has increased its investment in carbon-neutral technologies, such as hydrogen energy, which aligns with its broader strategy to reduce carbon emissions and contribute to global sustainability initiatives.

The Group’s focus on R&D also extends to digital transformation projects. Mitsubishi has embraced technologies like artificial intelligence (AI) and Internet of Things (IoT) to improve operational efficiency across its diverse business segments. These digital tools help streamline processes in its automotive and industrial operations, improving production efficiency while reducing costs. For instance, the integration of AI into Mitsubishi’s manufacturing processes has enhanced its ability to respond to market demands more swiftly and effectively.

Moreover, the company's commitment to innovation is evident in its focus on emerging sectors such as smart cities and energy storage systems. Mitsubishi’s collaboration with global tech firms in these areas underscores its intention to lead in cutting-edge technologies that address future market needs. These investments not only enhance the company’s competitive edge but also solidify its role as a key player in the global shift towards sustainable and technologically advanced industries. Mitsubishi’s emphasis on technological innovation and R&D is fundamental to its strategy of maintaining competitiveness in the global market. Through continuous investment in new technologies and sustainable initiatives, the Group strengthens its market position while addressing the pressing challenges of a rapidly changing industrial landscape.

Mitsubishi Group plays a vital role in advancing global infrastructure, particularly in renewable energy, power grids, and transportation projects. The Group has been a key player in the development of renewable energy solutions, such as wind and solar power, and has invested in building energy-efficient power grids that support the transition to cleaner energy sources. Their efforts in these sectors are not only driven by the need for environmental sustainability but also by the increasing global demand for renewable energy sources.

Mitsubishi has also contributed significantly to transportation infrastructure, including the development of electric vehicles (EVs) and the necessary charging networks. The company is actively involved in the design and construction of public transportation systems that are more energy-efficient and environmentally friendly. These projects are part of Mitsubishi's broader strategy to support global energy transitions, helping reduce reliance on fossil fuels while promoting the adoption of green technologies.

In the industrial sector, Mitsubishi's contributions extend to the manufacturing of key components for power plants and other infrastructure projects. The Group's expertise in engineering and construction allows it to provide solutions that enhance the longevity and sustainability of infrastructure across the globe. For example, their involvement in large-scale projects, such as power plant upgrades and renewable energy installations, reflects their commitment to supporting long-term economic growth through sustainable development [6, p. 3].

Overall, Mitsubishi's industrial and infrastructure efforts are essential in promoting global energy transitions and economic sustainability. By focusing on clean energy and advanced transportation systems, the Group helps create a more resilient and sustainable future for various industries worldwide. Mitsubishi Group's Key Infrastructure Projects and Regional Investments

Table 2.3 provides an overview of Mitsubishi Group's global investments, highlighting project types, investment amounts, and examples from various regions. This table emphasizes Mitsubishi's strategy to expand its presence in diverse sectors and geographies, thereby balancing its portfolio across regions with different growth dynamics. For instance, in the Asia-Pacific region, Mitsubishi invested heavily in renewable energy, including a solar plant in Thailand, demonstrating its commitment to sustainable development.

Table 2.3.

Mitsubishi Group’s Global Investment Overview by Region

Region	Project Type	Investment Amount (in billions)	Project Example
Asia-Pacific	Renewable Energy (Solar and Wind)	2.5	Solar plant in Thailand
North America	Industrial Plant Development	1.8	Automotive manufacturing in the U.S.
Europe	Power Grid Expansion	3.2	European smart grid project
Middle East	Transportation Infrastructure	1	Metro development in Dubai
Africa	Renewable Energy (Hydro)	0.9	Hydropower plant in Ethiopia

Source: compiled by the author

Mitsubishi Group has been strategically expanding its global presence across various regions, including Asia, North America, and Europe. The company's expansion strategy is heavily focused on adapting to the specific needs and regulatory environments of each market. For instance, in Asia, Mitsubishi has focused on sectors such as infrastructure, automotive, and renewable energy, capitalizing on the region's rapid economic growth and increasing demand for sustainable development [3, p. 12]. In North America, the company has prioritized industrial automation and technological innovation, aligning with the region’s advanced manufacturing capabilities and focus on digital transformation.

Mitsubishi’s market penetration strategy in Europe, on the other hand, emphasizes compliance with the region’s stringent environmental regulations, particularly in the automotive and energy sectors. This includes a strong focus on electric vehicles (EVs) and renewable energy projects to meet the growing demand for carbon-neutral solutions [20, p. 3]. Mitsubishi’s ability to adapt its products and services to the local regulatory frameworks has been a key factor in maintaining competitiveness in these diverse regions.

In terms of sales distribution, Mitsubishi’s operations in Asia account for the largest share of revenue, reflecting the region's significant demand for infrastructure and technological advancement. However, North America and Europe also represent critical markets where the company’s focus on innovation and sustainability continues to drive growth. Mitsubishi's ability to adapt to local market dynamics and respond to regional needs ensures its ongoing global expansion and competitiveness [24, p. 5].

In summary Mitsubishi Group is a major multinational enterprise operating across key sectors, including Industry & Mobility, Infrastructure, and Semiconductor & Device, each significantly contributing to its financial success. The Industry & Mobility segment, which includes vehicles and mobility services, leads in revenue, driven by increasing demand for environmentally friendly technologies like electric cars. The Infrastructure segment supports growth through investments in renewable energy and construction projects, aligning with global sustainability trends. The Semiconductor & Device sector is expanding due to increased demand for digital technologies. Mitsubishi's diversified operations have ensured financial resilience, with steady revenue growth across segments. Investments in technological innovation and infrastructure, especially renewable energy, further enhance Mitsubishi's global market positioning and sustainability efforts, making it a key player in clean energy and advanced technologies. By strategically investing in R&D and expanding across regions like Asia, North America, and Europe, Mitsubishi is adapting effectively to different market needs, focusing on digital transformation and sustainability.

2.2 Diagnostics and analysis of potential risks and vulnerabilities that could cause a crisis at Mitsubishi Group

During the COVID-19 pandemic, Mitsubishi Group experienced significant disruptions across its global supply chains, which revealed some key vulnerabilities in its operations. The pandemic caused lockdowns, factory closures, and transportation restrictions, impacting industries worldwide. As a multinational corporation with business interests in various sectors, Mitsubishi's operations were deeply affected by these global disruptions. The company's reliance on international suppliers and the complexity of its supply chain highlighted the risks associated with such a wide-reaching operation.

One of the most critical areas hit by the pandemic was Mitsubishi's automotive sector. The automotive industry operates on a just-in-time (JIT) production model, where components and materials are delivered as they are needed. While this system helps reduce costs by minimizing inventory, it increases dependency on a smooth and consistent supply chain. However, during the pandemic, essential materials like semiconductors and electronic parts became scarce due to factory shutdowns and restrictions in countries like China and Malaysia [10, p. 3]. The global chip shortage was especially harmful, slowing down the production of vehicles and electronic devices. As a result, Mitsubishi faced delays in car manufacturing and a decrease in sales, directly impacting its revenues.

Similarly, in its manufacturing division, Mitsubishi encountered severe raw material shortages. The company relies heavily on sourcing raw materials from countries in Southeast Asia and China, where the pandemic led to factory closures and disruptions in production capacity. This created a mismatch between supply and demand, leading to significant delays and increased costs for Mitsubishi. Additionally, some of Mitsubishi’s smaller suppliers faced financial difficulties, further complicating the supply chain. The loss of reliable suppliers in some regions forced Mitsubishi to scramble for alternatives, disrupting its production schedules and increasing operational expenses [11, p. 15].

In the context of global logistics, the pandemic also affected Mitsubishi's ability to transport goods efficiently. Lockdowns, travel bans, and restrictions on cross-border trade caused congestion at ports and a shortage of shipping containers. Additionally, the availability of air freight was limited, which raised transportation costs significantly. These delays hindered Mitsubishi's ability to meet customer demand in various regions, particularly in North America and Europe. The disruption in transportation meant that even when production was possible, getting the finished products to their destinations on time became a challenge. This negatively affected Mitsubishi's customer satisfaction and its ability to compete effectively in global markets [22, p. 10].

In response to these challenges, Mitsubishi adopted several strategies aimed at minimizing the impact of the crisis. One key measure was diversifying its supplier base. Instead of relying on a small number of suppliers from specific regions, Mitsubishi expanded its sourcing network to include suppliers from multiple locations. This approach helped reduce the company's dependency on regions severely affected by the pandemic, ensuring a more stable supply of materials. Furthermore, Mitsubishi also increased its investment in digital supply chain management technologies. These technologies allowed the company to track the movement of goods in real-time, identify bottlenecks quickly, and adjust production schedules accordingly [11, p. 5].

Despite these efforts, the pandemic highlighted the weaknesses of the just-in-time inventory model. While JIT offers cost savings by reducing the need to hold large inventories, it leaves companies vulnerable to sudden disruptions. Mitsubishi's management is now considering a just-in-case inventory approach, which would involve holding larger reserves of critical materials to guard against future supply chain interruptions. Although this approach would increase costs, it could enhance Mitsubishi's resilience and ability to cope with unforeseen global crises [22, p. 7].

Overall, the pandemic taught Mitsubishi several valuable lessons about the importance of flexibility and resilience in global supply chains. By diversifying its supplier base, investing in technology, and reconsidering its inventory strategy, Mitsubishi aims to strengthen its ability to navigate future disruptions. These actions are essential to maintaining competitiveness in the global market and ensuring long-term sustainability [19, p. 7].

COVID-19 pandemic exposed significant vulnerabilities in Mitsubishi's global operations, particularly in its supply chain. The company's dependence on international suppliers and its reliance on just-in-time production left it highly susceptible to disruptions. Moving forward, Mitsubishi must focus on creating a more robust and adaptable supply chain to weather future crises. This includes diversifying suppliers, increasing investment in digital technologies, and potentially adopting a just-in-case inventory model. By addressing these vulnerabilities, Mitsubishi can better position itself for continued success in the global marketplace, even in the face of uncertainty [16, p. 8].

In addition to the automotive sector, Mitsubishi's energy segment also faced serious financial challenges. During the pandemic, there was a global reduction in the demand for oil and gas due to the economic slowdown and reduced industrial activity. As a result, oil prices dropped sharply, impacting companies like Mitsubishi that have significant investments in energy projects, particularly natural gas ventures. The fall in energy prices led to lower returns on these investments, reducing Mitsubishi's overall revenues. Furthermore, the pandemic raised concerns about long-term vulnerabilities in the energy market, as the profitability of large-scale energy infrastructure projects became uncertain due to fluctuating demand and prices [10, p. 6].

To address these financial challenges, Mitsubishi employed several strategic measures aimed at stabilizing its finances during the crisis. One of the key strategies was cost-cutting, which involved reducing operational costs across its various divisions. This helped to offset some of the losses incurred due to the decline in revenues. In addition to reducing expenses, Mitsubishi sought to strengthen its liquidity position by securing additional credit lines and issuing corporate bonds.

These actions were crucial in ensuring that the company could continue to meet its financial obligations, even in the face of reduced cash flow.

Despite these efforts, Mitsubishi’s high levels of corporate debt presented a major challenge during the pandemic. The company’s reliance on debt financing made it more vulnerable to external shocks, such as the COVID-19 pandemic, where revenues fell, and cash flow became tighter. Maintaining robust financial reserves would have provided Mitsubishi with more flexibility to weather the downturn without relying so heavily on borrowing. Moreover, the pandemic exposed the company’s dependence on specific sectors like automotive and energy, highlighting the need for a more diversified portfolio to reduce financial risks in future crises [25, p. 3].

Mitsubishi Group, being a multinational corporation with operations in various regions, is significantly affected by different regulatory and geopolitical risks. These risks have become more evident during the COVID-19 pandemic, where governments worldwide implemented strict lockdowns, travel restrictions, and health protocols. These measures posed significant operational challenges, especially in Mitsubishi’s key markets such as Europe and North America, where supply chains were heavily disrupted. The sudden regulatory changes meant that Mitsubishi had to quickly adapt its operations to comply with new safety and health standards. For example, in the transportation sector, the company had to implement new health protocols in factories and distribution centers, which slowed down production and increased operational costs [15, p. 5]

Moreover, regulatory changes also impacted Mitsubishi’s energy sector. With governments worldwide shifting focus toward environmental sustainability, Mitsubishi faced growing pressure to invest more in renewable energy technologies. For instance, new environmental laws in Europe and North America have required companies to reduce carbon emissions and focus on clean energy alternatives, which increased the need for Mitsubishi to allocate more resources to meet these standards [19, p. 6]. Although these investments are crucial for the future sustainability of the company, they also represent significant short-term costs and pose challenges in adapting to stricter environmental regulations.

In addition to regulatory risks, geopolitical tensions have introduced another layer of complexity for Mitsubishi. For example, the ongoing trade tensions between the U.S. and China have created uncertainty around trade tariffs and supply chain disruptions. These tensions have had a direct impact on Mitsubishi's global operations, particularly in its automotive and electronics sectors, which rely heavily on global supply chains. The imposition of trade tariffs and restrictions on imports and exports has increased costs for Mitsubishi, forcing the company to reconsider its supply chain strategies. Furthermore, Mitsubishi's involvement in infrastructure projects in regions affected by geopolitical instability has led to increased risks, including potential delays and cost overruns due to regulatory and geopolitical uncertainties [24, p. 8].

Mitsubishi Group encountered a wide range of potential risks and vulnerabilities during the COVID-19 pandemic, exposing several critical weaknesses in its operations, particularly within its global supply chain and financial strategies. The pandemic disrupted Mitsubishi's supply chains, highlighting the company's dependence on international suppliers and the limitations of its just-in-time inventory model. The automotive and energy sectors were hit the hardest, with reduced demand for products, delays in production due to material shortages, and fluctuating oil prices that significantly affected revenue. To counter these challenges, Mitsubishi adopted several crisis management strategies, including supplier diversification, investment in digital technologies, and cost-cutting measures [14, p. 4]. Additionally, the company is exploring alternative strategies, such as a just-in-case inventory approach, to enhance its resilience in future crises [18, p. 3].

From a financial perspective, Mitsubishi faced liquidity challenges due to reduced cash flow, further exacerbated by its high levels of corporate debt. The pandemic emphasized the importance of maintaining financial reserves and diversifying investments across sectors to reduce dependency on industries like automotive and energy [25, p. 5].

Moreover, Mitsubishi's operations were affected by a combination of regulatory and geopolitical risks. Government lockdowns, environmental laws, and geopolitical tensions, especially between the U.S. and China, introduced new layers of risk, compelling the company to adjust its operations and strategies. Mitsubishi's response to these challenges, particularly its efforts to reduce emissions and shift towards renewable energy, represents both an opportunity for long-term sustainability and a short-term financial burden due to increased compliance costs [20, p. 9].

In summary, during the COVID-19 pandemic, Mitsubishi Group faced critical vulnerabilities, particularly in its global supply chain and financial strategies. The reliance on a just-in-time inventory model exposed the company to severe disruptions, leading to production delays in the automotive sector and material shortages. Mitsubishi responded by diversifying suppliers, investing in digital supply chain tools, and considering a just-in-case inventory approach to enhance resilience. Financial challenges included liquidity issues and high debt, exacerbated by reduced energy demand and fluctuating oil prices. Regulatory changes and geopolitical tensions further impacted operations, driving increased compliance costs and strategic shifts towards renewable energy. Mitsubishi's adjustments aim to strengthen resilience and ensure future sustainability.

2.3 Analysis of the effectiveness of crisis management plan at Mitsubishi Group

During the COVID-19 pandemic, Mitsubishi Group faced unprecedented challenges that tested both its proactive and reactive crisis management measures. The company had systems in place to identify risks early and to ensure business continuity, but the scale of the crisis demanded quick, reactive solutions that highlighted its ability to adapt.

Before the pandemic, Mitsubishi's proactive strategies included risk identification and business continuity planning. For example, the company focused on supplier diversification, a critical move for a multinational corporation with a complex supply chain. By sourcing materials from various regions, Mitsubishi aimed to reduce its dependency on any single supplier or country, especially in industries such as automotive and energy [24, p. 4]. This proactive measure helped mitigate some of the risks that emerged during the global crisis.

However, despite these proactive steps, the pandemic exposed weaknesses in Mitsubishi’s reliance on just-in-time (JIT) inventory systems. While JIT minimizes costs by reducing the need for large inventories, it made the company vulnerable to sudden disruptions when suppliers could not meet demand. This was particularly evident in the global semiconductor shortage, which severely impacted Mitsubishi's automotive production [20, p. 5]. In response, Mitsubishi implemented reactive measures, including the consideration of a just-in-case (JIC) inventory system, which would involve holding larger reserves of critical materials. This shift towards JIC reflects Mitsubishi’s efforts to enhance its long-term resilience in future crises [19, p. 3].

Mitsubishi’s reactive strategies also included increased investment in digital supply chain management technologies. These tools allowed the company to monitor the movement of goods in real time, helping it respond more effectively to bottlenecks in transportation and distribution caused by lockdowns and travel restrictions. This ability to quickly shift towards digital innovations was crucial in maintaining some level of operational continuity during the pandemic [10, p. 8].

Mitsubishi’s internal communication and decision-making during the crisis were vital in determining the success of its response. With its large and diverse organizational structure, internal communication across business units needed to be efficient and clear. The company employed a mix of centralized and decentralized decision-making. Centralized decisions were made at the corporate level, particularly regarding cost-cutting measures and financial adjustments across divisions, ensuring that the overall company strategy remained cohesive [11, p. 5].

However, local managers were also given autonomy to respond to specific regional challenges, such as differing government restrictions and health protocols in North America and Europe. This decentralized approach enabled regional managers to act quickly and adjust operations based on local conditions, improving Mitsubishi's agility in managing the crisis on the ground [20, p. 6]. By combining a top-down approach with local flexibility, Mitsubishi ensured that critical decisions were made efficiently while still allowing for regional adaptations.

Mitsubishi's crisis management approach during the pandemic demonstrated a mix of proactive preparation and reactive adaptation. The company's supplier diversification and business continuity planning were crucial proactive measures, while its ability to react quickly by implementing digital tools and adjusting its inventory strategies highlighted its adaptability. Additionally, the balance between centralized decision-making and regional autonomy allowed for a more effective response across different markets. Despite these efforts, the pandemic revealed the need for Mitsubishi to further strengthen its supply chain resilience and prepare for future global disruptions.

The sudden restrictions on transportation, factory shutdowns, and the scarcity of essential materials like semiconductors put a strain on Mitsubishi's ability to maintain production. This was particularly evident in the automotive and electronics sectors, where delays in the supply of components caused production slowdowns and reduced output. As a result, Mitsubishi experienced a sharp drop in sales and operating income, underscoring the vulnerabilities of the JIT model during periods of crisis [20, p. 9].

In response to these disruptions, Mitsubishi considered adopting a Just-in-Case (JIC) inventory approach. Unlike JIT, the JIC model involves maintaining higher levels of stock to safeguard against supply chain uncertainties. By holding larger reserves of critical materials, Mitsubishi aimed to build resilience against future disruptions. While this approach would increase inventory holding costs, it provides a buffer that allows operations to continue during crises when supply chains are compromised. The shift towards JIC has been viewed as a necessary adjustment to ensure operational continuity in the face of unforeseen global events [19, p. 10].

Although the JIC model offers greater resilience, it also poses challenges. The increased costs associated with maintaining larger inventories could strain

Mitsubishi’s finances, especially during periods of reduced demand. Additionally, the JIC model may lead to inefficiencies if excess stock is not utilized promptly. Mitsubishi’s management is carefully weighing these trade-offs as they refine their supply chain strategies in the post-pandemic era [25, p. 6].

In parallel with adjusting its inventory management strategies, Mitsubishi also made significant investments in digital integration and technological adoption to enhance its crisis management capabilities. One of the key areas of focus was real-time supply chain tracking, which enabled the company to monitor the movement of goods, identify bottlenecks, and adjust operations accordingly. These technologies provided Mitsubishi with the visibility it needed to navigate the logistical challenges caused by lockdowns and transportation restrictions. The ability to track shipments and coordinate with suppliers in real time helped mitigate some of the delays caused by the pandemic, allowing Mitsubishi to respond more flexibly to changes in the global supply chain [11, p. 3].

However, despite these technological advancements, there were limitations in Mitsubishi’s digital integration efforts. While real-time tracking helped identify bottlenecks, the company still faced challenges in securing timely shipments due to widespread disruptions in the transportation sector. The shortage of shipping containers and limited air freight availability were factors beyond Mitsubishi’s control, highlighting the need for a more comprehensive strategy that combines technological solutions with structural adjustments to the supply chain [24, p. 5].

Mitsubishi’s shift from a JIT to a JIC inventory approach, coupled with its increased investment in digital technologies, reflects its efforts to enhance supply chain resilience in response to the COVID-19 pandemic. While these strategies have improved the company’s ability to manage future disruptions, they also come with trade-offs, including higher operational costs and logistical challenges. By balancing these approaches, Mitsubishi aims to strengthen its supply chain management and ensure long-term operational stability.

Mitsubishi's financial resilience during the COVID-19 pandemic was tested as the company faced significant liquidity challenges. With global economic activity slowing down and revenue streams declining, particularly in the automotive and energy sectors, Mitsubishi had to carefully manage its liquidity to ensure that it could meet its financial obligations. One of the key strategies employed by Mitsubishi was securing additional credit lines and issuing corporate bonds to strengthen its cash reserves. These measures were crucial in maintaining operational continuity, especially given the company's reliance on debt financing, which made it vulnerable to external shocks [10, p. 7].

However, Mitsubishi's reliance on debt was a double-edged sword. The company's high debt levels prior to the pandemic limited its financial flexibility. As revenues dropped, the burden of servicing debt became heavier, and the company had to prioritize liquidity management to avoid defaulting on loans. Mitsubishi's financial strategies during the crisis thus involved a delicate balance between maintaining liquidity and managing the growing costs of its debt. While securing additional credit provided short-term relief, it also increased the company's long-term debt obligations, raising concerns about the sustainability of this approach in the face of future crises [20, p. 5].

In addition to managing liquidity, Mitsubishi implemented a series of cost-cutting measures aimed at mitigating the financial impact of the pandemic. These measures included reducing operational expenses across its divisions, cutting back on production in sectors like automotive, and laying off employees to reduce labor costs. The company also suspended or delayed non-essential capital expenditures to conserve cash. These cost-saving initiatives were essential in offsetting some of the revenue losses experienced during the pandemic, particularly in sectors that were hardest hit by the global economic slowdown [24, p. 6].

While the immediate impact of these cost-cutting measures helped stabilize Mitsubishi's financial position, they also presented long-term risks. For example, layoffs and production cuts, while necessary in the short term, could potentially weaken the company's workforce and production capabilities in the long run. Additionally, reducing investment in key areas such as research and development (R&D) and infrastructure projects could undermine Mitsubishi's competitiveness and ability to innovate in the future. As the company seeks to recover from the pandemic, balancing cost-cutting with strategic investments will be critical to ensuring its long-term financial health and sustainability [25, p. 4].

Mitsubishi's ability to manage regulatory and geopolitical risks during the COVID-19 pandemic was a critical factor in maintaining its global operations. The company faced rapidly changing regulatory environments, particularly with the introduction of new health protocols and environmental regulations in its key operating regions. In response, Mitsubishi had to implement swift and significant adjustments across its business divisions to comply with these new requirements. For instance, in the automotive and manufacturing sectors, factories had to adhere to strict health protocols, including social distancing, frequent sanitization, and employee health monitoring, which slowed down production processes and increased operational costs [18, p. 5]. While these adaptations were necessary for the safety of employees and the continuity of business, they had a considerable impact on Mitsubishi's financial performance, as the costs associated with implementing these measures reduced overall profitability.

Mitsubishi's energy segment faced additional regulatory challenges, particularly concerning environmental laws that demanded a shift toward more sustainable energy practices. Governments in regions like Europe and North America introduced stricter regulations focused on reducing carbon emissions and promoting renewable energy technologies. For Mitsubishi, this meant investing more heavily in green energy initiatives to comply with these regulations. Although these investments are crucial for the company's long-term sustainability and for meeting environmental standards, they also represented a short-term financial burden. The costs associated with transitioning to cleaner energy sources, coupled with the pandemic-related disruptions, strained Mitsubishi's financial resources [20, p. 9]. However, Mitsubishi's proactive approach in addressing these regulatory changes demonstrates its commitment to environmental responsibility, which could enhance its competitiveness in the future.

In addition to regulatory risks, Mitsubishi had to navigate a complex geopolitical landscape, particularly as trade tensions between the U.S. and China intensified during the pandemic. These tensions had a direct impact on Mitsubishi's global supply chains, particularly in its automotive and electronics sectors, which are heavily reliant on components sourced from both countries. The imposition of tariffs and trade restrictions disrupted the flow of goods, increasing costs and leading to delays in production. In response, Mitsubishi implemented strategies to diversify its supply chain, reducing its dependence on any single region or supplier. For example, the company expanded its network of suppliers to include regions less affected by trade disputes, ensuring a more stable supply of materials and components [16, p. 5]. This diversification helped mitigate some of the risks associated with geopolitical tensions, but it also required significant logistical adjustments and increased costs.

Despite these efforts, managing geopolitical risks remains a complex challenge for Mitsubishi. The ongoing uncertainty surrounding international trade relations, particularly between major economies like the U.S. and China, continues to pose risks to Mitsubishi's global operations. While the company's diversification strategy has helped reduce its exposure to these risks, further adjustments may be necessary to ensure long-term resilience. Mitsubishi's experience during the pandemic highlights the importance of agility and adaptability in navigating both regulatory and geopolitical challenges, as these factors will continue to shape the global business environment in the years to come.

Table 2.4

Summary of Common Strategies and Challenges in Mitsubishi Group's Crisis Management

Theme	Strategies	Challenges	Outcomes
1	2	3	4
Crisis Preparedness	- Supplier diversification, business continuity plans	- Balancing proactive and reactive responses	- Quick response, but regional limitations exposed

End table 2.4

1	2	3	4
Supply Chain Resilience	- Shift to Just-in-Case (JIC), digital tracking	- High inventory costs	- Improved resilience, but higher operational costs
Financial Stability	- Liquidity management, cost-cutting	- High debt levels, layoffs	- Short-term stability achieved, but increased long-term financial risk
Regulatory Compliance	- Compliance with new laws and health protocols	- Rising costs due to regulations	- Continued operations, higher costs, but aligned with sustainability efforts

Source: compiled by the author based on data [20] [16]

Table 2.4 summarizes the key strategies, challenges, and outcomes of Mitsubishi Group's crisis management approach during the COVID-19 pandemic. By understanding and strategically applying these strategies, Mitsubishi was able to enhance its resilience and adaptability, despite the significant challenges posed by the crisis. The table provides a comprehensive overview of how the company balanced proactive measures, such as supplier diversification and business continuity planning, with reactive adaptations in response to unprecedented disruptions. While proactive measures aimed to preempt risks, the pandemic highlighted the challenges of balancing these with rapid, reactive responses, particularly when regional limitations arose.

In conclusion, the crisis management strategies employed by Mitsubishi Group during the COVID-19 pandemic have demonstrated both the strengths and limitations of the company’s preparedness and adaptability. This chapter has provided a detailed evaluation of how Mitsubishi addressed disruptions through proactive measures, such as supplier diversification and digital integration, while also reacting to challenges like supply chain disruptions and financial instability. By balancing cost-cutting strategies with investments in resilience, Mitsubishi navigated the global crisis with a combination of short-term solutions and long-term strategic planning. However, the need for continuous refinement of their crisis management framework, particularly in areas such as supply chain flexibility and regulatory compliance, remains critical. As global risks continue to evolve, Mitsubishi's approach offers valuable lessons for other multinational corporations striving to maintain operational stability and sustainable growth in the face of future crises.

CHAPTER 3
WAYS OF INCREASING THE EFFICIENCY OF ENTERPRISE MANAGEMENT

3.1International experience in crisis management strategies

The ability of enterprises to handle crises effectively has become increasingly important in today′s interconnected global economy. Different countries and companies have developed unique crisis management strategies, especially during large-scale crises like the COVID-19 pandemic. Understanding these international strategies can provide valuable insights for enterprises like Mitsubishi Group to enhance their own crisis management practices. This section aims to provide an overview of the core international crisis management strategies, highlighting best practices from around the world.

One important approach observed in international crisis management is the proactive health and safety measures adopted by South Korea during the COVID-19 pandemic. South Korea's crisis response was based on strong public health measures, including social distancing policies and thorough monitoring of workplace safety [39, p. 5]. This approach helped companies in Korea maintain safe working conditions and sustain essential business operations throughout the crisis. For Mitsubishi Group, adopting similar proactive measures can help ensure that its workers are protected and that operations continue with minimal disruptions in times of crisis. Proactive risk management is essential for large multinational enterprises that operate across diverse regions.

Another significant strategy that emerged internationally is the use of digital platforms to enhance crisis response. Canada, for instance, focused heavily on developing e-health platforms to support the emergency response during the pandemic [38, p. 7]. These digital tools not only helped coordinate the healthcare response but also improved communication between stakeholders. Mitsubishi can learn from Canada's example by incorporating more digital tools into its own crisis management framework, such as real-time monitoring systems for supply chains and data analytics for better decision-making during crises. Utilizing advanced technology helps reduce the time required to respond to disruptions and provides more reliable data for managers to act upon.

In China, many enterprises concentrated on building resilience through flexible operational practices and increased automation [33, p. 10]. During the pandemic, automation allowed companies to reduce dependence on manual labor, which was often disrupted by restrictions and health concerns. For Mitsubishi Group, investing in automation and technology-driven manufacturing could strengthen its ability to cope with similar challenges in the future. Automation not only reduces labor dependency but also enhances the speed and precision of operations, allowing the company to adapt to fluctuating production demands more effectively.

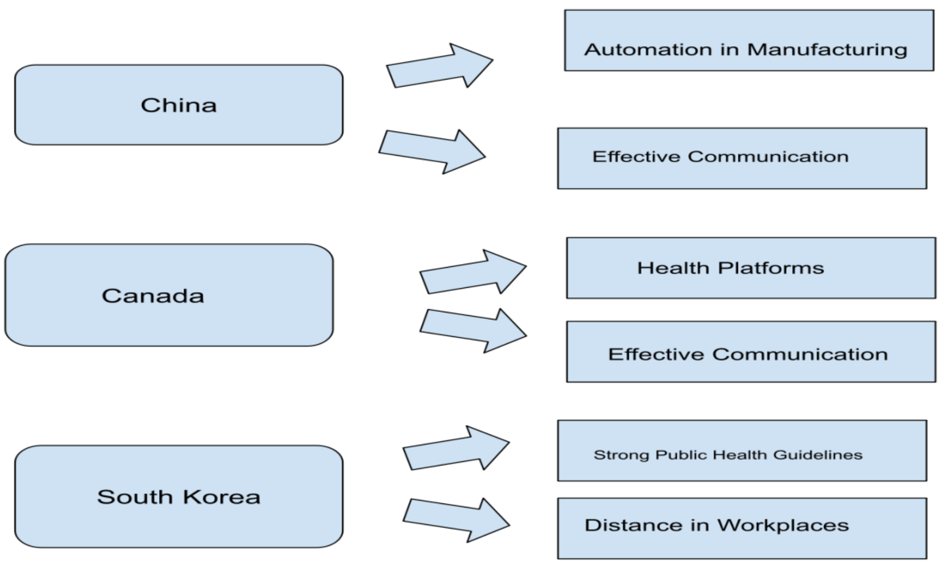

Fig. 3.1. Crisis Management Strategies: South Korea, Canada, China

Source: compiled by the author based on data from [39], [33], [38]

Fig 3.1 highlights the crisis management strategies employed by South Korea, Canada, and China, providing insights into how different countries approached managing the COVID-19 pandemic. Each country is associated with specific measures, which serve as a basis for understanding the diversity in response strategies across different regions.

Supply chain resilience also plays a central role in effective crisis management. The COVID-19 pandemic exposed vulnerabilities in global supply chains, particularly those heavily reliant on specific geographic regions. Many companies, such as those in Europe and North America, took steps to diversify their supplier base, reducing the dependency on a single region [27, p. 8]. Mitsubishi could benefit from this strategy by diversifying its supply sources to ensure that critical materials and components are available from multiple regions, thus reducing the risk of supply chain disruptions during global crises.

Effective communication strategies are another critical aspect of crisis management that many international enterprises focused on during the pandemic. Transparent and consistent communication helps maintain trust among stakeholders, prevents misinformation, and improves coordination. Companies that established clear communication protocols, both internally and externally, were more successful in keeping employees informed and managing public perception during the crisis [45, p. 12]. For Mitsubishi, a similar focus on developing well-structured communication protocols can enhance the effectiveness of its crisis management strategies. Maintaining transparency is crucial to prevent misunderstandings and to ensure that stakeholders are aligned during uncertain times.

Lastly, another strategy that Mitsubishi Group can consider is shifting from a just-in-time (JIT) inventory system to a just-in-case (JIC) model. Many international companies faced significant challenges due to their JIT inventory models during the pandemic, which exposed them to disruptions in supply [47, p. 9]. Unlike JIT, which emphasizes minimal inventory to reduce costs, the JIC model focuses on maintaining larger stocks of essential components, thus providing a buffer during unforeseen disruptions. Adopting a JIC approach could increase Mitsubishi's resilience in managing supply chain shocks, even though it might increase holding costs.

Different countries and companies have adopted various approaches to managing crises, particularly in response to the challenges presented by the COVID-19 pandemic. By comparing these strategies, valuable lessons can be drawn to improve crisis management practices in multinational corporations like Mitsubishi Group. This section examines the crisis management strategies implemented by organizations across different countries and explores their effectiveness and potential applications for Mitsubishi.

South Korea, for example, showed a proactive approach in crisis management during the COVID-19 pandemic by adopting strict social distancing policies and public health measures. Companies in South Korea were quick to implement these guidelines, which allowed them to maintain business operations while minimizing the risk to employees' health [2, p. 3]. One of the critical aspects of South Korea's success was the government's emphasis on transparency and quick response to the crisis. Korean enterprises benefited from clear guidelines on maintaining workplace safety and ensuring business continuity. For Mitsubishi, adopting a similar proactive and transparent strategy during crises could help reduce uncertainty and maintain employee morale, ensuring more seamless operational continuity.

In contrast, the United States had a more decentralized response, where individual states and companies were largely responsible for implementing their own crisis management measures. While this provided flexibility, it also led to inconsistencies in the response. Companies that succeeded in the United States generally adopted digital tools to manage supply chain disruptions and to enable remote work. For instance, many American firms invested heavily in supply chain management software that provided real-time tracking and predictive analytics, which allowed them to adjust swiftly to changes in supply and demand [44, p. 7]. Mitsubishi Group can learn from this experience by further enhancing its digital infrastructure to facilitate real-time decision-making and risk assessment during future crises.

China, on the other hand, demonstrated a centralized and technology-driven approach to managing the pandemic. Chinese companies heavily utilized automation and artificial intelligence to continue production amid restrictions. Many enterprises shifted to automated manufacturing processes to overcome labor shortages caused by lockdowns and restrictions on mobility [33, p. 11]. This approach minimized disruptions and kept operations relatively stable. Mitsubishi, which operates in sectors such as automotive and electronics that are highly labor-intensive, could benefit from increased investment in automation. This would not only reduce the reliance on manual labor but also allow greater flexibility to handle future disruptions.

In Europe, crisis management during the pandemic emphasized compliance with stricter regulatory frameworks, particularly concerning environmental and health standards [6, p. 3]. Many companies had to adjust their operations to meet these regulatory requirements, which included adopting more sustainable business practices and ensuring worker safety. Although these regulations presented additional challenges, companies that adapted successfully were those that viewed the regulations as opportunities to innovate. Mitsubishi could consider adopting a similar perspective, viewing regulatory compliance not only as a challenge but also as a chance to drive innovation and improve operational standards. Strengthening environmental and health compliance before the crisis strikes can help mitigate the impact of future regulatory changes.

A common thread across many countries was the need for supply chain resilience. During the pandemic, supply chains across the globe were severely disrupted due to restrictions, delays, and shortages. South Korea, China, and several European nations prioritized the diversification of supply chains to reduce dependency on single suppliers or regions [41, p. 3]. Diversification allowed these companies to better manage supply disruptions and continue production even when specific regions faced shutdowns. For Mitsubishi, expanding its supplier network across more regions could reduce the risks associated with global supply chain disruptions. A diversified supply base ensures that the company is less vulnerable to localized crises, allowing for a quicker recovery.

Another aspect that became evident in the comparative analysis of crisis management is the role of effective communication. In Canada, for instance, the government and companies worked closely together, using digital tools to ensure that all stakeholders, including employees, customers, and suppliers, received timely information [37, p. 5]. Communication was clear and centralized, which helped maintain trust and ensure smooth coordination throughout the crisis. For Mitsubishi, developing an enhanced communication protocol could prove critical in times of uncertainty. Effective communication helps in setting clear expectations, preventing misinformation, and maintaining stakeholder confidence, which is vital for multinational corporations.

While different regions had different priorities and responses, one common realization was the limitation of the just-in-time (JIT) inventory model. Many companies in Asia and North America, including those in automotive and electronics sectors, struggled due to disruptions in the supply chain. The JIT model, while efficient in minimizing inventory costs, left companies highly exposed to risks when disruptions occurred. As a result, some enterprises began considering a just-in-case (JIC) inventory approach, which focuses on holding buffer stock to safeguard against supply chain uncertainties [37, p. 3]. Mitsubishi could similarly adopt a more balanced inventory approach, blending JIT with elements of JIC to enhance its resilience against future crises.

The comparative analysis of international crisis management strategies shows that while there is no one-size-fits-all solution, a combination of proactive health measures, technology integration, supply chain diversification, regulatory compliance, and effective communication has proven to be successful in mitigating crisis impacts. Mitsubishi Group can adopt and adapt these approaches to build a more resilient crisis management framework. Investing in automation, enhancing digital capabilities, diversifying suppliers, and maintaining transparent communication channels are all essential elements that will help Mitsubishi navigate the challenges of an increasingly complex and unpredictable global business environment.

One of the most successful practices observed during the COVID-19 pandemic was proactive risk assessment and preparedness. In South Korea, both government bodies and enterprises demonstrated swift action by implementing health measures, such as social distancing and strict sanitization protocols in workplaces [39, p. 5]. Korean enterprises, by being proactive, reduced employee infections and minimized production disruptions, allowing operations to continue with relative stability. For Mitsubishi, establishing similar proactive risk assessments is crucial. The establishment of early-warning mechanisms and preparedness protocols can ensure that Mitsubishi is better equipped to handle unexpected disruptions, especially in regions with frequent exposure to political or economic volatility.

Another successful practice involved digital integration and technology adoption. Canada, for example, relied on digital health platforms to respond to the COVID-19 pandemic effectively, ensuring the dissemination of accurate health information to the population and keeping the healthcare system running smoothly [38, p. 4]. In the private sector, many Canadian companies adopted digital tools such as supply chain monitoring systems, predictive analytics, and digital communications platforms to improve efficiency during times of disruption. For Mitsubishi, investing in digital transformation can help enhance real-time risk identification, enabling the company to respond quickly to bottlenecks in its supply chain and improve the flow of communication across its various business units. Digital tools can also ensure accurate tracking of production schedules, inventory, and logistical challenges, helping to reduce inefficiencies during crises.

Automation and operational flexibility have also proven to be crucial in maintaining production continuity during disruptions. In China, many enterprises successfully utilized automation to deal with labor shortages during pandemic lockdowns [27, p. 7]. The implementation of automated systems in factories allowed Chinese companies to keep production running, despite the reduced availability of labor due to health restrictions. For a company like Mitsubishi, which operates in labor-intensive industries such as automotive and electronics, investment in automation can reduce dependence on manual workforce availability and help sustain output even during times of crisis. This flexibility will allow Mitsubishi to adjust production capacities according to situational demands and remain resilient.

Diversification of supply chains is another key lesson that emerged from the experiences of many global enterprises during the pandemic. Companies that diversified their supply sources—sourcing from multiple countries or regions instead of relying on one—were able to continue production more effectively when certain areas faced severe disruptions. This strategy proved successful in Europe, where several multinational companies avoided significant supply chain disruptions by expanding their supplier networks [45, p. 6]. For Mitsubishi, the pandemic highlighted the vulnerability of its global supply chain, especially in the automotive sector. By adopting a similar diversification strategy, Mitsubishi can reduce its dependence on suppliers from a limited number of countries, thereby improving supply chain resilience and ensuring a consistent flow of essential materials.

Effective communication has been another area of success for companies that managed the COVID-19 crisis well. During the pandemic, Canadian companies used digital communication tools to connect all stakeholders effectively, ensuring that employees, suppliers, customers, and investors were informed about changes, delays, and new health protocols [45, p. 3]. Transparent and timely communication prevented confusion, improved coordination, and increased stakeholder confidence. Mitsubishi can learn from this approach by focusing on building robust internal and external communication protocols. This could involve setting up a centralized communication platform that ensures consistent information flow during a crisis, helping to prevent misinformation and misunderstandings.

One important operational adjustment observed was the shift from a just-in-time (JIT) inventory model to a just-in-case (JIC) approach. Many companies in North America and Asia, including those in manufacturing sectors, faced severe supply chain challenges due to their reliance on JIT inventory systems [37, p. 4]. Under JIT, inventory is minimized to reduce costs, but this approach leaves companies exposed when supply chain disruptions occur. On the other hand, JIC focuses on maintaining higher inventory levels of critical components, which provides a buffer during times of crisis. For Mitsubishi, balancing between JIT and JIC could provide operational flexibility and stability during unexpected supply disruptions. While maintaining higher inventory levels might increase storage costs, the potential benefits of uninterrupted production make it a necessary consideration for building supply chain resilience.

A significant learning point also emerged around the importance of regulatory agility. In Europe, companies were compelled to comply with evolving environmental and health regulations, which led to improved sustainability practices and more robust health safety measures [47, p. 5]. Mitsubishi could adopt a similar approach by maintaining an adaptive framework that quickly responds to regulatory changes. This flexibility would allow the company to better comply with new standards without compromising on operational efficiency.

Furthermore, investment in employee safety and well-being emerged as a critical success factor. In countries like South Korea and Canada, employee safety was prioritized during the crisis, with companies making significant investments in health checks, PPE, and mental health support programs [27, p. 6]. This practice not only minimized workforce disruptions but also enhanced employee morale and productivity during difficult times. Mitsubishi could benefit by implementing similar initiatives focused on safeguarding the health and well-being of its employees. This approach will lead to improved operational stability as employees will be less likely to face work disruptions due to health concerns.

From the analysis of successful international crisis management strategies, it is clear that Mitsubishi Group can derive substantial value by adopting a multi-faceted approach to managing crises. Proactive risk assessment, digital transformation, automation, supply chain diversification, enhanced communication protocols, regulatory agility, and a just-in-case inventory strategy are critical factors that contribute to crisis resilience. Learning from these successful practices will enable Mitsubishi to mitigate the effects of future disruptions, maintain operational continuity, and ensure sustainable growth even during challenging times.

1. Proactive Risk Management and Preparedness

One key lesson for Mitsubishi is the importance of proactive risk management and preparedness. South Korea's response to the COVID-19 pandemic showed that a proactive approach—characterized by rapid risk identification, early preparedness, and strict safety measures—can mitigate the effects of a crisis [39, p. 4]. For Mitsubishi, incorporating more proactive risk management tools, such as early warning systems and contingency planning, will allow the company to anticipate potential risks and prepare response measures accordingly. Preparing for both internal vulnerabilities and external threats will help the company maintain stability when disruptions occur, particularly in its diverse business segments like automotive, infrastructure, and semiconductors.

2. Investment in Digital Integration and Automation

Another significant lesson for Mitsubishi is the need to enhance digital integration and automation. The success of companies in Canada, which adopted digital platforms for supply chain monitoring and communication during the pandemic, highlights the role of technology in effective crisis management [38, p. 6]. Mitsubishi could improve its crisis management capabilities by investing in digital tools, such as real-time inventory management systems and supply chain analytics. Digital tools can help the company identify potential bottlenecks early and adjust operations to avoid disruptions. Additionally, automation in manufacturing processes, as seen in China, can enhance resilience by reducing the reliance on labor availability, especially in the automotive and electronics sectors [27, p. 5]. This move towards automation could significantly improve operational efficiency and minimize the impact of labor-related disruptions.

3. Diversification of Supply Chains

The COVID-19 pandemic exposed the vulnerabilities of centralized supply chains, particularly for companies that relied heavily on suppliers from specific regions. Diversifying the supply chain by sourcing from multiple regions is a critical lesson for Mitsubishi [45, p. 7]. Mitsubishi can reduce its exposure to supply chain risks by broadening its supplier base, thus ensuring a more resilient flow of raw materials and components. This strategy will also help mitigate the impact of geopolitical tensions or regional disruptions. Diversification could involve sourcing key components from suppliers in geographically distinct areas, allowing the company to continue production even when certain regions are facing challenges.

4. Adoption of a Balanced Inventory Approach

The just-in-time (JIT) inventory model, while efficient, left many companies vulnerable during the pandemic, including Mitsubishi's own automotive sector, which struggled due to component shortages [37, p. 3]. A balanced inventory approach that combines JIT with just-in-case (JIC) practices is essential for improving Mitsubishi's resilience. By maintaining higher levels of critical materials, Mitsubishi can create a safety buffer that enables it to continue operations during periods of supply chain disruption. Although this may lead to increased inventory costs, the benefit of uninterrupted production during crises outweighs the expense, especially for critical sectors like automotive, electronics, and semiconductors.

5. Enhanced Communication Protocols

The role of effective communication during crises cannot be overstated. Clear and consistent communication ensures that all stakeholders, including employees, customers, suppliers, and investors, are well-informed during uncertain times [31, p. 8]. Mitsubishi could benefit from establishing a well-structured communication framework that ensures transparency and consistency in both internal and external communications. This would involve creating dedicated communication teams that handle crisis-specific updates and ensuring that all departments are informed of critical decisions. Transparent communication helps maintain trust and loyalty among stakeholders and can reduce the negative impact of misinformation and confusion during a crisis.

6. Employee Safety and Well-being as a Priority

Lessons from South Korea and Canada indicate the importance of prioritizing employee safety and well-being [34, p. 9]. Ensuring the physical and mental well-being of employees during a crisis has a direct impact on maintaining productivity and operational stability. Mitsubishi should focus on building a robust health and safety framework that includes comprehensive employee safety programs, access to healthcare facilities, and mental health support initiatives. By doing so, Mitsubishi can reduce absenteeism during crises and foster a work environment where employees feel valued and protected, which is crucial for sustaining productivity during disruptions.

7. Regulatory Flexibility and Compliance

The success of companies in Europe in adapting to stringent regulations during the pandemic demonstrates the need for regulatory flexibility [45, p. 6]. Mitsubishi operates in multiple regions, each with its own set of regulatory frameworks. During crises, regulations can change rapidly, especially concerning health and environmental standards. Mitsubishi should build an agile regulatory compliance framework that allows it to adapt to these changing requirements without compromising operational efficiency. Compliance with evolving regulations not only helps avoid penalties but also demonstrates corporate responsibility, which enhances Mitsubishi's reputation among investors and customers.

8. Leveraging Crisis as an Opportunity for Innovation

Another key takeaway for Mitsubishi is to view crises as opportunities for innovation. Many companies that succeeded during the pandemic took the opportunity to innovate, whether by adopting new technologies, shifting to more sustainable practices, or exploring new market opportunities [27, p. 4]. Mitsubishi could focus on integrating sustainability into its business strategy and investing in R&D, particularly in areas like renewable energy, digital solutions, and electric vehicles. These investments can help Mitsubishi differentiate itself from competitors and open new revenue streams, positioning the company strongly in the post-crisis economy.

9. Cross-functional Crisis Management Teams

The establishment of cross-functional crisis management teams is also a valuable lesson. Crisis management requires quick decision-making and efficient execution, which is often hampered by bureaucratic hurdles. Mitsubishi could form dedicated crisis management teams that include representatives from all key business units, enabling them to collaborate closely and make informed decisions more rapidly.

These teams would be responsible for implementing crisis response plans, monitoring progress, and adjusting strategies in real time [41, p. 3].

Table 3.2 presents the Recommended Strategy Priority Matrix, categorizing proposed strategies for crisis management at Mitsubishi Group by their importance and difficulty of execution. The strategies are classified into four quadrants: high importance with low or high difficulty, and low importance with low or high difficulty.

Table 3.1

Recommended Strategy Priority Matrix

Execution Difficulty	High Importance	Low Importance
Low	- Communication Protocol Improvement	- Automation and Technology Adoption
	- Employee Safety and Well-being	
High	- Supply Chain Diversification	- Enhanced Regulatory Compliance
	- Balanced Inventory Approach (JIC & JIT)	- Formation of Cross-functional Teams

Source: compiled by the author

By focusing on strategies such as improving communication protocols and ensuring employee safety and well-being, Mitsubishi can start with initiatives that are of high importance but relatively easy to implement, thereby gaining quick wins that stabilize the organization during crises.

On the other hand, supply chain diversification and a balanced inventory approach (JIT & JIC), while more challenging to execute, are crucial for long-term resilience and should be integrated gradually with a strategic focus. Strategies that are lower in importance but easier to execute, like automation and technology adoption, can also be initiated concurrently to bolster operational efficiency without significant investment or complexity.

Lastly, measures that are both difficult and of relatively lower immediate importance, such as enhanced regulatory compliance and cross-functional crisis teams, should be approached after addressing the more pressing needs. Overall, the matrix helps Mitsubishi prioritize effectively, enabling a balance between strategic long-term improvements and achievable short-term actions, ensuring robust preparedness against future crises.

Mitsubishi Group can learn extensively from the international experiences of crisis management observed during the COVID-19 pandemic, as highlighted in Section 3.1. The proactive health measures in South Korea, use of digital platforms in Canada, and automation in China all serve as best practices that can be adapted by Mitsubishi to enhance resilience. South Korea's success with public health measures emphasizes the importance of a proactive approach, allowing business continuity with minimal health risks. Canada's use of digital tools for emergency responses suggests that Mitsubishi should expand its digital capabilities for real-time monitoring and decision-making during crises. China's reliance on automation shows that investing in technological manufacturing can help reduce dependence on manual labor and increase operational agility during disruptions. Additionally, the emphasis on supply chain diversification, transparent communication, and a shift from a JIT to a JIC inventory model are all strategies that Mitsubishi could benefit from, helping it to enhance supply chain resilience and ensure uninterrupted production during crises. By adopting a combination of proactive health protocols, digital integration, automation, supply chain flexibility, and effective communication, Mitsubishi Group can build a robust crisis management framework that addresses both immediate disruptions and long-term strategic needs.

3.2 Recommendations for improving the effectiveness of crisis management of the enterprise

Mitsubishi Group, like many multinational corporations, faces several ongoing challenges in crisis management, especially after the impacts of the COVID-19 pandemic. These challenges highlight the weaknesses in Mitsubishi's existing crisis management strategies and call for significant improvements to better prepare the company for future disruptions.

Table 3.2

Summary of Current Challenges Faced by Mitsubishi Group in Crisis Management

Challenge Area	Description	Key Issues
Supply Chain Vulnerability	Dependence on key regions for critical materials and components	Lack of diversification, disruptions in supply
Inventory Management	Reliance on just-in-time (JIT) model exposed during supply disruptions	Balancing JIT with just-in-case (JIC) approach
Financial Vulnerability	Liquidity problems due to reduced revenue streams	Heavy reliance on debt, need for better liquidity management
Regulatory Compliance	Adapting to rapidly changing regional regulations	Increased costs, operational inefficiencies
Communication Gaps	Inefficient internal and external communication during crises	Delays and inconsistencies in stakeholder updates
Operational Flexibility	Limited ability to adapt production to fluctuating demand and conditions	Need for automation, dependency on manual labor
Employee Safety and Well-being	Ensuring consistent safety measures and support across global operations	Varying regional safety standards, insufficient health support

Source: compiled by the author

Table 3.3 provides a summary of the key challenges faced by Mitsubishi Group in managing crises, categorized by challenge areas, their descriptions, and specific key issues. These challenges reflect vulnerabilities within various aspects of Mitsubishi's operations, ranging from supply chain dependency to financial constraints, regulatory compliance, and internal communication gaps.

One major challenge that Mitsubishi faces is supply chain vulnerability. The COVID-19 pandemic exposed how reliant Mitsubishi is on a few key regions for its supply of critical materials and components. The company’s automotive and semiconductor sectors were particularly affected by the global supply chain disruptions, which were largely due to factory shutdowns and travel restrictions across key supplier countries [37, p. 3]. The shortage of semiconductors, which are vital for Mitsubishi's automotive production, led to delays and significant declines in vehicle output. The current challenge for Mitsubishi is to diversify its supplier base across different regions to avoid over-dependency on specific markets that might face future disruptions.

Another significant challenge for Mitsubishi is its inventory management system. Mitsubishi primarily relied on a just-in-time (JIT) inventory model to minimize storage costs and maintain operational efficiency. However, the pandemic highlighted the limitations of this system when there were unexpected supply chain disruptions. The JIT model's focus on minimal stock levels left Mitsubishi exposed, resulting in shortages of key components when supply chains broke down [32, p. 4]. The challenge now is to balance between JIT and just-in-case (JIC) inventory models. While JIT keeps costs low, adopting elements of JIC by holding essential reserves can provide a cushion during times of crisis. This balancing act is challenging because holding more inventory means higher storage costs, but it could also mean improved resilience during disruptions.

Financial vulnerability is another challenge that Mitsubishi faces in times of crisis. During the COVID-19 pandemic, the company struggled with liquidity problems due to reduced revenues, particularly in sectors like automotive and energy [45, p. 5]. Mitsubishi had to take measures such as securing additional credit lines and issuing bonds to maintain liquidity. However, the reliance on debt financing has led to increased financial pressure, especially during economic downturns. The challenge here is to maintain sufficient financial reserves without accumulating excessive debt, allowing the company to stay financially flexible even when its revenue streams are impacted. A strong financial strategy that balances liquidity with careful debt management is required to mitigate this challenge.

Regulatory compliance also presents ongoing challenges for Mitsubishi, especially given the diverse markets in which the company operates. Each region has its own set of environmental, health, and operational regulations, which became more stringent during the pandemic [27, p. 6]. The need to quickly adapt to changing regulations increased operational complexity for Mitsubishi, particularly in Europe and North America, where regulatory changes were frequent and strict. This led to increased compliance costs and operational inefficiencies. For a multinational enterprise like Mitsubishi, the challenge is to create an agile regulatory compliance framework that can quickly adapt to regional changes without significantly disrupting operations or increasing costs.

Another pressing challenge for Mitsubishi is effective internal and external communication during crises. The pandemic highlighted the importance of clear and timely communication with stakeholders, including employees, suppliers, customers, and investors. During the crisis, delays in communication led to confusion among employees regarding new safety protocols and among customers about disruptions in product availability [41, p. 3]. Mitsubishi needs to establish a robust communication system that ensures all stakeholders receive timely and consistent information. This is particularly challenging for a multinational corporation with a complex structure like Mitsubishi, where communication across different units and regions can be slow and inconsistent.

Operational flexibility also remains a challenge for Mitsubishi. The company's large-scale operations and traditional manufacturing methods often limit its ability to adapt quickly to sudden changes in demand or external conditions. During the COVID-19 pandemic, Mitsubishi faced challenges in adjusting its production schedules to meet fluctuating demand and comply with new health protocols [34, p. 8]. The company's lack of automation and advanced manufacturing capabilities meant that production was heavily reliant on manual labor, which was disrupted during lockdowns and worker shortages. Mitsubishi needs to focus on increasing its operational flexibility, possibly through greater investment in automation and advanced technologies, to ensure it can respond more swiftly to crises.

Employee safety and well-being is another area of challenge for Mitsubishi. The pandemic forced companies to re-evaluate how they protect their employees, and many enterprises around the world invested heavily in workplace safety and mental health programs [7]. For Mitsubishi, maintaining employee safety during a global crisis was challenging, particularly with factories and workplaces spread across various countries with different levels of restrictions and healthcare facilities. Ensuring consistent safety measures and health support across all its operations is a complex issue that Mitsubishi must address to ensure worker well-being and operational stability during future disruptions.

Table 3.3

Strategic Recommendations for Improving Crisis Management at Mitsubishi Group

Area of Challenge	Strategic Recommendation	Expected Outcome
Supply Chain Vulnerability	Diversify suppliers across different regions.	Reduced dependency on specific regions, improved supply chain resilience.
Inventory Management	Adopt a balanced inventory approach (JIT + JIC).	Enhanced flexibility during disruptions, reduced risk of shortages.
Financial Vulnerability	Maintain adequate financial reserves and reduce debt reliance.	Improved liquidity, greater financial stability during crises.
Regulatory Compliance	Develop an agile regulatory compliance framework.	Faster adaptation to changing regulations, minimized operational disruption.
Communication Efficiency	Implement centralized crisis communication protocols.	Improved stakeholder alignment, reduced misinformation.
Operational Flexibility	Invest in automation and technology-driven processes.	Greater adaptability to demand changes, reduced dependence on manual labor.
Employee Safety and Well-being	Develop comprehensive health and safety programs, including mental health support.	Increased worker morale, improved productivity during disruptions.

Source: compiled by the author

Table 3.4 summarizes the strategic recommendations for improving crisis management at Mitsubishi Group, identifying key areas of challenge, proposed strategic solutions, and expected outcomes. By applying these strategic interventions, Mitsubishi aims to address weaknesses exposed during the COVID-19 pandemic and enhance the overall resilience of its operations. The table highlights how the company can bolster its crisis response by diversifying suppliers, balancing inventory management approaches, improving financial stability, and refining regulatory compliance mechanisms.

For supply chain vulnerability, diversifying suppliers across different regions is essential. During the COVID-19 pandemic, Mitsubishi faced significant supply chain disruptions because of its dependence on specific countries for raw materials and key components. By sourcing materials from various geographic locations, Mitsubishi can reduce its exposure to risks that arise from regional issues, such as political instability, natural disasters, or sudden lockdowns. This diversification will provide greater resilience in times of global disruption, ensuring that the supply chain remains steady even if one region is affected [37, p. 3].

In terms of inventory management, adopting a balanced approach by integrating elements of both JIT and JIC inventory models is necessary. The pandemic exposed the limitations of the JIT model, as shortages became common when supply chains were disrupted. Relying solely on JIT meant that Mitsubishi lacked the inventory to sustain operations during supply delays. A balanced model would involve maintaining just enough critical reserves to cover potential disruptions, providing a buffer while still keeping costs manageable. This approach offers Mitsubishi the flexibility needed to continue production during unpredictable crises without the risk of complete supply failure [32, p. 5].

Financial vulnerability remains a key challenge, and addressing this requires maintaining adequate financial reserves while reducing the company's reliance on debt. During the pandemic, Mitsubishi had to secure additional credit lines, which increased its long-term debt burden. A healthier financial reserve would allow the company to navigate disruptions without being overly dependent on borrowing. Additionally, controlling debt levels helps maintain financial stability, which is crucial for weathering periods of reduced cash flow. This strategy allows the company to continue investments and meet financial obligations even during downturns, strengthening its resilience and capacity for sustained operations [45, p. 6].

For regulatory compliance, developing an agile regulatory compliance framework is critical. Mitsubishi operates in numerous countries, each with its own set of regulations that can change rapidly during a crisis. During the pandemic, new health, environmental, and safety regulations in key markets required swift adaptations. An agile compliance framework ensures that Mitsubishi can adapt quickly to changes without major operational disruptions. By building such a system, Mitsubishi can avoid fines, minimize disruptions, and maintain smooth operations in response to regulatory shifts [27, p. 4]

Another key recommendation is to improve communication efficiency through centralized crisis communication protocols. During the pandemic, communication breakdowns led to confusion among employees and other stakeholders about health measures and product availability. Establishing centralized protocols would allow Mitsubishi to distribute consistent and accurate information, ensuring everyone remains informed during a crisis. Clear communication helps prevent misunderstandings, boosts trust among employees, customers, and partners, and enhances the company’s ability to respond effectively to unexpected changes.

To increase operational flexibility, Mitsubishi should invest in automation and other technology-driven processes. The reliance on manual labor limited the company's ability to meet fluctuating production demands during COVID-19. Automation can provide a solution to this challenge, allowing Mitsubishi to adjust production capacity as needed while reducing vulnerability to labor disruptions. Investing in technology not only increases production efficiency but also allows Mitsubishi to remain adaptable in the face of sudden changes in demand or labor shortages.

To effectively execute the recommendations mentioned earlier, Mitsubishi Group requires a comprehensive implementation framework that aligns each strategic action with specific organizational capabilities and timelines. The first step involves establishing a cross-functional crisis management team. This team should include members from various departments like supply chain, finance, human resources, and operations to ensure a holistic approach to implementing these strategies. This team would be responsible for coordinating efforts across the organization, ensuring that each recommendation is tailored and adapted to the specific needs of each business unit. Cross-functional teams enable Mitsubishi to break silos and enhance the flow of communication, which is crucial during crisis situations [31, p. 9].

Digital transformation should be a priority in the implementation phase. Mitsubishi must invest in upgrading its technological infrastructure to support digital tools like supply chain analytics, inventory tracking systems, and communication platforms. By integrating digital solutions across its operations, Mitsubishi will have the capacity to effectively monitor risks, maintain inventory balance, and communicate efficiently during crises. For example, real-time inventory monitoring can prevent shortages by identifying potential bottlenecks before they become problematic. The use of AI-powered analytics will also help Mitsubishi forecast disruptions and take preemptive actions, thus making the organization more resilient to sudden changes [27, p. 10].

In terms of financial resilience, Mitsubishi should work on building an internal reserve fund over a set timeline, reducing its dependency on external debt. This requires restructuring financial planning so that a portion of annual revenues is allocated to a crisis reserve fund. Mitsubishi could also work on renegotiating current debt agreements to lower interest rates or extend repayment periods, thus reducing the financial burden. Simultaneously, regulatory compliance should be handled through the development of an agile compliance framework that uses automated tools to track regulatory changes across key markets. This framework would include an internal compliance team that works closely with regional teams to adapt quickly to new regulations without causing major disruptions to ongoing projects [45, p. 12].

To enhance communication, Mitsubishi should establish a centralized digital communication platform that serves as a single source of truth for all crisis-related updates. This platform would be accessible to all stakeholders, ensuring consistent and accurate information distribution. Training programs for crisis communication should also be conducted across all levels of the organization, making sure that employees are equipped to respond effectively during disruptions. Finally, employee safety and well-being programs should be integrated into the corporate policy. Mitsubishi should allocate resources to ensure workplace safety, establish regular health assessments, and provide mental health support during crises. Investing in a healthy work environment will contribute to sustaining employee productivity and satisfaction during challenging times.

The successful implementation of the proposed strategies is expected to significantly enhance Mitsubishi Group’s crisis management capabilities and overall resilience. By diversifying suppliers and adopting a balanced inventory management approach, Mitsubishi will be able to maintain continuity in its operations, even during unexpected supply chain disruptions. This will reduce the production delays that the company experienced during the COVID-19 pandemic and ensure that customer demands are met on time.

The establishment of financial reserves will provide Mitsubishi with greater financial stability, allowing it to navigate crises without accumulating excessive debt. This financial flexibility will ensure that the company continues to invest in innovation and infrastructure, even during challenging economic times. Improved regulatory compliance and communication protocols will reduce operational disruptions and align stakeholders more effectively during crises. Employees will receive timely updates, which will help avoid confusion, and customers will remain informed, improving their overall satisfaction and trust in the company [27, p. 14].

Employee well-being initiatives will ensure a motivated and productive workforce, even during crises. By prioritizing safety and mental health support, Mitsubishi can foster a culture of care and support, which will lead to higher employee morale and commitment. Ultimately, the combined impact of these strategies will enhance Mitsubishi’s reputation as a resilient and adaptable multinational corporation, positioning it for sustainable growth in an increasingly uncertain global market [3]

Table 3.4

Gantt Chart for Crisis Management Reforms at Mitsubishi Group

Time Period	Activities	Short-term (0-6 months)	Mid-term (6-18 months)	Long-term (18+ months)
Crisis Management Team	Form cross-functional crisis management team	□		
Supply Chain Resilience	Identify new suppliers from different regions	□	□	
Inventory Management	Adopt a balanced JIT + JIC inventory strategy		□	□
Digital Transformation	Invest in digital infrastructure and analytics	□	□	
Financial Stability	Build internal reserve fund and reduce debt		□	□
Regulatory Compliance	Develop agile compliance framework	□	□	
Communication Protocols	Establish centralized communication platform	□		
Employee Well-being	Set up health & safety programs and mental health support	□	□	
Automation and Flexibility	Invest in automation and tech-driven processes		□	□

Source: compiled by the author

Table 3.4 summarizes the strategic recommendations for improving crisis management at Mitsubishi Group, identifying key areas of challenge, proposed strategic solutions, and corresponding timelines for expected outcomes. By applying these strategic interventions, Mitsubishi aims to address critical vulnerabilities that were exposed during the COVID-19 pandemic, thus enhancing the overall resilience and adaptability of its operations. The table clearly delineates short-term, mid-term, and long-term actions across various critical dimensions of crisis management.

1. Short-term (0-6 months): During the initial six months, the focus will be on establishing foundational activities that can yield immediate benefits and support

later stages. Mitsubishi will begin by forming a cross-functional crisis management team to drive implementation across different departments. The company will also work on identifying new suppliers in order to build resilience in the supply chain. Additionally, investments in digital transformation will begin, and a centralized communication platform will be set up to ensure timely and consistent communication during crises. Setting up employee health and safety programs will also be a priority during this phase to ensure worker well-being.

2. Mid-term (6-18 months): In this phase, Mitsubishi will work towards more comprehensive changes to improve its resilience. The balanced inventory approach will be implemented, where the company will adopt elements of both JIT and JIC strategies. Mitsubishi will also work on building an internal reserve fund and begin the process of reducing its reliance on external debt. Automation will start being introduced into production, and digital analytics tools will be integrated into supply chain and production processes. Efforts towards developing an agile compliance framework will continue, and Mitsubishi will make sure that the changes are successfully integrated across different regions.

3. Long-term (18+ months): In the longer term, the focus will be on sustaining and optimizing the changes implemented in earlier phases. Mitsubishi will continue to maintain and develop the balanced inventory strategy to ensure a sufficient buffer for unexpected disruptions. Investments in automation will continue to make production more resilient and flexible. Moreover, building and maintaining a strong financial reserve will be key in this stage, allowing the company to stay financially prepared for any future uncertainties. The long-term goal is to establish Mitsubishi as a company that is adaptable and strong in the face of crises, while ensuring its growth in an unpredictable global environment.

In conclusion, the strategic recommendations and implementation framework for improving Mitsubishi Group's crisis management highlight the importance of proactive planning, operational flexibility, and employee well-being. By adopting a structured approach that involves both immediate actions and long-term investments, Mitsubishi can enhance its resilience to future disruptions and maintain a competitive edge. The focus on supply chain diversification, digital transformation, balanced financial management, and effective communication will enable Mitsubishi to navigate through uncertainties while securing sustainable growth. The successful implementation of these strategies will ultimately position Mitsubishi as a leader in managing crises effectively in an increasingly volatile global business environment.

3.3 Development of measures to improve communication protocols to ensure appropriate and correct information distribution during a crisis at Mitsubishi Group

Effective crisis communication is crucial for any organization. During a crisis, such as the COVID-19 pandemic, communication plays a vital role in ensuring that employees, customers, suppliers, and other stakeholders are informed and aligned on the company’s response measures. When information is shared clearly and transparently, it helps reduce confusion and anxiety, both of which can escalate in an uncertain environment [27, p. 6]. A well-developed communication protocol ensures that the company’s actions are understood, trust is maintained, and unnecessary rumors are avoided, thereby minimizing the negative impacts on both the organization and its stakeholders.

Mitsubishi’s operations span multiple business sectors, and any crisis inevitably affects various stakeholders differently. Employees may be worried about their safety and job security, while customers need to know whether they can rely on products and services. Suppliers also need to understand how a crisis will impact their relationship with Mitsubishi. Effective crisis communication means that all stakeholders receive accurate, timely information that is appropriate for their concerns. This ensures that misinformation, which can spread quickly during uncertain times, does not take hold and create more problems than the original crisis [36, p. 4]. Maintaining such clear communication also aids in safeguarding Mitsubishi's brand reputation by demonstrating to stakeholders that the company is in control and is managing the situation responsibly.

The pandemic highlighted how important it is for organizations to have established crisis communication systems in place. For Mitsubishi, the importance of speed and clarity in communication became evident when delays and inconsistent messaging led to confusion about new safety protocols among employees and uncertainty among customers about service availability [31, p. 5]. This situation was not unique to Mitsubishi; however, companies that had clear crisis communication frameworks managed the situation far more effectively, mitigating risks and gaining public trust. In today's interconnected environment, the ability to communicate effectively during a crisis is not just about managing the situation; it is also about building resilience and securing a competitive edge by maintaining transparency and trust. For Mitsubishi Group, developing robust communication protocols is thus critical to ensure stakeholders are well-informed and confident in the company's response, helping it navigate challenges more effectively.

One of the main issues was lack of centralized communication, where information was often delivered inconsistently across various divisions and regions. As a multinational corporation, Mitsubishi has operations across many countries, each with its unique regulations and circumstances. This complex structure made it difficult to communicate a consistent message during the pandemic. Different regions received conflicting information, and some business units took longer than others to implement changes. This lack of coordination not only confused employees but also resulted in inefficiencies when executing the company's crisis management measures [32, p. 8].

Another major gap in Mitsubishi's communication system was the lack of effective internal communication channels. During the pandemic, many employees reported not receiving timely updates regarding changes in health protocols or operational shifts [45, p. 3]. This led to confusion and frustration, as workers were unsure how to proceed with their daily tasks or whether their safety was being prioritized. Moreover, employees who worked remotely did not have clear lines of communication with management or each other, which made it challenging to maintain productivity and morale. These gaps indicate that Mitsubishi needs to focus on establishing better internal communication tools that are capable of reaching employees in real time, ensuring that everyone is informed and aligned, regardless of their location or working conditions.

Externally, customer communication was also inconsistent, particularly when supply chain issues led to delays and product shortages [41, p. 5]. Many customers were left in the dark about whether or when their orders would be fulfilled, resulting in dissatisfaction and damaged customer relationships. In times of crisis, uncertainty breeds frustration among customers, and without proper communication channels to address their concerns, the company risks losing their trust. Mitsubishi’s reliance on fragmented regional customer service systems made it hard to provide a unified response, further complicating the issue. Addressing this gap means creating a more integrated and responsive communication system that allows customers to receive accurate and timely updates about product availability, service changes, and any other crisis-related information.

To enhance Mitsubishi Group's ability to communicate effectively during crises, a series of improvements in communication protocols are proposed. These improvements are aimed at addressing the gaps identified in the current system, such as inconsistencies in internal communication and inadequate customer engagement. The primary focus is on creating a centralized communication structure, improving the technology used for both internal and external communication, and training employees to respond effectively during crises. By making these changes, Mitsubishi can significantly improve the accuracy and timeliness of information distribution, thereby reducing confusion and ensuring the entire organization can respond cohesively in times of crisis.

The first step is to create a centralized crisis communication hub that serves as the primary source of information for all stakeholders. This hub would be a digital platform accessible by employees, management, customers, and even suppliers. By centralizing crisis communication, Mitsubishi can ensure that all departments and regions receive the same information simultaneously, thus eliminating confusion caused by inconsistent messaging [36, p. 7]. This platform would also allow real-time updates, making it easy to communicate changes in policies, health protocols, and operational adjustments. A centralized system reduces the risk of misinformation and guarantees that stakeholders are always informed of the latest developments during a crisis.

Internal communication needs significant enhancement to bridge the gaps experienced during the pandemic. Mitsubishi should implement an internal communication app that can be accessed on multiple devices, ensuring that employees, whether they are working on-site or remotely, can stay updated. This app should include features like instant notifications, chat rooms for team discussions, and access to the crisis communication hub for broader updates [45, p. 3]. Additionally, Mitsubishi should conduct regular virtual town hall meetings led by senior management during crises. This provides employees the opportunity to hear directly from company leadership about the current situation, the company's response strategy, and any safety measures being implemented. It also allows employees to ask questions and voice concerns, helping reduce anxiety and uncertainty. Clear and regular communication from leadership fosters trust and unity, which are crucial during times of crisis.

Another critical improvement is establishing a structured external communication strategy to ensure consistency and responsiveness in customer interactions. During the pandemic, many customers faced issues with delayed shipments and uncertain timelines, which led to frustration. Mitsubishi should develop a dedicated crisis response team within its customer service department to handle crisis-related inquiries and maintain constant communication with customers. This team should be trained to handle such situations with empathy and transparency, providing customers with accurate information about product availability and expected timelines [41, p. 4]. Implementing customer relationship management (CRM) software with automated features could further help by sending real-time updates to customers about their orders, as well as informing them about any delays or changes in service.

Table 3.5

Communication Improvement Implementation Roadmap

Step	Action	Timeframe	Responsibility
Step 1	Establish Crisis Communication Hub	0-3 months	IT Department, Communications Team
Step 2	Deploy Internal Communication Tools	3-6 months	HR, IT Department, Corporate Training
Step 3	Form Dedicated Crisis Response Team	3-6 months	Customer Service Team, HR
Step 4	Launch Virtual Training Program for Employees	6-9 months	Corporate Training, HR, Management
Step 5	Develop Pre-Approved Communication Plans	6-12 months	Crisis Management Team, Legal Dept.
Step 6	Monitor, Evaluate, and Improve	Ongoing	Crisis Management Team, All Divisions

Source: compiled by the author

Table 3.5 outlines the Communication Improvement Implementation Roadmap at Mitsubishi Group, highlighting a step-by-step plan for enhancing internal and external communication during times of crisis. Each step includes a specific action, timeframe, and responsible department, ensuring that all stakeholders understand their roles in bolstering crisis communication protocols. The roadmap provides a structured approach to improving the flow of information across the organization, thereby supporting Mitsubishi's overall crisis management strategy.

Initially, the crisis communication hub is set to be established within the first three months. This step focuses on building a central platform that can serve as the single source of truth for all stakeholders during a crisis. Following this, Mitsubishi will deploy internal communication tools and form a dedicated crisis response team, which are critical to enhance internal coordination and ensure that customer interactions are handled properly during crises.

From months six to nine, there is a strong focus on training and preparing employees to utilize these new tools effectively. The virtual training program is a key part of this process, ensuring that employees understand how to navigate the new systems, access information, and receive crisis-related updates. This is followed by the development of pre-approved communication plans to ensure that Mitsubishi can react quickly during a crisis without spending time crafting new responses for predictable scenarios.

The roadmap includes a commitment to monitoring, evaluating, and improving these new communication protocols on an ongoing basis. This ensures that Mitsubishi can adapt and refine its crisis communication strategy in response to any new challenges that may arise. Each step is assigned to relevant departments, making sure that each team knows their role in bringing the entire communication strategy together effectively.

The proposed improvements to Mitsubishi's communication protocols will provide significant benefits by enhancing internal coordination, fostering trust among stakeholders, and building resilience in crisis management.

The centralized crisis communication hub will serve as a single source of truth for all stakeholders, eliminating confusion and discrepancies in information. This consistency is vital in a multinational company like Mitsubishi, where operations are spread across different regions with varying conditions and regulations. By ensuring that all employees, regardless of their location, receive the same information simultaneously, the hub will improve decision-making speed and accuracy during a crisis [31, p. 4]. Moreover, having a unified platform helps reduce the risk of misinformation and prevents multiple interpretations of policies and crisis responses, thereby safeguarding the company’s reputation. This benefit directly contributes to maintaining a positive image among external stakeholders, such as customers and partners, who are more likely to trust an organization with clear and coordinated messaging.

The introduction of enhanced internal communication tools, such as an employee app or collaboration platform, will result in improved employee engagement and morale. By keeping employees well-informed through timely updates, they will feel more secure and valued, especially during uncertain times. This direct communication from management will also help build a culture of transparency and trust, reducing anxiety and enhancing productivity even during challenging situations. Employees who are confident in the company's direction are better equipped to adapt to changes, thus contributing positively to the overall crisis response. This alignment and the sense of belonging fostered by effective communication can enhance operational efficiency, as employees are less likely to be distracted by doubts or uncertainties and can focus on their roles [45, p. 6].

Improved external communication with customers and suppliers will lead to greater customer satisfaction and stronger supplier relationships. During the pandemic, customers experienced frustration due to unclear information regarding product availability and delivery timelines. By creating a crisis response team within the customer service department, Mitsubishi can ensure that customer queries are handled promptly and with empathy, which will improve customer loyalty and satisfaction even in difficult times [41, p. 5]. This not only helps retain existing customers but also strengthens Mitsubishi’s brand reputation, as companies that communicate effectively during a crisis are perceived as more reliable and trustworthy. For suppliers, timely and clear communication ensures they can align their production schedules and logistics efforts with Mitsubishi’s requirements, preventing disruptions and maintaining supply chain stability.

The pre-approved communication plans will enhance Mitsubishi’s preparedness for a range of crisis scenarios, allowing for faster and more efficient crisis responses. By having messages and protocols pre-prepared, the company will be able to provide stakeholders with accurate and relevant information without delay, significantly reducing uncertainty during crises. This quick response capability not only reduces operational downtime but also demonstrates leadership, which is crucial for maintaining stakeholder confidence. Stakeholders will perceive Mitsubishi as proactive and in control, which helps mitigate the reputational risks associated with crisis situations. Furthermore, continuous feedback and improvement will ensure that the communication protocols remain effective as new risks arise, keeping Mitsubishi agile and resilient in the face of an ever-changing global environment [27, p. 7].

Overall, the proposed improvements to Mitsubishi's crisis communication protocols will help create a more responsive and cohesive communication strategy that covers all aspects—internal and external.

These enhancements aim to foster better internal cohesion, improve stakeholder confidence, and mitigate the negative impacts of misinformation. By maintaining clear, consistent, and proactive communication, Mitsubishi Group can enhance its crisis resilience, safeguarding both its operational efficiency and brand reputation during uncertain times.

In conclusion, enhancing the efficiency of enterprise management, particularly in crisis contexts, is fundamental to sustaining resilience and competitiveness in a volatile global landscape. This chapter has explored international crisis management experiences and identified key strategies such as proactive risk assessment, digital transformation, supply chain diversification, and improved communication protocols. For Mitsubishi Group, the adoption of these comprehensive approaches will be vital for mitigating the impact of disruptions, maintaining continuity, and fostering adaptability. By aligning crisis management practices with both immediate and long-term strategic priorities, Mitsubishi can not only weather crises effectively but also turn them into opportunities for sustainable growth and innovation.

CONCLUSIONS

This study on marketing risk management for Mitsubishi Group has led to several key conclusions:

The analysis, the research demonstrates that managing marketing risks is a crucial part of maintaining company stability and success. For Mitsubishi Group, marketing risks—including changes in the market, shifts in customer preferences, challenges in digital marketing, and issues related to the company's reputation—have a significant impact on financial performance. Unlike other risks, such as operational or financial risks, marketing risks are often unpredictable and influenced by external factors like market trends or competitor actions. This highlights the need for Mitsubishi to implement specific strategies to effectively address these risks.

In the course of the research, the study identified several challenges Mitsubishi Group currently faces in managing these risks. These challenges include over-reliance on certain markets for key materials, which makes the company vulnerable to supply chain disruptions. Additionally, the lack of flexibility in inventory management hampers the company's ability to respond swiftly to crises. Furthermore, inconsistencies in both internal and external communication can damage the brand's image and erode customer trust, particularly during uncertain times. Mitsubishi's use of a just-in-time (JIT) inventory model has also increased its exposure to risks, such as product shortages during disruptions. Moreover, the company’s digital marketing capabilities and readiness to adapt to rapid regulatory changes are insufficient, which heightens overall risk.

The study also examined successful crisis management practices from other countries like South Korea, Canada, and China. These countries have implemented proactive risk management, digital transformation, supply chain diversification, and automation to mitigate both marketing and operational risks. Mitsubishi could benefit significantly from adopting similar strategies to reduce vulnerabilities and strengthen its marketing operations.

Based on these findings, several recommendations are proposed to improve Mitsubishi Group's marketing risk management. These include diversifying the supply chain to reduce reliance on specific regions, utilizing a combination of JIT and just-in-case (JIC) inventory models to enhance flexibility, and investing in digital marketing tools to improve customer engagement and facilitate real-time data analysis. Additionally, it is recommended that Mitsubishi establish centralized crisis communication plans and enhance its systems to adapt swiftly to regulatory changes, which will help build trust and maintain brand consistency during market shifts.

Another important recommendation is to enhance employee training and establish structured crisis response teams. These teams, comprising members from different departments, should focus on managing marketing risks and improving coordination. This approach will enable Mitsubishi to adapt more effectively to sudden market changes. Training employees and prioritizing their well-being are also essential to ensuring that they are well-prepared to tackle emerging marketing challenges.

In terms of digital marketing risks, the study underscores the importance of minimizing errors in audience targeting, campaign planning, and content delivery. While digital marketing offers significant opportunities to reach new customers, it also carries risks, such as the rapid spread of negative feedback on social media. Mitsubishi Group should employ advanced risk management tools to better manage digital campaigns and prevent reputational damage.

In conclusion, this study underscores that effective marketing risk management is vital for Mitsubishi Group to remain competitive and resilient in a dynamic global market. By adopting proactive risk assessment, investing in digital tools, and enhancing communication and operational flexibility, Mitsubishi can strengthen its capacity to manage marketing risks. These actions will not only help Mitsubishi mitigate existing risks but also position the company for long-term growth and success in a challenging business environment.

The practical implications of this study are significant, as the insights and recommendations can be directly applied to enhance how Mitsubishi Group manages marketing risks. By translating these findings into concrete actions, Mitsubishi and other multinational corporate groups of similar scale can better anticipate and respond to marketing risks, ultimately achieving greater stability and profitability.

All the goals of master's thesis have been achieved and tasks set at the beginning of the research have been completed and disclosed.

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