**Discussions: Toyota Recall Crises**

The recent Toyota Recall Crises is a good example and case study to be used in analyzing how crises are handled in the real world, and to learn practical lessons from the crisis itself. In order to analyze the crisis, several theories have been applied.

**Stakeholders and Crises**

In the case of Toyota Recall Crises, many stakeholders have been affected. In fact, in order to understand the seriousness or the whole picture of any crises, it is crucial to understand how the crises had affected, or will be affecting the many stakeholders involved. Thus, this section will perform an analysis to understand how the crises affected stakeholders. The stakeholders to be analyzed include: consumers, competitors, employees, shareholders, regulation agencies, as well as the public.

*Consumers*. Obviously, consumers of Toyota automotive are the worst affected group of stakeholder due to the crises. Firstly, the consumers may suffer badly from anxiety if the car that they are driving is safe. This is not unreasonable as any issues with the vehicle may cause losses of lives. Secondly, even Toyota will recall the car for free; the consumers are suffering from wastage of time, and are required to send the car back to Toyota. This will definitely create disruptions or disturbance to their normal life. Thirdly, as discussed by O’Rourke (2010), four users of Toyota’s Lexus car were killed in an accident due to unintended acceleration. Apart of that, all of these incidents have caused the resell value of used Toyota car to drop in the marketplace, creating further burden to the existing Toyota car owner (Minhyung, 2010).

*Competitors*. Of all of the stakeholders affected, competitors are the only one benefiting from the crises. Due to the crises, Toyota brand name is hurt badly, and consumers are expected to switch their purchasing decision for other equally famous competitors such as Honda, General Motors, Ford, or Chrysler. However, it is still early to judge how much the competitors can benefit from the recall crises. Besides, should Toyota able to use the crises as a way to enhance its brand name from effective crises recovery process; that will be a totally different story for the competitors in the long run.

*Employees*. The employees are affected adversely as well. Firstly, as Toyota suffer from huge financial losses (imagine that Toyota is forced to recall more cars in a single year in the United States, more than the overall amount of cars sold by the company worldwide, (Kello, 2010)), the financial rewards (probably in terms of bonuses, extra compensation or stock options) for the workforce will be reduced. Besides, it is also reasonable to expect that the employees will also face negative viewpoints from the society.

*Shareholders*. The negative impacts affecting shareholders are very direct and immediate. Due to the crises, the stock prices of Toyota plunge badly. As such, shareholders suffered financial losses in a very short period of time.

*Regulation agencies*. Due to the crises, regulation agencies are forced to carry out extensive investigation on Toyota’s vehicles, for the safety of consumers as well as the public.

*The public*. It may seem that the public is not affected, but that is simply not true. There are many Toyota cars moving around the country and the world. Thus, if these cars are not safe, then the safety of the other drivers will be affected directly. Their lives are put in danger as well. In fact, passengers or the normal people walking around the corner of a street may possibly be hit by a Toyota car as well due to brake or acceleration issues.