CRISIS MANAGEMENT - METHODS AND THEORIES

Irena Arădăvoaicei (Apolzan)[1]
Cosmin Sandu Bădele[2]
Dr. Lucian Ivan[3]

Abstract

Today, we live in a world of multiple crises whose social, economic, and humanitarian impact is becoming increasingly difficult to manage!

The increasing scale and frequency of crises facing contemporary society, driven mainly by climate change, pandemics, and the effects of hybrid threats, are increasingly generating situations of overlapping crises.

Starting from the attempt to define "crisis", the scientific approach aimed to make a comparative analysis of the most used crisis management models, namely the "life cycle" and the "relational model".

At the same time, our research reveals that the practical approach of crisis management complements the classical event- or process-focused view of crisis management.

The evolution of the crises facing contemporary society shows us that the post-crisis phase offers opportunities to learn and prepare for future crises, which entails the development of a circular process of crisis management, in which post-crisis becomes pre-crisis.

Taking as a benchmark the level of threats facing contemporary society - hyper-volatile, uncertain, complex, and ambiguous ("V.U.C.A."), we conclude that for better management of crisis situations by decision-makers, research on crisis management models should be pursued including the "crisis as practice" approach.

1. INTRODUCTION

The word *"crisis"* has its etymological origin in the Greek word *"krisis"*, which in translation means choice, decision, or judgment. It often refers to a turning point or decisive moment, implying that the historical meaning of the word might imply a certain individualism rather than determined action in terms of (re)acting in volatile situations - at least in terms of choosing a decisive moment.

Today the term *"crisis"* is used in policy documents, government reports, newspaper articles, academic papers, political language, and popular speeches. It is also related to a wide variety of phenomena such as tsunamis, hurricanes, plane crashes, chemical explosions, terrorist attacks, political scandals, urban riots, or health problems.

Crisis management is a critical organizational function.

The concept of crisis management, in a general sense, emerged after the Second World War, based on the study of crises, which expanded in the 1960s and 1970s, particularly in the fields of behavioral science and disaster response.

This discipline became an international policy concept following the Cuban missile crisis of 1962. However, it was recognized that organizational crisis management, as a formal management discipline, did not gain real impetus in Europe until after the Chornobyl disaster in 1986.

Until the mid-20th century, organizations mainly faced relatively similar and repetitive crises, the most common threats being natural disasters and workforce issues. This explains why institutions and companies generally planned for these and other relatively similar scenarios with which they were familiar.

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[1] PhD Student at the Bucharest University of Economic Studies (ASE) - Doctoral School of Management, Romania
Expert within the Ministry of Internal Affairs, e-mail: irena.apolzan@gmail.com, aradavoaiceiierena22@stud.ase.ro.
[2] Expert within the Ministry of Internal Affairs, PhD Student at the "VALAHIA" University from Târgoviște.
[3] Expert within the Ministry of Internal Affairs, associate professor at the Bucharest University of Economic Studies (ASE).

Technological advances, increased globalization, and an increasingly fast-paced business environment have forced organizations to deal with new and unforeseen crises with increasing frequency.

No matter what kind of crises arise, they will continue to have a cost.

Contemporary societal crises are developing in ways that are increasingly difficult to detect; they are escalating rapidly, and their frequency is increasing: the migrant crisis, the health crisis generated by Covid-19, the refugee crisis in Ukraine, and the energy crisis are just some of the many crises with a global impact today.

2. METHODOLOGY

The research paper has a predominantly theoretical character, mostly of a descriptive nature and to respond to the research topics we have chosen a qualitative method.

In the context of the documentation process, books and scientific articles published in academic and technical journals were studied, including the *American Journal of Industrial and Business Management, Corporate Reputation Review, Journal of Management, Journal of Public Relations, Public Relations Review, International Journal of Disaster Risk Reduction, Industrial Marketing Management.*

To identify the relevant articles, we conducted searches using the key terms ''crisis'' and ''crisis management''.

3. PERSPECTIVES FOR ADDRESSING THE CRISIS
DEFINING THE CONCEPT OF CRISIS

The interdisciplinary nature of the concept of crisis makes difficult the definition of *"crises"*.

Pauchant & Mitroff (1992), defines crisis as a *''disruption that physically affects a system as a whole and threatens its basic assumptions, its subjective sense of self, its existential core ''* (apud. Pedersen, at.al., 2020, p. 315).

Pedersen, at.al. (2020) define a crisis as *"a sequence of events that can have substantial negative consequences if not managed appropriately. In this definition, an event is a delimited element, with a beginning and end, such that it happens or takes place"* (p. 315).

CRISIS MANAGEMENT THEORIES

Crisis management theories offer insight into the main functions and concepts of how crises should be managed. Although the two terms are frequently used interchangeably, a crisis management theory is different from a crisis management model because models try to represent the structure or application of crisis management, whereas theories are more abstract concepts.

Among the most popular crisis management theories are situational stakeholder theory, crisis communication theory, attribution theory, and contingency theory. Also, theories from management studies and other disciplines have been employed in crisis management, including resilience theory, the diffusion of innovation theory, and human capital theory (Marker, 2020).

RELATED TERMS

In prior literature, similarly appear alternative terms such as risk and disaster. From Pedersen, at.al. (2020) perspective, *"risk refers to the probabilistic likelihood that a crisis may happen and its (often economic) impact",* therefore, they conceive the *"risk as preceding the crisis"*. Disaster generally pertains to *"nature-induced crises",* such as storms, floods, fires, earthquakes, or major accidents. From this point of view*, "disasters are a subcategory of crisis"* (p. 315).

Posthuma et.al. (2022) consider that „*crises are triggered by disruptive deviations of reality from the status quo and current models, shattering expectations and creating feelings of helplessness. Instead of the expected environment, a new reality suddenly interjects itself between people and survival. "*

In the recent research study *Factor Differentiation in Risk Analysis and Crisis Management* Posthuma et.al. (2022), concluded that *"risk analyses are at the root of rational responses to crises, because risk analyses dissect dangerous situations into identifiable risks for which, according to triage assessment, mitigation of the risk is either highly beneficial or non-consequential during the crisis."*

CRISIS AS AN EVENT, AS A PROCESS AND AS PRACTICE

Oscarsson (2022), in the recent study, *Crisis-as-practice: Conceptualizing the role of everyday work practices in crisis management,* argues that the practical approach to crises complements the traditional view of crisis management, which is either event- or process-focused. Hereby, the author presents a comparative analysis of the crisis seen from three different perspectives: as an event, as a process, and as a practice approach, which we summarize in **Table 1.**

Perspectives for dealing with crises	Event approach	Process approach	Practice approach
Analytical perspectives	It focuses on crises as events, on their nature and consequences, as well as on appropriate preparedness measures and response to such events.	It focuses on how crises develop in stages (crisis phases) in order to understand their dynamics, historical arguments and the multiple consequences, as well as on how crisis resilient systems can be developed.	It focuses on the analysis of crisis management from the perspective of the resources that organizations have, in terms of carrying out their specific activities and professional practices.
Empirical approaches	Highly volatile environments like natural and technical disasters, severe accidents and major emergencies as well as the key actors managing these events.	Addresses systemic patterns influencing the different stages in the process crisis.	Targets all actors carrying out activities that have implications for the outcome, directions as well as the survival of a social entity during a crisis.
Ontological perspective	From this perspective, crises are objective events having elements that represent a threat to a social entity.	Crises are self-generated as a result of a prolonged period of "incubation"; they can be manifested by a triggering event. Sequential (linear or causal) phases or steps characterize management.	Crises manifest in certain areas and are treated using situated practices that are appropriate to the context.
Examples of questions related to the field of research	What consists of effective crisis management? What are the factors that ensure success in the process of planning for crises? How is a system brought back to normal?	What have been the causes and the dynamics of the crisis? How do organisations generate their their own crises? What are the links between stakeholders and problems, during a crisis.	What are the actions that makeup the planning activity practice? How can practitioners manage critical situations during a crisis and how do they justify their actions?

Table 1: Comparative analysis of different perspectives on dealing with crises
(adapted from Oscarsson, 2022, p. 4)

Oscarsson, (2022) concluded that *"by highlighting crisis management as dispersed practices that follow the logic of an organization's everyday practices, it becomes possible to argue that crisis management is not exclusively an active and reflexive state, but also something ad hoc, based on resources from routine work practices"* (p.7). The author points out that the "*crisis as practice*" approach can help us to nuance the concept of crisis management by shifting the orientation/emphasis of crisis management as a highly specialized field, dependent on specific practices, to a practice based on a daily documentation activity of the organization that includes elements of crisis management in itself. At the same time, this kind of approach will help practitioners to better understand, engage and improve their own practices, thus making the theory more relevant and usable (p. 8). In Oscarsson, (2022) opinion *"future research should focus more on practice, rather than organizing and management principles"* (p.8).

Jaques (2007) appreciates that *"within a strategic context, crisis management should be seen not just as a tactical reactive response when a crisis hits, but as a proactive discipline embracing inter-related processes ranging from crisis prevention and crisis preparedness through crisis response and on to crisis recovery. When crisis management is viewed in this holistic way the focus turns to process rather than definitions"* (p.148).

4. INTERNAL *VERSUS* EXTERNAL PERSPECTIVE IN DEALING WITH CRISIS

The results of the literature review conducted by Bundy et. al. (2016) and presented in the paper *Crises and Crisis Management: Integration, Interpretation, and Research Development* highlights two distinct perspectives on crises and crisis management that focus on different issues, and which, at the same time, answer different research questions. The first focuses on the internal dynamics of a crisis, while the second focuses on managing the external factors involved.

Figure 1 shows the two perspectives respectively the internal and external in relation to the three main stages of the evolution of a crisis: pre-crisis prevention, crisis management, and post-crisis outcomes.

	PRE-CRISIS **Prevention**	**CRISIS** **MANAGEMENT**	**PORT-CRISIS** **OUTCOMES**
INTERNAL **PERSPECTIVE**	Organizaţional Leadership	Crisis Leadership	Organizational Leading
EXTERNAL **PERSPECTIVE**	Stakeholder Relationships	Stakeholder Perceptions	Social Evaluation

Figure 1: Internal and External Perspectives of the Crisis Process
(adapted from Bundy. et.al., 2016)

In their view, the internal perspective focuses on *"the within-organization dynamics of managing risk, complexity, and technology "* and crisis management involves *"the coordination of complex technical and relational systems and the design of organizational structures to prevent the occurrence, reduce the impact, and learn from a crisis. "* In contrast, the external perspective focuses on *"he interactions of organizations and external stakeholders, largely drawing from theories of social perception and impression management "* and crisis management involves *"shaping perceptions and coordinating with stakeholders to prevent, solve, and grow from a crisis."*

5. CRISIS MANAGEMENT MODELS

A *crisis management model* is a conceptual framework for all aspects of preparing for, preventing, coping with, and recovering from a crisis situation.

By visualizing events through a model, it is considered that crisis managers can understand the context and better apply best practices. To this end, in order to strengthen overall organisational capacity as well as to develop their ability to anticipate, avoid and mitigate crises, theoreticians and practitioners in the field have developed and adapted several models over time.

In **Table 2** we present the most known models of crisis management developed by researchers in the field.

FINK (1996)	GONZALEZ-HERRERO AND PRATT (1996)	MITROFF (1994)	BURNETT (1998)	RELATIONAL MODEL JAQUES (2007)
3 STAGE	*4 STAGE*	*4 STAGE*	*5 STAGE*	*6 STEPS*	*4 CLUSTERE*
PRE-CRISIS	PREDROMAL	ISSUES MANAGEMENT	SIGNAL DETECTION	IDENTIFICATION (GOAL FORMATION)	CRISIS PREPAREDNESS
CRISIS	ACUTE	PLANNING-PREVENTION	PROBING, PREVENTION	IDENTIFICATION (environmental analysis)	CRISIS PREVENTION
POST-CRISIS	CHRONIC	CRISIS	CONTAINMENT	CONFRUNTATION (strategy formulation)	CRISIS MANAGEMENT
	RESOLUTION	POST-CRISIS	RECOVERY	CONFRUNTATION (STRATEGY EVALUATION)	POST-CRISIS MANAGEMENT
			LEARNING	RECONFIGURATION (strategy implementation) RECONFIGURATION (strategy control)	

Table 2: Major crisis models (adapted from Marker, 2020)

LIFE CYCLE MODELS

Life cycle models highlight the relationship between different elements of management and it is mainly based on two elements, namely: some problems that are not addressed early tend to become increasing seriousness and greater risky; the longer a problem goes on, the fewer the options available, and intervention cost and resolution increase.

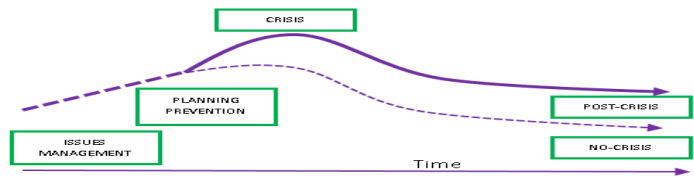|	
González-Herrero and Pratt (1996) analyse how crises follow a sequential path through four phases: birth, growth, maturity and decline (**Figure 2**).	 **Figure 2:** The Crisis Life Cycle (adapted from González-Herrero și Pratt, 1996)
This model divides a crisis into identifiable stages, illustrates how a crisis changes over time and that the cycle does not end, but rather that its effects persist beyond the decline and end of the crisis.	
González-Herrero and Pratt (1996) expanded this model to illustrate the effect of issues management in a crisis situation (**Figure 3**).	 **Figure 3:** Development of Issues with or Without Management Intervention (adapted from González-Herrero și Pratt, 1996)
By applying *problem management* before a crisis occurs, the authors argue that organizations can change the outcome of crises. Previously, the crisis would have reached maturity, to eventually decline into the post-crisis phase. *"In this adaptation of the model, issues management is shown to be effective as the planning stage results in the prevention of a crisis"* (Boudreaux, 2005, p.9).	

Referring to this model, Bigelow et al. (1993) found that *"Issues do not necessarily follow a linear, sequential path, but instead follow paths that reflect the intensity and diversity of the values and interests stakeholders bring to an issue and the complexity of the interaction among the four factors"* (p. 28).

Lamertz, Martens, and Heugens (2003) are critical of what they call *"highly stylized"* natural history models. *"The main source of discontent ",* they argue, *"is that issues often fail to progress along predictable lines, and deviate frequently from the linear, sequential path suggested by evolutionary frameworks."* (apud Jaques, 2007, p. 148).

Jaques (2007), considers that *"a key weakness of life cycle models is that they are linear, suggesting that activities take place in a sequential fashion, leading to some form of resolution. The models also imply that competing issues are managed one at a time, whereas different issues are often managed simultaneously, frequently each at different phases."* Thus, he concluded that, *"in reality issue management is inherently not a linear process"* (p.148).

RELATIONAL MODEL

Jacques (2007) proposes a model in which crisis prevention and preparedness do not always work in one direction.

The model proposed by him *"is predicated on the holistic view of crisis management, that crisis prevention and crisis preparedness are just as much parts of the overall process as the tactical steps to take once a crisis strikes. Furthermore, that the post-crisis cluster of activities has a critical function looping back to preparing for and managing future crises"* (p. 150).

Figure 4: Issue and crisis management relational model
(adapted from Jacques 2007, p. 150)

Jaques relational model (**Figure 4**) comprises four major elements – crisis preparedness, crisis prevention, crisis incident management, and post-crisis management – each built around clusters of activities and processes.

As the author considers, the model's non-linear structure emphasizes that:

- the elements should be seen as *"clusters" of related and integrated disciplines, not as "steps" to be undertaken in a sequential fashion";*

- *while the pre-crisis and crisis management hemispheres of the model have an obvious temporal relationship, the individual elements may occur either over- lapping or simultaneously.* (pp. 150-151).

These elements and the clustered activities are not sequential and, as Jaques underline *"in some cases can and should be undertaken simultaneously"* - for example în the situation of *crisis prevention and crisis preparedness* (Jaques, 2007, p. 151).

In addition, Jacques (2007) proposed that crisis management and the field of problem management are related and integrated disciplines. In his opinion the *"the best way to manage crises is to understand and manage issues"*, and in the context of this relational model, he appreciates that *"the full scope of issue management in positioned in both crisis prevention and post-crisis management "* (2007, p. 151).

More recently, Pedersen et. al (2020) propose a model with five distinct phases: pre-crisis normality, emergence, manifestation, post-crisis normality. Each phase differs in content, duration, and managerial opportunities.

6. CONCLUSIONS

Our research concluded that a crisis is more than just an event. It is a process that takes place throughout the life cycle, i.e. it is born, goes through an acute stage (crisis) and a post-crisis stage.

Linear lifecycle models that focus on a few elements fail to capture the full dynamics of crisis management disciplines.

The non-linear construct of crisis management considers problem and crisis management in the context of interdependent activities and clusters/groups of activities to be managed at different stages. It includes the role of problem management in both the pre-crisis and post-crisis phases.

Taking as a reference model the evolution of crises faced by contemporary society, like Jacques (2007) we consider that crisis management is not a linear process composed of sequential phases in which problems are managed one by one taking into account that important processes and activities often overlap or occur simultaneously.

Taking as a concrete benchmark the evolution of the health crisis generated by the coronavirus pandemic, we consider that the post-crisis phase offers opportunities for learning and preparing for future crises, which involves the development of a circular process of crisis management, in which post-crisis becomes pre-crisis.

7. RESEARCH DIRECTIONS

The crisis can be addressed from the perspective of a single, large-scale event, but, taking into account the way in which current crises develop and overlap, we consider it useful to conduct further research into identifying a management model that addresses the crisis from a different geometric structure composed by a succession of secondary events that occur over a period of time, such as an ongoing process.

The level of threats facing contemporary society - hyper-volatile, uncertain, complex and ambiguous (*"V.U.C.A."*), combined with the increasingly overlapping trends in the way crises manifest themselves, calls for further research to identify appropriate crisis management models, adapted to societal developments.

At the same time, we believe that the *"crisis as practice"* approach requires further research by both academics and practitioners.

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