

STEPS BEFORE THE CRISIS: PLANNING FOR THE SITUATION OF ORGANIZATIONAL CRISIS

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***Abstract:** Crisis planning can make the difference between failure and success in managing them, being essential as an integral part of proactive and efficient management. In many crisis situations the stakes are high and the margin of error - small. If you do not have an effective crisis plan, you should consider, sooner or later, the implementation of this planning.*

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Introduction

Crises usually occur unexpectedly. Although we may be warned of their occurrence, most of the time there is no sign that such an event will occur. The literature captures a multitude of definitions of the crisis, but most of them focus on the fact that they induce a state of abnormality where they occur. It is true that the reputation of an organization is recognized as a valuable resource of an organization. Crises, as well as unpredictable events that may occur in the course of an organization's activity, threaten to damage the reputation of any institution in front of them.

One more element must be mentioned to make things clear: not every problem is a crisis. It is better to be prepared for everything that is worse, but it is very important to recognize what a crisis really is.

Although it is possible that the plan for a possible crisis situation will never be used, if the darkest scenario in the organization's activity is true, this plan will keep things afloat. Planning is the common denominator of all successful crisis management campaigns. Crises occur periodically in organizations, and the way they are managed and their impact depends on the quality of the planning. Because at the time of planning the triggering event of the crisis has not yet occurred, the

coordinates of the potential crisis remain unclear, but planning the generic way of managing a crisis helps the organization to move through the crisis period more easily.

The organization must prepare for crises with a high probability of occurrence, but also for crises with a low probability of exclusion, but with a major impact. Crisis planning is the foundation for crisis management and controlling its impact on the company.

Research methodology, data, results and conclusions

The effects of the crisis:

According to the experts, there are two types of crisis effects: those related to the material component and those related to the symbolic one.

If regarding the material losses things are clear, regarding the symbolic or existential component, as it is called, the specialists' opinion is that the effects of the crises within the organization are:

The first effect is the threat of the whole industry, sector or branch of activity that has a connection with the crisis. A negative image left by a crisis can have repercussions on the whole field because the public will extrapolate the situation and believe that all those who have business in the field can make the same mistakes, with the same consequences for the customers.

The second major effect of a crisis is to change the strategic mission of an organization due to the bipolar perception (good / bad) by the public opinion. The crisis has the power to cast a bad image on the entire activity of the organization. Nothing the organization did before is considered good, everything is forgotten.

The third effect occurs at the individual level. Crises disturb the subjective world of the individual, the way the world perceives itself, the sense of self-evaluation, power and identity, the internal balance. A crisis does not only affect the physical structure of an organization, but also its symbolic system, the organizational culture, the entire human resource within and outside the company : symbols, traditions, beliefs, myths, values, everything that defines the community.

The defining characteristic of the crisis is the inevitability (<https://asfromania.ro/>) and that is why it is no longer important to know the conditions under which we can avoid such events, but rather what we can do to get the most out of them. The point on which the vast majority of specialists have agreed is that such a situation is a turning point for any system. It can become a moment of success or failure for the individual or

organization, by the way he treats the crisis. An organization can suffer both physically and symbolically due to a crisis. This is due to the fact that the subject of the crisis draws public attention to the organization and may cause a negative image regarding it.

The situation is extremely sensitive considering that the first to suffer is the reputation and through it, the entire organization. The fulfillment of the mission of any organization is obviously dependent on its audiences and it is not advisable for them to lose their confidence in it.

As a result, something needs to be done to remedy the situation as soon as the crisis has started. Here comes the difficulty of the moment. The situation is such that it is very difficult to gather all the information necessary to outline the state of affairs and to mobilize the right people in a timely manner for the necessary actions.

Confusion is the only sure element, and the members of the organization must have acquired the means to solve the crisis, and these cannot be learned when the time and emotions of those around us are not favorable.

Therefore, there is a need for each organization to prepare ahead of time for crisis confrontation: to eliminate any element within the company that could lead to such a situation (if identified); to build a healthy organizational culture that will allow the implementation of crisis strategies, and when they have failed, be prepared to resolve it. It is here that every member of the organization is prepared for any scenario. This is the greatest chance that such a situation offers us: even if we cannot avoid facing a crisis, we can still, through sustained efforts, turn the circumstances in our favor.

Crisis events are related to:

1. The precursor stage which is the focus phase;
2. The acute phase that announces the eruption of the crisis;
3. The chronic phase that constitutes the post-crisis stage. The chronic stage may be prolonged for an indefinite period. But the strategic crisis management plan can shorten this phase.
4. The state of crisis resolution.

It is clear from the ones mentioned so far that it is necessary for any organization to be prepared with a crisis management plan that will at least help the company reduce or even eliminate the negative effects of such events.

That is why there is a growing recognition among corporations that crisis management must be institutionalized and all key business functions

must be shaped around crisis prevention and management seen as an integral part of the planning process.

At present, organizations must adopt a holistic viewpoint and establish a solid emergency plan of which crisis management is only one element. In order to be useful, crisis management must be incorporated into the organization's corporate management system.

Planning for crisis situations

Crisis management is a systematic approach that involves the entire organization in crisis prevention efforts that could affect the company, while ensuring efficient management of the situations in which the crisis occurs. The objective of organizational crisis management is to enable timely decision-making, based on a clear analysis of available information. The most efficient way of crisis management involves both a proactive and a reactive approach.

Most crisis management planning and business continuity proposals involve, in one form or another, the following steps:

1. **Preparation** - the first stage of the planning process, which includes the following activities:

- Appointing the person responsible for developing the crisis plan - the person who has to consider building a team by involving the right people in the process of developing the crisis plan, as well as communicating effectively with them;
- Gathering information, including from experience of similar organizations regarding size, field of activity, etc.;
- Understanding the risks - the probability of their occurrence and the impact on the organization; the risks to which a business is subject can take various forms depending on the type of business, the sector of activity and the country in which the activity is carried out. However, the company may have many risks in common with other organizations in the sector or area of activity, which is why there is an opportunity to learn from the experience of others.
- Development of plans - response to identified risks;
- Evaluation of crisis plans elaborated in the past and of the way in which they were implemented.

2. **The analysis of the crisis** is the next step after its occurrence and involves:

- Identifying and understanding the coordinates of the crisis;
- Assessing the threats caused by the crisis:
 - Threats of a human nature (individuals, organizations, health problems, death, etc.);
 - Threats of an operational and material nature (disruption of supply, loss of access to essential assets, burglary or vandalism, etc.);
 - Reputation threats (damage to the market image);
 - Threats regarding the procedures (failures regarding taking responsibility, fraud, etc.);
 - Threats regarding customers, suppliers, employees (failures regarding the fulfillment of obligations, creating a dependency on these third parties);
 - Financial threats (business failure, stock market, interest rate, etc.);
 - Threats of a technical nature (technical failures, computer viruses, ability to adapt to technological progress);
 - Threats regarding natural factors (natural disasters, accidents, diseases, etc.);
 - Threats of a political nature (change of fiscal regime, government policies, public opinion, etc.).

The evaluation involves the elaboration of a list of threats, the evaluation of their associated impact and the selection of the most significant ones, in order to establish the area of application of the crisis plan. Both the identification of threats and the selection of the most relevant risks for the company can be achieved by conducting brainstorming sessions, meetings with department heads, all those who are directly involved in management activities.

3. *The planning of the company's response* to the crisis is realized by building on the planning from the first stage; thus, the organization will react rationally and proportionally to the intensity of the problem, not chaotic and random; the result will be better, and the implementation will mean much less stress, frustration and confusion for those involved.

In order to plan the organization's response, the following activities must be carried out:

- Obtaining all the necessary information, including those regarding the crisis procedures specific to the organization;
- Identification of stakeholders interested in the crisis;

- Identifying the people who will be affected by the crisis, who have information and who will be involved in planning the organization's response;
- Allocation of the resources necessary to implement the response plan;
- Establishing the coordinates of the communication process (with whom it will communicate, what will be the message and by what means);
- Establishing the criteria for evaluating the crisis situation, in order to identify the moment of its conclusion and move to the next stage;
- Approval of the plan by the parties involved.

4. *The planning of the recovery mode after the crisis* aims to return as quickly as possible to the initial situation. To complete this stage, an answer to the following questions will be sought:

- What should you do to recover from each impact generated by the crisis situation?
- How will the transition from the commitments made in response to the crisis situation be realized?
- What subsequent procedures will need to be implemented at the level of staff and stakeholders?
- How will the lessons learned be integrated into an updated crisis plan?

Therefore, one of the best solutions for crises is to plan crisis situations, thing that can make the difference between failure and success in managing them, being essential as an integral part of proactive and efficient management.

In many crisis situations the stakes are high and the margin of error - small. If you do not have an effective crisis plan, you should consider, sooner or later, the implementation of this planning.

Conclusions

The crisis management plan helps employees adopt an approach focused on emergencies, which is useful for managers to make quick and relevant decisions related to the necessary actions. Crisis management planning involves developing actions to save the organization's reputation and maintain it on the market, providing a detailed picture of the roles and

responsibilities of employees during the crisis. Crisis plans protect the organization from the inevitable threats caused by the context and reduce the instability and uncertainty among the employees, helping them to focus on their activity. By planning ahead, all parties involved will have time to think seriously about the most appropriate ways to manage different types of crisis.

In developing the crisis plan, it is important to involve all stakeholders, from the management team, employees, clients, communication experts, investors, to financial managers, because each of these categories can provide valuable information, which can be vital while a company is going through a crisis. And of course, it is intended that once the crisis has passed the clients remain with the company, which will be given by the way the company reacts during the crisis.

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