



Encyclopedic Dictionary of Public Administration

The reference for understanding government action

CRISIS MANAGEMENT

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A crisis has been defined as “a situation that threatens the high-priority goals of the decision making unit, restricts the amount of time available before the decision is transformed, and surprises the members of the decision making unit by its occurrence” (Hermann, 1972, p. 13). Crisis and risk management is not simply a matter of public relations, but instead calls for strategic and proactive measures, a culture of prevention, well-tested preparedness and mechanisms for detecting and catching “weak” warning signals in time. Another, somewhat fuller definition of the word crisis is given by Pauchant and Mitroff (1988): “a disruption that physically affects the system as a whole and threatens its basic assumptions, its subjective sense of self, its existential core.” The authors go on to say that a crisis “can threaten the legitimacy of an entire industry... reverse the strategic mission of an organization” and “disturb people’s subjective world: the way they perceive the world and themselves; their inner sense of self-worth, power and identity; their inner cohesion”.

The word crisis comes from the Greek *krisis*, designating the action of distinguishing, separating, choosing or judging. The earliest use of the word in English dates to the 16th century, in reference to a turning point, either for better or for worse, in the course of an illness; by the 17th century, the meaning of “crisis” had extended to designate an important or vital stage in the progress of anything. Today the term is applied especially to times of difficulty, insecurity and suspense in politics or commerce. (*Oxford English Dictionary*; see also Bolzinger, 1982, pp. 475-480; Béjin and Morin, 1876, pp. 1-2).

The field of risk and crisis management developed as advances were made in the discipline of risk analysis (or risk assessment), which is concerned with industrial safety and the anticipation of post-accident crises. Researchers in this field introduced the notion of major technological risk (Lagadec, 1979 and 1981). Knowledge about natural and human-related disasters, risk assessment and crisis management has grown as a result of work by sociologists, anthropologists, geographers, psychologists, international relations specialists and, more recently, researchers in administration and management science (Lagadec, 1991, pp. 13-15).

It is sometimes tempting to reduce crisis management to managing media coverage of a crisis or disaster. While this aspect is important, crisis management encompasses much more. It is an ongoing process that should be an integral part of an organization’s management and culture. Crisis management requires considerable organizational and management skills. Crucially, those in charge must have the ability to think “far outside of the boxes” and imagine the unimaginable, as

CRISIS MANAGEMENT

well as being able to gain support from every unit of the organization (Mitroff, 2001, p. 121 and p. 151).

The issues of safety and crisis vulnerability in high-technology systems are viewed differently by two schools of thought (Sagan, 1993, p. 46). Researchers belonging to the “high reliability” school hold that a certain number of preventive measures can be put in place to avoid accidents. According to this approach, the reliability of an organization can be reinforced through wise design and management techniques, redundancy in employees’ duties and the information they receive, decentralized decision making and a culture that places high priority on safety, along with trial-and-error learning, supplemented by anticipation and simulation (Sagan, 1993, p. 27, citing La Porte, 1982; Weick, 1987; Rochlin, La Porte and Roberts, 1987; Roberts, 1989 and 1990; La Porte and Consolini, 1991).

The other school of thought espouses the “normal accident” theory, according to which accidents are inevitable in highly interactive, “tightly coupled” systems, since the goals of safety and prevention must compete with other organizational objectives like continuity, productivity and profits (Perrow, 1984). According to Perrow, it is impossible for organizations to “train for unimagined, highly dangerous or politically unpalatable operations.” In addition, an inherent organizational contradiction arises from the fact that “decentralization is needed for complexity, but centralization is needed for tightly coupled systems” (Perrow, 1984, cited by Sagan, 1993, p. 46; Rasmussen, 1990; Reason, 1990, cited by Smith, 2000, p. 66).

Unlike private organizations, public organizations do not have to struggle with the same choice between productivity and safety, since they are more concerned with the social sphere than with economic profits. However, they have certain characteristics that lead to silo management in times of crisis, rather than fluid, effective, integrated horizontal management. Dupuy (1999, p. 5) identifies these characteristics as the high formalization of tasks and procedures, legal obligations that hinder decisional flexibility, and a culture of bureaucratic protection.

Crisis management can be viewed as involving three phases (Pauchant and Mitroff, 1982, p. 163). The first phase consists in preparing for crises, taking preventive measures and being aware of early warning signals to watch for. According to Mitroff (2001), organizations should be ready to deal with seven kinds of crises. These are economic, informational, physical and reputational crises, as well as those related to human resources, psychopathic acts and natural disasters. Organizations should encourage an awareness of prevention and develop a system that alerts them to any “trail of early warning signals.” Professional ability (including stress management and media readiness) and organizational skills (such as flexibility, maintaining communication flow, rapid resource mobilization and response capacity) can be tested and improved. This initial phase in crisis management can be summed up as corresponding to two mechanisms – *anticipating* and *sensing* (Mitroff, 2001, p. 40).

The second phase corresponds to the set of actions adopted by an organization in order to recover. During this phase, one of the most important aspects of crisis management – damage containment – is undertaken to ensure that the crisis does not spread to other sectors of the organization or network. This aspect takes on particular strategic importance in the highly interdependent relationships that characterize today’s systems (the organizations themselves), subsystems (divisions or units) and supra-systems (broad networks and infrastructures like the energy or telecommunications industry). Decision quality depends on “the quality of information inputs into the decision process... the fidelity of objective articulation and trade-off articulation... and cognitive abilities of the decision group” (Smart and Vertinsky, 1977, p. 640; Cooley 1994, cited

CRISIS MANAGEMENT

by Smith, 2000). The measures taken during this second phase correspond to the actions of *reacting* to the crisis and *containing* it (Mitroff, 2001).

Finally, in the third phase, an organization that has come through a crisis should draw lessons from it and recognize the weaknesses that led to it or hindered its effective management. However, it can be difficult to take this approach in the aftermath of a crisis, since organizations may be tempted to cover up their errors rather than to learn from them (Sagan, 1993, p. 46). Such is the power wielded by experts that organizations may again make decisions based on scientific rationales that induce an erroneous belief in the invulnerability of systems, strategies and structures (Pauchant and Mitroff, 1988; Smith, 2000). According to Mitroff (2001), blaming individuals should be avoided except in cases of criminal malfeasance or negligence. The focus should instead be on lessons learned, as well as on redesigning systems and mechanisms to reduce the possibility of future crises and mitigate those that occur. This third phase may be thought of as corresponding to the actions of *learning from* a crisis and *redesigning* crisis management procedures. (Mitroff, 2001, p. 41).

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CRISIS MANAGEMENT

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