

Crisis management – meaning, need and its features

[Business](#), [Management](#)



Crisis is defined as a decision point or a vital moment. In the purview of a business, crisis may be defined as an unforeseen significant event, which if not prevented, can potentially endanger the company's production, labor, employment, customers and reputation. The occurrence of a crisis, whether in business or not, creates a sense of urgency which requires immediate action and resolution (Siliconfareast. com, 2005). The type of crisis would mainly depend on the type of organization and nature of the company's business.

Crisis management may be defined as actions undertaken by a business in response to a threat, which if not given a solution, may endanger its continued operation. Crisis management has a wide scope which includes the development of plans and strategies which may lead to the reduction of risk of crisis. An efficient and effectual crisis management group takes a look at all aspects of the business. It should take into account assessment of crisis circumstances as well as the performance and maintenance of these plans in order to at least soften the impact if a crisis hits.

There are also instances which cannot be foreseen even by careful and meticulous planning. Even though a business is running smoothly today, there is no assurance that it will still have that stability in the following days due to factors that a business owner may not be able to control such as economic factors, enactment of a law and a fast-rising competitor. At one point or another, there are also situations which if given immediate attention may prevent the happening of a crisis. Good decision making can avoid the pitfalls of a crisis and save the company a lot of time and resources.

The right manpower also contributes to the success or failure of a business operation (BNET Business Dictionary, 2009). It is an utmost necessity for every business or organization to have a crisis management team. The crisis team aims to efficiently manage the resources of the company and reduce the anxiety during the happening of the catastrophe. This team enables the company to plan an immediate response to the area that is most affected by the crisis and it also helps the companies to urgently attend to the needs of the parties adversely affected by the crisis.

The crisis management team also plays a great role in containing the financial exposure of the company and minimizing the adverse effect of the crisis on the company's reputation. Prevention is better than cure. In the same way, the people responsible for the crisis management should have a strategy before, during and after the occurrence of a crisis. The plan involves following three stages. First, there should be a pre-incident stage which involves the identification of possible crisis that may arise as well as the development of a corresponding emergency plan.

In this stage, a record of all the possible risks operating in the community must be taken into consideration. Second is the incident stages which should cover the management of an ongoing crisis situation. And third is the post-incident stage, which includes actions such as correction and prevention in order for the same crisis not to happen again (Siliconfareast. com, 2005). There are six significant points to remember in order to be successful in crisis management planning. The first important point to remember is that an effective crisis management plan should involve a good communication on a regular basis.

Communication is an essential tool not only in crisis management but also in the success of a business. No matter how well a crisis is being internally managed, if information is not passed on accurately and timely, loss will occur in the company. During these times, people would definitely want to know what's going on. In order to properly prevent a crisis, communication is important especially to those businesses and organizations which are not in the same geographical area with each other.

Managers and supervisors should be more visible and communicative in discussing preventive and corrective measures because their involvement gives a sense of security to the employees. The people responsible for these organizations may not have the luxury of time to constantly meet with each other in person. A good example would be public and government organizations. In order to survive a large-scale crisis, constant sharing of communication is needed. The second important point to consider would be to make the most out of the existing available resources. A good relationship with the media is essential for the crisis damage control.

Media also improves the communication channels including feedback monitoring. One of the problems that a crisis management team encounters is failure of communication. In a typical crisis scenario, the perceived outcome maybe depends deeply on the detail that the media conveyed. It is no secret that the public relies heavily on the media for information. An effective crisis management team defines clearly the roles and boundaries of each and every member so as to make the plans and strategies perfectly understood by all participants. This is the fourth point to consider.

The fifth point to consider is the establishment of trust together with a strategic planning strategy. Fiduciary relationship among peers and fellow co-workers develops a certain comfortable feeling thereby building a strong foundation amongst them. Trust is essential in the success of every business. The sixth and final point to consider is that an efficient crisis management team should discuss potential problems inherent in group dynamics. The most important part of teamwork is the contribution of ideas. In crisis prevention, everybody's output is necessary. (Chandler, Wallace & Feinberg, 2007).

The management of crisis situations needs a good preparation strategy which anticipates every angle of a possible crisis situation. In responding to a crisis, awareness is extremely relevant. Awareness of the structure of management will most likely lessen or even avoid the impact of a crisis. The disastrous effects of a crisis hit can be minimized by a responsive, timely and highly organized management team (Serco, 2006, p. 3). It is suggested that one of the best and most valuable approach that a management crisis team should consider taking is the ' best-case, worse scenario approach'.

This particular crisis approach gives the management wide latitude to consider in preventing and taking the necessary measures. By anticipating the worst that could happen to a business, even the slightly potential mishap is accounted for and all the potential solutions to these problems have been studied in every angle thereby giving the company a greater chance of survival. Making smart decisions before hand and considering all aspects of a business as well as potential factors that may contribute to the crisis is much recommended than waiting to make a decision when there already is a crisis.

Crisis can be considered as an enemy that every business or organization experiences at some point. In the same way that no soldier goes to battle unarmed and with no strategy, no business should continue without so much of an emergency management tactic. Adapting this strategy helps the company minimize the adverse effects of a crisis (Mintzoff, n. d.). Preparing for a crisis is something that most people steer clear of. People do not want to think that something negative might happen to them and to their business but no matter how difficult this is to a person or organization it is very practical to do so.

Disregarding or underestimating potential crisis may be a common mistake for some people but this should not be the case. Crisis prevention is a big part of crisis management planning and every business that is responsible enough to prepare for such event usually gets the best out of the situation. The occurrence of crisis in the world of politics, economy and business is not to be taken lightly due to its adverse effects. However, crisis may also be viewed as an opportunity for a business or organization to get a chance to reexamine their business strategies and priorities in order to survive other possible incidents to come.

An excellent management team may not completely eradicate the destructive effects of a crisis but at least it may be capable of reducing any potential ruinous effects of a certain crisis. References BNET Business Dictionary. 2009. Business Definition for: Crisis Management. Retrieved April 23, 2009 from <http://dictionary.bnet.com/definition/crisis+management.html> Chandler R. , Wallace, J, Feinberg, S. 2007. Six Points for Improving Crisis Communication Plans. International Video Conferencing Incorporated.

<https://assignbuster.com/crisis-management-meaning-need-and-its-features/>

Retrieved April 23, 2009 from [http://www. ivci. com/pdf/tandberg-whitepaper-crisis-business-communications. pdf](http://www.ivci.com/pdf/tandberg-whitepaper-crisis-business-communications.pdf) Mintroff, I. n. d. Managing Crisis before they happen. Amacom ISBN. Retrieved April 23, 2009 from [http://www. ensembleresultats. be/resultaten/web. nsf/0/74cdf58de11df5afc1256f23003b5f85/\\$FILE/Managing%20crises %20before%20they%20happen. pdf](http://www.ensembleresultats.be/resultaten/web.nsf/0/74cdf58de11df5afc1256f23003b5f85/$FILE/Managing%20crises%20before%20they%20happen.pdf) Serco. 2006. Crisis Management Approach. Retrieved April 23, 2009 from [http://www. serco. com/Images/Approach%20to%20Crisis%20Management_tcm3-13016. pdf](http://www.serco.com/Images/Approach%20to%20Crisis%20Management_tcm3-13016.pdf) Siliconfareast. com. 2005. Crisis Management. Retrieved April 23, 2009 from [http://www. siliconfareast. com/crisis-management. htm](http://www.siliconfareast.com/crisis-management.htm)