

# Problem statement research proposal

Business, Company



## **Application Week 8 Problem Statement**

### Background

In December 2001, American Energy multinational-Enron collapsed leaving more than 20, 000 employees stranded! The company, which, had more than \$100 billion in annual revenue collapsed not largely due to the financial scandals that came to the surface, but due to lack of proper crisis management tactics (Hodak, 2007). Enron led a horde of other big companies in poor crisis management, which led many companies to institute crisis management plans. However, many companies are still getting it wrong when it comes to crisis management as witnessed by the recent global financial crisis of 2008-2009 when several companies suffered closure and drastic losses. These events underscore the importance of all companies having proper crisis management plans in place to handle a financial crisis, employee-centered crisis, and debt crisis among other issues.

When companies are facing one or more forms of crisis, they are bound to lose public or investor trust, loss of business, loss of market share and ultimately declining profitability (Lester, 2010). Even if many companies do not face closure, crisis can severely dent the growth of the company at a time when business competition has intensified massively. Companies can take long periods, and it can be a torturous journey for them to get back on their feet. These issues necessitate research into ways and means of helping organizations come up with practical approaches to crisis management.

## **Purpose statement**

The purpose of this study shall be to offer differently sized companies solutions in crisis management. The study shall involve a literature review or study into the topic from post-doctoral studies since they provide an overview of the underlying issues in the modern business world (Boud & Tennant, 2006). The reserch shall then establish the qualitative aspects of a proper crisis management plan (reasons, scope, nature, and requirements). In addition, the research shall offer quantitative data or numerical figures on the composition, resources allocation, and frequency of meetings among other issues. The qualitative and quantitative studies shall then merge as a complementary piece that offers solutions to crisis management.

## **Research question**

The main research question shall be-

How can differently sized companies come up with effective crisis management teams capable of handling diverse challenges of crises in a cost effective and sustainable manner?

The mixed methods research is the best to use in responding to the above research question. This method shall entail the use of qualitative and quantitative research methods. The quantitative study shall entail sending out internet-based questionnaires to 30 managers from differently sized companies. The qualitative study shall employ a one-on-one interview with ten of the respondents to the overall study. The questions for each study shall be set in a manner to elicit descriptions from the respondents (questions beginning with how, when, what shall guide this part of the

study). Questions beginning with how many, what is the frequency among others shall guide the quantitative study. According to Newman et al. (2003) a mixed methods study stands to offer practical solutions to the problem since the data obtained is usually complementary.

### **Theoretical or conceptual framework**

All businesses should anticipate that at some point in their existence they should face a crisis. A study by Campello et al. (2010) on the impacts of liquidity management during a crisis showed that crisis management should primarily entail prudent management of an organization's finances.

Monetary resources are at the core of proper crisis management since money controls many of the resources and activities such as human resource management. Going by Wooten and James (2008) study, human resources management in issues about leadership and development of competence is also a cardinal issue in crisis management. Modeus et al, (2012) also showed that human resource issues are usually a major cause of crises in organizations and having a cohesive and motivated human resource team can significantly help an organization to weather a crisis. As such, organizations that set aside monetary and human capital resources are bound to come up with better and more effective crisis management plans.

### **Significance of the study**

The study is significant because it addresses an issue that is pertinent in the modern business world. Moreover, crises are always evolving and hence the need for this study to offer a pointer into the universal basics of handling crises in organizations.

In order to persuade a faculty member to serve on my doctoral committee; I would state that my topic of study is quite relevant and practical to solving problems in the real world. I would state that the frequency of crises in companies is rapidly increasing and hence the necessity for my study to providing practical solutions. I would also refer to my high quality of study and in-depth research on the topic and hence my requirement that they give me audience.

## References

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