CONCEPT OF CRISIS MANAGEMENT MODEL

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ABSTRACT
In order to be able to strategically manage the crisis situations within business environment, it is essential to talk about the process of crisis planning, as well as strategy management within the organization. To achieve that an adequate training of staff is necessary, in addition to that the analysis of the situation and search for alternative solutions are required. To be able to properly get prepared for a crisis planning and strategy management process, both scholarly discussions and practical solutions are necessary. Action planning enables management to not only evaluate the dynamics within a business environment, but also evaluate similar changes related issues. In this way, action planning based on crisis management model may be helpful in integration the constituent parts of a strategy process and developing the crisis management perspectives.
Keywords: Crisis situations, crisis management, crisis development, management, theoretical model

1. INTRODUCTION

Scientific problem: a conceptual paradigm of the phenomenon under discussion is applied: crisis planning and management strategy within the business environment is analyzed, at the same time emphasizing the synthesis of social sciences. The analysis of this social phenomenon requires a multidisciplinary approach. The object of the analysis is an axis for several social sciences. The strategic dimensions of employee identification in organization have theoretically been based.

The object of the article: - strategy of crisis planning and management basing on the crisis management model. *The aim of the article* – present the theoretical aspects of crisis planning and management strategies using them in formation of crisis management model. *The objectives:*

1. To analyse the theoretical aspects of crisis planning and management strategies in the context of different social science fields.
2. To construct the crisis management model seeking to improve the crisis situation diagnosis in a company.

The methods of data collection and analysis: the analysis of scientific literature, deduction logic – practical construction method of theoretical perspective.

2. CONCEPTUAL ANALYSIS OF CRISIS PLANNING

Recently most attention in the research literature has been paid to analyze the corporate crisis issues. Research literature mainly deals with economical crisis aspects. To analyze corporate crises, the following scholars, such as Altman (1968;1971;1983), Ellliot (1995), Ansoff (1987), Alešina (1997), Fink (1986), Kash (1998), Darling (1998), Čumikov (1998), Roselieb (1999), Hauschildt (2000), Bartl (2000), Šarafanova (2001), Barvin (2002), Petuchov (2007) devoted their publications. In Lithuania the topic under discussion has been reflected by the publications by Janulevičiūtė (2003), Bielevičienė (2003), Dambrava (2003), Garškaitė, Garškienė (2005), Virbickaitė (2006; 2007), Valackienė (2007, 2009), Krašenkienė (2007); Stundžienė (2006), Boguslauskas (2006), and others.

The authors structure the crisis situations, point out their economical expressions, and describe the crises diagnostics methodology and the ways of solving them. However, the social aspect of this phenomenon has been researched to a lesser extent. If crises are treated as a social phenomenon, then the reasons for the crises are more complicated to define and assess. While doing research into the abovementioned social phenomena – an employee's self-identification and crises management, the following methodological difficulties are encountered: preparation of the research instrument and presentation of the analysis.

I dare say that the management in each organization should know the weak points in their personnel management and should have a built-in advance employee identification strategy, which would accelerate the process of the employee's adaptation to the organizational goals and values and

stipulate his/her efficiency and work satisfaction, in order to manage crisis situations. Complicated business environment encourages looking for new ways to evaluate the situation in which changes have taken place, as well as adapt and manage the continuity means for further activities. In crisis planning process discussions and future perspectives are essential. The plan has to be formulated and tried out in order to see whether or not it will be efficient and useful to the organization.

While evaluating the plan it is firstly necessary to renew and evaluate all the most essential aspects of crises planning. For that adequate staff training is necessary, alongside with the analysis of the situation and search for alternative solutions. Consequently, both internal and external aspects of analysis are essential in the crises planning process.

It has been proved by *public communications researchers* P. Shrivastava, I. Mitroff, D. Miller, A. Miglani (1988), that mass media is a very important external agency acting as an intermediary after a crisis has taken place. After a crisis has taken place, the management of the organization should cooperate with the media in order to maintain the reputation of the organization, to present truthful information which might be quite distorted if mass media is avoided. It also functions as a means of information to the clients, suppliers and all interested parties; therefore it is essential that the information presented is clear, accurate and informative. The management of the organization should have the public information prepared beforehand, as speaking on the spot presents a possibility to even worsen the crisis situation of the organization. Contacts with mass media have to be maintained not only in the face of a crisis situation, but also in the absence of a crisis, as an organization should have good relationship with mass media representatives, a factor essential in implementing the process of the organization's strategy.

P. Schoemaker (1997) notes that crisis management is like a multidisciplinary process, which cannot be left only to the public relations department. This social phenomenon is treated in the convergence of separate sciences: personnel management, psychology and management.

In the aspect of personnel, crisis management requires the involvement of managerial groups. In the process of crisis management system people have to take active participation, otherwise it may lead to the collapse of the organization. However, there are managers who are not convinced that crisis management is worth the effort.

I. Mitroff (2004) states that if the managers' readiness is not appropriate, then crisis management and communication with external agencies becomes problematic. Failure to give a timely response, inappropriate or distorted information through poorly functioning communication channels, detailed external control cause serious consequences and high stress level to the managers.

A crisis management process may have various consequences to the organization. Some organizations plan and respond to each imaginary crisis that might make a descent on them. A wide overlook of possible issues is a welcome factor. Managers should try to discuss solutions which might help find a compromise regarding the position and reputation of the organization, although such ways might also cause a risk. Staff involvement into the crisis management process should not be emphasized. All this has to be considered in advance. This is closely related to crisis planning.

Research literature on psychology offers typical crisis management approaches. Z. Sheaffer and R. Mano-Negrin (2003) note that organizations may be characterized by two aspects: preparation for a crisis and recovery after one. Preparation is such a state within the team, when it is prepared to forecast both the internal and external circumstances of their competitors. A recovery after a crisis is a positive state, when all of the abovementioned components cease to exist. An existing crisis management plan is necessary, although it is not sufficient, as there is a danger that the organization will ignore the warning signs or will cause a threat for a crisis to take place due to a very high degree of dependability to the existing plan. Plans may create wrong senses of preparedness, which in reality do not seem to exist.

Analyzing crises management in the managerial aspect, it has been proved that it is still an unexplained field and it covers several methodological schools. The main strategic thinking within an organization is to use technological analyses and decision making processes. This strategic thinking was applied for various type enterprises and in most industries, mainly as a result of growing and competitive functionality. J. Thompson, F. Martin (2005) divided the strategic process under three main features: formulating a strategy, implementing a strategy and evaluating it. Some authors object to this kind of division and states that this division of a strategy under three features seems more convenient rather than realistic, therefore he promotes a holistic view to the whole strategy process.

The decision making strategy finds it very useful to analyze intermediaries and their impact to the organizational culture. The attractiveness of the potential strategy is its capability to support the factors which are welcome within an organization, as well as what it is possible to do with the resources and competences available.

Implementing a strategy is related to choosing an efficient strategy within an organization, which means implementing the strategy in practice. Strategy implementation always determines efficient management and may significantly influence implementation of success for the whole strategy. The evaluation of the strategy is probably a less researched part of the strategy, although it is a very important factor in successfully choosing a strategy. This is not only related with execution or means of execution, it also signals when it is time to make corrections to the strategy and quickly changes the external environment. The evaluation of strategic thinking and moving planning towards strategy management helps the strategic thinking remain heterogeneous. Various technologies have been invented to promote wider thinking regarding the stage of strategy formulation and one of such stages being action planning.

Action planning, as an approach to strategy, acquires a high degree of unexpectedness in the business world. It has its roots in the military planning during WWII, although it was not until the 1970s when it was related to business. Action planning helps organizations analyze the external environment. P. Schoemaker (1997) describes action planning as "a disciplined method to imagine a possible future". In this way it helps avoid the thinking, such as "what has happened" and "who is going to work now?" when alternative future is being considered. This demonstrates that action planning is related to unrest and confusion. Therefore, both action planning and strategic thinking are closely related to crises management and all the three elements are directly interrelated. The more organization management direct their strategic thinking to action planning, the easier crises management process is going to be with fewer negative consequences.

External business environment and organizational structures tend towards changes. Globalisation, demographic changes, changes in the social structures and events related to economy has gained a dramatically scale in the recent decade and this scale is going to remain in the future. Such an observation about increasing changes and difficulties influenced the increase in skeptical commentaries related to the rational attitude to the strategy. Action planning helps properly look to the future.

In order to decrease the level of uncertainty in action planning it is important to set the action rules, which will act as guidelines executing the complicated action planning. P. Schoemaker (1993) emphasizes that rational planning is important, although not sufficiently long tem in the business environment. Each action plan has a story behind it, in terms how various elements can interact under current conditions. Action planning most often encompasses the elements which cannot be easily modeled; therefore a story about them makes the action plan more easily understandable. P. Schoemaker (1993) offers integration into the strategy process, expanding its role into the internal and intermediary analysis.

Analyzing strategy management, it is seldom when the crisis management aspects in the strategy process are substantiated. An occurrence of crisis may alter the enterprise's orientation in terms of limitations of operations or making the enterprise cut on costs. Crises may also make organizations go another direction. Crisis management and strategic management have similarities, such as evaluation of environmental conditions, including the evaluation of intermediaries and their importance to the management. J. Preble (1997) states that crisis management has to be an important part of the strategy management process and that the managers have to recognize the importance of strategy in the crisis management. Among other things he notes that various personal, psychological and behavioral processes affect this attitude. Most enterprises have detailed crisis management plans, however a very small part of those plans are realistic in the strategy process. If both processes – crisis management and strategy management are correctly evaluated, the organization can be looked at with a perspective. People play an important role in the strategy planning and implementation. An individual's involvement into a project, its execution and the evaluation of the crisis management plan are truly essential in the organization. Human resources are an essential part in both processes – strategy and crisis management. Strategy planning creates certainty and reduces ambiguity. This is the initial precondition, as well a process in any organization. Action planning enables the organization to move from the first stage to the second stage of crises process, if this is integrated into the strategy management actions as a dymamics and a tool for further learning.

D. Pollard, S. Hotho (2006) state that the more an organization is prepared for crisis situations, the better it can be managed, decision making in the crisis situation will be better thought over and efficient. Action planning means creating an alternative future action plan for the organization, to be provoked for the beforehand forecast actions of the environment changes, has to be seen as a significant intellectual action, which in its turn may move towards a useful integration of the organization's team members, at the same time increase its abilities while solving crisis challenged reputation and action related difficulties.

Both crisis management and strategy management depend on the creative and intuitive thinking. The efficiency of crisis management depends on the manager's ability to evaluate possible sources of the crisis and make corresponding decisions. While analyzing research literature on crisis management process another important managerial element showed up: managers do not always pay adequate attention to a crisis and solve only when it occurs.

Stress and ambiguity often follow crises, which negatively effect decision making. The sooner the managers are able to find the main factors for risk, the more the crisis plan is efficient regarding decision making. Crisis management requires collaboration with systems, efficient internal and external communication, setting the persons and their roles expressed by special duties and responsibilities, effective collective decision making, control and collaboration responsibility.

S. Smits and N. Ally (2003) note that while solving the effect of strategy plans and potential crisis it is essential to estimate the intermediaries' involvement. Most managers will agree that good relationship with intermediaries is an indispensable part in the enterprise's strategy plan. After a crisis has occurred, with the help of media it is very important to maintain good communication with intermediaries. This should be the main detail in the strategy management process in order to solve the crisis. Managing communication during the crisis period is not an easy task. Managers come across a wide choice in their relationship with intermediaries, while a t the same time it is necessary to find the reasons for the crisis mechanism and its influence.

D. Pollard, S. Hotho (2006) state that maintaining relationship wit the media has certain benefits. Media related communication may be included into crisis planning. Before crisis occurs, the organization can quickly and efficiently pass information to the press. In communication with the media, managers play an important role, especially when passing over and disseminating information regarding the crisis situation. They perceive the press with hostility and take a position in defense. This could be a reaction to the possibility that information has been lost or mistakenly presented.

I. Mitroff (2004) emphasizes that human relationship and communication might be efficiently utilized in a crisis situation, therefore employees need information and specialist training. Efficient management of the strategy process may have impact on the organization in taking action to minimize the crisis. Prevention is the most efficient way in solving crises, as most reasons for crises are influenced by external management control. Relating crisis planning with the strategy processes within an organization, a strong basis occurred, with the help of which future problems could be solved. Communication may have additional positive benefits in setting up the roles and responsible structures in a critical situation. In relationship with the intermediaries it is important to consult and revise potential intermediaries' roles in supporting the organization in crisis situations (Pollard, Hotho, 2006, 733 p.).

Although planning of computer related disasters may more influence formal and rational planning processes, certain features of the process may be used as lessons for crisis management system development. The main essential qualities are:
❖ The need to involve most people into the process;
❖ Event identification and their impact on the organization;
❖ Success factor identification in overcoming problems;
❖ Necessity to try out plans and practice application;
❖ The need to renovate.

All these qualities are really essential and useful for the organizations getting ready for crisis situations. This should be the basis for the company strategy in creating an action plan. Analysing these qualities is the main task in the company in solving the issues that occurred and which could develop into crisis situations. J. Preble (1997) states that planning crisis management may destroy efficient work of the organization, therefore a paranoid attitude is unwelcome. Crisis management should clarify the reasons for crises within the organization. While analyzing crisis management and strategy management integration, the attitude that "one size fits all" is unsuitable. It is clearly realized that organizations have different cultures and management styles, which are based on the main principles and which may help in planning crisis management, implementation and execution. Therefore crisis management plans and their actions will differ among organizations even writhing the same industry.

3. STRATEGIC DIMENSIONS OF EMPLOYEE IDENTIFICATION MANAGEMENT IN ORGANIZATION USING CRISIS MANAGEMENT MODEL

Considering the main goals, all the employees should be informed. Employee identification with organization as motivating force is known for the employers, but still its motioning and maintaining problems arise. Though identification is defined in many dimensions, still it is important to emphasize

that the first steps of an individual in organization and his relations with the other members can become a certain catalyst for the other objects successful chain arrangement. Today it is lack of identity with organizations, which is mainly based on the strategic purposes. So the struggles of any employee to seek for the higher quality, efficiency and good service have been missed. From the previous loyalty of employees to their organization the apathy, complaint, hostility have been left and social forces increasing the abyss among executives, organizational culture and employee disposition appeared. Labor moral and motivation face the loss (Šimanskienė, 2000).

There are a lot of different scientific crisis management models, but the main their features can be defined following (Janulevičiūtė, Bielevičienė, Dambrava, 2003):

❖   the design of crisis prevention program;
❖   the identification of crisis nature;
❖   the operative actions when crisis appears;
❖   the liquidation of crisis consequences rehabilitating organizational reputation.

These managing strategies are the parts of the active crisis management model structure. Each company's model can be different, because it is determined by the personnel, activity success, traditions and a lot of other factors. According to the theoretical attitudes of Digman, (1995); Hausschildt (2000); Roselieb, (1999); Bartl, (2000), the following types of models are defined in the scientific literature: general crisis management model; active and passive models.

The passive model is determined to apply by the following conditions:

❖   Late reaction to the changes.
❖   Indecision choosing and changing further performance strategy.

Having chosen the passive management model, on of the main objectives is continually to evaluate the situation in a company. There are a lot of evaluation methods. The main estimate the financial state of a company or separate its branches seeking to notice negative tendencies and start responsive actions. Therefore the requirement rises up to evaluate not only financial rates – company performance results, but to control the causes influencing on the financial situation.

The conceptualization of the scientific literature and data analysis of the combined research (having applied two research methods: questionnaire and structural interview) enabled to form the optimal theoretical model of the employee social identification in organization managing crisis situations.

The model includes two structural parts:

1.   The priorities of employee identification dimensions in organization.
2.   Crisis situation management in organization.

In the model (fig.1) is emphasized that every dimension of employee identification in organization (vertical axis in the model) in its different stage matches crisis management strategy (horizontal axis in the model). The particular compound parts in the model (the dimensions of employee identification in organization) require for the particular crisis situation management. One of the most important organizational goals become crisis prevention and implementation of the management technologies, seeking for the rational executives and other members performance, therefore *the crisis situation management is described as a closed cycle in the model*. Organizations face the crisis situations constantly, so they have always to be ready for them.

Stage one: „Formation of crisis prevention program".

Executives should prepare the program of crisis situation prevention in every dimension of employee identification in organization, considering the priority of the employees. Different means should be used to increase the efficiency of individual social identification in organization: introduction with staff and new work place, the main work standards in organization: division of labour, organizational structure, payment system, organization mission, clear and secret functions, information about the goals and tasks, help, applying new work methods and relations, employee education and training, the choice of technologies and their usage, financial resources, motivation programs, the appointment of the responsible person for the crisis situation management in organization.

Stage two: „Identification of crisis situation".

It is noticed that crisis situations do not appear unawares – there are a lot of signals, which point it out - it is important to notice them in time and properly to interpret them. Effective crisis situation identification is done by analysing the strategic forecast, contingency, problems, scenarios (including the analysis of contingence and objectionable situations)

Stage three: „Operative actions".

It is the state which requires immediate actions. It is important to foresee the alternative crisis situation decisions, threats, and priorities and operatively and decisively operate. Crisis situation management needs the physical force and financial resources and puts a strain in organization. Therefore the "clear" mind helps in this situation as well as professional analysis, evaluated company's

state, operativeness and prepared action plan. It is important to split the needed information for the employees, society and media.

Stage four: „Liquidation of crisis consequences".

In this stage the information flow is being decreased; the conclusions have been made; the plans and instructions have been changed according to the received experience; the information is being changed for everyday's performance; the further activity trends have been decided and the new crisis situation prevention programs are being prepared.
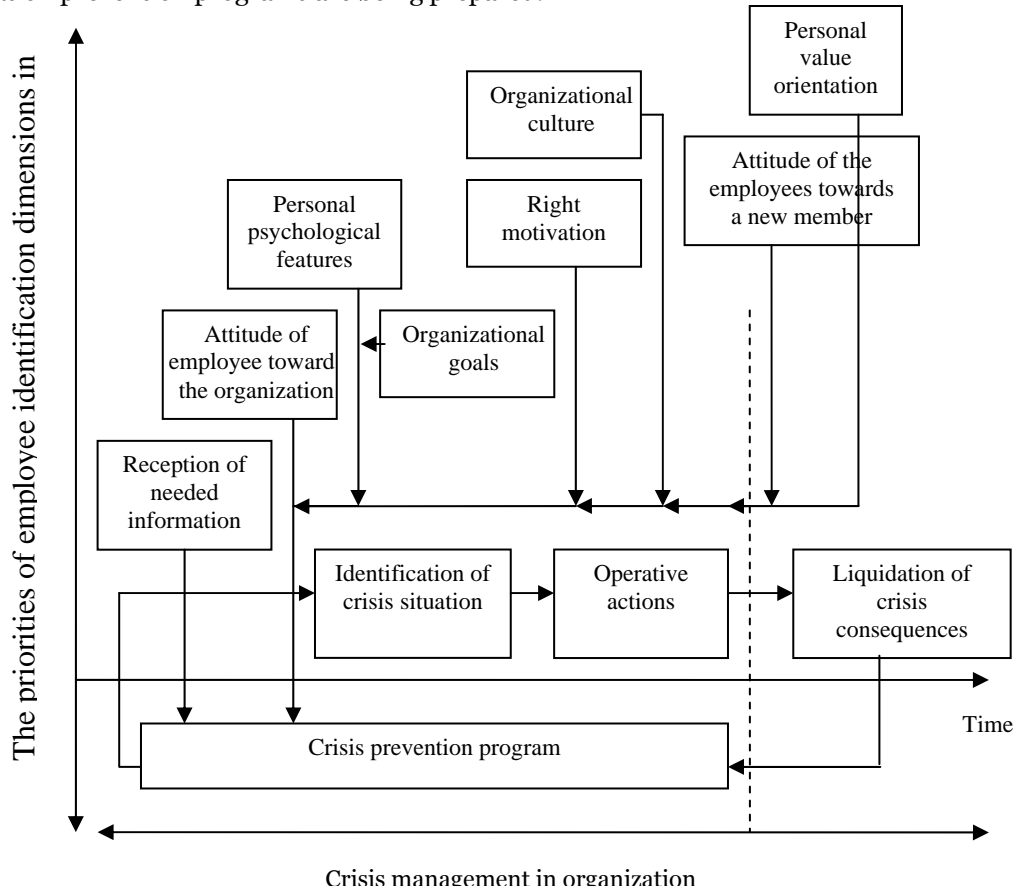
Figure 1. Model of employee's social identification in organization managing crisis situations

Presented theoretical model would help manage crisis situations and improve the efficiency of employee identification in organization.

3. CONCLUSIONS

1. The analysis of this social phenomenon requires a multidisciplinary approach. The object of the analysis is an axis for several social sciences. In crisis planning process discussions and future perspectives are essential.
2. Having conceptualized the theoretical positions of the researched phenomenon, the relations of social identification of organization and individual construction was emphasized: the concepts of socialization, adaptation and identification are closely related: adaptation success depends on the personal features as well as social environment requirements and maintenance; identity depends on the value and functional social reality aspects and is concerned as adaptation correlation factors. Basing on the research performed the model of crisis management was constructed.
3. A new theoretical construction has been presented – the model of employee social identification in organization managing crisis situations. The theoretical model emphasizes the importance to prepare a program of crisis situation prevention for every employee identification dimensions in organization concerning the priority to the employees. In this model crisis situation management has been described as a closed cycle involving the following stages: the preparation of crisis situation prevention program, the identification of crisis nature, the operative actions when crisis appears and the liquidation of crisis consequences rehabilitating the organizational performance. The cycle reopens with the preparation of new crisis situation management programs.

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