



CRISIS MANAGEMENT AND CRISIS MANAGER

***DR. G. CHANDRA SEKHAR**

**M.com., B.L., M.Phil., Ph.D., Associate Professor in Commerce, The Adoni Arts and Science College Adoni of Kurnool dt. of A.P.*

The term Crisis Management has not been properly defined. Crisis Management may be defined as situations in the ordinary course or out of the ordinary course when solutions have to be found quickly.

There are situations in one`s personal life or in the life of an organisation when timely decisions have to be taken cautiously and properly. In the field of management, situations may emerge when proper decisions have to be taken immediately. These situations may be referred to as crisis situations. Crisis management may thus be defined as taking decisions or finding solutions for crisis situations.

The purpose of this article is to examine the crisis situations in general terms and to examine the methodology that can be followed in finding a solution to those situations.

Crisis situations may emerge when things do not happen according to one`s expectations. For eg. a parent may wish his son to marry the girl that he chooses or take up the professional course that he thinks will be good for his son. The son may have a different opinion. Crisis situation emerges when things do not move in the desired direction.

The father may force his views on his son without studying the consequences without evaluating the pros and cons of his decision. The results may be favourable when the son accepts his views or may be unfavourable or tragic when the son decides to run away or commit suicide.

Crisis situations emerge when things do not happen according to our expectations and a decision in such a situation should be found out after analysing the pros and cons of the decision. Sometimes in such situations cost-benefit analysis has to be made to find out a solution to the crisis situation. A professor may want to go out for a special lecture. The sudden rain may prevent him from leaving the house. A crisis situation emerges. The

professor's decision to go out for a talk will depend on the fees for the lecture being more or less than the auto-fare that he may have to pay.

Life is full of such examples. When things do not happen according to our expectations and when decisions should be taken, having regard to the consequence of the decisions in the form of likely results of the decisions or in cost –benefit terms.

In the life of an organisation or in business, crisis situations may arise when decisions are not taken on time or postponed. The Manager does not take the decisions unless critical situations are reached. The manager thinks it appropriate to postpone the decisions to save money or to preserve his ego or probably because he feels that situations may not warrant immediate decision. Such postponement of decisions may have serious repercussions. To give few examples, there may be differences of opinion among the staff, which if not settled immediately, work situation may become tense and the morale of the staff may be affected. Wage differences /wage settlements may arise, which if not settled may lead to stoppage of work /lock-out. Complainants from customers may arise, which if not looked into seriously or ignored, sales may suffer or there may be loss of goodwill. Non-availability of materials or funds may arise due to faulty decisions in obtaining materials or fund, which if not looked into, may lead to a stoppage of work or a rise in the financial stringency. Crisis situations may arise, when there are turning points in any organisation. Each stage has to be tackled delicately. Each stage normally gives warning signals and these should be properly understood and decisions taken. To give an example, in marketing, once the product and introduce a new product or postpone the abandonment of the product by means of intensive; advertising campaign/ sales promotions measures.

The marketing manager has to be familiar with the techniques available in tackling such situations or draw inspirations from decisions taken under similar situations from decisions taken under similar situations, available in the information system. Crisis situations arise when concerns are anxious about the future. Problems such as future production trends, future market requirements, man-power requirements and financial requirements are matters of serious deliberations and decision making. Managing such situations can be based on lots of statistical devices, consumer surveys, capital budgeting and other devices. Managers will have to be familiar with these devices and use the appropriate measures to find solutions.

Now let us examine the methodology for handling such crisis situations. The crisis managers should remain calm and cool in such situations. He should accept such situations with a temperate mind. When conflicting situations prevail, when tempers run high, the crisis manager has to be balanced. He will be adding

fuel to the fire or give the impression of being one-sided or pro-management, or pro-employees when he handles such situations in haste or in a partisan manner. This amounts to the manager not finding fault with any group and showing his genuine desire to find a solution to the problem.

The crisis manager should gather facts about the situation before finding a solution to problem. The data may be collected through an independent survey of the affected parties say workers / customers, or from the available records. Collecting the background information may be the tip of the ice-berg. The hidden information will help the crisis manager to find a solution to the problem. The information thus collected will throw light on the courses of the crisis and the expectations of the parties.

The crisis manager should consult the various parties who may throw light on the problem. Give their views about the background of the problem and offer solutions. An emergency consultation with the various groups of people, if the situation is grave, should help in finding an effective solution to the problem. For eg., for a serious student problem, the principal may call for a meeting of the hostel wardens/head of the departments/office bearers of the college such as vice-principal, dean etc. For a serious marketing problem, the marketing director may call for a meeting of marketing managers, and sales representatives etc.

Crisis manager should take clear and distinct decision. The decision has to be convincing if it is to be clear. The ingenuity, innovativeness, skill in handling facts, creativity of the crisis manager, quickness in grasping the situation should help the crisis manager to make clear and distinct decisions.

His analytical skills in understanding the background of the problem should help him in identifying the real problem and the peripheral problems. The most important thing in crisis management is the communication of the decisions taken properly.

Above all, the crisis manager should be self – exemplary. He should be above suspicion. He should be a man of character, with a clean record of good behaviour, keeping up the promise given, non-partisan. Bulk of the problems will be solved, if the crisis manager is man of integrity and clear conscience. Crisis manager has to be alert, cool, and calm in accepting the situation, gather all relevant facts about the crisis, arrange for emergency consultation, take clear and distinct decisions and communicate the decision. This procedure for tackling crisis situations should be a eye-opener to all the executives, who are exposed to crisis situations. The executives should not only take timely actions but also be prepared to initiate action against erring employees. The action taken should find a solution to the problem and not find a quick-fix or temporary solution to the peripheral problems. This should prevent the recurrence of the crisis situation again and again.