A new approach and innovation in organizational crisis management

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ABSTRACT

Objective: The outbreak of diverse crises is seriously and directly confronting states with widespread losses and problems. These crises may advance to the point that threatening the external and internal interests of societies, social situations, and the prestige of a voluminous organization. **Methodology:** The proposition of crisis management comes into question in disparate areas. Organizations, as one the essential elements of modern society, are not excluded from this point. **Results:** The pioneering managers endeavor to restrain the unforeseen, disastrous waves in society by utilizing the findings of organizational crisis management and incorporating them with the achievements of strategic management and the management of controlling systems. Therefore, it is attempted in this article to proceed descriptively the analysis of modern approaches from the point of their innovativeness in the organizational crises management. **Conclusion:** The studies, carried out in this research, shows that adjusting the ties and increasing participation between state and civil society, among the mentioned components and factors, plays an important role in succeeding community-based approaches.

1. Introduction

The outbreak of diverse crises is seriously and directly confronting states with widespread losses and problems. These crises may advance to the point that threatening the external and internal interests of societies, social situations, and the prestige of a voluminous organization. Therefore, it can be said that nowadays, crisis has been become the natural, inseparable part of the current societies and the essence of organizations. The destructive Effects of crises have been geographically proven in social diverse aspects and status in different locations. Crises have been no longer viewed as accidental, rare, and queer characteristic for the universal community, but penetrated into the sinew of modern communities. So, the managers of organizations should constantly have the preparedness to face the crises and to find solutions for preventing and decreasing their effects on their own organizations, from one hand, and on community on the other. The human efforts are of three phases and approaches for facing the hazards and natural disasters in the new epoch. The first phase and approach were formed depending upon providing lifesaving and emergency aids contemporary with the founding of international organizations, such as the International Red Cross Federation and the Red Crescent, and continued until world war two, with which the humanitarian aids were provided for the injured. The second phase and approach were spread in the atmosphere of dominating technical and scientific discourse after the second world war and postwar behavioristic, developmental thoughts in the U.S.A, Europe and then all over the world. Preventing from occurring such disasters via usage of engineering and scientific achievements in creating and developing human artificial environments such as road and city planning, based upon these approaches so as to escape from destructive effects of events and disasters, is of importance (Asso & Fiorito, 2004; Pearson & Clair, 1998) The scientific and engineering approach was considered as the dominant and pivotal approach until the 1980's and the international organizations, such as the United Nations, included it as a maxim in their agendas. From the early 1980's, intensifying the problems in many of the developing as well as underdeveloped countries and communities, due to failure in balanced and unbalanced growing plans with the local structures such as rural urban migration, population density, illegal building, and lack of an appropriate lawmaking and supervising on implementing the law as well as destroying the environment increased the damages and casualties due to disasters caused by natural disasters (Howard et al., 1992; Janis, 1989; Boin, 2009). The events

and disasters of the 1980's showed that the engineering and scientific approach was not sufficient for confronting the events and disasters, and it has typically not been paying sufficient attention on the human being variable and factors in preventing and facing the disasters. Consequently, the third phase and approach, called the social approach of crisis management, was gradually formed from the late 1980's and the early 1990's in global scale. This approach, which its fundamental focus is on decreasing of risk-taking of the social and individual milieu of human against the natural disasters, is now a new, dominant and pervasive one in the international scale and many countries of the world. So, it has been attempted in this article to analyze descriptively-analytically the new social-based approach from the point of its innovation with regard to the withstanding of communities in different levels in organizational crisis management.

2. Materials and methods

2.1. Crisis

Every kind of sudden change due to occurring unexpected events which causes disorder in the normal situation of society, and requires instant measure, is considered as crisis. Crises are divided into natural and human-creating from the point of occurring factor, from the point of latitude of severity and effect into local, provincial, national and transnational (Johansen et al., 2012). Sometimes the crises are included natural and unnatural that may be occurred in some parts of the world which can have extraordinary destructive effects on the society or even the world; but, it may not be mentioned in the public opinion due to the direct interaction with human. Thus, it seems that the essence of crisis has a direct relation with the human community. Therefore, in crisis management, the human being is usually the pivot of all activities in different phases of crisis, before, during and after it. On the other hand, the studies have shown that the amount of crises and its complexity is increased in the course of the boom of communities and complicating of the internal processes of communities. So, planning and implementing diverse and appropriate methods, which called under the title of crisis management, caused the consequences and negative effects of these crises are somewhat decreased in the organization or community. Nowadays, all of the developed and developing countries have chosen the sci-tech (science and technology) for developing the power of competiveness as the pivot of their activities. Research, development and innovation are not a transient and once forever process, but a permanent and dynamic one (Reuter et al., 2012).

2.2. Organizational crisis

In defining this kind of crisis, it had better to distinguish between crisis and disaster. Brent distinguishes between these two and says: crisis describes the situations that the roots of the phenomenon can be problems such as inappropriate managerial structures or failure in accordance with a change, while disaster means that the company faces sudden, unforeseen calamitous changes over which it has little control (Seeger et al., 2003). An organizational crisis is a phenomenon with a low probability of occurrence and high effectiveness which threaten the managerial capability of the organization and of its characteristics are the vagueness of factor, effects, and the tools of its solution and the decisions related it should be made immediately. Anyway, crises don't occur abruptly, and most of them have warning signs that show potential problems. Crisis has an amazing similarity with the biological model, and can be similar to a mechanism which has the phases of birth, growth, puberty, and death. In the Chinese language, the term "Weiji" is equivalent of Crisis, which means jeopardy and chance. This word detects the basis of crisis management, e.g. if the act of managing is appropriately performed, a danger as a crisis can be prevented, or its effects decreased, or even turned into an opportunity. As the crisis can have the roots of failure, it can sometimes have the seeds of success in its own.

2.3. Organizational Crisis Management

The subject of crisis management comes into question in different areas. Organizations, as one of the principal elements of modern society, are not excluded from this point modern society, are not excluded from this point. The pioneering managers endeavor to restrain the unforeseen, disastrous waves in society by utilizing the findings of organizational crisis management and incorporating them with the achievements of strategic management and the management of controlling systems. Robert McNamara used the term "crisis" for the first time in case of the possibility of missile involving between the U.S.A. and Cuba: (guideline is no longer meaningful; it must be turned into the crisis management). Many of the phenomena which the human being and its life affect them positively or negatively are contemporary with their appearance (Pearson & Mitroff, 1993). It is expected naturally that these phenomena are making sense more and more with gathering people in the community or organization. Crises are also not excluded from this norm, because the effects of the most destructive crises are appeared when its consequences are influenced the usual life of people. The more the people are affected by the crisis, the more public opinion is given for solving it (Jones & Lichtenstein, 2008).

2.4. Innovation and its necessity in organizations

Innovation is actualizing new and novel thoughts which emanate from creativity. The management experts are considered "innovation" equivalent to invention and they believe that "innovation" is the ultimate process of creativity; in other words, it is the exterior appearance of the creativity which is appeared as a form of new product. From their conjecture, what brings about innovation is the person's creativity potency that leads him/her to innovation in business and product. Indeed, innovation is the turning novel creativity and ideas into operation and output. The principal bankroll of innovation is having and presenting novel ideas in all of its aspects. Innovations are sometimes resulted from systematic inquiry in pursuing new opportunities and this process commences with these opportunities. Innovation is every kind of thought, behavior or any other which is qualitatively new with respect to the

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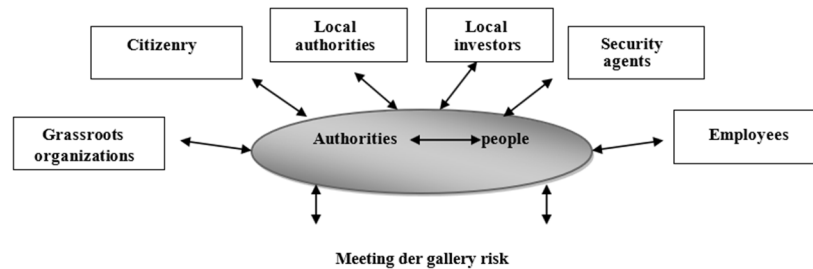
existing forms. Innovation can be defined from different perspectives. It had been an obscure term for the organizations, but nowadays the novel technologies are the natural component of the ordinary life of organizations. In the other researchers' view, innovation is not only creating new ideas, but introducing these ideas, and its total purpose is developing organizational performance. The initial kernel of innovation focuses on ideas. People are creating these ideas, reacting to them or reforming them. It should be considered innovation as the incentive of developing organization. An organization in a complicated, dynamic milieu without innovation is most probably leads to stagnancy. Therefore, continuous innovation is a key to the permanent improvement. The first step towards innovation is opening organization against new concepts and ideas. "open-organization" is identifiable from two aspects: 1) the aspect of information or the amount of futuristic in information and data which an organization used in its own affairs. 2) the aspect of managerial or the amount of considering the past experiences in the current actions of organization. Organizational innovation is the tendency of an organization to improving the new, advanced products and services and presenting them to the market for attaining success and creating useful, practical solutions for preventing and decreasing the detriments of crisis. Today, almost all of world countries are pursuing creativity and innovation in order to increase usefulness and improve the economic situations. Creating competition between different developing countries is one the principal reasons of increasingly importance of creativity. The process of continuous evolution is of the most significant courses in human life with the increasing speed of evolution in the current world. Thus; firms and organizations, which want to create or maintain the competitive benefits, are forced to be flexible and accepting the changes. In such a course, innovation has become the primary base for organizations (Hull & Lio, 2006). Creativity and innovation are the prerequisite and prologue for improving an organization and perception from its strategies is an inevitable necessity for the managers, students, researchers and those who interested in this branch. By complicating of competition, innovation is considered as one of the seminal benefits for the surviving of firms. All of the organizations require new ideas to face the crises for its surviving. The immediate changes of human requirements and occurring crises are forced organizations to use new approaches. The most turbulence milieu of organizations and the variety of human requirements reminds this issue that creativity and innovation is an inevitable, necessary point for achieving the organizational effectiveness.

3. Discussion and results

3.1. Approaches of organizational crisis management

Four major approaches are defined universally now in relation to crisis management:

1) The pervasive and universal approach of crisis management: is requires extending and implementing strategies for confronting the risk resulting from natural disasters in different courses and considered an effective approach for crisis management. This one is known as preparedness approach.

2) The approach of crisis management encountering with all jeopardies: in this type, comprehensive studies are done in relation to the current situation. In countries, which in the past there has not been guideline views of decreasing risks, it has been recoursed to this approach for improving the current situations of cities from the viewpoint of decreasing the risk due to disasters.

3) The approach of multisectoral, intersectoral crisis management: it is not comprehensive, and the relevant sectors of crisis management are equipping for the crisis situations. This approach is a transient one and not a guideline one.

4) The approach of crisis management of the ready community: considerable changes are universally conceived in the attitude with respect to hazards, in a way that the dominant viewpoint has been swaying from focus on decreasing vulnerability to increasing endurance for the accidents. According to this attitude, the plans of decreasing accidents should be followed by creating and reinforcing the characteristics of endurable communities, and should be paying attention to the endurance in the continuum of accident management. The endurable community is a community that has the potential tolerance of inflicted trauma from a danger, in a way that that danger is not turned into accidents. However, it has the capacity to return to the normal condition during and after the accident, and also has the possibility to change and adjust after the accident. From the time of ratifying the legal Hyogo Framework for action in the UNISDR, the purpose and process of planning for reducing the risks result from accidents, apart from decreasing vulnerability, focuses considerably on increasing and improving endurance in communities. In the sense of endurance, the model derived from local communities plays the most important role. In talking about local communities, a widespread spectrum of actors is playing a role (Allen, 2006; Pandey & Okazaki, 2005). Identifying and counteracting is the most important practical value between them. The actors of community-based danger crisis management can be divided into in accordance with functional levels according to Figure 1. the national level: in this level, the special measures of decreasing the crisis danger can be formed that depends upon the local and racial situations. The idiomatic concept of community-based danger crisis management focuses on the major role of local managers. The relation of the groups of main actors of the community-based disaster crisis management is showed in the national level in figure 1.

Figure 1. The relationship between the actors and their relationships in the community-based disaster risk management process at the local level

The regional level: it is a bond between the national levels and in fact is a collective from local multi-levels. The national level: it is combined the system of the effective national crisis management, the activities of local, regional and national levels. With regard to these levels, it can be given a further definition to the community-based danger crisis management in accordance with its functional levels. So, the community-based danger crisis management is implying on performing preventive measures from crisis, such as resolution, reduction, preventing and preparedness in collating with crisis by the government as an element of the system of national danger crisis management. The diverse functional levels of the elements of the community-based crisis management are shown in figure 2.

With neglecting from diverse kinds of models and approaches of the crisis management in different countries, it can be come into question the community based approach as a new one for the organizational crisis management.
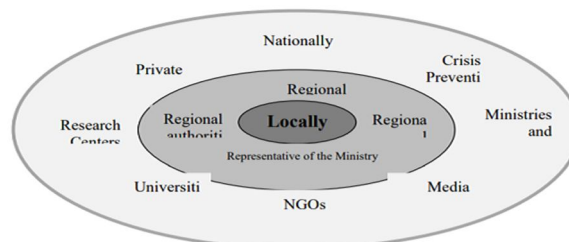

**Figure 2. Different functional levels of community-based disaster risk management process**

3.2. The approach of community-based disaster management

In the previous approaches, planning, policy-making, controlling, and organizing are done by state organizations in all phases of the crisis management. If a role is doomed for the local communities, it would be a passive one. In this approach, it is attempted to gather impressive people and groups of communities to playing a role in all phases of the cycle of crisis management, besides identifying the threatening disasters by the residents of local communities. And the necessitous situations are provided in order to increase the capabilities of people and local groups for facing with crisis. In fact, the main purpose of this approach is involving the local, domestic forces in the planning processes, policy-making, controlling, University College

and organizing the crisis management with the leading of government. Achieving to success in the aforementioned purposes leads to reducing consequences and damages due to occurring natural hazards. The community-based model is a bottomup managerial approach which focuses on participating people in solving crises due to occurring natural disasters, by which its purpose is to reduce the vulnerability of communities and strengthening capacities and participation of people to facing disasters due to occurring natural disasters. In this approach, the endurable local communities are considered as the ones which have the potential to participate, not communities to which it should be assisted or they are incapable ones. Thus, this approach welcomes local-social cooperation as well as local cooperation in the process of managing accidents. The process of community-based disaster management is a complex of total evaluation of disasters, the analysis of vulnerabilities and capacities for planning measures and projects to reduce the crisis peril. In figure 3, this total process is presented.

Figure 3. Community-based disaster risk management process

4. Conclusion

The studies, carried out in this research, shows that adjusting the ties and increasing participation between state and civil society, among the mentioned components and factors, plays an important role in succeeding community-based approaches. Among the purposes considered for this approach, reducing vulnerabilities and improving the capability of local people to adjust with the disasters due to natural hazards have the most important. Disaster based community management is an approach based upon improvement that its purpose is advancing the constant improvement in the long-term. Hence, the analysts believed that if the inventions of community-based disaster management are paid attention as a key element in widespread preventive crisis, have the more effectiveness than that of moments which are only considered as a local project with the short-term preparedness against occurring disasters. The community-based disaster management has sometimes been recognized as the most capable approach with the high adjustment ability in the national
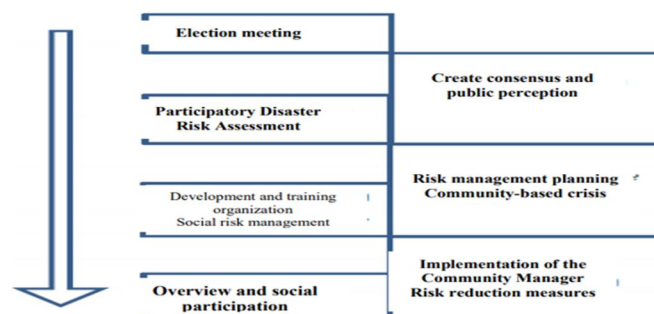
levels in which the first effects of occurring hazards are happened. Although the methods carried out this approach is different in diverse communities, the

analyses performed have shown weaknesses and strengths with equal scale among managerial methods. Recognizing the common weaknesses and strengths can play an effective role in implementing successfully this approach in the considered communities.

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