

## Psychological And Sociological Approaches On The Crisis And Its Management

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**Abstract**— The paper structures research approaches to the crisis and its management. It focuses on two approaches - psychological and sociological. Furthermore, it describes the basic features of models chosen according to those approaches. This paper is aimed at showing how the crisis influences organizations and individuals, and their mutual interaction. To accomplish this aim the analytic and synthetic methods are used, including a comparison, the theoretical research and creative approach. The outcome of this paper is a structured overview of various approaches to the crisis of psychological and sociological nature, and their comparison.

**Keywords**-crisis; psychology; sociology; approaches; model

### I. INTRODUCTION

The growth of problems in the field of crisis management is a challenge for both people in practice and researchers. In the seventies research papers concerned with that field advanced forward further stages. Scientists began to be interested in a concept of crises in various disciplines. They started to develop models that created the main framework for the recognition of crises.

The paper gives an overview of some of important contributions to the study of crises. The procedure makes it possible that the description of the basic features of chosen models or the results of research show to what extent the crisis and its development influences the organization and an individual and how they react to it.

Booth [1] mentions three points of view applied in structuring development tendencies in the field of crises investigation - psychological, sociological, and economic. A psychological perspective concentrates on individuals and their reaction to the crisis. Some scientists abandoned the psychological perspective and applied a sociological background. A political-economic perspective inclines to view crisis development from the standpoint of managerial or political advantage. It includes scientists' contributions in the field of international relations. Economists focused on economic analyses of organizations and developed theories enabling them to predict crises in the private sector. The basis of sociological perspective is research of handling with social responses to environmental crises such as famine, earthquakes or fires. A significant representative of that

perspective is Quarantelli who is especially interested in the way of how societies react to crises.

Every perspective has a tendency to use technique or methods of analysis which is traditional in the field of study. Psychological perspective uses to a large extent an interview and psychological techniques. Political perspective uses a game and theories of negotiations. Economists have a tendency to apply empiric knowledge. Sociological perspective uses various kinds of sociological methods (surveys, interviews).

Author's approach is based on those three perspectives that she develops and completes. For the systematization of particular models and approaches classification she uses a 4C method designed by Shrivastava [9]. Shrivastava uses this method in his studies of crisis in which he focuses on four key aspects: causes, consequences, caution, and coping. Causes mean failures that triggered the crisis and the previous circumstances that allowed failures to happen. Consequences are immediate but they may also have a long-term impact. Caution includes precautionary measures and minimization of impacts. Coping includes a reaction to the crisis that has set in.

The mentioned models, approaches and frameworks are very complex and often closely interconnected so it is not possible for some of them strictly to confirm the unambiguousness of their classification according to a certain view. Yet, the authors emphasize their most important features and according to them she classifies them. A created set of models, approaches and frameworks is not comprehensive as it represents only a fraction of published papers. Also their classification according to standpoints may be a matter of discussion because most authors admit the equivocal character of crisis and thus more views are often overlapped in their approaches. In the submitted paper the authors concentrate on the standpoint of psychological and sociological view on crisis and its development. In the following article the attention is paid to economic and technical-technological approaches.

Theoretical processing is based on theoretical research encompassing the analysis and systematization of obtained knowledge. A classification analysis is used for the differentiation among particular definitions and conceptions of crisis and crisis management. At the relation level it is possible to reveal more complex dependencies between

elements of crisis and factors influencing it, especially functional dependencies. Synthesis of knowledge is a presumption for the formulation of conclusions. By the classification of knowledge into a wider framework the authors clarify the mechanisms of determined phenomena functions. This synthesis is not a mere composition of particular phenomena but, at the same time, it is a creation of new wholes and new views. On the basis of comparison, the authors consider the properties of phenomena under searching. With regard to the scope of the paper, the functional dependencies are only briefly indicated here. Their deeper examining as well as making functions' mechanisms clear, and a more extensive analysis and synthesis are encompassed in the publication to appear soon.

## II. DISCUSSION – PSYCHOLOGICAL APPROACHES ON THE CRISIS AND ITS MANAGEMENT

Some authors say that the crisis cannot be evaluated from the view of an individual who is experiencing it. A number of authors incline to the explanation of the role of individual's strength in organization's crisis that has emerged e.g. [15]. There are not many papers that would be concerned with individual's experience in the crisis in the period of its emergence and progress (forming of preconditions for the onset of crisis). This role has been moved into the field of psychological research aimed at trauma where it tries to understand what the impact of organization's crisis on an individual is.

By employing a classification analysis, the chosen definitions and a conception of the crisis in the psychological field will be now differentiated. By their comparison the features reflecting specifics of individual approaches will be emphasized.

Approaches in those papers are based on three presuppositions. The first presupposition is the fact that the crisis brings problems which are complicated and emotional. The second presupposition is that the ability of people to process information during the crisis is limited. The third presupposition is that the crisis will break out because managers reacted in a wrong way they were not able to make the right decisions and thus further shortcoming have appeared in understanding the situation and information processing [5].

Psychodynamics of the organization is the key to psychological elements of industrial crises. At the emergence of mistakes made by operational staff and management, a lack of caution, unwillingness to observe safety principles and the onset of organizational decay there are psychological processes, especially 'enrooted resistance' [3].

The most important pioneering work in this field was probably done by Caplan [1], who developed a crisis model on the basis of empiric and clinical studies of an individual. He identified four phases of crisis development (Table 1). He recognized that in the second phase, individual's coping or inability to cope with anxiety would begin to appear as well as stress, tears or a feeling of being guilty.

TABLE I. CAPLAN'S CRISIS MODEL

1 Treat	2 Consequence	3 Appropriate response	4 Disruption
definition of the event as a threat, reaction: increase in stress	performance of individuals is disturbed	attempt to find a new solution	disturbance, collapse, loss of control over themselves

Revised from: [1]

It may mean that the individual has warded the problem off he has unblocked it or mentally rejected it. Such response, however, will not solve the problem.

On the other hand, attempts and errors can be useful for testing of how the problem is coped with. If coping with the crisis is a failure and the threat is not lesser, then the pressure will increase. In the third phase a growing tension stimulates an individual to try new solutions and use new techniques of how to solve the problems. He or she builds on the previous experience or recognizes earlier ignored side of the problem. Another strategy is to put parts of the problem off and cope with those that are easier manageable. Also resignation is an option. This poorly adapting response may lead to the fourth phase. If none of new solutions of the third stage does not lead to the reduction of stress or to the problem sorting out, the tension is approaching the point of break in which the individual is becoming mentally disturbed since a usual coping with the mechanism has failed. This is then a point of crisis.

Caplan emphasizes that the opportunity is in such level of stress at which the stress can help solve the crisis. As long as such opportunity is used, a probability of not coping with the crisis is considerably decreased. Individuals are most emotionally approachable in the period that follows after crisis breaking out. Assistance to the individual who is not able to react adequately just in this period may have a positive impact on the overall coping with the crisis. Lack of suitable intervention can negatively influence an individual for a long time and cause his or her badly adapting reaction to the crisis.

Lindsay [1] considers Caplan's model not enough accurate but at the same time he admits that the model can be useful. His most serious critic of the model is that it is homoeopathic (treatment of similar by a similar). Instead of it he wants individuals to change themselves, to advance, and to have a development or teach-yourselfes model. Nevertheless, Caplan's model is widely used. Especially the opinion that the intervention will be most successful in the period immediately following the crisis has been favorably accepted [1]. It is the period in which individuals feel disorientated and shocked and are most vulnerable. In this period it is easier to help get an individual acquainted with new realities. If there is no interference in such period and an individual continues in denying the crisis reality, that more difficult the adaptation may be later.

Weick [14] argues about the role of mental model and its importance in the period of forming preconditions for the

emergence of crisis. He points out that behavior which is to help understanding the crisis often will deepen it. At the same time, recognition abilities, processing and perceiving of information can unfavorably influence understanding the crisis and thus increase its weightiness.

Scientists who agree with the psychological bases of crisis build on a precondition that mental health and ignorance play an important role in the crisis emergence. For example, Schwartz [10] who searched causes of the Challenger space shuttle explosion insists that it was the elements of ignorance that contributed to the catastrophe. Mitroff et al. [3] say that a personality disorder, mental health deficiency or individuals' defense mechanisms contribute to breaking out the crisis in the organization. It is known that there are cases in which management did not pay attention to warning voices because they were pronounced by unacceptable sides - e.g. by workers, the public, environmentalists and the like.

Growing stress influences individual's ability to cope with it for a long time. This leads to a decrease in ability to assess various conflicting information and to the development of one dominant view of situation. Slatter [11] put those features into the context of crises development and placed them into four stages (Table 2). In the first stage the crisis is often ignored. The reason may be the inadequate management system including finance systems, the information system, observing external environment, internal monitoring system and etc. Management need not be aware of the situation in which the organization is finding itself (or they are not able to realize it).

In the second stage the crisis is becoming visible. Management can take notice of something extraordinary but they do not appropriately interpret the signals. In many cases the management believes that they are on the right track and that the crisis is of a temporary character; it should not pose a threat to the organization. Consequence of those approaches is that the crisis is hidden for a long time.

In the subsequent development the management admits there is a need of reaction. As long as the reaction is inadequate the organization reaches the fourth stage of the crisis. This stage marks the situation in which the trust in the organization and its objectives has been lost. The management is paralyzed by the fear of a wrong action it is difficult to obtain sources for the resolution of the crisis.

By the analysis and comparison of approaches a conclusion can be drawn that the described development is not inevitable. As long as the organization identifies the crisis and its character well in advance and implements appropriate interventions then there is a possibility that the identified signals would not develop into a crisis [17].

TABLE II. FOUR STAGES OF THE CRISIS ACCORDING TO SLATTER

Denial of the crisis	Hidden crisis	Disintegration	Organizational collapse
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overlooked signals of the crisis	there is no explanation for the approaching crisis, belief that it will pass away	inadequate reaction (small, wrong, late)	inability to react
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Revised from: [11]

By a synthesis of the analyzed materials can be presumed that individual's personal attitude is associated with a morally managed attitude towards crisis occurrence. Snyder et al. [12] are engaged in the interconnection of ethic rationality concept with the management of crisis occurrence. Due to its uncertainty and often to its sudden character the crisis situation requires that the organization decide flexibly but knowledgeable with the aim to survive. Snyder et al. [12] emphasize that these actions have to have the ethic character and have to take into consideration the needs of stakeholders and commitments to them.

By comparison and a critical evaluation the authors have come to the conclusion that in case of organization's crisis not much attention is paid to the victims of trauma. The victims are most often employees whom the crisis has caused physical and psychical damage that might lead to a psychical collapse. Therapeutic, social, emotional or other forms of support may be a useful help for employees in order to renew their individual abilities and to strengthen their personal feeling of safety in the period of threat.

The author emphasizes the fact that organization's crisis can cause employees' disillusion and encourage a need of psychical reorganization. As a result, it can happen that the victims are not sure about themselves and they are also doubtful about cultural preconditions, structural relations and positions outside the organization.

#### A. Summary of psychological approaches on the crisis

A psychological approach gives an individual the insight into problems as individuals have usually got few or even no experience in coping with a sudden crisis encompassing stress, shock and denial.

A psychological view on the crisis suggests that individuals play an important role in organization's crisis. Behavior, inappropriately set objectives or other limitations of people's perceiving (e.g. in a wrong way understood information) in concurrence with other elements of the organization can be the reasons of crisis. As a consequence of crisis, employees who are physically or psychically harmed by that crisis can be sacrificed. Recognition of the basic vulnerability of the organization and its individuals and consequences of sacrificing can help organizations precede the crisis or minimize damage already done.

### III. DISCUSSION - SOCIOLOGICAL APPROACHES ON THE CRISIS AND ITS MANAGEMENT

A number of papers describe and analyze the impact of crisis on the organized group [6]. A sociological view is focused on the way in which communities and groups react to crises. It understands the crisis as a failure of shared significance and the institutionalization of socially built up

relationships. One important discovery is a possibility of analysis of social responsibility for external crisis at four various levels: group, social, organizational and individual.

By employing the classification analysis the authors have found out that most research work concentrated on the individual level but contemporary authors more and more often focus on the social and organizational level.

Turner [13] claims that the crisis will emerge when a shared importance that earlier served the community well will break away from the reality. Habermas [4] offers an alternative view of the crisis. He says that the crisis of 'rationality' occurs in case managers are not already able successfully to manage the economic growth. Extending of 'a rational crisis' triggers 'a just crisis' in which supporters will deny a support to the key persons and they will replace it by doubts about the current social structure and the organization as such. This situation can slide into 'a motivation crisis' in which the atomization of individuals occurs and the responsibility towards standard values or team's opinions is completely missing. Habermas's standpoint represents the crisis as a failure of trust in organization's leadership and organizations as such. Habermas's view represents the crisis as a failure of trust in organization's management, in social order, traditional values and standpoints [4].

Arnold [7] developed a model of crisis decision-making representing both sociological and social-psychological standpoint. It is focused on an individual in relation to the group (Table 3). It is especially aimed at the reaction of individuals to crises. According to his opinion, the first stage of reaction is shock. It can show itself in many ways - senses of panic, anxiety, helplessness, confusion, indignation, hostility, distrust and pain. Such emotional reactions are considered quite usual.

An effort to deny the crisis, to distance from it is typical for the second stage. It is an attempt to return to a routine, time-tested and stable situation before the crisis broke out. This appears very often because an unexpected and unacceptable character of the crisis leads to the feelings which an individual cannot cope with. Reaction - an attempt to avoid reality and to suppress the crisis can be found not only at the individual's level but also at the level of groups. The third stage is a point of turn at which an individual realizes that he has to cope with the reality. An individual has to accept a reality of change and adapt to it or to refuse it. Finally, the fourth stage is adaptation, adjusting. An individual starts to adapt, he or she starts to learn by experience from the crisis and develop a new way of its sorting out.

From analyses of individual approaches it follows that Caplan's statement that over the period of crisis individuals suffer from a growing stress is the important contribution. He showed how the increased stress and tension rapidly worsened individual's ability to make decisions. Moreover, he pointed out to a possibility of early identification of crises and the way of their warding off. There are other authors who agree with Caplan e.g. Lindsay [1]. They refer to the need of evaluating individuals' role in the situation of crisis and of the stress they are exposed to as it can have a critical impact on the type of crisis and its course and outcomes.

One of the synthesis outcomes is that the individuals' reaction to the crisis has to be taken into consideration in any model of the crisis.

Not all organizational theorists, however, agreed on the approach to crisis development but Slatter's simple model is very convincing.

TABLE III. ARNOLD'S MODEL OF CRISIS

1	2	3	4
SHOCK	DEFENSIVE RETREAT, DENIAL	ADMITTING, ACCEPTING THE CRISIS	ADJUSTING, ADAPTATION

Revised from: [7]

Slatter says that in evaluating causes of crises external environment, management and organizational factors have to be taken into consideration [11].

Many problems can be overlooked due to the imperfect system of checking. Managers have a tendency to ignore or deny the crisis. This corresponds with Caplan's claim about the denial of crisis by individuals. Slatter was sure that accepted measures were coming too late and to a small extent. Holst's standpoint about lack of flexibility, stiffness and manager's limited rate of attention in the period of crisis supports Slatter's standpoint [2].

Brecher's paper [2] supports the idea that managers in the time of crisis rely on traditional standards. He says that for the period of crisis the intensity of communication is raising but at the same time the limitation of possibilities of how to solve the crisis is also raising. He found out that performances were lower due to the running crisis and alternatives were not much looked for, which is undesired because in the time of growing threat the usefulness of formal approaches is decreasing. Brecher's model of behavior sees the crisis as an element which arouses phenomena leading to responsibility. An independent variable is the perception of crisis by managers which is created by the sense of threat, time press and a probability of fight against the crisis. A dependent variable in the crisis behavior is a carried out option. It depends on top managers' critical perception.

Brecher's model is aimed at the conceptual approach. He says that scientists making the analysis of crisis have to examine seven elements: 1) a source of crisis (triggering mechanism, external or internal), 2) the weightiness of crisis (values that are considered as endangered, 3) complexity of crisis (a number of endangered key areas, uncertainty, 4) the intensity of crisis, 5) time span of crisis, 6) communication formulas and their adequacy, 7) probable outcomes of crisis. The author says that Brecher's attitude represents the aspect that should be analyzed in any crisis.

Since the time of that finding drafts of processing concept of crisis development have appeared. Arnold's work does not consider the models of crisis breaking out only but it also considers the models of crisis outcomes. According to Quarantelli [6], in making an analysis of crisis it is important to differ among various levels of analyses. The theme of analysis was developed by Booth [1] into a model suggesting a multilevel approach to the analysis of crisis. The model has

five levels of analysis: An individual, group, organization, inter-organizational environment and surroundings. Every level will be influenced by the crisis differently. The model suggests how those five levels overlap each other by various kinds of analysis focus.

For example, organization's management can identify the crisis as 'an error of the individual' and/or 'operator's negligence' that has been created at the individual level. An analyst may look for influences whose removal need not be considered a crisis solution by other levels. In most cases, crises have causes and consequences at more than one level. A multilevel analysis tries to grasp causes and consequences over the time. The purpose is to identify usual reactions of individuals and organizations to crises, and to reduce faults in coping with them.

#### A. Summary of sociological approaches on crisis

A sociological view contributes to understanding organization's crisis in many respects. It suggests that crises have a common base, which is a failure of social construction. Organization experiences a crisis of management and cultural standards which follows the event that will trigger the crisis. Organization's leadership will most probably appear under supervision and a change might also happen. Members of the organization may doubt corporate culture they may sense the need for its change [16]. Crisis management cannot be successful without a reform of management and corporate culture.

A sociologic view regards failure of collective thinking and structure as the cause of the crisis. Consequence is a disintegration of the social arrangement and traditionally recognized values and opinions that can turn into extreme individualism and violence [5]. Shrivastava et al. [8] points out that the organizational crisis often will turn into a social-economic dispute. It indicates that a collapse is expectable.

#### IV. CONCLUSION

A system approach to crises and its outcomes allow progress in research of crises. At the same time it means help also to practical preparation for crises and coping with them. All aspects of crises deserve much more attention from researchers than it has been paid so far. Economy, management, organizing or the existence as such will never be the same after the crisis as it used to be before it. Organizations need a better description of all kinds of crises. They need an analysis of their causes and consequences. They need instructions for the defense against them and to their management.

The authors lay an emphasis on frequently occurring psychological-sociological factors in models and constructions of crisis management. These factors (on the one hand top management themselves and their approach to the crisis and its managing, on the other hand the organization with its culture, structure and strategy) can be traced almost in all organizations in their relation to the crisis.

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