



# Crisis Management and Resilience Planning in Organizations

Amina Zainab Ibrahim

Department of Public Administration Kampala International University Uganda

## ABSTRACT

Organizations face diverse crises, including natural disasters, technological failures, health emergencies, and social disruptions, all of which can threaten their very existence if not managed properly. Effective crisis management and resilience planning are crucial to mitigating these threats and ensuring organizational survival. This paper explores the fundamental concepts of crisis management, the role of leadership in navigating crises, and strategies for building organizational resilience. By examining historical examples, different types of crises, and best practices, the paper offers insights into how organizations can better prepare for, respond to, and recover from crises. The discussion emphasizes the importance of proactive measures, risk assessment, and the need for robust leadership to foster a resilient organizational culture.

**Keywords:** Crisis Management, Organizational Resilience, Risk Assessment, Leadership in Crisis, Natural Disasters.

## INTRODUCTION

Organizations across the world face crises of varying magnitude and nature, ranging from natural disasters and technological failures to health emergencies, terrorist attacks, and social disruptions. Crises, by definition, are urgent situations that call for immediate action; due to the uncontrollable escalation of a crisis, acting too slowly while waiting for a situation to improve may create larger and more dangerous problems. Crises threaten the organization, impede the progress toward objectives, and disturb members' normal operations. Organizational crises can cause extensive business losses in financial, physical, and human terms and negatively impact the perception of an organization among stakeholders such as customers, investors, and employees. When poorly negotiated, crises escalate into larger problems that can jeopardize the very existence of the firms [1]. Crises are forms of extremes, manifestations of highly unexpected events, or situations, and they threaten adversely the goals and interests of organizations and their stakeholders. For the purpose of discussing crises and responding process strategies, it is essential to provide a sense of temporality; underlying each crisis process and period, the perception of organizations and stakeholders may broaden or narrow with time. A decade of incidents in a firm, no matter the forms and causes, may create a sense of chronic adversity and insecurity. An industrial crisis may spark public concern and social questions, leading to a crisis of legitimacy for the technical or industrial system as a whole, such as fallout from nuclear plants or toxic pollution from heavy industry [2].

## DEFINITION AND IMPORTANCE

Crisis management is an interdisciplinary area concerned with various attempts which intend to detect crisis-prone points of organization and foresee all kinds of crises. Crisis management prevents occurrence of crises or events which lead to crisis and minimizes the effects of inevitable crises. Therefore, in order to manage crises, there are some points which need to be addressed: its arrangements and responses to crises, and their informal component concerning organizational and environmental conditions including past experiences of organization which have created expectancies and models of behavior, and well-

defined rules that promote type of decisions and actions which can be categorized as defensive, anticipatory, and protective ones. Alternatively, strategic management deals with the formation, execution, and evaluation of strategies which accomplish the aims of organization. Therefore, management develops insightfully intentional and goal-oriented behavior which manifests or outlines the ways of how present efforts can orchestrate and modify future behavior. The future behavior of organization characterizes the manner in which the organization operates, evolves, grows, and interacts with its environment in the long-term. Continuous adaptation of this behavior to the changes in opportunities or threats of environment enables detection of trends, changes, and actions of other organizations that may lead to decreased competitiveness of the observed organization on acceptable markets. Crisis management considers both constructive and destructive potential factors while strategic management focuses only on opportunities and threats [3]. Crisis Management deals with arrangements for and responses to crises and/or disaster threatening people, communities, organizations, nation-states, and, indeed, to the world as a whole. There is also need to address its informal component which consists of organizational and environmental conditions which also shape the mental frameworks of and responses of people to crises. These include past experiences of organization which have created expectancies and models of behavior of people, politically, economically, and socially, and well-defined rules that prescribe and promote type of decisions and actions which can be categorized as defensive, anticipatory, protective, and even aggressive and warring ones. Crises are closely associated with people relying on some fixed view of their world and are ultimately knocked off their pedestal. Crises are related to strong changes that have not been anticipated, are not short occurrences but which even become more severe over time. Rapidly changing situations and developments intensify fears and anxieties. Each day brings more bad news or even disasters sickening the stomach of individuals and organizations as they track the terrifying down spiral of unforeseen events. Because of the uncertainties and for a variety of reasons as noted above disasters, developments, knock-on effects and threats outside organizations intensify, fears in individuals and organizations escalate. And, with the fears and uncertainties, anger and frustration increases as the effectiveness of leadership and management is challenged or called into doubts. Crises promise disastrous effects and devastating results [4].

#### **HISTORICAL EXAMPLES**

During the 1980s Michael O'Carroll was general manager of a gas transmission company owned by the British Gas Corporation (BGC), working under Chief Executive John Deans. This national concern was attacked by the Provisional Irish Republican Army (PIRA) whose intention was to disrupt the peace in Northern Ireland. The first successful attack was on the gas pipeline between Ireland and Great Britain. This became known as the "first crisis" and was followed by a succession of others as the PIRA systematically targeted the corporation over a period of years. The onslaught coincided with the Thatcher Government's desire to break up the national utility industries making them prime for internal competition, privatisation and external takeover. Peaceful and violent industrial action, such as through executive threats, were mounted outside the corporation whilst internal machinations attempted to subvert it; significantly by employing agents to gain access and information. The corporation's response included risk assessments and threat evaluation, a wider agenda of heavy investment in security systems and developing a crisis management capability. Systematic coordination and control was dismissed as the ideal, largely as BGC was not modelled or built to be crisis resistant; its delegated authority encouraged local autonomy and unsupervised, untethered actions. Some managers became "crisis entrepreneurs" setting agendas, interpreting events, hiring themselves out as security advisers, brokering deals and developing new businesses such as security provision [5]. Despite active opposition, a commitment to a coordinated security strategy successfully lessened the vulnerability of the BGC. Inter-agency cooperation flourished between business, police and military providers of security. Eventually an in-house control command centre was established alongside external, highly secretive military advisors. Deans was involved pre-empting an official investigation into the PIRA's using gas as an incendiary weapon in Liverpool. His role included statistical modelling and recruiting civil servants into BGC. With the telecommunication and energy crises in 1991, O'Carroll became Consultant on International Affairs to the then new corporation. BGC's control over a vital western European pipeline began to lessen [6].

#### **TYPES OF ORGANIZATIONAL CRISES**

This section categorizes and discusses the different types of crises that organizations may encounter. It explores natural disasters and technological failures as two primary categories of crises. The aim is to provide an understanding of the varied nature of organizational crises, their potential impact, and the need for tailored management approaches [7].

### **NATURAL DISASTERS CRISES**

Natural disasters have been a constant threat to organizations since the earliest days of civilization. Hurting the human race as a whole, they have inflicted more property damage than any other kind of disaster/crisis. Earthquakes, tsunamis, volcanoes, droughts, and wildfires are common examples. There are regions on Earth that are more prone to disasters than others; this is why the management attention has overwhelmingly focused on a few of the many natural disasters that can occur within organizations. Earthquakes and floods are representative examples of natural disasters of which not much can be known in advance. In particular, the combination of the two is devastating, as both can happen only minutes or even seconds apart from each other. The latter may cause structural failures, while the former may cause similar failures to the disaster recovery plans because they were devised considering a single-event disaster scenario. Snow is another natural threat to buildings, since it can accumulate on rooftops, damaging them and the structures supporting them [8].

### **TECHNOLOGICAL FAILURES CRISES**

Another kind of crises encompasses failures of hazard-exposed technologies. A modern organization is nowadays one where more than 50% of the costs are “technological,” meaning they are related to the operation of facilities, machinery, control systems, information technologies, production tools, transportation means, etc. Adverse impacts to other organizations in the proximity of the failure’s epicenter are generally expected, as are secondary explosions or ruptures in pipelines. Examples of such systems are offshore oil rigs, oil refineries, aerospace facilities, chemical plants, and nuclear power plants. Many organizations believed that the systems they had were fail-proof and that therefore they needed no Special Contingency Plan or that it would be similar to regular plans. Organization-specific knowledge is indispensable for achieving disaster resilience, such as the knowledge of local hazards, technical measures, safety culture, and organizational decision-making structures. Moreover, education and training are needed so that the acquired knowledge does not get lost due to personnel turnover and/or retirement [9].

### **NATURAL DISASTERS**

Natural disasters include hurricanes, tornadoes, floods, geological events, and seasonal disasters. They are crises stemming from nature and the environment. Many organizations respond to these types of events with extensive preparation and execution activities due to their broad range of complications and associated considerations. Natural disasters are unique from other types of crises due to the extreme winds, rains, flooding, tides, droughts, and psychological impacts that come out of them. The natural disaster section focuses on these types of events to be handled in effective planning and preparation for disaster recovery. Technology and systems are embedded to lessen these unique issues [10]. Planning and preparation are two components that have technical frameworks or systems supporting them. Risk assessment is one component of preparing for a natural disaster that facilities can implement for quality preparedness. Facilities can implement planning with systems such as employee training drills/escape routes, engineering alterations, and the purchase and installation of specialized equipment. However, in these planning, preparation, and implementation frameworks within facilities, most support and technology focus on natural disasters that replicate hurricane effects. There are many natural disasters that have a broad scope of circumstance and implications, and these considerations need to have break the planning framework [11].

### **ECHNOLOGICAL FAILURES**

Crisis Management is the process by which an organization deals with a significant event that threatens to harm the organization, its stakeholders, or the general public. A crisis often arises suddenly, catalyzing serious, negative unwanted outcomes that force organizations to cope with immediate threats to the safety and wellbeing of stakeholders and serious stress or disruption on organization viability. This process entails planning for and rehearsing an organizational response to a particular event. The planning and rehearsal actions are ahead-of-crisis actions taken before an organization has its crisis, whereas the responses to the particular event are coordination, implementation, and corrective actions taken during and after a crisis. In this section, numerous scenarios of crises that can potentially occur in an organization are pinpointed [12]. Technological breakdowns are complex crises to manage. “Technology” touches virtually every aspect of an organization’s functioning; thus, when technology fails, the consequences are felt at many levels (i.e., personnel, operational, economic) and in many departments (i.e., financial, marketing, dissemination, legal). Although technology exists that can assist in the resolution of a particular failure, the very technology created to make life easier can create more problems than it solves when it fails. Technology is pervasive in today’s organizations and is a critical component of

the collective work culture. Technology is a double-edged sword; owing to its complexities and valences, it can cause great difficulty when it goes awry. Organizations must secure their secondary systems both to assist the primary system in its functioning while guarding it against the risks posed by a technology-induced crisis [13].

### **THE ROLE OF LEADERSHIP IN CRISIS MANAGEMENT**

Leadership plays a crucial role in crisis management. An individual or a group of individuals at the point of organization can be seen as enablers, catalysts, and key influence leaders, providing guidance and direction to the organization in order to resourcefully prevent, manage, resolve, or recover from crisis events. As such, leaders are decision-makers, communicators, and resource allocators whose responsibilities increase with sudden crises. Organizational conditions, availability of balanced resources for combating crises, background, experience, training, and individual attributes generally play key roles in shaping effective leader actions [14]. Effective leaders are required to deal with crises in an organizationally intelligent manner. More specifically, leaders are required to think critically under time constraints, ambiguity, and emotionally charged circumstances. They need to integrate moral dimensions into the crisis with an expanded view on the stakeholders' interest, beyond existent organizational development regarding the bottom line. In a fair manner, leaders are responsible for justice distribution regarding crisis-related benefits and burdens between stakeholders. For leaders to assume their critical roles and responsibilities in crises, they need to be empowered to act, encouraged to respond, and be able to step up. However, such conditions cannot be achieved overnight. In light of the above-explored considerations, leaders are also expected to take actions prior to the crisis and nurture a positive culture of organizational intelligence and capability development [14].

### **BUILDING ORGANIZATIONAL RESILIENCE**

There are also proactive measures that organizations can take in order to develop resilience against crises. One of these proactive measures is conducting a risk assessment and developing mitigation strategies. It is worth considering how vulnerabilities could impact operations if there was a major disruption. In response, risk assessments should be conducted regularly to identify vulnerabilities and develop mitigation strategies to fortify an organization's ability to withstand and recover from disruptions. It is suggested that organizations consider the following questions when thinking about planning: What impact would a disruption have on facilities, technology and employees? How long could a facility or system be down before it dramatically impacted operations? What steps could be taken to prevent or minimize the effects of a vulnerability? Who would be impacted and how? If a crisis were to occur, who would be in charge dealing with the crisis and who would be in charge of directly managing it? [15]. It is extremely important that organizations engage in strategic planning in order to develop ongoing preparedness. Preparedness should be developed for organizations at many levels in order to strengthen their resilience to crises. For example, organizations may have a disaster recovery or business continuity plan on the global level that outlines the approach to be taken to ensure recovery from business interruptions such as natural disasters or acts of terrorism. Part of the plan should detail a response to such crises, such as emergency action procedures. Employees should be trained on these responses at regular intervals. Also, departments or facilities could conduct their own business continuity plans. There should be a close coordination of efforts between upper management and lower levels of planning because many strategies developed at one level may influence the robustness of responses at the other [16].

### **RISK ASSESSMENT AND MITIGATION**

Failure to understand the risks encountered by organizations and act on them can be disastrous. Such ignorance can bring an organization to its knees and has done so in the past. Sad as this may sound, past experience shows that many large organizations have fallen on hard times and some ceased to exist simply because they could not foresee the impending crisis, and so could not prepare for it. The onus falls on the shoulders of strategic and visionary thinkers in an organization to assess the overall environment and point out awareness of future risks. While foresight is highly debatable, the more pragmatic approach is to identify risks to the organization's well-being and then ensure that as few as possible are allowed to manifest [17].

Risk Assessment and Mitigation is a methodology used to prioritize risks from the highest to the lowest so that the critical risks are addressed first or dealt with and eliminated entirely if possible and the others ignored if they are deemed to have no or low impact. To undertake the exercise for a large organization with many different businesses, functions, and divisions is a huge undertaking. Nevertheless, organizations that have done, and continue to do, risk assessment and mitigation properly have been well and are much admired. It takes time effort and commitment from all levels of the organization. Senior

Management is critical. It takes time and effort for all levels of the organization. Senior Management is critical. There are tangible and perceived benefits to the organizations. Further, undertaking good risk management and mitigation will see organizations prosper on the balance sheet but potentially more importantly, excellent and good organizations do build a good reputation that is long lasting and withstands the pressures of the markets [18].

#### CASE STUDIES AND BEST PRACTICES

Crisis management involves the planning, performance and evaluation of activities designed to minimize the impact of a crisis on an organization. A well formulated crisis plan can reduce the chances of a crisis occurring, can minimize the damage suffered by an organization during a crisis, and can facilitate recovery from a crisis. A systematic and premeditated approach to crisis management planning is essential. Recent research suggests using expert panels to formulate best practices in crisis and risk management. Of interest in this research was the use of the Delphi Method to achieve consensus among these experts. The Delphi Method is a systematic way of gathering and combining the expert opinions of a group of people on a particular subject, in this case risk and crisis management. In addition to identifying best practices in crisis and risk management, this research tests methodology on a group of experts in risk and crisis management. The guidelines for action concerning best practices in crisis communication developed through this process are presented [19]. Despite the economic and cultural differences between the two case-study organizations, there were some similarities in respect of how they responded to a major crisis. Both organizations recognized the importance of information and communication, both internally and externally. The time-frame for change was paramount in both cases, but while in D I a sense of urgency was created, in A clear-cut and plan were provided, which is not typical in this type of organization. Organizational culture played a major role in facilitating or inhibiting the implementation of changes and such issues as social cohesion and a sense of belonging for example, in a firm with a global presence, were crucial to maintaining commitment. However, the comparison also shows that there were important differences in how organizations design and implement strategies to cope with a crisis. D I adopted a 'design and control' approach, consistent with its organizational culture, which ultimately did not succeed. A managed and organic approach to crisis management providing a carefully defined mandate with forecasting, scenario building, experimentation, extensive discussion prior to decision implementation seems more appropriate in such organizations. By evaluating best practices in decision making during a crisis in a high-tech firm and a financial services conglomerate, important lessons and insights for companies facing similar external shock can be distilled [20].

#### CONCLUSION

In a rapidly changing and unpredictable global environment, organizations must prioritize crisis management and resilience planning to safeguard their operations and stakeholders. Effective crisis management requires a deep understanding of potential threats, strategic foresight, and the ability to act decisively under pressure. Leadership plays a pivotal role in guiding organizations through crises, making informed decisions, and fostering a culture of resilience. By implementing comprehensive risk assessments, developing robust mitigation strategies, and learning from past crises, organizations can enhance their ability to withstand and recover from future disruptions. Ultimately, building organizational resilience is not just about surviving a crisis but thriving in the face of adversity.

#### REFERENCES

1. Pedersen CL, Ritter T, Di Benedetto CA. Managing through a crisis: Managerial implications for business-to-business firms. *Industrial Marketing Management*. 2020. [nih.gov](http://nih.gov)
2. Schaedler L, Graf-Vlachy L, König A. Strategic leadership in organizational crises: A review and research agenda. *Long Range Planning*. 2022. [sciencedirect.com](http://sciencedirect.com)
3. Maghdid RS, Othman BA, Omer AK. From crisis to crisis management; causes and impacts of crises in the public sector. *Polytechnic Journal of Humanities and Social Sciences*. 2022 May 14;3(1):65-74. [epu.edu.iq](http://epu.edu.iq)
4. Wenzel M, Stanske S, Lieberman MB. Strategic responses to crisis. *Strategic Management Journal*. 2020 Apr 1;41(7/18):3161. [researchgate.net](http://researchgate.net)
5. Dixon P. "Striving to Facilitate the Achievement of the PIRA's Aims"? The Labour Government, the Army and the Crisis of the British State over Northern Ireland 1972–76. *History*. 2024. [wiley.com](http://wiley.com)
6. Jabbar R, Makki M. Managing health disasters and Civil-Military Cooperation: a case of COVID-19 in Pakistan. *Jambá: Journal of Disaster Risk Studies*. 2021. [scielo.org.za](http://scielo.org.za)
7. Chaudhary MT, Piracha A. Natural disasters—origins, impacts, management. *Encyclopedia*. 2021. [mdpi.com](http://mdpi.com)

8. Attary N, Cutler H, Shields M, van de Lindt JW. The economic effects of financial relief delays following a natural disaster. *Economic Systems Research*. 2020 Jul 2;32(3):351-77. [[HTML](#)]
9. Zolas N, Kroff Z, Brynjolfsson E, McElheran K, Beede DN, Buffington C, Goldschlag N, Foster L, Dinlersoz E. Advanced technologies adoption and use by us firms: Evidence from the annual business survey. National Bureau of Economic Research; 2021 Jan 4. [nber.org](#)
10. Sakurai M, Chughtai H. Resilience against crises: COVID-19 and lessons from natural disasters. *European Journal of Information Systems*. 2020. [academia.edu](#)
11. Zuccaro G, Leone MF, Martucci C. Future research and innovation priorities in the field of natural hazards, disaster risk reduction, disaster risk management and climate change adaptation: A shared vision from the ESPRESSO project. *International Journal of Disaster Risk Reduction*. 2020 Dec 1;51:101783. [[HTML](#)]
12. Grissom JA, Condon L. Leading schools and districts in times of crisis. *Educational Researcher*. 2021. [nga.org](#)
13. Ellis JM. The breakdown of higher education: How it happened, the damage It does, and what can be done. 2021. [[HTML](#)]
14. Buhagiar K, Anand A. Synergistic triad of crisis management: leadership, knowledge management and organizational learning. *International journal of organizational analysis*. 2023. [researchgate.net](#)
15. Molavi-Taleghani Y, Ebrahimipour H, Sheikhbardsiri H. A proactive risk assessment through healthcare failure mode and effect analysis in pediatric surgery department. *Journal of Comprehensive Pediatrics*. 2020;11(3). [brieflands.com](#)
16. Bryce C, Ring P, Ashby S, Wardman JK. Resilience in the face of uncertainty: early lessons from the COVID-19 pandemic. *COVID-19*. 2022. [city.ac.uk](#)
17. Renn O. Risk communication: Insights and requirements for designing successful communication programs on health and environmental hazards. *Handbook of risk and crisis communication*. 2020. [psu.edu](#)
18. Mishra S, Anderson K, Miller B, Boyer K et al. Microgrid resilience: A holistic approach for assessing threats, identifying vulnerabilities, and designing corresponding mitigation strategies. *Applied Energy*. 2020. [sciencedirect.com](#)
19. Settembre-Blundo D, González-Sánchez R, Medina-Salgado S, García-Muiña FE. Flexibility and resilience in corporate decision making: a new sustainability-based risk management system in uncertain times. *Global Journal of Flexible Systems Management*. 2021 Dec;22(Suppl 2):107-32. [springer.com](#)
20. Mirbabaie M, Bunker D, Stieglitz S, Marx J, Ehnis C. Social media in times of crisis: Learning from Hurricane Harvey for the coronavirus disease 2019 pandemic response. *Journal of Information Technology*. 2020 Sep;35(3):195-213. [sagepub.com](#)

**CITATION: Amina Zainab Ibrahim. Crisis Management and Resilience Planning in Organizations. *Research Output Journal of Arts and Management*, 2024 3(3):29-34.**