

Crisis Management: Challenge or Opportunity for Public and Private Managers Face Economic Disaster

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Abstract: Successful managers find ways to overcome situations of uncertainty. The strategies adopted are based on a series of simplistic reasoning such as analogy, taking into account the ideas of experts, rigorous debate and experimentation. Napoleon Bonaparte said that "there is nothing more important and more valuable than being able to make decisions." Business leaders today must deal with an avalanche of ambiguity, it must decide on the future of the company. I intend to expose some successful methods by which top managers were able to transform into opportunities, challenges of economic crisis.

Keywords: management; leadership; opportunities; crisis

1 Introduction

After a resounding number of failures and bankruptcies, companies have begun to pay increasing attention, justified, how they are managed in-house activities and identify all possible threats and building plans to address them.

First you must distinguish between problems, threats and actual crisis. Although it uses the term "crisis management, effective management of the crisis is, in general, that the crisis is not reached. Basically it's more management problems, or efficient management of the business, but you must admit that the name is not as striking.

Crisis management tools are used mainly preventive type (such as inspection procedures, reporting systems, labor protection rules, etc.) or reactive (crisis plans). Crisis plan consists of a series of specific measures to be taken under certain conditions. In case of a crisis, response speed is essential and everyone should know exactly what and when to do it. In these moments, more than ever must act as a team, from the highest leadership positions at the operational staff. Of course, the most important tasks will be the actual members of the team and individuals in leadership crisis which is expected reactions. However, as I said, all employees have responsibilities, because often a hazardous declaration of an employee of a company faced with a crisis can be speculated by the press and erroneous conclusions can be difficult to change later.

The real crisis managers are endowed with a special sense to choose priorities and establish the necessary standards for business recovery. It is important to properly assess people who work to know exactly who are able to complete a task and to make these wheels that mechanism to operate the business.

I think the most important thing to make things right is to recognize that we have a problem. Another small step is to want to change something. The problem is complex and difficult changes. Address any changes as a project. As every project means something changes, you should seriously think about any change you want to do it.

2 Successful strategies adopted by top managers

Business leaders today must deal with an avalanche of ambiguity, it must decide on the future of the company. They face uncertainty about the global political, national and local governments, macroeconomic stability and growth, technological change and consumer mentality, as well as global warming and other effects of pollution, which can cause environmental disasters. Many managers are constantly worried that a simple event can transform the entire industry in a few weeks or months, which puts them in an eternal expectation.

One of the strategies that have proven extremely effective in times of trouble is to use analogies, in these turbulent times. Comparisons with similar situations, circumstances of their past or other organizations, and drawing lessons from them proved to be very useful in difficult moments. Analogies provide a wealth of information. Indeed, researchers have shown that people from very different fields, from firefighters in their international relations based on the analogy court when faced with complexity and ambiguity.

Analogies prove to be very useful especially when the leaders do not have access to complete and do not have the time or skill needed to make a detailed analysis of alternatives. They help managers to easily diagnose a complex situation and identify a set of realistic options. Unfortunately most analogies are imperfect. No two situations completely identical and several leaders identify similarities with ease, but often ignore the serious differences.

Imitation is another strategy that has proved useful in critical moments in the life experiences of an organization. Learning from how others have simplified the same problem is a very useful step. It's actually a very strong trend today. In the sales example, if a product is going to compete, why not go for me ... but that does not mean that imitation is always the risk of fair play and not look like the herd effect. However, it is very present, and production companies are looking strong on the rates of sales made by other companies in their decisions to increase production or introduce new products. In times of trouble for an organization, managers can feel safe by duplicating the competition, only to come out with an innovative business strategy. The idea is to use optimal strategies as a rival model, only inspiration, the original strategy of differentiation is a necessity.

Taking into account the opinions of **experts** is another way out of the impasse. Many managers take into consideration the opinions of professionals to inform themselves in complicated situations. Experts help leaders to recognize patterns to further simplify complex situations rapidly and efficiently.

Rigorous discussions are not always like to the management. However, such a tool can clarify ideas of the team and in the same time letting know the complexity of all problems to everybody. The debates are similar to the process by which a photographer emphasizes contrast when printing an image. As the picture is clearer, with both managers have the opportunity to make a call more clearly and knowledgeable team to find out the situation (Grove, 1996).

Experimentation is another method commonly used by managers to cope with the pressures of the times of trouble. In this way, they manage to avoid taking too much risk in complex situations. Instead, they conduct a small test, obtain feedback and modify the strategy based on what they learned. Such a process will reduce uncertainty and gather critical data about customers or the market for example. Eventually they may decide to abandon the project.

3 Anti-crisis management strategy

In our life, the crisis is normal and has a very important role in the evolution and maturation of each. This role is reflected in business life. In the organizational environment, crisis and conflict are the base on the development and growth of a company.

Passing through a crisis has the effect, on the one hand, to equip you and make you stronger and on the other hand to exhaust you and destroy you, to leave behind the pain and deep wounds.

The current crisis is manifested by financial difficulties, rather in terms of financing or psychologically, by a depression at all levels of society.

From a financial standpoint, it is not just a crisis, since the states have programs in private and self-help intervention consistent and clear, plus the spending cuts and programs within companies.

In contrast, the psychological perspective may be a contributing factor to heal or worsen the existing crisis irretrievably. Can you shorten the time needed to overcome them or you can overly long.

Healing crisis means, financially speaking, to return the banking system through flexible solutions for credit recovery in consumption levels that exceed customer needs, etc. return investments. and, psychologically speaking, the manifestation of a predictable behavior, strongly oriented to the future, to take risks for growth.

Psychological speaking, the current crisis have two aspects very much fear:

1. Generalized seizures, with a full behavioral tendencies anxiety, generalized anxiety - very strong external influence of media on a daily basis and effect on market and business segment;
2. Domestic crisis, a phobia caused by a local object or a particular industry - influenced by the nature of the job and your own business, cash, profit, sales and market share.

Extreme crisis could cause psychological disruption of consciousness and mental and physical exhaustion.

3.1 Signs the crisis in Business

- ✓ Manager spends so much time in meetings looking to understand what is happening in reality;
- ✓ Formed churches in various places in company crisis and debating the issue of gossip;
- ✓ Is looking for scapegoats, responsible for the current situation;
- ✓ Employees think about what is worse, including the loss of a job;

A crisis plan is not than a development plan, a plan to increase under certain conditions - the market decline. The increase in customer volume is reduced and to decrease the number of clients and to increase more than the competition or fall less than it.

The crisis is even more important to move from reactive management to proactive, preventive and anticipate construction problems and viable plans for various scenarios. In crisis, the main external scenarios aimed at customers, the market (market share) and competition (external scripts) and staff, mission and values and fundamental strategy and core processes (internal scenarios).

If the crisis situation, do nothing, make sure that later you will not be able to make me something. For any manager, the crisis is an extremely stressful experience and with a lot of panic spread around everywhere. Therefore, we require two kinds of strategies, a rational, logical and a psychological. Typically, managers have to take care of the rational and the emotional neglect.

3.2 Rational anti-crisis strategy

To do everything possible to understand and overcome the crisis, have cares and cash expenses:

- ✓ To have a good level of liquidity;
- ✓ Reduce operating costs;
- ✓ To continue to invest medium and long term;
- ✓ To focus on products / services concerned (and sell what is non-core) out of the markets drop;
- ✓ To focus on major customers (loyalty to) (to select their very best customers)
- ✓ To develop excellent relationships with suppliers (including banks)
- ✓ To take decisions quickly and to act immediately (to better manage risks);

3.3 Psychological anti-crisis strategy

Reassure others so that daily activities are not influenced:

- a. frequency information and regular employees;
- b. Establish a process of change and major changes;
- c. knowledge of change and development schedule;
- d. motivate and energize others by informal action;
- e. investing in training programs to prepare employees cope with the crisis.

Opposite the strategies outlined above, they behave and risks:

- a. to reduce costs sharply;
- b. to wait for the market to come back to itself;
- c. to make staff cuts (especially of talented people);
- d. to take measures taken by other companies.
- e. to manifest pessimistic and irrational panic - the effect of emotional and personal life;
- f. to wait too long to sell a non-core business - ie. Machines.

A manager knows that the realistic outcome of a crisis can not be correct and satisfactory for the business. For that reason must take measures from the very first moments of crisis. These measures aim to:

- Readjustment of investment and expenditure budget;
- To strengthen liquidity to increase purchasing power and risk taking;
- Update efficiency goals under declining sales.

4 Anti-crisis management techniques

Consider the dimensions of the crisis more serious than at first sight - testing of at least two scenarios: most serious, very serious (short description for each scenario).

Transparency and communication - there is a tendency for managers to block information and communication during the crisis. Instead, it is very important to let go of communication to prevent undesirable people (eventually everything will be hidden).

Testing the limits of those below and those above: the worst case scenario - which are measures that can be taken by the company and management in the worst situation. Worst case scenario should be taken into account during the crisis just as the increase should think the best scenario.

Changes among employees - which are sudden and silly changes in the company, which are the worst scenarios in terms of employees of the company. Any crisis meant bloodshed.

Minimum perspective: what are scenarios in which our company will weather the crisis and become stronger and more competitive.

4.1 Shares after the crisis

It is very important; we should not neglect what happens after the transition crisis. Because, as I said at the outset, the crisis stays on the development and on the growth of a company.

Initiatives and improvements:

- a. developing an efficient financial system and control;
- b. redesigning internal processes to increase efficiency and effectiveness - productivity (recruitment and selection, training, assessment etc..)
- c. Building a climate of integrity, honest, reliable and transparent, focused on initiatives and innovation.

Also, there are certain dangers that may arise after the crisis:

- a. prudent behavior / without risks;
- b. excessive bureaucratization - the construction of procedure;
- c. excessive control - financial and management audit.

5 Conclusions

In conclusion, there is a recipe for success when it comes to decision making in unstable environments. Managers are thus forced to develop their own repertoire of strategies that they can use in such conditions. At the same time, leaders must be constantly aware of the risks associated with each strategy, and must make them aware of it and those around them.

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