CRISIS MANAGEMENT IN A LEARNING ORGANIZATION

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Abstract: A key property of a learning organization is its ability to cope with change, and in this context, with crisis situations. Crisis situations are events characterized by factors such as suddenness, short decision-making time and threats to organizational goals, insecurity, uncertainty, limited control and impact on future operations. It is not possible to fully predict the moment when different types of crisis situations will appear, so one of the key characteristics of organizations is preventive action in the context of preparation and thinking about the ways of acting and behaving in different crisis situations. This is also one of the key tasks of crisis management. As part of the preventive action of crisis management, it is necessary to evaluate and analyze previous experiences, both one's own and those of others, and apply lessons learned in the crisis planning and preparation phase.

Crisis learning represents organizational behavior in accordance with the concept of a learning organization. Such learning contributes to organizational effectiveness but must become an integral part of the organizational culture of the organizations themselves. Rethinking and adopting all organizational activities that have proven to be effective in containing and resolving a crisis throughout its duration, as well as changing and eliminating all inadequate and ineffective procedures, is part of the learning phase, the contribution of which is reflected in future preventive activities.

The purpose of this paper is to highlight the importance of preventive action and systematic preparation for the occurrence of various types of crises, with a special emphasis given to the adoption of ideas and organizational behavior aligned with the concept of a learning organization.
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Keywords: Crisis management, crisis situations, learning organization, organization's culture

1. INTRODUCTION

Crises are classified as situations that in many different and extensive ways affect every organization. To an extent, such situations cannot be exactly predicted, but organizations can prepare for their occurrence. Preparation for different kinds of crisis situations falls within the domain of crisis management and the phase of preventive action. The success of overcoming a crisis will depend on the way an organization prepares for it, while an important role in this process is played by the adoption and development of the concept of a learning organization as an integral part of the organizational culture.

Crises are not a rare occurrence during the life cycle of an organization and they manifest in different ways. Those are situations characterized by suddenness, limited decision-making

time, threat to the organizational goals, uncertainty, unpredictability, limited control and impact on future business operations. Due to this, the resolution of crises requires efficient crisis management, regardless of the type of crisis.

The process of crisis management aims to identify and anticipate different crisis situations, as well as establish special procedures and types of behavior within an organization, which will contribute to the prevention of crises, efficient response and successful resolution of crises, while minimizing their effects. The role of crisis management is to enable rapid resumption of the normal situation within an organization (Kešetović and Toth, 2012).

An important role in this process is played by the phase of proactive and preventive action, with the aim of preparing the activities for the prevention and anticipation of crises, preparation and establishment of crisis and communication plans, crisis teams, as well as rethinking the ways of acting and communicating in future crises based on lessons learned and experiences from previous crises.

Therefore, the purpose of this paper is to highlight the importance of preventive action and systematic preparation for the occurrence of various types of crises as a key phase in establishing effective crisis management, with particular importance being given to the shared values, beliefs, attitudes and emotions of the entire organization, i.e. organizational behavior in accordance with the concept of a learning organization.

2. TYPES OF CRISIS SITUATIONS AND CRISIS PREPAREDNESS

The process of crisis management involves a wide array of activities, which are typically shown through several interconnected phases in scholarly literature.

Within the framework of preventive crisis management, it is necessary to reexamine and analyze previous experiences, both our own and those of other organizations. Lessons learned should be applied during the crisis planning and preparation phase. Reassessment and adoption of all organizational activities which were shown to be efficient in containing and resolving a crisis throughout its duration, as well as changing and abandoning all inadequate and inefficient procedures, is part of the learning phase whose contribution is reflected in future preventive activities.

Preparation for potential and various types of crises possibly faced by an organization is a complex and demanding process, which needs to be initiated in periods when an organization is not exposed to the challenges posed by crises. This is a period which should be utilized in the best possible manner by an organization, in order to assess all of its weaknesses, revise organizational risks and simultaneously try to prepare adequate responses to all such unwanted events.

Crisis preparedness involves the use of various tools that enable better and more systematic monitoring of changes in the internal and external organizational environment, thus enabling better planning, identification, containment, strategic crisis communication and crisis resolution when a crisis occurs.

Considering the number of diversity of various crises, one can find a large number of different crisis classifications in scholarly literature, so unified classification becomes quite challenging.

According to Bernstein (2020), crises are divided into creeping crises which often go unrecognized by decision-makers, slow burn crises which exhibit prior warnings, but real damage has not yet been incurred, and sudden crises in which damage occurs and will increase depending on the reaction time needed.

Furthermore, crises can be divided into seven main categories which involve different crisis situations in the context of natural disasters, economic crises, information crises, physical crises, and crises related to human resources, reputation and those crises caused by psychopathological behaviour (Mitroff and Anagnos, 2001).

Lerbinger (1997) states that it is possible to distinguish seven possible types of crises that occur due to the action of various environmental forces or are caused by managerial errors. According to their type, potential crises can be divided into crises caused by natural forces, technological crises, crises caused by a conflict, malice, deception, improper business practices or distorted business values.

Any of the aforementioned types of crises can affect any organization at any time. Therefore, it is essential for the organizations to be ready and adequately prepared for the occurrence of crises. This involves prepared crisis plans, ready crisis teams and formulated crisis communication strategy.

Crisis management which prepares for various types of crises regularly assesses the organization's vulnerability, prepares crisis plans, defines the crisis team, thinks about potential crisis scenarios and accordingly plans crisis procedures and statements for internal and external communication for each potential scenario (Bernstein, 2020).

At the same time, crisis preparedness entails systematic learning and inclusion of experience gained during previous crises in new crisis plans and strategies of crisis management and communication.

The phase of learning has a particular importance in the preparation for the occurrence of different kinds of crises, which involves the analysis, rethinking, and adoption of all organizational activities that were shown to be efficient in the containment and resolving of a crisis throughout its duration. Likewise, all inadequate and inefficient procedures ought to be changed or eliminated.

3. CRISIS MANAGEMENT AND A LEARNING ORGANIZATION
3.1. THE CONCEPT OF A LEARNING ORGANIZATION

According to P. Senge (2009), the concept of a learning organization refers to organizations which constantly learn and, in this manner, increase their capacities in order to achieve their highest goals.

This concept is based on the application of systemic thinking within an organization, personal improvement of people within an organization, acceptance of new mental models that form our behavior, development of a common vision and the image of the organization's future, and the development of the discipline of team learning. In such organizations, people constantly develop their abilities in order to create desired results, new thinking patterns are nurtured, collective aspirations are freely created, and people continuously learn how to learn together (Senge, 2009). The concept of a learning organization implies active creation of changes, open

communication between all members, empowered staff who use delegated power responsibly and are prepared to cooperate with colleagues at all levels of hierarchy in an organization (Galić, 2010).

The role of organizational culture is undeniable in the development of a learning organization. Culture refers to the knowledge shared by the members of an organization, which informs, establishes, formulates and explains routine and non-routine activities of the organization's members (Biličić, 2004). Organizational culture is defined as the way of living and working in an organization. It represents a system of values, beliefs, and customs of an organization (Sikavica and Novak, 1999). It is a general pattern of behavior, beliefs and values that are common among the members of an organization (Weihrich and Koontz, 1994). It is precisely those values, beliefs, attitudes, and feelings that permeate the entire organization which are crucial for the establishment of a functional and successful crisis management capable of mobilizing and receiving the support of organizational stakeholders in the activities of preventing or dealing with various crises.

Learning organizations or organizations which learn are characterized by individuals who continuously expand their abilities to achieve desired results. In such an environment, new ways of thinking are encouraged, collective aspirations are freely stated, while members of an organization continuously learn how to learn together (Senge et al., 2003).

The concept of a learning organization involves five key disciplines which are important for individuals and teams within an organization:

Personal development (improvement) – developing a clear vision of results one wants to achieve, with an objective assessment of current capabilities.

Mental models – ability to think and evaluate one's own thinking in order to improve the ability to manage actions and decisions.

Common vision – focusing on a common goal and building a collective image of the future.

Team learning – through a dialogue, teams change their collective thinking and realize common goals.

Systematic thinking – learning which leads to better understanding of interdependence and changes (Senge et al., 2003).

3.2. PROPERTIES OF CRISIS MANAGEMENT IN A LEARNING ORGANIZATION

A key property of a learning organization is its ability to face changes, including crisis situations.

Galić (2010) states that learning organizations must constantly strive to increase their capabilities by changing the ways in which all stakeholders perceive and think about issues, in order to achieve exceptional performance. In this context, the task of crisis management is to recognize signals indicating the emergence of a crisis situation in a timely manner and take actions to prevent it or minimize its harmful consequences.

Within the framework of preventive crisis management, it is necessary to evaluate and analyze previous experiences, both one's own and those of others, and apply lessons learned in the planning and preparation phase for crisis situations.

Learning from experience after the crisis has ended means conducting a systematic and comprehensive analysis of all processes and activities applied during the crisis.

It is necessary to examine which parts of crisis and communication plan were well-executed and which were not. Did the organization recognize the warning signs in a timely manner and identify a potential crisis situation? Did the organization have the possibility of completely averting a crisis? How rapid and efficient was the organizational response to a crisis and what kind of communication did the organization have with all stakeholders during the crisis (Luecke, 2005)?

In short, crisis management in a learning organization means using the opportunity to prevent or at least minimize the effects of future crises by learning from previous crises, while lessons learned are implemented at the process, organizational, information and communication level of the organization, through the personal development of every individual, systematic evaluation and rethinking of every action, and by creating a common vision with the aim of improving the capabilities of managing actions and future decision-making.

Such learning from a crisis represents organizational behavior in accordance with the concept of a learning organization.

4. CONCLUSION

To conclude, learning from one's own experiences and experiences of other people during crises is what makes a difference between organizations which will be more successful and efficient in dealing with crises and those organizations which will not be able to do so.

Efficient crisis management requires a comprehensive approach and continuous improvement of all phases of crisis management before, during, and after a crisis, with an emphasis on continuous and systematic learning by asking questions such as: what has been learned from the experiences of recent crises?

Such learning from a crisis offers an opportunity to introduce organizational changes, encourage creativity, and overall improvement and development of an organization. Crisis management can become a competitive advantage and learning from crises an opportunity for renewed growth and steering the organization back on the path of success.

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