

## **MANAGER SKILLS IN CRISIS MANAGEMENT -THEORETICAL APPROACH**

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### **ABSTRACT**

*The author writes that in the article entitled **MANAGER SKILLS IN CRISIS MANAGEMENT -THEORETICAL APPROACH** that organizations can contact the crisis, regardless of their size and industry. The crisis may have a global, general or organizational dimension, but may also affect some of the organization's functions. However, regardless of the size and extent of the crisis, crisis management must be interdisciplinary.*

### **REVIEW**

The author writes that in the article entitled **MANAGER SKILLS IN CRISIS MANAGEMENT -THEORETICAL APPROACH** that organizations can contact the crisis, regardless of their size and industry. The crisis may have a global, general or organizational dimension, but may also affect some of the organization's functions. However, regardless of the size and extent of the crisis, crisis management must be interdisciplinary. Crisis management is the biggest challenge for managers. Not only formal knowledge, but also experience and practical skills in the development and implementation of recovery programs are necessary for crisis management. The organization's capacity for anti-crisis activities creates the potential of organizational, human, cultural, information and financial factors. Enterprise crisis prevention depends to a large extent on the definition of crisis areas. The correct definition of crisis areas and appropriate actions reduce the risk of their occurrence.

It should be emphasized that enterprise crisis management should be part of strategic management, because enterprise crisis is a strategic problem for the survival of the organization. Management staff is particularly important in counteracting crises. The literature emphasizes that every organization needs good and wise managers, such as capital or modern technology. It needs educated, untrained managers whose prestige is not based on a chair, but on the mind. A good manager is effective management, and effective management is the right choice of

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direction, manner and subject of activity is a modern management taking into account the latest achievements of science and practice. Managers must be not only good managers and decision-makers, but also inspirers who can motivate and engage people in the course of building a strategy that will lead the company on the path to successful development, which will ensure its existence and prospects (Penc, 2013).

### **Crisis management and risk management process in the enterprise**

The crisis is an ambiguous concept of various fields of business. A. Zelek (Zelek 2016) states that the crisis should be understood as a consequence of a disruption in the existence or implementation of one or more factors determining the existence and development of an enterprise, both external and internal, depending on the effectiveness of management. The crisis has a strategic dimension for the survival of the enterprise. Walas-Trębacz and Ziarko write that the “crisis” contained in the concept indicates three aspects of human presence in crisis situations:

1. Expresses the human experience of crisis phenomena, their knowledge and understanding, relationship with the world of values and the world of decisions;
2. Expresses humanity, participation, participation in crisis; there is no man who would not experience the crisis, would not try to deal with it;
- 3 Sets a perspective, opens new horizons for men, shows possibilities, presents justified optimism for controlling and overcoming the crisis (Walas-Trębacz 2015).

The crisis in a global and general sense should be interpreted as a point in the course of events followed by change. The occurrence of this moment is often accompanied by a difficult situation that prevents the normal operation of the company and threatens to lose it. Tolerating the crisis inevitably leads to its collapse. Lack of ability to perform basic functions and goals usually translates into a relative increase in costs and reduction of new innovations.

Most crisis situations in a company are caused for several reasons at the same time. Initially, the source of the crisis triggers a chain reaction of the causes and effects of the crisis. The deteriorating situation of the company is therefore a picture of a domino effect - the weakening of one link, e.g. Quality of production in a relatively short time, leads to the weakening of the next link, e.g. Decrease in sales volume and decrease in the number of customers loyalty (Walas-Trębacz 2015).

The exit options are primarily management, but they must be tailored to specific crisis situations and should be geared to tackling the crisis and possibly at an early stage. The literature emphasizes that in the event of an organization's crisis, the principles of collegial leadership should be repealed. Very consistent leadership is needed. There is not much time for reflection and endless discussions. The leader must go on taking responsibility for what is happening. [...] When the crisis is over, the leader should free the reins and let the power flow from the hierarchy. This is important for the long-term health of the organization. The literature recommends active crisis management; write that “active crisis management is aimed at avoiding crises in the internal and/or external enterprise management class entrusted to the enterprise. It is offensive and focuses on the

phase of the crisis, from which there is no immediate threat. Critical methods for forecasting the crisis are important here" (Walas-Trębacz, 2015).

The author writes that in the article that management practice indicates that the manager is to constantly prepare the organization to deal with the crisis. Palmer says this is achieved by continually assessing all types of risk and writes that corporate America is putting a lot of effort into going beyond the financial risk model itself. The term 'risk' should be extended to risk of losing good judgment and legal risk. These extended definitions are really important. You can't predict the future, but you can prepare for many phenomena by systematically analyzing factors that may pose a risk to your organization. The experience of industrially developed countries shows that risk management is an important business function in crisis prevention. The risk of crisis arises as a result of uncertainty of business conditions and forms of the company (Zelek, 2016). The main task of risk management is to identify possible alternatives to the development of events in the business process.

In general, we can say that "risk management is involved in all decision-making processes of the entrepreneur or entity taking action in a specific field". Risk management is part of the organization's management process in many areas. In the literature, the problem of risk management is treated mainly as a management subsystem. In the global economy, risk has become one of the most important categories. Kaczmarek states that "due to the deeper links between various spheres of social and economic life observed in the contemporary global economy, a new area of risk management is emerging, which is defined as integrated risk management" (Kaczmarek, 2014). The risk management analysis shows that there are diverse relationships between the different phases of enterprise management and specific risk management activities that allow them to integrate. In implementing the risk management process, five stages can be outlined, namely:

1. Risk identification. Tasks at this stage include defining risk criteria, developing a risk identification method, formulating a risk classification system.
  2. Risk analysis and assessment. Tasks in this phase: Developing a list of possible risk situations, assessing the degree and dimension of each risk situation.
  3. Development of risk management projects. The tasks at this stage include developing an approach to risk management, organizing the risk management process, defining risk prevention measures.
  4. Risk management decisions and actions. The tasks at this stage are setting priorities, choosing tools, using the optimal combination.
  5. Assessment of actions taken, control and monitoring.
- Overcoming risk requires many conditions. Most often they include mutually exclusive possibilities.

Managers should know them, and possible solutions must address the issue of business security, because having a reasonable alternative lead to the optimal choice of surviving the crisis.

### **The role of manager in counteracting crisis phenomena**

Above all, effective management is a prerequisite for providing the company with the necessary performance. Mintzberg writes that "management effectiveness should be assessed in terms of its wider impact, outside the individual and even outside the organization" (Mintzberg, 2013). Managing a company in a

turbulent environment requires a multilateral skill manager. Effective management is no longer enough to build lasting relationships between customers, suppliers, employees and stakeholders. You must be able to anticipate and calculate risk, combine tangible and intangible resources to create new or old things in a new way and activate employees to work in new, even unknown areas of activity. The new role of manager requires more entrepreneurship, and elements of this role are improviser, organizer, pragmatic visionary, politician, entrepreneur, integrator and strategist. In addition, it requires a creative manager, and the elements of this role are the creator of the initiative, relativist, fantasy, sponsor, selector, advisor.

The emergence of a crisis in an enterprise can be controlled in various ways by managers. You can carry out both internal reorganization in the enterprise and the search for specific solutions in the environment. The most important is to indicate the causes of the crisis. Correct diagnosis is the basis of all measures to neutralize the crisis. The literature emphasizes that the quality of management by the manager is a key factor in the fight against the crisis (Mintzberg, 2013).

The author indicates that an important task of the manager in the field of counteracting crisis phenomena in the company is to introduce an appropriate communication system and deep cooperation between the marketing department and the technology department. It should be noted that there is a “conflict area” between marketing and other departments that involves the lack of effective communication between the technology department and the marketing department. This is necessary to correlate technological work with marketing. In the case of a large “conflict space”, the marketing department, despite receiving various signals from the market, has a difficult and long way to transfer this information to the technological field (Stabryła, 2013). It is important to pay attention to the strong influence of the manager on shaping the organizational culture in the company. The literature indicates that organizational culture has a strong impact on the functioning of the enterprise and is likely to affect the emergence or crisis.

The author indicates that the words Łukaszyński writes that “in order to ensure the organization's ability to succeed, it is necessary to develop its capacity for internal creativity and innovation, the features necessary in organizational processes, the development of which promotes the optimization of working conditions and the creation of culture organization (Łukaszyński, 2014). The effectiveness and efficiency of these activities is largely responsible for the leader who should be charismatic and imaginative (visionary), which will allow the organization to change according to its own forecasts”.

## **CONCLUSION**

The crisis as the author indicates is a complex phenomenon and requires multidirectional corrective action, and above all preventive action. There is no best way out of the crisis. Each crisis prevention strategy should be a set of integrated actions and efforts of various parts of the enterprise and should be adapted to the causes, symptoms and severity of the crisis. Building an effective crisis management system is an important undertaking in the enterprise. For this system to be effective, it requires appropriate organizational and technological infrastructure, support in the organization's social system, and information and communication channels. One of the main tasks of managers is to introduce

changes in the enterprise, especially in the one that has been weakened by the crisis.

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