Methods and Means for Dealing with Crises

There is little doubt that dealing with a crisis or with two or more crises is a serious challenge to our management skills. In today’s world, and in a business and construction climate, where change and transition are not only common but are occurring at an increasing rate of speed, crises seem to be inevitable. We will see that for some types or classes of crises, this is not true. In fact, we will see that in some types or classes of crises, prevention is not only possible but essential.

In my consulting practice, I have worked with companies that find themselves in a perpetual state of crisis management. This is unfortunate, counter productive, debilitating and, in most cases, totally unnecessary.

This state often comes about because owners and managers, despite a real or professed desire, do not know how to properly resolve a crisis and to break out of the crisis management mode. There are other lost souls who actually say they prefer to live in a perpetual state of crisis. This preference is just an admission that they too haven’t a clue as to how to get out of the crisis mode.

Let’s look at crises in a new light.

It seems that not a week, or worse, a day goes by without being faced with one crisis or another. Every company involved in construction has lived through one or more of these job-related, technological, change-driven or developmental crises. The reality is that if your company does not already have the skills needed to successfully handle crises, experience with crises does not guarantee that your company will develop the ability to deal successfully with them in the future.

However, a history of successful resolution of crises should increase the chance of successful resolution of future crises.

In a Panic? Take a Good Look at What’s Going on Around You, and You May Discover That It’s Not a Crisis After All

By L. Douglas Mault
Unfortunately, as indicated earlier, such history can lead to a continual crisis mode of operation.

In the face of a given situation or problem, some companies will define it as a crisis, and others will not. There is no direct cause-and-effect relationship between a stimulus and the ensuing crisis. The company’s perception of the

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Most companies involved in a crisis perceive a loss, or threatened loss, of something important such as revenues, prestige, markets, jobs or reputation. As a result, times of crisis frequently become times of heightened owner/management accessibility to employees, advisors or outside experts. Happily, those involved in resolving the crises often become less defensive and more open to intervention or change.

However, when all is said and done and the crisis is really, or apparently, resolved, the record and empirical evidence show that most companies will return to their former modus operandi. They have learned precious little about how to prevent, prepare for or deal with crises.

Crises can be resolved, for better or worse, by companies using appropriate (or inappropriate) tools, tactics and strategies. Therefore, a given situation can be viewed and dealt with as either normal, out of the ordinary or a crisis. The greater the number and diversity of those tools, tactics and strategies available, the more likely it will be that the company will not move into a crisis state or will not perceive the crisis as severe.

Let’s look at the four classes or types of crisis. They are as follows:

- Real.
- Imagined.
- Created.
- Recurring.

Now it should be apparent that imagined and created crises, by their names alone, are not real crises. We know real crises when we see them, and we certainly recognize recurring ones, such as inventory, tax time, closing out billing, mandatory reports and so on. Let’s look at the definitions of these four.

Real crisis. A unique and unstable or crucial time or state of affairs for com-
pany. It is a situation for which the company is unprepared or is incapable of handling. It involves significant threat, significant risk and/or significant commitment of resources for its resolution.

The crisis may or may not have been preventable. If it was not, then the critical analysis of how it was dealt with should result in improved crisis-handling skills. If it was preventable, the result should be an investigation of underlying causes and of the company’s ability to predict significant events.

**Imagined crisis.** This is a state of mind or operation wherein a company determines that it is in a crisis state, but any critical outside observer would see otherwise. This state of mind or operation usually comes about because of the lack of analytical and coping skills.

That is, the company cannot see that the situation, properly recognized, should be handled by them readily, if not routinely. Alternately, the company has failed to develop the coping skills needed to deal with out of the ordinary, but not extraordinary, events and situations.

**Created crisis.** This is a situation in which the crisis is quite real to all but the creator of the crisis. In the conscious mind of the creator, the crisis is also real. However, were creator to delve, even to a minimal degree, into his subconscious mind, or to examine his preferred method of operation, he would realize that he has precipitated a crisis that has no basis in reality.

Since this introspection seldom takes place, others in the company must suffer through an ongoing series of crises instead of dealing with truly significant issues.

**Recurring crisis.** When one considers this phrase carefully, it becomes apparent that it is an oxymoron. A crisis is, by definition, a unique event. Therefore, one that recurs is not a crisis. In fact, although the company will see it and deal with it as a real crisis, a recurring crisis is actually the failure to recognize and deal with the underlying cause(s).

It is similar to dealing with the symptoms of an illness, such as a person who is allergic to cats, who takes antihistamines daily rather than keeping the cat outside or giving it to a caring individual.

What should we do when faced with a real crisis? Here are 10 things you should consider:

**Information.** The more information people receive about the crisis and the resolution strategies to be employed, the less threatened they feel, and less misinterpretation and irrational behavior are likely to occur. In the absence of hard information, rumors will take over. This wastes time and energy

**Involvement.** Information sharing allows other staff to participate in dealing with the crisis. This promotes organizational identification and makes people feel less impotent and more important. Participation at all levels helps mobilize constructive forces for crisis resolution.

**Support and reassurance.** During a crisis, people’s needs become intensified. They look to each other and their leaders for support, feedback and direction.
They need reassurance from those in authority.

**Guidance.** In the course of a crisis, people often will need help learning new methods, establishing new routines and behaviors and acquiring new knowledge and skills. Guidance in these areas helps reduce anxiety and speeds the development of those skills, attitudes and behaviors.

**Presence and proximity.** With uncertainty, ambiguity and the increased dependency of the crisis state, the heightened availability of superiors is critical. Availability of, and easy access to, superiors are important factors.

**Talking about it.** Talking about the crisis helps foster the process that will help to resolve the crisis. People need to discuss feelings and express their concerns. Empowering and encouraging this will surface those concerns and help reduce tensions.

**Clarification.** Everyone should be provided a clear and precise understanding of their roles and responsibilities. It is important to keep in mind that significant resistance to crisis resolution comes from fear of the unknown. Clear communication of information will allow people to begin to assert some control over their reaction to the crisis.

**Respect for values and dignity.** Crisis can lead to a damaged sense of self-worth and importance. The organization must work hard to recognize and reinforce the importance and self-worth of all employees.

**Hope and optimism.** Accentuate the benefits of the crisis resolution and communicate a sense of optimism about the results to come. Optimism is contagious.

**Resolution.** Crisis resolution can come from within or from outside the company. It depends on the definition for the desired outcome, outlining an appropriate action plan, marshalling people and resources, and, finally implementing the plan to gain those outcomes.

In construction there are enough real crises to go around. Let me close by exhorting you to anticipate possible crises and do whatever is necessary to prevent them. Second, spend the time, energy and money to eliminate any recurring crises in your company. Third, imagined and created crises must also be eliminated so that management’s time and energy are free. Finally, when a real crisis arises, deal with it immediately, thoroughly and professionally All of this must be done so that your company is free to move ahead during these times of rapid change and continuing challenges.

**About the Author**

L. Douglas Mault is president of the Executive Advisory Institute, Yakima, Wash. He is a consultant and trainer who specializes in working with the owners and/or senior managers of construction-related companies. His expertise covers planning, operations, sales, marketing, customer service and quality as well as management and supervisory training.