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ANTINOMIES OF CRISIS MANAGEMENT AND ORGANIZATIONAL LEARNING

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A crisis situation can, from the point of view of an organization, include events or situations that have their origins in the specificity of an organization, which are usually the results of management errors, a faulty structure or maladjustment to the changing environment. On the other hand, there are disasters which are (caused by) events in the environment, unpredictable and, in principle, beyond the control of the organization. Such a clear-cut division is not always observed - researchers offer several approaches to (or typologies/classifications of) crises, whose proportions and criteria determine the type of anti-crisis measures. Crises also appear to be gradable. They fall into the category of difficult situations, which means that one can attempt to determine the extent of a difficult situation and hence assess the severity of a crisis.

Organizational crises may be conducive to the process of intensive organizational knowledge acquisition. Actions undertaken in terms of crisis management often constitute the means for organizational learning. Therefore, a learning process within a company that is the result of the exploration and exploitation of knowledge can prove crucial to its survival. Organizational learning is related to the issues of adaptation, survival, and competitiveness of enterprises in conditions of discrete changes in the environment.

Organizational learning may be interpreted as a social construction which transforms acquired cognition into accountable abstract knowledge. Argyris and Schön's [1; 16] theory represents a perspective from which organizational learning is seen as the sharing of assumptions. Sharing assumptions or cognitive maps among members of an organization constitutes the basis for learning. Organizations are

regarded as artefacts based on the cognitive maps their members use to navigate the network of their organizational interactions. Organizational learning consists of the processes of making modifications to these maps. A discrepancy between the anticipated and actual results of an action can lead to the modification of the individual images of the organization and organizational culture.

Organizational task knowledge is embedded in routines and practices and represented as “theories of action” which have the advantage of including strategies of action, the values that govern the choice of strategies and the assumptions on which they are based. The general form of a theory of action is: If you intend to produce consequence C in situation S, then do A. Theory of action, whether it applies to organizations or individuals, may take a form of a theory-in-use: the theory of action which is implicit in the performance of a given pattern of activity [1; 13].

Each member of an organization constructs his own representation of the theory-in-use of the whole but his picture is always incomplete [1; 15]. The organization's theory-in-use depends on the ways in which its members represent it. Individuals compare and adjust their private images of organizational theory-in-use. Individuals need external references to guide their private adjustments. Such reference functions are fulfilled by organizational culture. Organizational culture involves assumptions, strategies of action, and the values that govern the choice of strategies. There are also artifacts (maps, memories, and programs) embedded in the organizational environment.

There are differences between coming to see things in new ways and coming to act on the basis of insight. Members of the organization may gain new insights that are not converted into action. Outcomes of inquiry are qualified as products of organizational learning when they are accompanied by changes in behavior [1; 17].

During crises, organizations engage in normalization processes [3; 27-29]. This means that they use well-known and acceptable standards and systems: cognitive, psychological and socio-political. The natural tendency of participants in an organization is to attempt to rationalize and/or minimize the importance of events that are not in accordance with their systems of values or frames of reference.

Normalization mechanisms allow a fixed, common perception and understanding of a crisis but, paradoxically, reduce the potential for learning. The paradox is that they facilitate learning and - at the same time - inhibit it. Normalization mechanisms mean that “The more we know about a crisis, the less likely we are to learn from it”. Information is not analyzed in order to improve future actions. This is selected to construct winning arguments in a battle for political-bureaucratic survival (4; 184).

Paradoxes can be described as problems with two extreme solutions, where both solutions are true. Thus the conflict between innovative learning (double-loop learning), in which both the assumptions and the standards/strategies are modified, and routine learning (single-loop learning), which concerns only the action strategies (behaviours), constitutes a potential paradox. One can presume that in an efficient crisis management the most helpful cycle would consist of single-loop learning, while learning through the crisis, or learning to avoid crisis or fostering deep changes within the enterprise would require double-loop learning. Innovative learning is a radical change in methods of operation together with a change in the objectives (or standards) and the premises of the action. It can be assumed that single-loop learning, which is based on the ability to detect and correct errors with a given set of operating standards, is the most useful for effective crisis management. In the case of double-loop learning, both the standards and the basic assumptions are modified. Such learning is conducive to innovation, challenging goals, and it is more important for long-term survival [2; 63-69]. It entails the need to test the cognitive models.

The conflict between exploration and exploitation can also pose a potential problem for organizational learning. Organizational learning involves two aspects: explorative and exploitative. Entrepreneurial activities enhance organizational knowledge through the learning that takes place during the process. Exploitation logic is related to short-term effectiveness. Exploitative learning tools are aimed at making an organization more operationally efficient through improvements to a routine set of activities. Exploitation is using what has already been learned. Explorative learning is creative and focused on experimentation and innovation. Opportunity creation and competence development are not in contradiction with a

commitment to the exploitation of opportunities and existing competences. The model of organizational learning should incorporate the strategic tension between assimilating new knowledge and using what has been already learned.

Antinomies may manifest themselves in crisis management through, for example, the paradoxical nature of management systems, which may decrease the number of accidents but do not guarantee that accidents will not occur. A single occurrence of an accident on a large scale in organizations such as fire stations, airplane security systems, and nuclear plants would, in and of itself, lead to catastrophe [5; 30-31].

Economic downturn can cause crisis situations for companies which are further triggered by many different pro-crisis factors, with both endogenous and exogenous impact. On the other hand, crises of enterprises are critical in shaping the economic climate. Increasing the ability to manage crisis by enterprises can be considered as a favorable condition for long term economic and social development. Real help to managers confronted with organization crises depends on the awareness of the importance of anti-crisis management and, above all, the problems they must face. Improving organizational learning should lead to the reconstruction of business models that may be a good starting point at shaping organization abilities to cope in the crisis. A learning business is a business that is constantly searching; improvement is a continuous process.

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