ASSISTANT PROFESSOR SRĐAN MILAŠINOVIĆ, PhD
Criminal Police Academy, Belgrade
ASSISTANT PROFESSOR ŽELIMIR KEŠETOVIĆ, PhD
Faculty of Security, Belgrade University, Belgrade

CRISIS AND CRISIS MANAGEMENT – A CONTRIBUTION TO A CONCEPTUAL & TERMINOLOGICAL DELIMITATION

Abstract: *Crisis and crisis management are relatively new concepts in Serbia, both in theory and in practice. Their implementation is accompanied by terminological confusion regarding basic phenomena – emergency situations, crises, conflicts and catastrophes, as well as various kinds of attempts at managing uncertainties and hazards. This work is an attempt at a contribution to a conceptual and terminological delimitation in this field.*

Key words: *crisis, emergency situation, conflict, catastrophe, crisis management, risk management, security management, managing area hazards, managing operation continuity*

JEL classification: D74, L29

1. Introduction

Crisis management is a relatively new concept here, both in the theoretical sense as a scientific-educational discipline and research field, and as a practical activity in private corporations, state administration, state-owned companies and organizations in the non-profit sector. Its, relative to global tendencies, belated and slow entry into the academic and practical-management sphere is accompanied by terminological confusion about basic phenomena – emergency situations, crises, conflicts and catastrophes, as well as various kinds of attempts at managing, either proactively or reactively, various kinds of hazards and uncertainties that threaten society and individual organizations and groups. Concepts are often translated literally or inadequately from the English language, and then inappropriately used, without a clear awareness of their meaning and scope. The

following text does not aspire to a total elimination of unclearness,[1] but to at least a partial contribution to a conceptual and terminological delimitation in this field, as this is a prerequisite for adequate communications and understanding between theoreticians and practitioners. Toward that end we shall identify the basic concepts – crisis and crisis management and related concepts: emergency, conflict and catastrophe, i.e. environmental hazard management, risk management, emergency situation management, security management, catastrophe management and business continuity management.

2. The concept of crisis

Today, the word *crisis* is probably one of the most frequently used words in everyday speech. It is used to describe personal, i.e. private situations but, more frequently, it is used to describe a state in which society as a whole or individual organizations and systems within it find themselves, with potentially negative consequences. Still, in spite of its frequent use, the term "crisis" does not have a clear or uniform conceptual content. Instead, there are numerous and often mutually divergent interpretations.

Etymologically speaking, the word crisis comes from the Greek language. In ancient Greece the word crisis (κριςις) meant "judgment" or "decision," i.e. the decisive moment that determines the further positive or negative development of a thing or a situation. The essence of crisis is that one must decide, but that no decision has yet been made.

A misconception often appears in literature, by which the symbol for crisis in the Chinese (Mandarin) language (wei-ji) includes characters that mean "danger" (wei) and "opportunity" (ji), which results in an interpretation by which crisis is equally good and bad. Sinologists, experts in the Chinese language, point out that only the first part is true, i.e. that the logograph *wei* truly means "danger," but that the other one – *ji*, means change or turning point, and they emphasize that a much more accurate translation of this Chinese symbol is: "opportunity for danger to occur."

In present times, crisis primarily signifies discrimination or the ability to discriminate, choice, judgment, decision, but also exit, conflict resolution, clarification.[2]

The modern concept of crisis comes from medical literature, in which it designates a dangerous state of an organism's health, from which it cannot recover

---

[1]   This is, in fact, impossible to do in its entirety. The famous American sociologist of catastrophe, Enrico Quarantelli says that he spent almost forty years struggling with the attempt to conceptualize the concept of catastrophe. E.L. Quarantelli, ed., *What Is a Disaster?*, Routledge, NY/London, 1998, p. 1

[2]   A. Krummenacher, *Krisnmanagement*, Industrielle Organisation, Zürich, 1981, p. 3

without permanent damage, outside intervention or a fundamental restructuring, since the defense (immunological) mechanisms of the organism are not sufficient to pull it out of the crisis. Social scientists have borrowed this basic medical metaphor in order to describe crises in economic, political, social and cultural systems.

Although there is no consensus regarding its meaning, crisis is a quite popular and widely used term. It is even said that its popularity makes it more difficult to define it. This is not surprising, since the researchers who study the phenomenon of crises do not consider themselves to be crisis researchers. The crisis field is poorly defined, sort of like a confused jumble of scientists from various disciplines (sociology of catastrophe, public administration, the political sciences and international relations, political and organizational psychology, along with technical specialists such as computer scientists or epidemiologists). As to who is on the inside and who on the outside – that depends on the person defining the field. The issue is further complicated by the fact that the following terms are used for various kinds of negative or dangerous events simultaneously and often without a clear awareness about their mutual relations and delimitations of meanings or, especially in the English language, even as full synonyms for the concept of crisis:

- adversity, i.e. an emergency event caused by factors that are not under control, which endangers the lives or health of people or animals, and results in material damage;
- contingency, i.e. an event that was not predictable;
- accident, denoting a mishap caused by the human factor, including technology, which extends outside the bounds of the technical-technological plant in which it occurred;
- major incident, i.e. a state of emergency representing any event that may cause death, injuries, property damage, environmental changes, disruptions in the normal functioning of society, whose activity and consequences cannot be prevented, alleviated or remedied by available community means and capacities, and especially the terms:
  1) catastrophe (disaster) – denoting a calamity caused by natural factors, and
  2) emergency situation.

However, the meaning of these terms and the kind of response (reaction) they require, remains problematic.

There is a large body of literature dealing with crisis and, thus, many partly matching or partly divergent definitions. Crisis is much too complex a phenomenon to be easily defined. Calamity (adversity) disrupts normal conditions and creates confusion, while specialized organizations (agencies) are assigned the task of restoring everything to a normal state. However, when adversity goes beyond normal boundaries, we enter the world of crisis.

Since the phenomenon of crises has attracted the attention of a number of researchers from different scientific disciplines and fields (economics, history, politics, medicine, ecology, psychology, etc.), this means that the concept of crisis, in addition to certain general characteristics (a situation that has reached a critical point and a turning point, either toward something better or something worse), is often used in quite specific meanings characteristic for different fields of research. Thus, psychology talks about crisis of personality, medicine about crisis as the culmination of serious disease (or crisis in a country's health system), while ecology thinks about a critical threat to the environment. Even within the bounds of the same science, such as economics, there are differences regarding the use of the concept; thus, macroeconomics talks about crisis as a turn in a previously regular market cycle, and microeconomics about crisis as a condition that threatens a company, i.e. an individual economic actor.

In our efforts to harmonize various perspectives, the term *crisis* is usually used as a "universal box," i.e. as a concept that encompasses all types of negative events. In an even broader perspective, the term crisis is applied to situations that are unwanted, unexpected, unpredictable and almost unthinkable, which cause disbelief and uncertainty.

Referring to the numerous definitions in the International Encyclopedia of Social Sciences, James Robinson concludes that they are either overly precise and specific and, thus, not broadly applicable to different situations, organizations and actors or, on the other hand, that they are overly broad, i.e. unbounded in their meanings, which, in that case, makes difficult to distinguish crisis from non-crisis.

Kathleen Fearn-Banks defines crisis as a "larger event with potentially negative consequences affecting an organization, company or industry, as well as its target public, products, services or good name."[3] For Hamblin, crisis is an "urgent situation in which all the members of a group are faced with a common threat,"[4] while Pauchant and Mitroff see it as a "disruption that physically affects the system as a whole and imperils its fundamental premises, its autonomy and essence."[5] Fink claims that crisis is any event that can escalate in intensity, become the focus of attention of the media and the government, obstruct normal business operations and negatively affect a company's image and profit.[6] Barton sees crisis as a "larger and unpredictable event with potentially negative consequences. This event and its consequences may cause significant damage to a company, its employees, products, services, financial state and reputation."[7]

---

[3]   K. Fearn-Banks, *Crisis Communications: A Casebook Approach*, Lawrence Erlbaum Associates Publishers:Mahwah, NJ, 1966, p. 1

[4]   R.L. Hamblin, "Leadership and Crisis", *Sociometry* 21, 1958, p. 322

[5]   Ibid

[6]   S. Fink, *Crisis Management: Planning for the Inevitable*, Amacom, New York, 1986

[7]   L. Barton, *Crisis in Organizations: Managing and Communicating in the Heat of Chaos*, South-Western Publishing Company:Cincinnati, OH, 1993, p. 2

Finally, Pearson and Clair define crisis as an "event of small probability and great consequences, which imperils the life of an organization, being characterized by unclear causes, effects and means of solution, as well as a conviction that decisions must be made quickly.[8]"

Paul t'Hart has given a contemporary definition of crisis, describing it as an "unpleasant event that represents a challenge for decision-makers, tempts them to act under conditions of imperilment, time constraint and unpreparedness." Crisis is a "serious threat to the basic structures or fundamental values and norms of a social system, which, under conditions of time pressure and very uncertain circumstances, demands the bringing of critical decisions." This definition has two important characteristics. Its significant advantage lies in the fact that it can be applied to all types of disruptions (ecological threats, breakdowns of informational-communications systems, economic crisis, intrastate conflicts, jail mutinies, regional wars, factory explosions and natural catastrophes). This very characteristic demands a multidisciplinary approach in understanding crises. Secondly, this definition directs our attention toward decision-making: crises are seen as an opportunity to make critical decisions.

Even though the suggested definition is relatively the most acceptable, it is, nevertheless, not totally unquestionable. Namely, thus understood, crisis is in a certain sense an elitist construction. Whoever holds authority or power decides whether a certain process or event represents an advance in the normal state of things or, on the other hand, its disruption. Going along with this definition, we can talk about crisis only if the participants of the event in question view a given situation as a crisis (the so-called Thomas Theorem). If, for instance, citizens or state authorities proclaim the hard position they are in as a crisis, that will decisively influence the future course of events. This subjective understanding of crisis makes it impossible to precisely demarcate its beginning and its end, since different participants perceive a given situation as a crisis in different points in time. For example, a serious chemical accident is first identified as a crisis at the plant, then on the local level and the finally on the state level. So long as the authorities charged with taking emergency measures in times of a crisis situation are not aware of the situation, the analyst cannot define such a situation by the term "crisis." Thus, the essence of things lies in the fact that crisis is not just an event per se but an event for us (Ding-fur-uns), i.e. that it assumes a subject-object relationship.

---

[8]   C.M. Pearson, J.A. Clair, "Reafirming Crisis Management", *Academy of Management Review* 23, 1998, p. 60

3. Crisis and related concepts

Crisis is often mixed up with catastrophe, conflict and emergency situation, which is why it's necessary to delimit the terms and concepts that they denote.

3.1. Emergency situation

An **emergency situation** is still not a crisis, although it makes extraordinary demands upon the traditional structures.[9] What matters here is that the institutional components of the system set up to battle hazardous situations are able to meet these extraordinary demands with the aid of already established mechanisms. These are perfectly understandable (comprehensible) operative situations that, if allowed to develop, can result in a serious degradation of capacities and loss of resources and/or human lives. In such situations emergency services (police, firemen, ambulance, etc.) are able to react with traditional means. During such situations, other components of the system are not disturbed to a greater extent. Thus, the distinction between the concepts of crisis and emergency situation is relatively precise and logical. The key distinctive elements are the clarity of the nature, character and dimensions of the events that exist in the case of an emergency situation but not in the case of a crisis. Differently from a crisis, an emergency situation is mainly solved by routine operative procedures within the framework of an organization's existing capacities. A second distinction is the sufficiency (availability) of resources for solving an emergency situation, as distinct from a crisis.

An emergency situation is a concept broader than that of crisis, since each crisis is at the same time a distinct situation, while each emergency situation does not necessarily have to be a crisis. Something that is merely an emergency situation (large fire, serious traffic accident) for a given social group or geographic community may be a great crisis or catastrophe for the immediate actors.

3.2. Catastrophe

The word *catastrophe* comes from the Greek word *katastrefo* (καταστρεφο), which means to turn, spin, tip over. It is most often used in the sense of disaster,

---

[9]   A distinction should be made between an emergency situation and a state of emergency – which assumes a special legal regime relatively precisely regulated by law, which is most often introduced by a special decision of the relevant state organ (government, president or parliament), which suspends the normal functioning of the government and the state administration, while citizens are warned to change their accustomed way of life or behavior in order to protect their lives and property, while state agencies are given orders to act according to plans for emergency situations, and certain citizens' liberties and rights may be limited. Reasons for the introduction of a state of emergency are usually natural catastrophes, mass civil unrest or declaration or beginning of war, in which case the expression state of war is also used.

breakdown, sudden great calamity with very serious consequences in terms of human lives and material damage.

Lay people, politicians, journalists and practitioners often confuse the terms crisis and catastrophe and/or use them as synonyms. In the world of theory, however, there is a constant striving to establish and maintain the most precise possible demarcation line between these concepts that broadly encompass all kinds of previous and future calamities. The field of catastrophes is a well demarcated research field of a group of researchers (mostly sociologists and geologists), certain institutions (or individuals) that determine and execute policy (e.g. FEMA – Federal Emergency Management Agency – the U.S. federal agency for managing emergency situations) and people – practitioners – who work directly in the field. It includes academic study programs, professional magazines, gatherings and conferences. However, it must not be forgotten that crisis and catastrophe are two distinct but mutually tightly related concepts. As noted by A. Boin, "one cannot formulate a useful definition of catastrophe without an appropriate definition of crisis, since the two concepts are inseparably connected."

In order to demonstrate this, we shall present attempts at defining and contemplating catastrophe distinctly and independently from the concept of crisis. Just as in the case of crisis, there is no universal definition of catastrophe, since it is also dependent on the discipline within which it is being used. Sometimes, great human casualties, material destruction and environmental devastation, which overwhelm the abilities of the affected community to solve them, are referred to as *differentia specifica* catastrophes.

On the general level, the concept of catastrophe can be approached from four main angles:
- according to source, or original root (natural or technological),
- according to consequences (degree of loss and damage, intensity and length of time),
- according to course of events (interventions of different actors, response, organization and community capacities),
- according to degree of risk involved.

Dennis defines catastrophe as a "sudden event of small probability that, if it occurs, has important consequences in the sense of loss (human, material, financial, etc.) for a given collective and causes tensions in its social structure." A cause-and-effect link between a catastrophic event and its effects is important for the concept. Thus, a catastrophic event such as a devastating earthquake is not a catastrophe if it occurs on uninhabited Aleutian islands, but if it hits a densely populated city center – it is.

A classic definition of catastrophe with which Quarantelli dealt the most revolves around four key elements:

- description of source,
- physical damage,
- social disruption and
- negative evaluation.

Older varieties of the definition insist on sources and damage, while the newer ones insist on socially construed dimensions and social disturbances that characterize or accompany a catastrophe.

However, a question arises as to whether even a definition that combines the said elements is adequate to encompass the essence of catastrophe in today's "risk society" (Ulrich Beck), which is more characterized by an obsessive fear for security than by threat of annihilation. In modern Western societies, namely, people are so accustomed to physical security that they are disturbed by even the smallest sign of vulnerability. In a risk society even small errors or defects can cause great problems that, in the context of "invulnerability," are additionally magnified. For example, a power outage of only a few hours in a large city represents a risky situation, as most people practically have no idea about how to behave in such circumstances. The extent to which criteria and views are conditioned upon social circumstances is evidenced by the fact that events such as the crash of an "El Al" "Boeing" in an Amsterdam suburb, the explosion in Enschede in 2000 and the incident in the Wollendam disco in 2001, which had a total death toll of less than a hundred people, have been identified as catastrophes that have marked the modern history of Holland. This does not match the criteria and definitions of modern catastrophe sociologists in the US, while Chinese journalists would mark these events as something just a bit more than ordinary accidents. Similarly, scientists, politicians, journalists, the public, victims, and social activists use different terms for a single event, such as the chemical poisoning tragedy in Bhopal; thus, the responsible company, "Union Carbide" calls it an incident, the Indian government an accident, the victims a catastrophe, while social activists refer to it as a tragedy, massacre, even an industrial genocide.

Since the nature of modern catastrophes changes, increasingly becoming a product of collective reasoning instead of an exogenous agent, the definition of catastrophe must be adjusted in order to match the phenomenon it is describing. This is why present-day authors are abandoning definitions oriented toward the agents of catastrophe and, faced with modern catastrophes, shift the focus of research toward the "social construction of catastrophes" – a mysterious process through which people mark certain segments of time or collective experience as catastrophes. A shift from the objective to the subjective dimensions of catastrophe is a special challenge. It is not sufficient to say "I know a catastrophe when I see one," which is a specific version of the Thomas Theorem. Scientific reason-

ing demands the objectification of the subjective. Theorists of catastrophe want to know when and under what conditions do a certain percent of people agree on the characterization of certain conditions, events or time period as a catastrophe. Such an undertaking requires that theorists examine how politicians, the media, corporations, social organizations, scientists and certain social groups reach consensus (which lasts a certain amount of time) that "something" is a catastrophe. The undertaking is not at all easy, as interpretations of catastrophe change through space and time. Still, in any case, a "legalistic" definition that would objectify a catastrophe according to legal criteria is not adequate. Defining catastrophe in absolute terms (number of dead, wounded, those left without homes, water, and such) leaves too much space for endless discussions stirred by various interpretations and cultural differences. An absolute definition also negates what happens in practice. As far as public administration is concerned, a declaration about a catastrophe is more a product of politics than of an absolute measure of the number of dead and the magnitude of destruction. Moreover, a legalistic definition of catastrophe with "objective" indicators, percentages and scope cannot encompass the subjective sense of loss.

While the objective portion of the definition of catastrophe directs our attention to an undoubted and undeniable calamity (earthquake, hurricane, tsunami, flood), the subjective meaning directs us to concern ourselves with all kinds of collective reasoning and assigning of meanings to an event. The challenge is to harmonize these perspectives on collectively defined undesirable system breakdowns.

According to Perry and Quarantelli, the only solution to the said problems is the linking of the concept of catastrophe with the concept of crisis. Namely, the concept of crisis helps solve at least one problem that characterizes classical definitions of catastrophe: it does not cover only events that are clearly and undoubtedly catastrophes but also a wide array of various events, processes and time periods that cannot fit within the definition of catastrophe but whose nature certainly deserves the attention of catastrophe researchers. Since it alleviates the prerequisite of collective evaluation and, thus, opens the way for threatening situations and the problems of successfully battling hazardous events, it is applied to all processes of disturbance that demand remedial action. Of course, all the previously mentioned problems tied to denoting the concept of crisis must not be forgotten.

If we place the concepts of crisis and catastrophe under a common roof, we allow the making of distinctions between objectified processes of disturbance and subjective processes of collective reasoning, without the researcher being compelled to focus exclusively on natural catastrophes or turning into a mere observer of social trends. In such a divided concept, crisis refers to the process of observing disturbances, and catastrophe to the time when the collective evaluates that process in negative terms. In such a perspective, crisis is a "catastrophe

with a bad outcome." It may be said that catastrophe represents a sub-category of the generic concept of crisis. This is a semantic reconstruction which liberates catastrophe sociologists from their objective armor and invites them to share their findings and insights with an increasing number of practitioners (including managers of profit and non-profit organizations) and scientists (political scientists, social psychologists, organization engineers, etc.) who study various types of calamities and negative events and think about the ways of battling them and of dealing with them. Catastrophe sociologists can return to the study of causes, conditions and consequences of social disturbances without worrying about questions regarding collective marking, i.e. labeling. The new paradigm only demands that they reserve the term catastrophe for a specific type of crisis, without preventing them from studying all other types of crises.

Such a common perspective leads to a more dynamic approach. Crisis does not have a clear beginning. The root of the process of disturbance represents a combination of exogenous and endogenous factors. The consequences of crisis are felt in the future; long after it was thought that the crisis has been extinguished, it could rekindle. The processes of reasoning and definition have quite different dynamics. It sometimes overlaps with the dynamics of the crisis itself, creating a widespread sense of catastrophe, which Barton describes with the concept of collective stress. Much more frequently, this process follows different time paths fragmented through space and time. Crisis is sometimes declared without clear signs of disturbance, creating an *ipso facto* crisis (or even a catastrophe) by its consequences. Or a crisis may be formally ended even though, as far as some actors are concerned, it is only at its beginning. Crisis dynamics and processes of reasoning and definition influence each other in countless ways.

This newly presented perspective demands a multidisciplinary approach. By linking the concepts of crisis and catastrophe we can encompass and classify numerous different events and processes that were long a subject of various fields of expertise. The category of catastrophe has been broadened to include all types of crises with a bad outcome.

Catastrophe is not a crisis in the traditional meaning of the word (a situation that includes within itself both threat and possibility and in which an important decision must be made within a short period of time); rather, it more likely includes managerial procedures and problems under conditions of larger emergency situations that include threats, injuries and loss of life.

Differently from crisis, which contains an ambivalent possibility of development, catastrophe is seen as a decisive turn for the worse with a destructive (lethal) outcome, whose activities are oriented toward those affected by the catastrophe and are neither predictable nor removable. They can be understood as the ultimate (extreme) expression of crisis.

In any case, a crisis that is not efficiently resolved may lead to a catastrophe. On the other hand, the same event can be a catastrophe for some actors, while

having the marks of crisis for others. Thus, for example, the devastating hurricane "Katrina" (2005), which took many lives and caused significant material damage, was a catastrophe for the affected populace, while for FEMA and the US government it was a crisis, as they were faced with serious criticism and a fall in legitimacy due to their inadequate reaction to this event.

The following represent the common characteristics of catastrophes:
- a large number of victims,
- destruction and damage of material resources also affecting those employed in emergency intervention services and other response services,
- a disproportion between needs and abilities to remove and remedy the consequences,
- the appearance of various psychological reactions that may negatively influence protection and rescue activities,
- the urgency of interventions, which are automatically performed,
- the stimulation of positive human reactions in unaffected and distant areas in extending aid and solidarity.[10]

3.3. (Im)possibility of delimitation

As can be seen from the above, in practice it is often quite difficult, if not impossible to distinguish between an emergency situation, a crisis and a catastrophe. When a large-scale incident occurs, it places varying demands on certain agencies in certain time intervals. What one agency defines as a catastrophe another will define as an ongoing crisis or emergency situation. For example, in case of an airplane crash, once the casualties are taken care of, the police, the organs of investigation and the civil aviation authorities are included in the recovery operation. However, for certain social services such a situation will continue to represent an ongoing crisis in terms of resource management (reception and care of the injured, damage repairs, reestablishment of normal traffic, etc.). This illustration indicates that the nature of the ties established between social workers, ambulance services, other emergency services and volunteer organizations engaged in remedying the consequences of large incidents is dynamic and in a state of mutual construction. It is not uniformly given in advance within highly structured crisis response plans; instead, each crisis represents a unique event that requires a unique combination of needs and demands in terms of providing an adequate response.

Besides, crises occur in totally differing contexts, which makes attempts at comparison extremely difficult. Is it possible to identically make a model of a terrorist act, an epidemic of a dangerous infectious disease, or of an economic or

---

[10]   I. Toth, "Upravljanje zaštitom i spašavanjem u katastrofama", in: *Mjere i sredstva za zaštitu od terorizma*, IPROZ, Zagreb, 2001

a political crisis? Obviously, the establishment of a comparable level of decision-making between different highly structured organizations and agencies represents a problem, especially if the hierarchy and the points at which decisions are made within them differ. If such sort of comparison was attempted between commercial and political organizations, it could turn out that an all-encompassing crisis model is practically unattainable.

In an attempt at distinguishing the concepts of emergency situation, crisis and catastrophe, Borodžić suggests the modeling of these concepts on the basis of response. Thus, emergency situations could be defined as situations that demand an urgent and highly structured response, in which risks tied to making critical decisions can be relatively precisely defined. In the conceptualization (mental modeling) of such events, the authorities are clear about what is happening (scope and nature of the incident) and what they are supposed to do (effective strategy). In an organizational sense, an emergency situation represents a hazardous situation that can be responded to with available resources and in accordance with procedures outlined in appropriate plans. For example, in case of fire in a building, the staff is evacuated and moved to a previously determined safe location. If the response to an emergency situation overwhelms the institutional capacity of the said organization to the extent that the newly emerged situation might cause irreversible, serious damages in essential sectors, an emergency situation transforms into a crisis.

Crises are also situations that demand an urgent response, but it is much more difficult to define the risks faced by the makers of critical decisions due to the lack of clarity and/or the complexity of the situation itself. Typical for these situations is that the effects of responses to it are unclear or become evident only after the fact. Namely, it is not clear whether the measures taken have an effect on easing the crisis. The first example, fire, can be used once again as an illustration of a crisis, but with an additional complicating (social or physical) factor that interferes with a structured response or even makes its implementation hazardous. For example, a fire has spread to a vital plant of crucial significance for the production of all the products the company produces; or to buildings containing dangerous chemicals, or explosive materials; or a fire was set by a deranged person threatening to kill the people in the burning building or the firemen.

Catastrophes are irreversible and disastrous results of badly managed emergency situations or crises. As Dombrovski says, "catastrophes do not cause effects, effects are that which we refer to as catastrophes." In this sense they are indeed a social construction, i.e. a cultural myth granted the status of a physical phenomenon.[11] If we return once more to our example, a catastrophe would be a consequence of a fire that has completely destroyed a vital factory plant, disabled further production and the fulfillment of contracted obligations, thus bringing in question its survival and causing great material damage and a number of human casualties.

---

[11]   Borodzicz, ibid., pp. 78-82

In fact, the definition of all the said concepts bears in mind primarily their static portion, while the dynamic component has been neglected. From the standpoint of practical action, it is quite difficult to draw clear and precise bounds between calamity, greater calamity, accident, incident, emergency situation, crisis and catastrophe, since these are states and forms of action that are dynamic, flexible, permeating interactive, which quickly change and transform from one shape into another.

4. The concept of crisis management

The concept of crisis, as a departure from a normal order of things, came about relatively late in history, only once people realized that order and lawfulness, i.e. cosmos instead of chaos, exist in nature and society. Crisis as a departure form normalcy, i.e. the deterioration of usual functioning, was long seen as a product of a higher power or the result of divine will,[12] which means that human activities in cases of crisis came down to magic rituals (mystical attempts at taming or commanding higher powers) or religious ceremonies (sacrifice or prayer in order to appease the absolute and mystical power or to extend gratitude to it). With the onset of a rational worldview and scientific development came the first attempts of people to describe, classify, understand and explain crises and construct the most adequate ways of managing crises. Still, crisis management as a scientific-theoretical discipline and rationally conceived practice made a serious appearance on the historical scene only in the second half of the 20th century.

The origin of the term *crisis management* can be found in the political sphere. Namely, it is claimed that American president J.F. Kennedy first used this expression during the Cuban Missile Crisis of 1962, when the US-USSR confrontation caused by the installation of Soviet nuclear missiles in Cuba brought the world to the brink of World War III. It was thus that Kennedy described the managing of a serious, emergency situation.

Crisis management as a function, that is, the activities of crisis management are older than the term itself. The management of emergency situations as a formal responsibility of the US government came about through its efforts to respond to the growing fire threat in large cities during the 19th century.

Crisis management is a kind of applied management, as is, in fact, management as a whole; it is not an exact science but, rather, more of a practice guided by theory. There are numerous definitions of crisis management. Thus Gigliotti and Ronald define it as an organization's ability to act quickly, efficiently and effectively

---

[12] Thus, in his copious work "De Civitate Dei," St. Augustine interprets the greatest crisis of the ancient world – the fall of the Roman Empire, as the result of divine will, i.e. the fact that Rome was a *civitas terrena* (an earthly state that was the work of the devil), and not a *civitas Dei* (state of God).

in possible operations aimed at reducing threats to human health and security, reducing damage to public or corporate property and reducing negative influences on the continuation of normal business or other operations.[13] Similar conceptual approaches have been recommended by other researchers as well,[14] equalizing crisis management with responses to unpredictable situations (contingency operations). Although such approaches seem satisfactory when the crisis is initially identified, they can also be ineffective because they do not take into consideration many other important aspects of an integrated crisis management plan.

Crisis management can be defined as a set of functions or processes whose goal it is to identify, examine and forecast possible crisis situations and establish special means that would enable an organization to prevent a crisis or to deal with it and overcome it with minimal consequences and the fastest possible return to a normal state. Thus, crisis management is a stenographical name for all kinds of activities directed at dealing with a system in a state of disruption: prevention, preparation, alleviation, and recovery. It is a matter of modeling actions, agreements and decisions that influence the course of the crisis and encompasses organization, preparations, measures and distribution of resources for the purposes of overcoming it. Crisis management usually takes place under conditions of organizational chaos, under the pressure of numerous media, in stressful circumstances and without precise information.[15]

Crisis management is not a unique calling or profession but a theoretical concept that encompasses, in the research sense, a specific group of events (crises) that possess certain common regularities but also great mutual differences. Different professions deal with monetary crises, military tensions, terrorism, natural disasters, etc. and could hardly act efficiently in areas in which they lack expertise. However, on a certain abstract level, they can exchange experiences. The term crisis management, therefore, is not a synonym for protection and rescue, or for protection from natural and other disasters, or for civil defense, or for all these together. It encompasses a much broader social reality that exists as a theoretical concept in science and research, rather than in the real world as a system, institution or center for mastering all possible crisis events.

---

[13]   R. Gigliotti, J. Ronald, *Emergency Planning for Maximum Potection*, Butterworth-Heinemann, New York, NY, 1991

[14]   B. J. Varcoe, "Not us surely? Disaster recovery planning for premise," *Property Management*, vol. 11, no. 1, 1993, pp. 11-16; A.A. Alexander, R.F. Muhlebach, J. Phelps, "Emergency procedures for commercial buildings," *Journal of Property Management*, Institute of Real Estate Management, Chicago, Illinois, USA, vol. 49, no. 3, 1984, pp. 20-5; D. T. Berge, *The First 24 Hours: a Comprehensive Guide to Successful Crisis Communications*, Basil Blackwell, London, 1990

[15]   A. Boin, P. t'Hart, "Public Leadership in Times of Crisis: Mission Impossible," working paper at Leiden University, 2001

5. Crisis management and similar concepts

It is necessary to distinguish crisis management from linked concepts, such as environmental hazards management, emergency situation management, risk management, security management, catastrophe management, civil defense and business continuity management.

Issues management[16] refers to management of hazards in the environment, i.e. in an organization's social environment. In today's highly dynamic societies, each organization in normal (non-crisis) circumstances follows and monitors events in its environment, analyzes and evaluates all changes, deciding about what could be used as a potential advantage and what should be avoided. The concept actually came about as a result of economic corporations' strivings to deal with the pressures imposed by their critics (activists for the protection of the human environment, gender equality, consumers, etc.). It is a product of social activism and increased internal and external pressures on corporations to define and implement the concept of corporative social responsibility. It is a tool used by companies to identify, analyze and manage problems, i.e. to respond to them in their initial and development phase, before they attract public attention and become a part of public awareness. In case the organization does not react proactively to newly formed topics and problems, it will be forced to passively submit and accept new rules and guidelines brought by the government, its regulatory bodies or by professional associations. These regulations may place companies into either privileged or inferior positions. If the goal of corporate management is profit maximization and loss minimization, in a socially responsible way, issues management should be seen as a key element of an organization's entire management and planning. There are many similarities between issues management and crisis management, but there is also a difference. Issues management is less oriented toward action and more toward anticipation. Issues management is proactive in its strivings to identify the potential for change and influences the bringing of appropriate decisions before the coming changes can exert a negative influence upon the corporation. It includes looking into the future in order to spot potential trends and events that might negatively reflect on the organization's functioning without, however, the presence of acute real danger or sense of urgency characteristic of a crisis. Since the problem has the possibility of developing into a serious crisis, thinking is oriented toward *how to avoid* rather than how to solve a crisis, by scanning for problems that might arise during a specific

---

[16] Issue is most often defined as a "gap between corporation practice and stakeholder expectations." This has to do with a circumstance or event within or outside the organization that, if it lasts, can have a significant effect on the organization's functioning or performance and its future interests. It appears when an organization or a group assign significance to a perceived problem (or opportunity) that is a result of political, legal, economic or social trends (i.e. an increase in the number of people infected by a disease or research that uncovers a medicine's side effects).

period – problem consideration. On the other hand, crisis management is more of a reactive discipline that deals with situations and problems when they have already reached the public agenda and have affected the organization.[17]

Risk management is one of the oldest recorded human activities. Aristotle himself used to say that one should "always expect the unexpected," while the Chinese Book of Changes (*Yi-Jing*) represents one of the oldest decision-making tools still in use today. In the contemporary sense, risk management is a process of measuring or evaluating risk[18] and of developing strategies for dealing with risk. It is a matter of identifying the degree to which an organization is exposed to potential losses and choosing the most adequate way of dealing with such exposures. Generally, some of the applied strategies involve shifting risk to others, risk avoidance, reducing the negative effects of risk, or accepting some or all the consequences of a certain risk. Traditional risk management is focused on risks emanating from physical or legal sources (natural catastrophes, fires, accidents, death, judicial processes, etc.). On the other hand, financial risk management focuses on risks that can be managed by way of exchanging financial instruments. Regardless of the type of risk, all large corporations have teams and small groups for risk management and practice it both informally and formally.

In a broader sense, risk management is a part of a proactive crisis management. Depending on the angle, it might also be said that crisis management is part of a broader system of organizational risk management. It is said that risk management is the management of uncertainties. At the other extreme are certainty and activities of ongoing management, while risks are in the middle. As one moves from certainty toward uncertainty, potential risks grow. To the extent that they are not managed (since there is no such thing as bad risk management), uncertainties manage us, bringing us to the field of crisis management, followed by catastrophe management.

Catastrophe management (disaster management) involves taking measures in order to reduce or remedy the consequences that came about as a result of natural and other disasters of catastrophic proportions. It differs from risk management to the extent that catastrophe, as an event that, in principle, cannot be managed, differs from crisis. Thus, catastrophe management does not encompass the management of the event that caused the catastrophe but the minimization of its destructive consequences, i.e. the reduction of human casualties (killed and injured) and material damage. It encompasses activities before, during and

---

[17]   M. Regester, J. Larkin, *Risk Issues and Crisis Management / A Casebook of Best Practice*, 3rd edition, Chartered Institute of Public Relations: London/Sterling, VA, 2005, pp. 40-43

[18]   Risk is the measure of a possible unfavorable outcome of an event. It is a combination of an event's probability and its consequences. The difference between risk and uncertainty according to Frank Knight is the following: If you are not certain about what will happen but know the probability, that is risk. However, if you don't even know the probability, then this is uncertainty. Frank Knight in: "Risk, Uncertainty and Profit," according to: D. Keitsch, *Risikomanagement*, Schäffer-Poeschel, Stuttgart, 2000, p. 10

after a catastrophe.[19] Most often it includes rescue activities and "picking up the pieces" left behind the undesirable event. Often, and – as Borodžić points out – probably wrongly, the term emergency management (or planning) is used as a synonym. The closest concepts are probably the concepts of civil defense and of a defense and rescue system. Namely, the concept of *civil defense* (civil protection) is used with two basic meanings: a) an activity having to do with the protection and rescue of people and material goods from wartime destruction, natural and other disasters and catastrophes, and b) a system (organization) that carries out protection and rescue. A concept quite close to that of civil defense is that of societal security, which deals with the establishment and improvement of the capacities of public and private stakeholders for preparing for and responding to a wide spectrum of threats and hazards.[20] By its nature it acknowledges and integrates an entire series of related disciplines such as: resource protection (physical, environmental protection, financial, informational and human), emergency situation management, risk management, crisis management, business continuity management and recovery management. A *protection and rescue system* is a form of subject preparation and participation in responding to catastrophes and larger disasters, along with the organization, preparation and cooperation of operative protection and rescue forces in preventing, anticipating and reacting to catastrophes and the removal of possible causes and effects of catastrophes.

Security management involves making decisions about the security aims of an organizational system, about the ways and means of avoiding unfavorable security influences coming from the environment or the organizational system itself, or of lessening their harmful influence. According to traditional thinking, the role of the security manager was limited to preventing the loss of an organization's property, primarily by way of various forms of internal and external crime. The simplified concept that reduces security to the control of physical access to an organization and the monitoring of property movements has recently started to broaden to include issues of health and safety, and components of risk evaluation and management, paying attention to a broader array of risks (forgeries, terrorism, emergency situations).[21]

The management of every organization devotes special attention to security as a basic precondition of survival and prosperity. An organization's general goals, various challenges, risks and threats to which it is exposed, as well as its responsibility to the environment in terms of security, have a decisive influence

---

[19] It should be pointed out that an incident that is labeled as a catastrophe may carry within itself ongoing crises and emergency situations. This is because the social actors involved in responding to the catastrophe might be in a situation where they will be responding to various problems and challenges at the same time.

[20] Differently from civil protection, which treated citizens as mere objects in the concept of societal security, they are both an object and a subject who actively participates in protection.

[21] Borodzicz, E. *Risk, Crisis and Security Management*, John Wiley&Sons Ltd.:Chichester, West Sussex, 2005, p. 68

on security management, i.e. the way in which decisions tied to security will be made. We can, thus, distinguish between security management in organizations whose basic mission is the providing of security services to other users, and security management in organizations engaged in economic or social activities, where security management is in the function of the organization's preservation and growth. In addition, there are economic enterprises that have great significance for the security of the community in which they operate, either due to the significance of their products and services for the normal life of the inner or broader community, or due to the dangerous forces contained in their plants, whose damage would cause large catastrophes. In organizations engaged in offering security services to other users (state security services, etc.), security management represents a basic but not the only form of management, since such organizations also perform a series of other functions (financial, planning, personnel, developmental, etc.). Security-related tasks, at least within the corporate context, are often fragmented: the financial sector deals with financial risks, maintenance personnel deal with the organization's physical structure, a special service deals with fire protection, while the security service is charged only with dealing with what comes into or out of the organization. In case of major incidents, such fragmented responsibility has negative effects on the organization's ability to return to normal and draw lessons from the crisis. It is as though everyone is reasoning according to the principle "don't tell me what's happening because, if I know, I'll be responsible." Today, the traditional view of the security manager as the person charged solely with property loss prevention is being increasingly abandoned in favor of a significantly more all-encompassing understanding of this function.

Business continuity management (BCM)[22] is a new field of professional activity and academic studies and research, whose aim is to facilitate the relief of emergency situations, crises and catastrophes in an organization. According to Gwynne, it deals with thinking about the unthinkable or about its alleviation.[23] BCM is a holistic management process that identifies potential influences that have negative effects upon an organization and secures a framework for building capacities for recovery and an effective response that protects the interests of key stakeholders, the reputation and brand and value-building activities. BCM secures the availability of processes and resources toward the aim of securing the continued realization of an organization's key goals.

---

[22]   In the non-profit sector, the term operations continuity management is also used.
[23]   Borodzicz, p. 85.

6. Final note

The presented concepts of various types of actually or potentially hazardous situations and of human attempts to influence these events are labeled by different terms. We highlighted the key characteristics of each of these concepts, conscious of the fact that it is often impossible, both in theory and in practice, to draw a clear line of demarcation between them, since these are dynamic phenomena that change and transform from one into another and which, besides an objective, have a subjective side as well, having to do with human perception, regardless of whether we are dealing with direct actors, a broader circle of stakeholders, media or with public opinion as a whole. Finally, the use of certain terms is partly a matter of convention, as well as the scientific discipline, a given organization's mandate, political interests and the overall socio-cultural context from which the phenomenon is approached.

With the ending of the privatization process, the further stabilization of democratic institutions and the construction of a system of responsible public authority, along with advances in the process of Serbia's European integrations, crisis management – along with the other said concepts of managing uncertainties and hazards – will become a part of everyday life in both the public and the for-profit sectors. Bearing in mind the ancient principle "nomen est omen," it is necessary for the academic community to make an effort to develop, accept and establish the appropriate terminology. Both for the sake of clearer insights and a more adequate division of labor and because, as Saint-Exupéry's Little Prince says, "language is the source of all misunderstandings between people."

References

- Alexander, A.A. – Muhlebach, R.F. – Phelps, J.: "Emergency procedures for commercial buildings", *Journal of Property Management*, Institute of Real Estate Management, Chicago, Illinois, USA, vol. 49, no. 3, 1984
- Barton, L.: *Crisis in Organizations: Managing and Communicating in the Heat of Chaos*, South-Western Publishing Company:Cincinnati, OH, 1993
- Berge, D. T.: *The First 24 Hours: a Comprehensive Guide to Successful Crisis Communications*, Basil Blackwell, London, 1990
- Boin, A. – t'Hart, P.: "Public Leadership in Times of Crisis: Mission Impossible", working paper at Leiden University, 2001
- Borodzicz, E.: *Risk, Crisis and Security Management*, John Wiley&Sons Ltd.:Chichester, West Sussex, 2005
- Dragišić, Z.: *Bezbednosni menadžment*, Fakultet bezbednosti/Službeni list, Beograd, 2007

- Fearn-Banks, K.: *Crisis Communications: A Casebook Approach*, Lawrence Erlbaum Associates Publishers:Mahwah, NJ, 1996
- Fink, S.: *Crisis Management: Planning for the Inevitable*, Amacom, New York, 1986
- Gigliotti, R. – Ronald, J.: *Emergency Planning for Maximum Potection*, Butterworth-Heinemann, New York, NY, 1991
- Hamblin, R.L.: "Leadership and Crisis", *Sociometry* 21, 1958
- Jakovljević, V.: *Sistem civilne odbrane*, Fakultet civilne odbrane, Beograd, 2006
- Keitsch, D.: *Risikomanagement*, Schäffer-Poeschel, Stuttgart, 2000
- Keković, Z. – Kešetović, Ž.: *Krizni menadžment I – prevencija krize*, Fakultet bezbednosti, Beograd, 2006
- Krummenacher, A.: *Krisnmanagement*, Industrielle Organisation, Zürich, 1981
- Milašinović, R. – Milašinović, S.: *Osnovi teorije konflikata*, Fakultet bezbednosti, Beograd, 2007
- Pauchant, T.C. – Mitroff, I.I.: *Transforming the Crisis-Prone Organizations: Preventning Individual, Organizational, and Environmetal Tragedies*, Jossey Bass Publishers, San Francisco, CA, 1992
- Pearson, C.M. – Clair, J.A.: "Reafirming Crisis Management", *Academy of Management Review* 23, 1998
- Quarantelli, E.L. ed.: *What is a Disaster?*, Routledge, NY/London, 1988
- Regester, M. – Larkin, J.: *Risk Issues and Crisis Management / A Casebook of Best Practice*, 3rd edition, Chartered Institute of Public Relations, London/Sterling, VA 2005
- Toth, I.: "Upravljanje zaštitom i spašavanjem u katastrofama", *Mjere i sredstva za zaštitu od terorizma*, IPROZ, Zagreb, 2001
- Varcoe, B. J.: "Not us surely? Disaster recovery planning for premiese", *Property Management*, vol. 11, no.1, 1993