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## **The Challenges of the Future and the Increasing Significance of Crisis Management**

*by Stoyan Nikolov Madzharov*

"It's useless telling the river to stop,  
it's better you learn how to swim downstream"

Autor unknown

### **Introduction**

The computer, information and telecommunication technologies, the marketing and globalization have created a completely new and constantly changing economic, political and social milieu. Along with the changes, overwhelming in their depth and acceleration, the last decades of the passing century were saturated with various cataclysms and crisis. We can list here the petrol crisis of the 1970s, the environmental crisis resulting from toxic contamination in Bhopal in 1984, the radioactive contamination from Chernobyl in 1986, the financial crisis of 1987, the dissolution of the Soviet Union, the Gulf War in 1991, the Asian economic crisis of 1997 to 1998, the crisis in Kosovo in 1999, the computer problem of the year 2000 and many more.

With regard to this the prognostic expectations for the future are of definite interest. What awaits us in the future? Which are the next challenges the world community will have to face? What are the opportunities and how can contemporary knowledge help mankind be prepared for the 21st century? These are some of the questions which the present article will try to answer.

### **The Outlines of the Future**

To foresee the future and the challenges to the world development is undoubtedly a hard task. In such cases the words of Victor Borge "To prognosticate is hard, especially when the future is concerned", are only one more confirmation and reminder of the hazardous nature of such undertaking. That is why, instead of referring to or making risky prognoses we only present our expectations for the future and the opportunities for development which they offer, without trying to foresee them.

Back in 1989 Francis Fukuyama, then a consultant at the US State Department, speculated that capitalism - the market economy - is the final stage of history. In his book "Power Shift" Alvin Toffler warns that "all industrial societies are already getting into a many-sided crisis - a crisis of all aspects of development and of all systems, such as urban development, health care, welfare, transport and environmental systems. The politicians from the age of factories continue offering an isolated response to those crisis, using a variety of old methods".

Working in the field of and writing about the future for a quarter of a century, the well-known futurists Alvin and Heidi Toffler present their prognosis for the 21st century in their book "Creating a New Civilization. The Politics of the Third Wave". They believe that despite the fact that the next decades will see clashes, turmoil and even mass violence, we won't destroy ourselves. The dramatic changes we are living through now are not chaotic or random. In fact, they form a clearly defined model. The authors assume that the present-day spread of information is turning into the main productive force for mankind and the principal forthcoming conflict is between the old industrial civilization and the new information society, which will change the world.

The great technological, political and social changes mentioned by Toffler are becoming a rule rather than an exception during the last decades. Thus, although the creation of the global information network Internet started in the beginning of the 1970s, based on a specific military project, only 10 years later every PC owner could be connected to the Internet via a modem and direct telephone line. Canon, which in the mid-70s was 10 times smaller than Xerox, produces today more copier machines than Xerox, Toyota produces more cars than General Motors. The constant changes and the competition in the economic sphere gave grounds to Peter Drucker, a professor in social studies and management, to claim back in 1987, that the world economy has changed both - in its foundations and in its structure - and in all likelihood this change is irreversible.

What follows from the above-mentioned is that in the eve of and during the 21st century, various new and comprehensive crises are in store for us. The expectations are that these will be provoked by the revolutionary changes of the social, technological and cultural elements of society and the related global problems of development. New approaches and behaviour as well as new management standards are needed in order to achieve the mission and objectives of mankind, including those connected with survival in times of such global changes, increased insecurity, risks and conflicts. In our opinion, and according to other authors, such methodology and practices can be provided by the scientific trend called crisis management.

### **What is Crisis Management?**

In order for the audience to adopt the concepts and the philosophy of the science and art of crisis management the former should be acquainted with the basic notions of the later. We will start with the notion of "crisis". A crisis is a complex natural and social phenomenon and owing to this fact different definitions and interpretations are given in writings on the subject. For example, the dictionary definition of "crisis" is "a turning point in the course of something". The distinguished psychologist Tomazo Shibutani defines crisis as "a moment requiring some other kind of adaptation". Erik Erikson interpretes it as "a turning point, a crucial period of increased vulnerability and growing potential".

Within crisis management a crisis is not anything destructive, but is viewed as a dramatic and negative change of routine, which makes it the next challenge facing the people, society, intellect and science. One of the most distinguished names in crisis management, the American professor Steven Fink, interpretes a crisis as "fluctuating time, a state of things when a crucial change is inevitable and contains two possibilities: one is connected with an unwanted, negative result, and the other one with an appropriate extreme positive outcome. The chances are usually equal but we can change them".

To sum up the above-mentioned we can define more precisely the fundamental notion of crisis as a crucial turning point for every organism, individuality, society and system with a view to their ability and readiness to adapt to the new circumstances.

Regardless of the source of crisis - a natural phenomenon, human activity or inactivity - and no matter what type it is - destructive or not, sudden, emerging or stable - it goes through several stages. According to the experts the number of those stages differs, ranging between three and five. But the former are unanimous in that crisis management involves all procedures, initiatives and activities carried out "before", "during" and "after" the crisis event.

A key word in crisis management is "prevention" and concentration of primary intellectual, moral, social and technological efforts during the period before the crisis. The main goal is to prevent the effects which are negative for people. In fact, this prevention can be figuratively called pondering over the unpredictable, knowledge of the unknown, planning of the unexpected. It is good to know that in this way the future and, respectively, the future events, become less unexpected, unknown and unpredictable. This, in its turn, gives us a chance to defy reality more effectively. The opposite means doom.

The skill of managing crisis focuses simultaneously on their prevention and the possibilities for their management once they have become a reality. Furthermore, according to Richard Brundage, president of the Center for Advanced Media Studies in Kansas, USA, crisis management is "a plan that works to minimize the potential damage of a crisis, and in some cases can be effective in eliminating a potential crisis altogether". The principal stages of managing crisis and risk situations are the following:

- providing information for the management process,
- setting up mechanisms for early detection of signals (symptoms) and warnings about the crisis,
- prognosis of potential catastrophes and possible consequences from them,
- planning of crisis scenarios and crisis management,
- preparation of specialists, teams and technological means for crisis management,
- strategic planning of restorative activities.

### **The Unknown Opportunities**

Having emerged as a strategic function of business management, crisis management has constantly been developing and improving and today it has become a contemporary trend of analysis, forecasting and managing of various crises caused by numerous undefined, unusual and unexpectedly arising events and causes. The theoretical philosophy approach and methodological developments of crisis management are complemented and enriched by its reciprocal relationship with scientific and social technologies, such as risk management, public relations, law, health care and insurance, which makes practical applicability its distinctive feature. That is why at present the future of crisis management is viewed as one of the possible central strategies and behavioral tactics during the new century. Such assumption is substantiated by the following opportunities offered by crisis management, which, unfortunately, are still little known to the general public:

(1) prevention and early warning for dangers and crisis through:

- providing constant control and up-to-date information about the current conditions and situations,

- analysis, diagnostics and evaluation of changes and deviations,
- setting up systems for early detection and warning about crisis,
- identification and/or reduction of eventual risks,
- introducing a policy of and building up vigilance and security.

(2) emergency preparation and management of crisis situations through:

- prognosis of potential events and the consequences from them,
- development of possible scenarios for probable crisis situations,
- planning of crisis management, distribution of responsibilities and resources,
- setting up and training of crisis teams,
- improvement of the skills for analysis of situations and details to ensure adequate and operational decisions for acting,
- interdisciplinary scientific approach to overcoming of crises.

(3) strategic planning of restorative activities including:

- determining the vital functions,
- identification of resources necessary for the fulfilment of crucial functions and priorities,
- development of strategy for restorative activities,
- preparation for implementation and checking of the strategy.

UNESCO's Courier George Kutudjian warns that "at the end of the 20th century the new 'battlefield' is mostly economic, and the economy on its part depends more and more on scientific knowledge, technological progress and the spread of information. Consequently, the solution is to develop and share new forms of knowledge, because sharing of knowledge goes parallelly to the sharing of responsibilities".

Continuing Kutudjian's thoughts and relating them to the philosophy and possibilities offered by crisis management presented in this article, we firmly claim that the art of crisis management is a form of knowledge which society should share. Only then would it become possible to give meaning to and overcome the coming various crises. This in its turn means, that the knowledge in crisis management, when shared, turns into one of the prerequisites for successfully overcoming the challenges of the 21st century and fulfilling the mission of survival and development of humanity.

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