# Crisis and Crisis Management Practices in Small and Medium Sized Enterprises Based in the City of Gaziantep

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CRISISANDCRISISMANAGEMENTPRACTICESINSMALLANDMEDIUMSIZEDENTERPRISESBASEDINTHECITYOFGAZIANTEP

*Strictly as per the compliance and regulations of:*

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*Keywords: crisis, crisis management, small and medium sized enterprises, SMEs.*

## I. Introduction

Crisis in the modern world is a turn of events or a process that any organizational structure, be it public or private or small or large, might have to face at a certain point during the course of its lifespan, which can even be a natural outcome of the cycle in which it operates.

The majority of organizations orenterprises takes important decisions, incur high expenditures and make investments in order to grow and raise their revenues. However, all these investments and endeavors can be prone to be melted away at the outbreak of an unexpected crisis for which they have not been duly prepared. For this reason, crisis management is of utmost importance to business organizations.

It would be misleading to judge crisis as a completely negative occurrence. Crises tend to bring about opportunities for organizations as well. Such opportunities may be the outcome of precautionary measures taken by a visionary business leader who has foreseen the indications of a coming crisis, as well as

the benefit of a renovated and improved organizational structure arising out of the successful defeat of an abrupt crisis through sound management practices.

Due both to its geographic location and its economic structure, Turkey has encountered numerous crises throughout its history, several of which have been the crises of April 1994, November 2000, February 2001, the global crisis of 2008 and various domestic unrests and states of war which have haunted its neighboring countries. Regardless of how and why these crises have arisen, the important issue here is whether business enterprises active in our country have duly taken the appropriate preparedness measures against them.

In this respect, and in a country where a wide variety of successive crises are bound to occur, this paper first presents a general theoretical framework for crises and crisis management, followed by a survey into the perception of crisis and crisis management held by small and medium enterprises active at the Gaziantep Baspınar industrial zone, in an effort to shed some light on how domestic businesses view crises and what sorts of relevant preparedness measures they actually take.

## II. Crisis: a Definition and its Types

A common definition of crisis and crisis management does not exist. Experts on the subject and researchers tend to have different definitions for these concepts. Some researchers emphasize the distinctive characteristics of a crisis, describing it as the insufficiency to interfere with a threatening condition, while others define it as an inconsistency between production and consumption or a lack of stability arising out of an incompatibility between the real and financial sectors of an economy (Can, 2005: 387).

Crisis, according to Tagraf and Arslan, is a state of unexpected and unanticipated tension, which threatens the existing values, objectives and assumptions of an organization by impairing its addjustment mechanism, thus requiring immediate intervention by the organization. They describe states of stress, anxiety, panic, etc. as expressions associated with periods of crisis (Tagraf and Arslan, 2003: 150).

Another researcher describes crisis as an uncommon and unexpected event or a series of events, which imposes a high degree of uncertainty, threat or

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perceived threat on the primary objectives of an organization (Veil, 2011: 117).

Like a flu virus, crises in the business world can occur in many different types. Their diversity is so vast that it is practically impossible to identify each and every type of crisis (Augustine, 1995: 148). It can take the shape of a natural catastrophe as well as an economic crisis or simply a major breakdown on the assembly line of a production plant.

In this day and age, civilized societies do not see crises as improbable or rare incidences any more. In fact, certain increases in the abundance and diversity of crises have been observed, as well as in their geographic distribution and respective time spans (Lalonde, 2007: 17).

According to Mitroff and Anagnos, there are fundamental types of crisis and risk categories that every organization must be prepared for (Mitroff and Anagnos, 200: 32).

These risk categories are listed in the table below, and an intact crisis portfolio is expected to include at least one type of crisis per group shown (Mitroff and Anagnos, 2001: 32).

| Economic | Informational | Physical |
|---|---|---|
| Labor strikes | Loss of proprietary and confidential information | Loss of key equipment, plants, and material supplies |
| Labor unrest | False information | Breakdowns of key equipmen, plants, etc. |
| Labor shortage | Tampering with computer records | Loss of key facilities |
| Major decline in stock price and fluctations | Loss of key computer information with regard to customers, suppliers, etc. (y2k) | Major plant disruptions |
| Market crash | | |
| Decline in major earnings | | |

| Human Resource | Reputational | Psychopathic Acts | Natural Disaster |
|---|---|---|---|
| Loss of key executives | Slander | Product tampering | Earthquake |
| Loss of key personnel | Gossip | Kidnapping | Fire |
| Rise in absenteeism | Sick jokes | Hosatage taking | Floods |
| Rise in vandalism and accidents | Rumors | Terrorism | Typhoons |
| Workplace violence | Damage to corporate reputation | Workplace violence | Hürricanes |
| | Tampering with corporate logos | | Fire |

*Figure 1 :* Fundamental Types of Crisis and Associated,

*Source: Mitroff, Ian, Managing Crises Before They Happen, Amacom Books, New York, 2000, pp. 34 - 35*

Parsons classifies crises into three types (Parsons, 1996: 26), respectively as follows:

1. Sudden crises: crises which show little or no implication of their emergence.

2. Gradual crises: they surface slowly and cannot be forecasted.

3. Chronic crises: crises which last for weeks, months or even years.

### a) Factors That Lead To A Crisis

Factors that tend to create economic uncertainty and instability such as inflation, issues regarding employment, shrinkages in money supply,

fluctuations in financial markets, fluctuations in exchange rates and uncertainty in the international trade regime can cause volatility in all markets, and lead to a crisis (Silver, 1990: 114).

One of the effects of a crisis on business organizations is stress caused by time pressure. Decisions taken under stress can increase the probability of error, and prolong the problem solving process, depriving business managers of their problem solving skills and impairing their self confidence. Moreover can work groups in an organization lose their effectiveness, consequently triggering internal conflicts (Titiz and Carikci, 2003: 205).

The adverse effects of crises on organizations can be consolidated under the following topics (Titiz and Carikci, 2003: 205):

i. *The Centralization of Management Decisions*

A growing necessity to come up with fast and flawless business decisions during crisis periods leads to a centralization of authority within the organization (Dincer, 1992: 284).

ii. *The Pressure to Make Rapid Decisions*

The fact that the decision-making process is centralized and constantly pressed for time jeopardizes decision quality (Barton, 1993: 78). An impaired decision quality forces inexperienced managers without a strong decision-making background into making decisions, which can cause a set of new problems at the organization (Ozdevecioglu, 2002:99).

iii. *Diminished Adaptability Skills*

Organizations may go through momentary or temporary periods of inactivity due to the uncertainty that prevails crisis periods. This tendency towards inactivity prevents the organization from engaging in new ventures, prompting an effort instead to maintain the status quo. In this respect, enterprises going through a period of crisis will experience a tendency towards inadaptability and an overall concern that any changes made to the existing organization might pave the way for new dilemmas (Ozdevecioglu, 2002: 99).

iv. *Increasing Tension*

One of the most important adversities encountered by enterprises during times of crisis is the practice of involuntary layoffs. Resorted to as a method of crisis avoidance, this practice yields very negative effects on the inner workings of an organization (Ozbakir, 1992: 36).

v. *Shaken Confidence*

It becomes harder to keep employees motivated through crisis times due to many negative factors. A fall in motivation is sure to have its adverse effects on the general climate at the workplace. The worst is when it spreads across the organization and tends to rule inter-employee relations. Such an outcome would trigger a rise in the number of "I told you so" skeptics, causing further personal inter-employee conflicts and an environment of mutual distrust among employees (Ozdevecioglu, 2002: 100).

vi. *Unanticipated Expenses*

Any sort of anti-crisis strategy that an organization develops would bring about a few additional costs and expenses along with it. The establishment of an early warning system, the development of protective and preventive mechanisms and the appointment of specialized professionals to appropriate positions or a resort to the advice of consultants are bound to raise costs. New advertisement campaigns, a revamping of the corporate image or proliferation activities and renovations in sales policy, pricing and decisions regarding customer and supplier relations, which an enterprise may conduct in line with a crisis situation may cause additional expenses. As another example, loans payable based on a foreign currency impose further financial difficulties on a business organization (Titiz and Carikci, 2003: 207).

According to Tuz, the fundamental reason why enterprises encounter sudden or gradual crises is their deficiency in complying with the requisites of a highly competitiv market. These factors can be classified into two main groups as external factors and intrinsic factors comprising the internal, structural problems the enterprise may have. Figure 2 exhibits how these two groups can lead to a crisis (Tuz, 1996: 4).

| Factors | Crisis | Responses |
|---|---|---|
| External / Broad Environment | Crisis | Individual |
| Internal Environment | Crisis | Organizational |

*Figure 2 :* Crisis Patterns

*Source: Tüz V. M., 1996. Business Management of Crisis Period,, Ekin Bookstore, Bursa.*

a. *External Factors*

External factors that may lead to a crisis are macro-economic circumstances beyond the company's control that emanate out of the broad environment that the enterprise operates in. These factors may affect a whole country or even the world economy in general, and threaten the existence of a vast number of enterprises. The rapid change in environmental factors obliges companies to duly adapt to those changes. And a failure in such adaptability on the part of the enterprise results in a crisis (Tuz, 1996: 5).

External or environmental factors which may lead to a crisis in an organization can be outlined as general global or domestic circumstances, domestic social, political and economic circumstances, homeland security issues, technological innovations, acts of god, social unrests and international threats and conflicts (Gultekin and Aba, 2011: 209).

### b. Internal Factors

While external factors are variables beyond companies' control, they can be forecasted to a great extent via an elaborate environmental analysis. It is suggested that, that an enterprise ends up in crisis has much more to do with the effects of intrinsic factors than those of macro variables (Dincer, 1992: 387).

Internal crisis factors generally arise out of determinants such as organizational structure, management, executives, staff, budget and technical equipment. A deficiency in organizational structure or in operations, budgetary and financial insufficiencies, incompetency of an executive or lack of skilled personnelare some of those crisis factors (Sezgin, 2003: 188).

According to Hurst (2000: 160), external sources of crises may have their advantages for an organization; however, even though they arise inevitably as side effects of other indirect occurrences, internal affairs can trigger a crisis, as well. Interestingly, intrinsic crisis factors can take the shape of internal, deliberate acts that aim to cause loopholes in an organization (Sezgin, 2003: 188).

### b) The Stages of a Crisis

Crises may be short-lived or they may extend over a longer time period, and they can be classified as major or minor crises as to their impact on an organization. Although they can be intertwiningly close together, a crisis can comprise four apparent stages. According to Fink, these four stages are as follows (Heller and Darling, 2012: 155 1).

1. The outset stage is when an approaching crisis is still at a warning phase.
2. The outbreak stage is characterized by a rapid onset.
3. Chronic stage, indicating a post-crisis recuperation phase.
4. Settlement stage.

It is noteworthy that not all crises may go through all of these four stages; however, each one of these stages or phases can be traced in every major crisis (Heller and Darling, 2012: 155).

## III. CRISIS MANAGEMENT

Almost every crisis bears in itself the seeds of success as much as it does the roots of failure. Identifying this potential success, developing it and reaping its benefits make up the essence of crisis management. On the other hand, the essence of a mismanagement of crisis is characterized by pessimism and a tendency to make things worse than they already are. Crisis management is a process which requires a thorough analysis of potential success and failure. It commands a well-planned, organized and coordinated effort (Sezgin, 2003: 190).

As in the case with the definition of the concept of crisis, academic literature comprises a diversity of definitions for crisis management.

According to one definition, crisis management is a process that entails the tracking and assessment of potential crisis signals and the implementation and application of necessary measures, which will enable an enterprise to tackle an emerging crisis with minimum loss (Murat and Misirli, 2005).

Gigliotti and Ronald (1991) describe crisis management as a set of skills that an organization possesses, enabling it to duly and effectively overcome the negative effects of a threat to health and well-being, a loss of public or corporate property or any other adverse impact on the organization's ongoing activities (Pheng, Ho and Ann, 1999: 232).

In this day and age of globalization, business enterprises have to sustain their existence in an environment of more intense competition and uncertainty as compared to pre-globalization times. In some cases, this climate of intense competition and uncertainty serves as an opportunity, embracing businesses. Organizations' survival depends on their ability to benefit from such opportunities while protecting themselves from associated pitfalls. In order for the achievement of such anability, the implementation of an effective crisis management system is a must (Asunakutlu, Safran and Tosun, 2003: 142).

### a) The Crisis Management Process

It is quite difficult for organizations to appropriately respond to the circumstances of a crisis in their day-to-day business and decision making manners. Therefore, management policies during a crisis must differ from the routine. This need for out-of-the-ordinary practices have brought about a set of practices for organizations called crisis management (Can, 2005: 397).

Crisis management is a process of acknowledging and evaluating potential crisis signals and applying appropriate measures for an organization to overcome a crisis with minimum loss (Demirtas, 2000: 363).With its main objective being the preparation of an organization for a crisis situation, crisis management can be dealt with in five sections (Can, 2005: 398):

#### i. The Identification of Crisis Indicators

This is the initial phase of a crisis, where early indications surface. A timely acknowledgment of these signals will prevent the outbreak of a crisis, or facilitate the recuperation phase. A manager's task at this stage is to attain the skill to distinguish signals pointing out to a possible crisis from noisy data.

#### ii. Preparedness and Prevention

Preparatory and preventive mechanisms that will need to be implemented are going to serve the purposes of protecting the departments, units and the

surroundings of the enterprise from impact, in an effort to prevent or minimize damage or loss from the crisis.

### iii. *Limiting the Extent of Damage*

At this stage the existence of a tangible crisis, and not just a possibility, is recognized. This phase of crisis management aims to dissolve the crisis and minimize losses, while providing protection from its impact.

### iv. *Recuperation*

At this stage, the organization is tried to be put back to its former shape, since integration within the organization's sub-systems will have weakened and organizational structure will have suffered damages during a period of crisis. The priority in such a situation would be to regain efficiency and to re-functionalize a crisis-stricken organizational mechanism.

### v. *Assessment and Lessons Learned*

This last phase of a crisis management process comprises a thorough assessment of the decisions, precautions and practices applied during the crisis, and drawing lessons from them. Additionally, taking preventive measures against a recurring crisis, thus using the past crisis experience to the benefit of the organization is also part of this phase of crisis management.

### b) *Crisis Management Techniques*

Critical internal functions of a business organization such as finance, production, procurement, marketing and human resources are sensitive to socio-economic, political, legal, competitive, technological, demographic, global and ethical factors associated with their external environment. A yet more elaborate and manageable approach is to define the process required to handle and evaluate future crises. The implementation of proper information systems, planning procedures and decision making techniques comprise the fundamentals of such a process. An information systems application can scan the environment, collect appropriate data, interpret the data keeping an eye on potential opportunities and threats, and provide a solid framework for strategies which may constitute crisis prevention functions (Kash and Darling, 1998: 182 - 183, 185).

Crisis management techniques can be generally outlined as strategic forecasting, contingency planning, problem analysis and scenario analysis (Kash and Darling, 1998: 182 - 183, 185).

### i. *Strategic Forecasting*

Strategic forecasting primarily requires formulating projections into the future with the assumption that the organization possesses the skills to adapt to new and upcoming circumstances. There are many forecasting techniques available to managers today that can help them generate accurate predictions,

yet possibly omit certain occurrences which might be classified as surprise factors. Such techniques are made up of qualitative forecasting methods, extrapolation, simulation and cause and effect analyses.

### ii. *Contingency Planning*

Contingency plans are those alternatives which end up replacing actual plans in the event of an occurrence of the unexpected. While forecasting constitutes drawing a foresight of and making projections into previously discussed and reasonably apparent incidents, contingency plans prepared by organizations are tailored for less obvious circumstances. To a certain extent, contingency plans are based upon predictable environmental changes. In essence, keeping contingency plans ready at all times would not only protect enterprises against crises, it would also assist them to resolve adverse circumstances arising out of existing crises.

### iii. *Problem Analysis*

This approach shows similarities to contingency planning. The goal here is to amplify the external tendencies in the broad environment in which the enterprise operates, in order to keep decision makers on their toes. On the other hand, the efforts made by the enterprise in this manner will be towards turning a problem into an advantage.

### iv. *Scenario Analysis*

Scenarios are attempts to define in detail the outcome of a series of events which may cause a pre-determined consequence, or alternatively speculate on the outcomes of present decisions. A scenario analysis requires an organization to consider solutions and alternative solutions to prevent, facilitate or limit potential consequences, positive or negative, and the causal links behind them.

## IV. Pre-crisis Business Management

This is when indications of a crisis start to gradually weigh in. It is in this phase that signals pointing to a potential crisis tend to develop. Early indications may sometimes be omitted by managers due to reasons such as interpretation errors, lack of preciseness in indicators or obstacles in organizational communication (Shrivastava and Statler, 2012: 151).

Organizations possess their own experiences of crises, and this acquired knowledge provides them implications as to what might be coming next. Such a framework concerning a predictable crisis allows organizations to formulate their crisis plans (Seeger, Sellnow and Ulmer, 2003: 167).

Crisis management begins with organizations' crisis preparation and preventive planning endeavors. The preparation phase involves the provision of sufficient security policies and equipment (Shrivastava and Statler, 2012: 151). Academic research on the issue

show that pre-crisis preparedness enables organizations to overcome a crisis with minimal damage, and possibly even create new opportunities out of it (Arslan, 2009 : 3). In the event of a crisis outbreak, it is imperative that every individual within the organization is accustomed to their pre-determined plans. For instance, how a healthy continuity of the correspondence between the organization and government officials or the media and the employees, who will be responsible for the management of same, and what steps should be taken next should be known by individuals within the organization beforehand (Herman and Oliver, 2002).

## V.   Business Management During a Crisis

Crisis management is a cluster of activities applied rationally and in a systematic manner in order to resolve a situation that is identified as a crisis. It comprises systematic decisions to be taken step by step, the appointment of a team to implement those decisions and a rapid generation of outcomes in order to go on to the next step of making new decisions. It is difficult for routine managerial policies to respond to circumstances arising out a crisis, and crisis practices must be disparate. Those who attempt to dissolve a crisis with their day-to-day business and decision making habits are bound to fail (Tuz, 1996: 70).

Leadership skills are sought after during crisis periods. One aspect of these leadership skills constitutes the ability to deal with the team as a whole, and the other, to be able to mediate conflicts among employees (Tack, 1994 35).

Deficiencies of an organization tend to materialize during a crisis. Negligence in business operations might be an issue. Minute disputes may turn into conflicts. Internal relations may end up at risk, jeopardizing the fate of the whole organization. The existence of a true leader becomes crucial at this point. As a competent leader takes the initiative to settle things down, a downfall in the organization may actually be avoided. Trial, planning and devotion tends to urge members of an organization to unite and work in harmony towards a common goal (Silver, 1990: 63).

Time is of utmost priority during a crisis. Therefore, there is always a need for a good plan that outlines in detail the strategies to be pursued. The advantage of planning is that it draws all the attention to the real problem at hand while formulating an infrastructure for future action. Various stages of a crisis management plan to be followed during a crisis period can be listed as follows (Tuz, 1996: 77):

1. Outlining and defining each crisis incident,
2. Developing strategies and tactics to overcome each crisis incident,
3. Identifying the individuals and groups to be effects the most by a crisis,
4. Putting a crisis team in charge,
5. Preparing a communication plan that will minimize damages during a crisis,
6. Testing all measures for functionality.

## VI.   Post Crisis Business Management

A post crisis business management structure constitutes a management approach to be implemented in the aftermath of a crisis, which includes a management structure aimed at the prevention of a recurring crisis and an outline of the contingency practices to be pursued in the event of one. It is impossible to eliminate the possibility of a recurring crisis; therefore, the critical issue is to be able to take any necessary measures in due time (Ofluoglu and Misirli, 2001).

The first step to take in the aftermath of a crisis is to conduct a status meeting, with a general agenda of determining the post-crisis operational scope and objectives of the organization (Tuz, 1996 : 100), followed by a gradual return to the organization's usual, pre-crisis organizational structure.

At the outbreak of a crisis when a functional business mechanism has been obstructed, the priority must be a rapid restoration of efficiency. Simultaneously, it should be watched over that the problem solving procedures do not create additional disputes between those individuals involved. In this respect, an effective problem solving plan must be implemented. Such a plan may consist of the following principles (Tack, 1994: 25):

1. Identify the problem,
2. Re-determine the problem in line with the objectives in mind,
3. Ask key questions and collect all necessary data,
4. Evaluate all available data,
5. Specify the most applicable and appropriate options,
6. Select an experimental solution,
7. Test the functionality of the experimental solution,
8. Shape a final solution,
9. Apply the final solution.

It is inevitable for certain negative effects such as fear, fatigue, lack of confidence, over-reaction and self-defensive behavior to appear in employees following a crisis. In order to eliminate such adverse effects and remobilize the organization, factors that obstruct efficiency must be disposed of, a set of revised and higher organizational goals must be set, and constructive criticism methods should be made use of to appraise individual efforts shown throughout the crisis (Tack, 1994: 61 - 63).

## VII. CRISIS MANAGEMENT IN SMALL AND MEDIUM SIZED ENTERPRISES ACTIVE AT THE GAZIANTEP BASPINAR ORGANIZED INDUSTRIAL ZONE

### a) Methodology

This study aims to assess the crisis-preparedness of small and medium sized enterprises (SMEs) active at the Gaziantep Baspinar organized industrial zone, and to outline any crisis management practices adopted by them.

With its proximity to Syria, Iraq and other Middle Eastern states, a developed infrastructure and industry, its abundance of a qualified labor force, a free trade zone, a techno-park and five industrial parks established over 11 million square meters of land, the city of Gaziantep has been elected by the Competitive Cities Knowledge Base (CCKB) initiative to be one of the seven most competitive cities of the world, and is generally esteemed as a successful and appealing town. Ranking sixth among Turkish cities with the highest exports, Gaziantep is one of the most economically successful in the country with 1,270 exporting firms, trade relations with 172 countries and an export volume of approximately 6.5 billion dollars in 2013. The decision to conduct this study on enterprises active in the city of Gaziantep has been based on this rationale, coupled with the geo-political location of the city.

The main concern of our study is to seek responses to the fundamental question of "what is the state of crisis management practices" at business enterprises at the Gaziantep Baspinar organized industrial zone. The hypotheses to be tested within the framework of the study, regarding the state of crisis management practices adopted by business enterprises in the area can be listed as follows.

*H1:* It is possible to state that certain crisis management work has been done by enterprises active at the Gaziantep Baspinar organized industrial zone. Some sub-hypotheses can be listed as here below:

*H1a:* It is possible to state that certain pre-crisis crisis management work has been done by enterprises active at the Gaziantep Baspinar organized industrial zone as part of their crisis management schemes.

*H1b:* It is possible to state that certain mid-crisis crisis management work has been done by enterprises active at the Gaziantep Baspinar organized industrial zone as part of their crisis management schemes.

A survey method has been used in the study to collect data in an objective manner, and to be able to apply appropriate quantitative analysis techniques. Surveys have been conducted with company managers with the assumption that management has an effective role in strategy formulation.

800 enterprises active at the Gaziantep Baspinar organized industrial zone have been taken into account within the context of this study, and they comprise the population of this research. It has not been feasible to contact each and every one of these enterprises due to the high count, and a number of other reasons as well. Therefore, the survey has been done with a sample group of 86 selected enterprises.

Out of the 86 companies that received the survey form, 42 have responded, and 44 have opted out due to various reasons. Consequently, the assessments made in this study cover the responses submitted by those 42 business organizations.

### b) Findings of the Research and Comments

As a result of the study, results listed below are gathered from 42 businesses that operate in Gaziantep Baspınar *organized industrial zone.*

1. *The Demographic Characteristics of the Participants in the Businesses within the Scope of the Research*

*Table 1 :* Demographic Characteristics

| Demographic Information | | Frequency | Percentile |
|---|---|---|---|
| Gender | Female | 9 | 21,4 |
| | Male | 33 | 78,6 |
| | **Total** | **42** | **100** |
| Marital Status | Married | 29 | 69 |
| | Single | 13 | 31 |
| | **Total** | **42** | **100** |
| Age Range | 20-30 | 14 | 33,3 |
| | 31-40 | 12 | 28,6 |
| | 41-50 | 12 | 28,6 |
| | 51 and above | 4 | 9,5 |
| | **Total** | **42** | **100** |
| Education Level | Primary School | 5 | 11,9 |
| | High School | 5 | 11,9 |
| | College | 8 | 19 |
| | University | 22 | 52,4 |
| | Master | 1 | 2,4 |
| | Ph.D. | 1 | 2,4 |
| | **Total** | **42** | **100** |

When we look at the distribution of the executives according to their age groups we see that the executives between ages 20-30 are in the first place with 14 people (33, 3%). This group is followed by a group of executives between the ages 31-40 and 41-50 with 12 people (28, 6%). According to this distribution, at first we can say that executives between the ages 20-30 are more; but when we expand the age gaps, it appears

that executives between the ages 31-50 consist 57, 2% of the executives. Also, the table shows that 33 respondents (78, 6%) are male, whereas 9 (21, 4%) are female. It can be seen that majority of the respondents are male. When we look at the marital statuses of the respondents, we see that 29 (69%) of them are married, whereas 13 (31%) are single. The answers given by the executives to the questions about their education levels indicates that 22 of them (52, 4%) are university graduates, and only 2 of them as masters (4, 8%). It can be seen that the majority of the executives participated in the research are university graduates.

2. *Duties of the Participants in the Business within the Scope of the Research*

*Table 2 :* Participant's Duties in the Business

| Participant's Duties in the Business | Position | Frequency | Percentile |
|---|---|---|---|
| | Upper Level | 18 | 42,9 |
| | Medium Level | 9 | 21,4 |
| | Sub Level Supervisor | 8 | 19 |
| | Engineer | 3 | 7,1 |
| | Chef | 1 | 2,4 |
| | Master Builder | 1 | 2,4 |
| | Worker | 0 | 0 |
| | Other | 2 | 4,8 |
| | Total | 42 | 100 |

Answers given by the participants to the question about their position in the institution they are working at resulted with 18 upper level executives (42, 9%) and 9 middle level executives (21, 4%). This result shows us that majority of the respondents are in a decision maker position

Within their institutions and they have the abilit To decide about the crisis management in case of a crisis; therefore, the study aims to get the correct data. about their approaches.

3. *Participant's Duration of Working in the Business within the Scope of the Research*

*Table 3 :* Participant's Experience Information

| Experience Information | | Frequency | Percentile |
|---|---|---|---|
| Executive Work Period | Less than 1 year | 4 | 9,5 |
| | 1-3 years | 11 | 26,2 |
| | 4-6 years | 7 | 16,7 |
| | 7-9 years | 5 | 11,9 |
| | 10 years and above | 15 | 35,7 |
| | Total | 42 | 100 |

The answers respondents gave to the question about how long they have been working in the institutions they are at are indicated on the table. 15 of the executives (35, 7%) have been working for 10 or more years in the businesses they work, whereas only 4 of them (9, 5%) have been in the Business for less than1 year. This shows us that majority of the respondents have a past Experience and information and knowledge about the structures of the businesses.

4. *General Information about Businesses within the Scope of the Research*

*Table 4 :* Business Information

| Business Information | | Frequency | Percentile |
|---|---|---|---|
| Title | Limited | 26 | 61,9 |
| | | 14 | 33,3 |
| | Collective | 0 | 0 |
| | Comandite | 0 | 0 |
| | Other | 2 | 4,8 |
| | Total | 42 | 100 |
| Business Management Structure | Family Members | 27 | 64,3 |
| | Members Other Than Family | 12 | 28,6 |
| | Professional Managers | 3 | 7,1 |
| | Total | 42 | 100 |
| Business Activity Duration | 0-5 | 4 | 9,5 |
| | 6-10 | 8 | 19 |
| | 11-15 | 17 | 40,5 |
| | 16 and more | 13 | 31 |
| | Total | 42 | 100 |

When we look at the answers about the title of the businesses, the administrative structure and operating time of the businesses in the respondents' replies, these are the results: 26 of the businesses where the respondent executives work at are Limited (61, 9%), and 14 Incorporated Company (33, 3%). When we look at the administrative structures of the businesses, 27 of the respondents have indicated that the businesses are ruled by family members (64, 3%) as only 3 of the participants have responded that the businesses are run by professional executives (7,1%). When we look at the operation time periods of the businesses 17 of them have been operating between 11-15 years (40, 5%), as only 4 respondents answered that their businesses have been running for less than 5 years (9, 5%). This clearly indicates that a great percentage of the businesses that participated in this interview have been operating for more than 5 years and are experienced in their sectors.

5. *Crisis in the Businesses within the Scope of the Research*

*Table 5 :* The Crises that Businesses had previously

| Samples from the Crises that Businesses had Previously | | Frequency | Percentile |
|---|---|---|---|
| 2001 Economic Crisis | Effected | 7 | 16,7 |
| | Not Effected | 35 | 83,3 |
| | Total | 42 | 100 |
| 2008 Economic Crisis | Effected | 8 | 19 |
| | Not Effected | 34 | 81 |
| | Total | 42 | 100 |
| Fluctuations in Exchange Rates | Effected | 16 | 38,1 |
| | Not Effected | 26 | 61,9 |
| | Total | 42 | 100 |
| The Disorders in Neighboring Countries and Target Markets | Effected | 14 | 33,3 |
| | Not Effected | 28 | 66,7 |
| | Total | 42 | 100 |
| Problems Experienced in Qualified Personnel Employment | Effected | 8 | 19 |
| | Not Effected | 34 | 81 |
| | Total | 42 | 100 |
| Problems Experienced in Obtaining Quality Raw Material | Effected | 7 | 16,7 |
| | Not Effected | 35 | 83,3 |
| | Total | 42 | 100 |

Respondents were asked about the situations of crisis within the businesses they worked at and as there are numerous situations of crisis, the excessive fluctuations in exchange rates turned out to be the crisis mostly exposed to with 16 (38,1%), followed by turmoil and war experienced in neighboring countries and wars with 14 (33, 3%).

6. *Crisis Management Planning before the Crisis in the Businesses within the Scope of the Research*

*Table 6 :* Planning before crisis

| Planning before crisis | | Frequency | Percentile |
|---|---|---|---|
| Planning before Crisis | There was a crisis management program established before the crisis | 6 | 14,3 |
| | There was not a crisis management program established before the crisis | 36 | 85,7 |
| | Total | 42 | 100 |

The answers given to the question whether there was a crisis management plan in the businesses before the crisis or not indicate that 36 of the respondents have mentioned that there was no crisis management plan before the crisis (85, 7%) as only 6 respondents said that the businesses had a crisis management plan before the crisis (14, 3%). This data clearly shows that most of the businesses did not have any kind of preparations for the crisis.

7. *The Level of Crisis in the Businesses within the Scope of the Research*

*Table 7 :* Level of Effect from Crisis

| Level of Effect from Crisis | | Frequency | Percentile |
|---|---|---|---|
| Level of Effect from Crisis | High Level | 5 | 11,9 |
| | Middle Level | 17 | 40,5 |
| | Low Level | 18 | 42,8 |
| | No Effect | 2 | 4,8 |
| | Total | 42 | 100 |

According to the results of the research, most of the businesses were effected from the crisis. Only 2 of the respondents indicated that the businesses they worked in were not affected from the crisis (4, 8%). On the other hand, 18 respondents have said their businesses were effected at a low level (40%), 17 of them said with a middle level (23%) and 5 of them said with high level (119%).

8. *Crisis Management Planning during the Crisis in the Businesses within the Scope of the Research*

*Table 8 :* Crisis Management during The crisis

| Crisis Management during The crisis | | Frequency | Percentile |
|---|---|---|---|
| Planning during the crisis | There was a crisis management plan before the crisis | 4 | 9,5 |
| | There was no crisis management plan before the crisis | 38 | 90,5 |
| | Total | 42 | 100 |

A question was asked to find out whether the businesses with no crisis management plan before the crisis have prepared a crisis management plan during the crisis or not. Only 4 respondents (9.5%) have said that the businesses established a crisis management plan during the crisis, and 38 of them said (90.5%) that businesses did not do that.

9. *Precautions to Get Out of the Crisis during the Crisis Period in the Businesses within the Scope of the Research*

*Table 9 :* Precautions to Get Out of the Crisis

| Precautions to Get Out of the Crisis | | Frequency | Percentile |
|---|---|---|---|
| Decreasing the Assets | Applied | 12 | 28,6 |
| | Not Applied | 30 | 72,4 |
| | Total | 42 | 100 |
| Changing the Management | Applied | 7 | 16,7 |
| | Not Applied | 35 | 83,3 |
| | Total | 42 | 100 |
| Decreasing the Cost | Applied | 24 | 57,1 |
| | Not Applied | 18 | 42,9 |
| | Total | 42 | 100 |
| Additional Debts | Applied | 20 | 47,6 |
| | Not Applied | 22 | 52,4 |
| | Total | 42 | 100 |
| Developing a Market | Applied | 27 | 64,3 |
| | Not Applied | 15 | 35,7 |
| | Total | 42 | 100 |
| Making Organizational Changes | Applied | 12 | 28,6 |
| | Not Applied | 30 | 72,4 |
| | Total | 42 | 100 |
| Changing the Product and Market | Applied | 17 | 40,5 |
| | Not Applied | 25 | 59,5 |
| | Total | 42 | 100 |
| Buying another Company | Applied | 2 | 4,8 |
| | Not Applied | 40 | 95,2 |
| | Total | 42 | 100 |
| Making new Investments | Applied | 4 | 9,5 |
| | Not Applied | 38 | 90,5 |
| | Total | 42 | 100 |
| Expelling Employees | Applied | 17 | 40,5 |
| | Not Applied | 25 | 59,5 |
| | Total | 42 | 100 |
| Other | Applied | 1 | 2,4 |
| | Not Applied | 41 | 97,6 |
| | Total | 42 | 100 |

It has been determined that a great majority of the businesses do not have a previously prepared crisis management plan and this caused the businesses to get caught by the crises unprepared. Besides, it has also been indicated that these businesses that get caught by the crises did not make any effort to prepare a crisis management plan at all. Therefore, questions were asked to find out how they got through the crises without any crisis management plan. The precautions respondents might have taken during crisis and the rates of implementations were shown in Table 9. 27 out of 42 participant businesses (64, 3%) said they used Market Development strategy, as 24 of them (57,1%) said that they use Decreasing the Costs, whereas 20 of them used (47,6%) additional debts, 17 of them use (40, 5%) changing products and markets and 17 of them said they used expelling employees (40, 5%).

10. *Moral Situation of the Personnel during the Crisis in the Businesses within the Scope of the Research*

*Table 10 :* Crisis management planning during the crisis

| Crisis management planning during the crisis | | Frequency | Percentile |
|---|---|---|---|
| Moral Situation of the Personnel during the Crisis | Effort was shown to keep the morale of the personnel up during the crisis. | 20 | 47,6 |
| | No effort was shown to keep the morale of the personnel up during the crisis. | 22 | 52,4 |
| | Total | 42 | 100 |

Spondents were asked whether there was any effort to keep the morale of the employees up during the crisis. According to the results, 20 of the businesses (47, 6%) have had an effort to keep the morale of their personnel up during the crisis, whereas 22 of them (55,4 %) did not show any effort as such.

*11. Administration Style during the crisis in the Businesses within the Scope of the Research*

*Table 11 :* Change in the Administration Style during the Crisis

| Crisis management planning during the crisis | | Frequency | Percentile |
|---|---|---|---|
| Change in the Administration Style during the Crisis | There was a change in the Administration Style during the Crisis | 9 | 21,4 |
| | There was no change in the Administration Style during the Crisis | 33 | 78,6 |
| | Total | 42 | 100 |

Respondents were asked whether there was a change in the administration style during the crisis. According to the results, only 9 of the respondents (21, 4%) said that there was a change, whereas 33 of them

(78, 6%) said that there was no change in the administrative style during the crisis.

*12. Emergency Information Center during the crisis in the Businesses within the Scope of the Research*

*Table 12 :* Emergency Information Center during the crisis

| Crisis management planning during the crisis | | Frequency | Percentile |
|---|---|---|---|
| Emergency Information Center during the crisis | There was an emergency information center during the crisis | 6 | 14,3 |
| | There was no emergency information center during the crisis | 36 | 85,7 |
| | Total | 42 | 100 |

Respondents were asked whether an emergency information center was established during the crisis or not. The results indicate that only 6 of the respondents (14, 3%) have mentioned that there was that unit whereas 36 of the participants (85, 7%) said there was none.

*13. Post-crisis situation analysis in the Businesses within the Scope of the Research*

*Table 13 :* Post Crisis situation analysis

| Post Crisis situation | | Frequency | Percentile |
|---|---|---|---|
| Post Crisis situation analysis | The analysis has been conducted after the crisis | 19 | 45,2 |
| | The analysis was not conducted after the crisis | 23 | 54,8 |
| | Total | 42 | 100 |

It has been asked whether a post-crisis situation analysis has been conducted or not. 19 businesses (45, 2%) have indicated that this analysis was made after the crisis, whereas 23 of those (54, 8%) have said there was no nalysis.

*14. Post Crisis Situation in the Businesses within the Scope of the Research*

Table 14 : Post Crisis Situation in the Businesses

| Post Crisis Situation | | Frequency | Percentile |
|---|---|---|---|
| Post Crisis Situation | A New Restructuring was made after the crisis | 22 | 52,4 |
| | A New Restructuring was not made after the crisis | 20 | 47,6 |
| | Total | 42 | 100 |

It has been asked whether a restructuring has been conducted or not. 22 businesses (52, 4%) have indicated that A New Restructuring was made after the crisis, whereas 20 of those (47, 6%) have said A New Restructuring was not made afte r the crisis.

15. *Opinion of the executives about the crisis management in the Businesses within the Scope of the Research*

Table 15 : Opinion of the executives about the crisis management

| Opinions About Crisis Management | Frequency | Percentile |
|---|---|---|
| 3-4-1 | 6 | 14,3 |
| 5-4-1 | 3 | 7,1 |
| 1-2-3 | 1 | 2,4 |
| 3-1-4 | 4 | 9,5 |
| 2-3-4 | 9 | 21,4 |
| 1-3-5 | 4 | 9,5 |
| 4-3-2 | 4 | 9,5 |
| 2-3-1 | 1 | 2,4 |
| 5-4-3 | 1 | 2,4 |
| 1-3-4 | 1 | 2,4 |
| 3-2-4 | 2 | 4,8 |
| 3-4-5 | 4 | 9,5 |
| 3-5-4 | 2 | 4,8 |
| Total | 42 | 100 |

1. *Increase in the number of crises forces the businesses to gather more knowledge about the crisis management.*
2. *Crisis management or crisis preparation is a high cost, luxury event that can only be conducted by huge businesses.*

3. *Crisis management is a brand new subject for the businesses in our country.*
4. *Crisis management necessitates a huge amount of knowledge*
5. *Each crisis is special, so there is no need to conduct a comprehensive preparation for crisis management.*
6. *Other (Please write down any other opinions you have and then make the evaluation accordingly)*

Within the scope of the research, respondents were asked to classify the options about crisis management according to their opinion. The numerated statements of these options above are sorted according to their priorities by the respondents. This sorting that determines the opinions of the respondents about crisis management is at Table 15. 9 of the businesses that participated have made the sorting of 2-3-4 (21, 4%), 6 of them made 3-4-1 sorting (14, 3%). According to these results, it can be said that most of the participants have stressed the importance of 1, 3 and 4. So, the opinion of the participants about crisis management can be listed as below:

1. Increase in the number of crises forces the businesses to gather more knowledge about the crisis management.
2. Crisis management is a brand new subject for the businesses in our country.
3. Crisis management necessitates a huge amount of knowledge

## VIII. Conclusion

Crises are cases or events which will have negative effects in the organizational structures that need to be pre-cautioned immediately. Our country witnesses global and local crises. Especially the recent economic crises, internal conflicts in neighbors, war in Syria and Iraq can be given as examples.

To get rid of the negative effects of these crises or to decrease them as much as it could be, businesses need to have an efficient crisis management plan. But according to the data from the interview, most of the SMEs operating in Gaziantep do not have any type of crisis management. Also, the data indicate that the businesses which did not have any kind of crisis management plan before the crisis did not have a tendency to create a crisis management plan during the crisis; and that some precautions to eliminate or decrease the negative effects of the risks were not developed.

Within the scope of this research, it is a very important point that those businesses that operate in a region where crises occur frequently, have not developed a crisis management plan, and do not have any tendency to create one during the crisis, they have been effected from the crises either in low or middle levels.

These businesses, SMEs, that consista great amount of Turkish economy, have important inadequacies in struggling with crisis. SMEs did not develop an effective organization model, and the business administrations in those are limited with accumulation of knowledge, experience and intuitions of the executives. Therefore, the businesses administered by executives who do not have the necessary information about crisis management do not make a crisis management plan even though they keep on experiencing the similar crises continuously.

Another important aspect is that the developments witnessed are ignored by the executives. Any uncertainty or risk could be the beginning of more important negativity for the business, employees, society and even for the country. There for, whether huge or small, all the institutions should analyze all kinds of risks and take the necessary precautions starting from their establishment.

Therefore, to help the businesses take the necessary precautions against the possible crises and to prepare efficient crisis management plans, their executives should have the necessary knowledge and experience along with an ability to analyze all types of risks. Also, the businesses need to have more efficient briefings about crisis management planning, emphasizing the importance of crisis management.

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