

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

Ahmet Tasdemir¹ and Tuba Buyukbese²

¹ Hasan Kalyoncu University

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Abstract

Enterprises with a growing obligation to sustain their business activities in economic environments of increased levels of uncertainty and risk as a result of the novel circumstances of a developing and changing world and the diverse influences thereof, must be in a position to assess these uncertainties and risks in an accurate manner and develop preparedness for potential crises. Contemporary studies point out that the fact that an enterprise faces a crisis is not necessarily as much of an issue as the type and the timing of that crisis and how prepared the organization is to tackle it. The most effective and decisive elements of crisis management are proper forecasting and the minimization of the adverse effects of a crisis through a timely application of appropriate preparedness measures. In this respect, 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 sized enterprises active at the Gaziantep Basp?nar industrial zone.

Index terms— crisis, crisis management, small and medium sized enterprises, SMEs.

1 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 or enterprises 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 Basp?nar industrial

43 zone, in an effort to shed some light on how domestic businesses view crises and what sorts of relevant preparedness
44 measures they actually take.

45 2 II.

46 3 Crisis: a Definition and its Types

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

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

56 Another researcher describes crisis as an uncommon and unexpected event or a series of events, which imposes
57 a high degree of uncertainty, threat or Year () A perceived threat on the primary objectives of an organization
58 ??Veil, 2011: 117).

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

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

66 According to Mitroff and Anagnos, there are fundamental types of crisis and risk categories that every
67 organization must be prepared for ??Mitroff and Anagnos, 2000: 32).

68 These risk categories are listed in the table below, and an intact crisis portfolio is expected to include at least
69 one type of crisis per group shown ??Mitroff and Anagnos, 2001: 32). Parsons classifies crises into three types
70 ??Parsons, 1996: 26), respectively as follows: 1. Sudden crises: crises which show little or no implication of their
71 emergence.

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

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

74 4 a) Factors That Lead To A Crisis

75 Factors that tend to create economic uncertainty and instability such as inflation, issues regarding employment,
76 shrinkages in money supply, fluctuations in financial markets, fluctuations in exchange rates and uncertainty in
77 the international trade regime can cause volatility in all markets, and lead to a crisis ??Silver, 1990: 114).

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

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

84 i. The Centralization of Management Decisions A growing necessity to come up with fast and flawless business
85 decisions during crisis periods leads to a centralization of authority within the organization ??Dincer, 1992: 284).

86 ii. The Pressure to Make Rapid Decisions

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

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

97 5 iv. Increasing Tension

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

6 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).

7 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 competitive 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). 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).

8 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 personnel are 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).

9 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).

10 III.

11 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).

17 B) CRISIS MANAGEMENT TECHNIQUES

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

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

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

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

173 12 a) The Crisis Management Process

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

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

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

186 13 ii. Preparedness and Prevention

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

189 14 Year ()

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

191 iii. Limiting the Extent of Damage At this stage the existence of a tangible crisis, and not just a possibility,
192 is recognized. This phase of crisis management aims to dissolve the crisis and minimize losses, while providing
193 protection from its impact. iv.

194 15 Recuperation

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

199 16 v. Assessment and Lessons Learned

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

204 17 b) Crisis Management Techniques

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

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

215 **18 Strategic Forecasting**

216 **19 Strategic**

217 forecasting primarily requires formulating projections into the future with the assumption that the organization
218 possesses the skills to adapt to new and upcoming circumstances. There are many forecasting techniques available
219 to managers today that can help them generate accurate predictions, yet possibly omit certain occurrences
220 which might be classified as surprise factors. Such techniques are made up of qualitative forecasting methods,
221 extrapolation, simulation and cause and effect analyses.

222 ii.

223 **20 Contingency Planning**

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

230 iii.

231 **21 Problem Analysis**

232 This approach shows similarities to contingency planning. The goal here is to amplify the external tendencies
233 in the broad environment in which the enterprise operates, in order to keep decision makers on their toes. On
234 the other hand, the efforts made by the enterprise in this manner will be towards turning a problem into an
235 advantage. iv. Scenario Analysis Scenarios are attempts to define in detail the outcome of a series of events
236 which may cause a predetermined consequence, or alternatively speculate on the outcomes of present decisions.
237 A scenario analysis requires an organization to consider solutions and alternative solutions to prevent, facilitate
238 or limit potential consequences, positive or negative, and the causal links behind them.

239 **22 IV. Pre-crisis Business Management**

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

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

247 Crisis management begins with organizations' crisis preparation and preventive planning endeavors. The
248 preparation phase involves the provision of sufficient security policies and equipment ??Shrivastava and Statler,
249 2012: 151). Academic research on the issue show that pre-crisis preparedness enables organizations to overcome
250 a crisis with minimal damage, and possibly even create new opportunities out of it ??Arslan, 2009 : 3). In the
251 event of a crisis outbreak, it is imperative that every individual within the organization is accustomed to their
252 pre-determined plans. For instance, how a healthy continuity of the correspondence between the organization and
253 government officials or the media and the employees, who will be responsible for the management of same, and
254 what steps should be taken next should be known by individuals within the organization beforehand (Herman
255 and Oliver, 2002).

256 V.

257 **23 Business Management during a Crisis**

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

264 Leadership skills are sought after during crisis periods. One aspect of these leadership skills constitutes the
265 ability to deal with the team as a whole, and the other, to be able to mediate conflicts among employees ??Tack,
266 1994 35).

267 Deficiencies of an organization tend to materialize during a crisis. Negligence in business operations might be
268 an issue. Minute disputes may turn into conflicts. Internal relations may end up at risk, jeopardizing the fate

269 of the whole organization. The existence of a true leader becomes crucial at this point. As a competent leader
270 takes the initiative to settle things down, a downfall in the organization may actually be avoided. Trial, planning
271 and devotion tends to urge members of an organization to unite and work in harmony towards a common goal
272 ??Silver, 1990: 63).

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

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

281 24 VI.

282 25 Post Crisis Business Management

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

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

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

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

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

304 26 VII.

305 Crisis Management in small and Medium Sized Enterprises Active at the Gaziantep Baspinar Organized Industrial
306 Zone

307 27 a) Methodology

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

310 With its proximity to Syria, Iraq and other Middle Eastern states, a developed infrastructure and industry, its
311 abundance of a qualified labor force, a free trade zone, a techno-park and five industrial parks established over
312 11 million square meters of land, the city of Gaziantep has been elected by the Competitive Cities Knowledge
313 Base (CCKB) initiative to be one of the seven most competitive cities of the world, and is generally esteemed
314 as a successful and appealing town. Ranking sixth among Turkish cities with the highest exports, Gaziantep
315 is one of the most economically successful in the country with 1,270 exporting firms, trade relations with 172
316 countries and an export volume of approximately 6.5 billion dollars in 2013. The decision to conduct this study
317 on enterprises active in the city of Gaziantep has been based on this rationale, coupled with the geo-political
318 location of the city.

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

323 H1: It is possible to state that certain crisis management work has been done by enterprises active at the
324 Gaziantep Baspinar organized industrial zone. Some sub-hypotheses can be listed as here below: H1a: It is
325 possible to state that certain pre-crisis crisis management work has been done by enterprises active at the
326 Gaziantep Baspinar organized industrial zone as part of their crisis management schemes.

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

329 A survey method has been used in the study to collect data in an objective manner, and to be able to
330 apply appropriate quantitative analysis techniques. Surveys have been conducted with company managers with
331 the assumption that management has an effective role in strategy formulation. 800 enterprises active at the
332 Gaziantep Baspınar organized industrial zone have been taken into account within the context of this study, and
333 they comprise the population of this research. It has not been feasible to contact each and every one of these
334 enterprises due to the high count, and a number of other reasons as well. Therefore, the survey has been done
335 with a sample group of 86 selected enterprises.

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

339 **28 b) Findings of the Research and Comments**

340 As a result of the study, results listed below are gathered from 42 businesses that operate in Gaziantep Baspınar
341 organized industrial zone. When we look at the distribution of the executives according to their age groups we see
342 that the executives between ages 20-30 are in the first place with 14 people (33, 3%). This group is followed by a
343 group of executives between the ages 31-40 and 41-50 with 12 people (28, 6%). According to this distribution, at
344 first we can say that executives between the ages 20-30 are more; but when we expand the age gaps, it appears

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

354 **31 Duties of the Participants in the Business within the**

355 Scope of the Research Answers given by the participants to the question about their position in the institution
356 they are working at resulted with 18 upper level executives (42, 9%) and 9 middle level executives ??21, 4%).
357 This result shows us that majority of the respondents are in a decision maker position Within their institutions
358 and they have the abilit To decide about the crisis management in case of a crisis; therefore, the study aims to
359 get the correct data. about their approaches.

360 **32 Participant's Duration of Working in the Business within 361 the Scope of the Research**

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

367 **33 General Information about Businesses within the**

368 Scope of the Research When we look at the answers about the title of the businesses, the administrative structure
369 and operating time of the businesses in the respondents' replies, these are the results: 26 where the respondent
370 executives work at are Limited (61, 9%), and 14 Incorporated Company (33, 3%). When we look at the
371 administrative structures of the businesses, 27 of the respondents have indicated that the businesses are ruled by
372 family members (64, 3%) as only 3 of the participants have responded that the businesses are run by professional
373 executives (7,1%).

374 When we look at the operation time periods of the businesses 17 of them have been operating between 11-15
375 years (40, 5%), as only 4 respondents answered that their businesses have been running for less than 5 years
376 (9, 5%). This clearly indicates that a great percentage of the businesses that participated in this interview
377 have been operating for more than 5 years and are experienced in their sectors. Respondents were asked about
378 the situations of crisis within the businesses they worked at and as there are numerous situations of crisis, the
379 excessive fluctuations in exchange rates turned out to be the crisis mostly exposed to with 16 (38,1%), followed
380 by turmoil and war experienced in neighboring countries and wars with 14 (33, 3%).

34 Crisis in the Businesses within the Scope of the Research

35 Crisis Management Planning before the Crisis in the

Businesses within the Scope of the Research 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.

The Level of Crisis in the Businesses within the Scope of the Research 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%). 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.

36 Precautions to Get Out of the Crisis during the Crisis

Period in the Businesses within the Scope of the Research 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 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.

37 Administration Style during the crisis in the

Businesses within the Scope of the Research 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 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. 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. 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.

38 Post-crisis situation analysis in the Businesses within the Scope of the Research

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.

39 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 consist a 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. Therefore, 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.



Figure 1: Figure 1 :

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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 equipment, plants, etc.
Labor shortage	Tampering with computer records	Loss of key facilities
Major decline in stock price and fluctuations	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	Hostage taking	Floods
Rise in vandalism and accidents	Rumors	Terrorism	Typhoons
Workplace violence	Damage to corporate reputation Tampering with corporate logos	Workplace violence	Hürricanes Fire

2

Figure 2: Figure 2 :

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

14

Figure 3: 14 .

1

Demographic Information		Frequency	Percentile
Gender	Female	9	21,4
	Male	33	78,6
	Total	42	100
Marital Status	Married	29	69,3
	Single	13	31
Age Range	Total	42	100
	20-30	14	33,3
	31-40	12	28,6
	41-50	12	28,6
	51 and above	4	9,5
Education Level	Total	42	100
	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

Figure 4: Table 1 :

2

Participant's Duties in the Business		Frequency	Percentile
Participant's Duties in the Business	Upper Level	18	42,9
	Medium Level	9	21,4
	Sub Supervisor	8	19
	Engineer	3	7,1
	Total	38	90,8
	Chef	1	2,4
	Master Builder	1	2,4
	Worker	0	0
	Other	2	4,8
	Total	42	100

Figure 5: Table 2 :

4

Business Information		Frequency	Percentile
	Limited	26	61,9
		14	33,3
Title	Collective	0	0
	Comandite	0	0
	Other	2	4,8
	Total	42	100
Business Management Structure	Family Members	27	64,3
	Other Than Family 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

Figure 6: Table 4 :

3

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

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Figure 7: Table 3 :

5

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

Figure 8: Table 5 :

6

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

Figure 9: Table 6 :

7

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

Figure 10: Table 7 :

8

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[Note: A]

Figure 11: Table 8 :

9

Precautions to Get Out of the Crisis		Frequency	Percentile
	Applied	12	28,6
Decreasing the Assets	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 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 Product 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 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

Figure 12: Table 9 :

10

. 27 out

Figure 13: Table 10 :

11

		Crisis	Frequency	Percentile
Crisis management planning during the crisis	There was a change in the Administration during the Crisis	Style	9	21,4
	Change in the Administration Style during the Crisis	the Style	33	78,6
Total			42	100

Figure 14: Table 11 :

12

		crisis	Frequency	Percentage
Crisis management planning during the crisis	There was an emergency information center during the crisis	during	6	14,3
	Emergency Information the crisis Center during	the crisis center during information	36	85,7
Total			42	100

Figure 15: Table 12 :

13

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

Figure 16: Table 13 :

14

Post Situation	A	Crisis New	Frequency
Post Situation	A	Crisis New	Frequency
	Restructuring was made after the crisis		22
Post Crisis Situation	A	Crisis New	Frequency
	Restructuring was not made after the crisis		20
	Total		42

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 after the crisis.

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

Figure 17: Table 14 :

15

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

Figure 18: Table 15 :

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