CRISIS MANAGEMENT – THEORY & PRACTICE

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ABSTRACT

The main questions in the paper are: What is the business crisis? Where are the sources of the business crisis, who is responsible for the business crisis and what are the symptoms/syndromes? What includes the crisis management process? Are the companies in Croatia well prepared for a business crisis? Are the companies in Croatia better prepared for the business crisis compared to companies in Czech Republic, Hungarian, Poland and Slovak Republic?

The main theses of the paper are: 1. there are early weak signals of the business crisis before the visible crisis symptoms, 2. companies do not use that information’s in satisfactory manner, 3. companies in Croatia and region countries are not well prepared for a business crisis. If the company use a system of early weak signals, it has enough time to prepared for this unwanted process and to introduce the activities to avoided the crises, or, at least, to make it weaker. On this way the business crisis has lower influence on the business process, its durations is shorter and the consequences are not vitally danger.

Main sources for our research are literature about crisis management and empirical research in companies in Croatia and in the countries of the region (Czech Republic, Slovak Republic, Hungary, and Poland). Controlling is expert and active support to management with primary task to prepare information’s for the management decisions process. We researched the information’s flow of controlling.

Expected results of this research is that companies according to information’s flow of controlling in Croatia as well in the region are dominant short time and intraoriented. With the domination of that information’s companies in Croatia as well in the region could be prepared only for operative and acutely business crisis, while potential, latent and strategic crisis and their symptoms are completely neglected. It appears that companies in Croatia as well in the region are not adequately prepared for preventive management and timely recognition of crisis development.

Keywords: crisis management, Croatia