

# CHALLENGES CAUSED BY CRISIS EVENTS IN THE ACTIVITIES OF ORGANIZATIONS

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## INTRODUCTION

*Problem of the research.* Recently, there has been an increasing number of unforeseen events, such as natural disasters, disease outbreaks, and military conflicts, which cause significant negative consequences for societies and organizations. The need for organizations to be resilient in crisis situations is becoming critical in today's world. Therefore, the topic of organizational resilience becomes very relevant when the scientific problem is formulated as a problematic question: what managerial tools help organizations to be resilient during crisis situations.

*The purpose of the study* is to determine which crisis events have had the greatest impact on the activities of organizations and what challenges they have caused to the activities of organizations over the past 5 years.

Qualitative research was carried out - a semi-structured in-depth interview. The qualitative study involved 12 managers from different sectors whose organizations remained resilient during crisis situations.

## FORMS OF ORGANIZATIONS' RESILIENCE TO CRISIS SITUATIONS

Table 1. Forms of organizational resilience

Nr.	A form of resilience	Author
1.	Individual or organizational response.	Burnard and Bhamra, 2011
2.	Physical and social factors.	Achour and etc., 2014
3.	Structural, infrastructural and administrative types.	Fallah-Aliabadi and etc., 2020
4.	Functional, operational and strategic forms.	Hepfer and Lawrence, 2022
5.	Micro - individual psychological resilience, meso - social, organizational teams and macro - resilience of the entire organization, its operations.	Borg and etc., 2022

## RESEARCH METHODOLOGY

A qualitative semi-standardized open-ended in-depth interview was conducted. The research sample - heads of organizations of different sectors and legal forms in the city of Klaipėda, whose organizations remained resistant, i.e. has been operating for more than 5 years. The number of respondents – 12. The research was carried out Criteria for respondents: i) a person holding a managerial position; ii) managerial work experience of at least 3 years; iii) working in the organization for more than 5 years. The results of the qualitative research were analyzed using the qualitative content analysis method. The interviews took place anonymously, during a live interview in October - November 2022. Respondents who took part in the research were asked to answer which unexpected event most affected the organization's activities in the last 5 years and what challenges the organization faced (tables 2 and 3).

## CRISIS EVENTS AFFECTING THE ACTIVITIES OF THE ORGANIZATION

From the answers of the analyzed respondents, it was established that the activity of organizations was most affected by the Covid-19 pandemic in the last 5 years, regardless of which sector the organization belongs to and what its legal form is. This was noted by 6 out of 12 surveyed respondents. Other events that affected the organization's activities were also mentioned, related to external circumstances - military conflicts, increased energy prices, and internal circumstances of the organization - conflicts between employees and shareholders. These research results justify that at the moment, however, the biggest impact and shocks on the activities of organizations are caused by external events beyond their control, so it is necessary for organizations to be resilient and ready to react dynamically to unforeseen events.

Table 2. Crisis event

A crisis event that caused shock	Number of responses from respondents
The Covid-19 pandemic	5
Significantly increased costs of energy resources and inflation	3
Hostilities in Ukraine	2
Work relations	2

## CHALLENGES FOR THE ACTIVITIES OF ORGANIZATIONS

The specified crisis events caused a number of challenges for the heads of organizations, depending on the specifics of the activity. The need to reorganize the work of employees, disruptions in supply chains, search for technological solutions, and lack of funds were mentioned most often. Other challenges are also mentioned: general lack of preparation, information/communication problems with third parties, technical problems, psychological problems.

Table 3. Challenges for organizations

Challenges for the organization	Number of responses from respondents
Reorganization of employees' work	3
Lack of preparation	1
Technical problems	1
Broken supply chains	3
Restrictions set by the government	2
Creation and development of new services and activities	1
Income generation, lack of working capital	3
Providing information to customers	1
Regulating relationships with service providers	1
Psychological Problems	1

## CONCLUSIONS

- From the analysis of the scientific literature, it can be concluded that the activities of organizations are currently greatly affected by various unforeseen crisis situations that may be caused by natural forces or human actions. For organizations to survive in today's world, it is necessary to learn to respond dynamically to unforeseen situations, i.e. be resilient.
- The results of the empirical study revealed that currently the biggest shocks to the activities of organizations are caused by external crisis events beyond their control. The activities of the most studied organizations were affected by the Covid-19 pandemic in the last 5 years. The results of the study showed that areas such as personnel management, the formation of sustainable supply chains, technology implementation and financial policy are the most sensitive areas during crisis situations, and in order to be resistant to organizations, it is first necessary to strengthen these areas of organizational management.